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

17 June 2021

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 years ended 31 December 2018, 2019 and 2020 has been extracted from the Company's and the Guarantor's audited statutory financial statements;

(b) The forecast data for the financial year ending 31 December 2021 has been provided and approved by management of the Company and the Guarantor;

(c) Our commentary on the 2020 financial performance of the Virtu Maritime Group is based on information and explanations provided by management;

(d) 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

(e) 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 Malta Business Registry 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 2021

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

17 June 2021

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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
HSC JDLV	HSC Jean de la Valette
HSC SJPII	HSC Saint John Paul II
MGS	Malta Government Stock
MLA - SIC	Malta – Sicily route
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 Consolidated Financial Statements for the years ended 31 December 2018, 2019 and 2020 and forecasts for financial year ending 31 December 2021 for both the Company and 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

FAS dated 20 June 2019

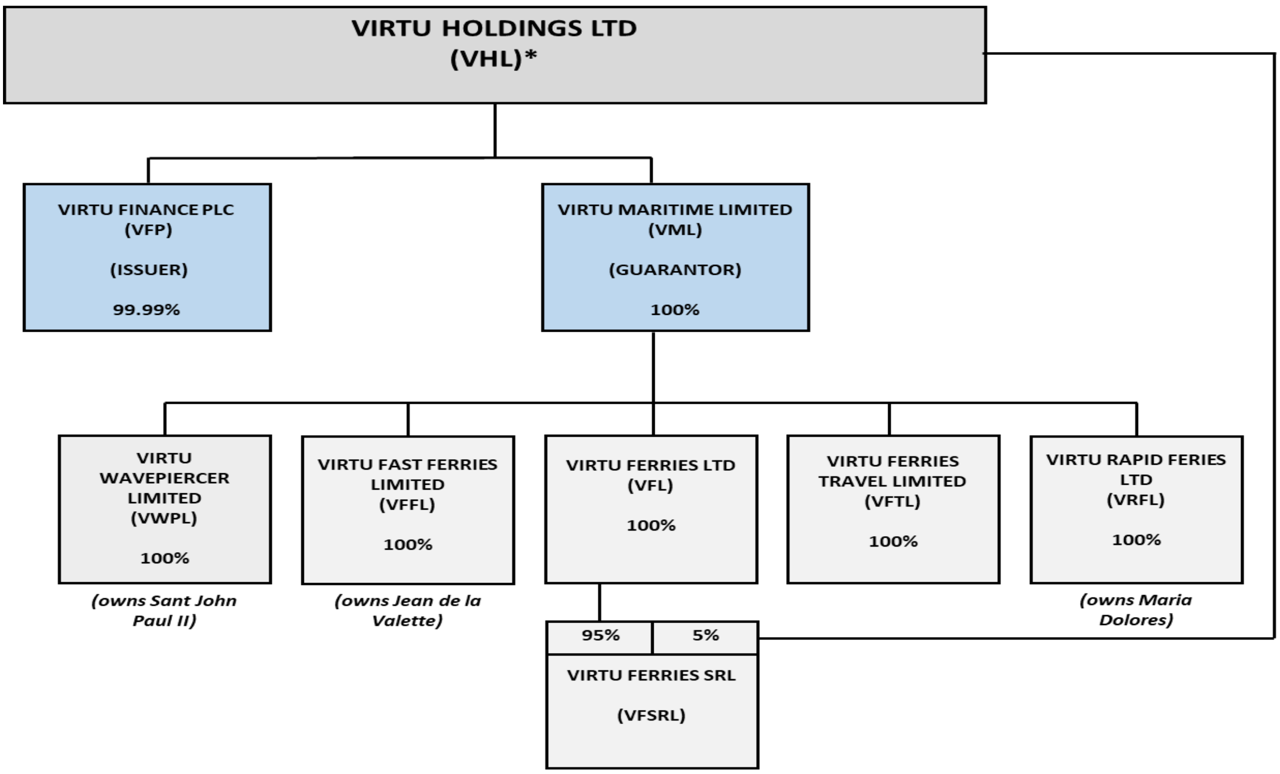
FAS dated 25 August 2020

1. INTRODUCTION

Virtu Finance p.l.c. was registered on 6 July 2017 as a public limited liability company. 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 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**"). As from June 2021, VFL will also be entrusted with the operation of the Malta-Gozo fast ferry service through two vessels, namely DSC San Frangisk and DSC San Pawl, which are owned by related entities outside of VML. Nonetheless, the impact from the Malta-Gozo route on the results of VML in FY2021 are expected to be minimal.

VFFL owns the *HSC Jean de la Valette* (*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. Between May 2019 and 1 February 2021, 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. Subsequently the vessel returned to Malta via drydocking in Cadiz to undergo routine repair and maintenance works. During 2021, the HSC JDLV will be deployed as a second vessel on the Malta-Sicily route to operate both on the Malta-Pozzallo route as well as on the Malta-Catania route which is expected to be re-introduced in the summer of 2021.

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 was deployed on the route between Tarifa in Spain and Tangier Ville in Morocco since 2012. In March 2020, following the termination of the latest charter agreement, the vessel underwent an extensive refit ahead if its return to operations on the route between Spain and Morocco once circumstances and regulations so permit. However, a new charter agreement in this respect has not been signed and will only be entered into once operations are authorised to resume. The *HSC Maria Dolores* could also be chartered on a different route.

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

Further detail on status of operational activities per vessel is available in the next sections.

3. Principal Activities of the Virtu Maritime Group and Market Trends in 2020

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**").

During 2020, the HSC Jean de la Valetta (the "**HSC JDLV**") continued to service the domestic route connecting the main island of Trinidad to the sister island of Tobago in line with the BIMCO ROPAXTIME charter party agreement signed by VFFL with the Trinidad & Tobago State-owned company, the National Infrastructure Development Company Limited on 17 May 2019. This charter was awarded after an international call by the Government of Trinidad & Tobago.

The chartering of the *HSC Maria Dolores* vessel also formed part of the Group's business until 17 March 2021 when it came off charter as all traffic between Spain and Morocco was halted for COVID-19 related reasons.

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

The MLA-SIC Line

The HSC Saint John Paul II

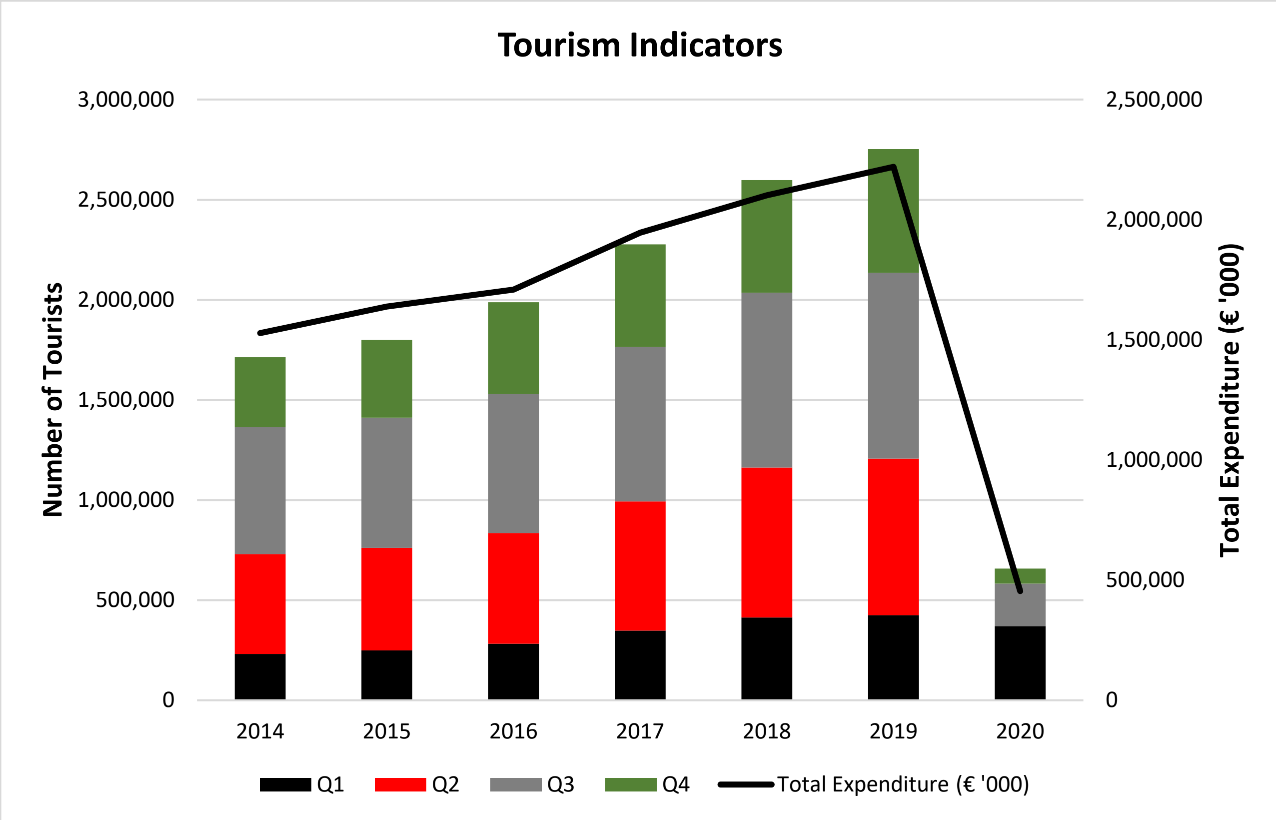
During FY2020, the Malta-Sicily line, serviced principally by HSC SJPII, completed 848 trips (FY2019: 1,072 trips) against a forecasted 828 trips. This outcome, which is marginally better than expectations but still below the 2019 corresponding figure, reflects the disruptions brought about by the outbreak of COVID-19 to the Group's operations. In fact, management noted that whilst freight traffic on the Malta/Sicily route held up reasonably well, passenger and passenger car traffic were adversely affected by COVID-19 related travel and other restrictions.

The HSC Maria Dolores and the HSC Jean de la Vallette Charters

During FY2020, the *HSC Maria Dolores* and *HSC Jean De La Vallette* charters together generated revenue of €13.6 million (FY2019: €13.2 million). The *HSC Maria Dolores* charter agreement was terminated on 17 March 2020, two months ahead of its original termination date as all traffic between Morocco and Spain was halted due to COVID-19 related regulations. Moreover, in contrast to the Company's earlier expectations, the *HSC Maria Dolores* was unable to recommence operations in the fourth quarter of 2020 due to the aforementioned travel restrictions which remain in force as at the date of this Report. Section 4 provides an update in this regard. In so far as the *HSC Jean De La Vallette* is concerned, an agreement was signed on 16 May 2019 for the charter of the vessel for a period of one year commencing mid-June 2019. The charter agreement was subsequently extended to 1 February 2021. Following the termination of this charter agreement, the *HSC Jean De La Vallette* returned to Malta to act as a second vessel on the MLA-SIC line.

Tourism Trends And Sicily as a Destination and Source Market

The Malta National Statistics Office ("NSO") tourism indicators confirm the significant adverse impact the outbreak of COVID-19 had on the local tourism industry which slumped to levels last seen before the turn of the 21st century. In contrast to the growth that was being achieved in prior years, during 2020 Malta welcomed just 0.66 million tourists representing a 76.1% drop from the previous year's figure of 2.75 million tourists. Likewise, expenditure also sharply contracted to a fresh multi-year low of €0.46 million compared to the more than €2.2 million registered in FY2019.



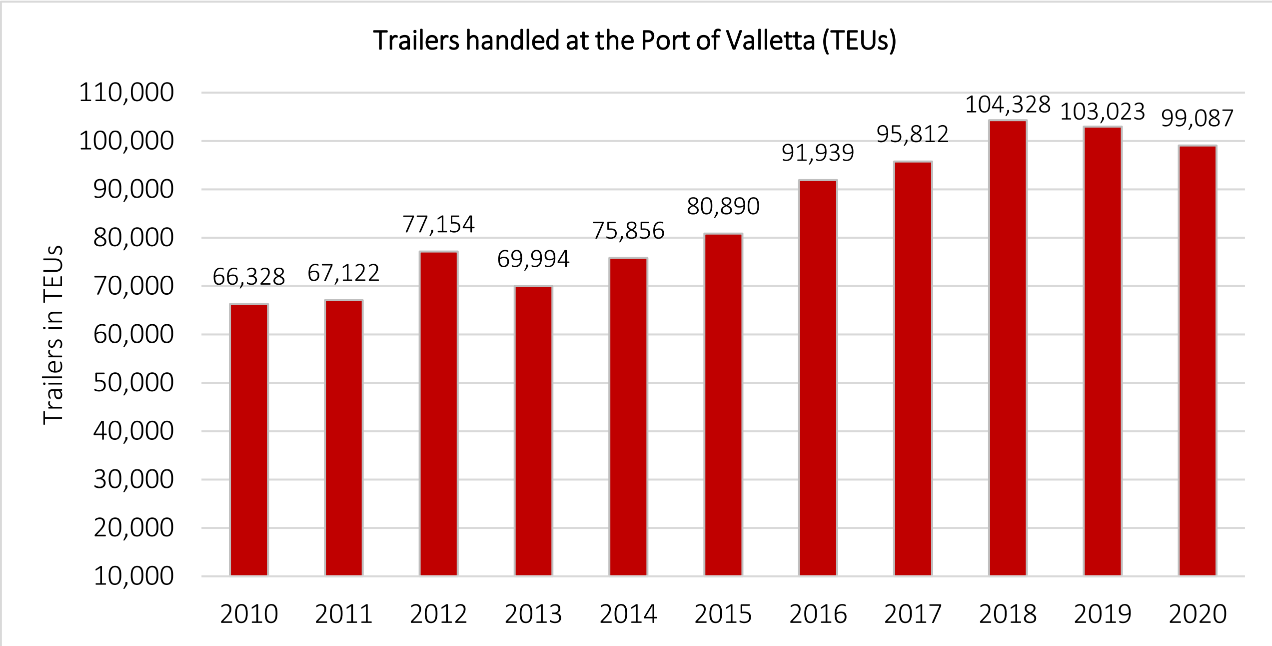
Source: NSO

The outlook for the tourism industry largely depends on the success or otherwise of the roll-out of the various COVID-19 vaccines which is key in controlling the spread of the virus and thus one of the determining factors when authorities consider lifting travel restrictions. Unfortunately, Europe, the main source market for Malta, has lagged behind other regions in its inoculation drive and therefore travelling within the continent is likely to remain subdued.

In view of the above, although management are expecting a recovery from 2020 during which travel restrictions were more severe, passenger and passenger vehicle traffic movements between Malta and Sicily are expected to remain below pre-COVID-19 levels.

Meanwhile, 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, held up reasonably well. 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 decreased by 3.8% to a 3-year low of 99,087 reflecting the disruption brought about by COVID-19 and the related travel restrictions. Nonetheless, it also reflects the strategic importance of the Port of Valletta in supporting the importation of goods into the island of Malta.



Source: Transport Malta Annual Report 2020

4. COVID-19 – IMPACT ON BUSINESS AND MARKET UPDATE

The emergence of the COVID-19 pandemic in early March 2020 changed the economic landscape materially. This global event has unsurprisingly altered the business and market environment of almost all sectors and geographic regions. The Guarantor's business is also susceptible to the risks that this event has created. In fact, as anticipated in the 2019 Annual Report and the Financial Analysis Summary dated 25 August 2020, the operations of the Virtu Maritime Group were adversely impacted by the COVID-19 pandemic resulting in lower profits and cash generation in FY2020 when compared to FY2019.

As previously explained, the various lockdown measures implemented across the world but particularly in Sicily, Italy (initially enacted on 11 March 2020), led to a sharp adverse effect on the amount of passenger and passenger car traffic crossing between the two islands. Meanwhile, freight traffic held up reasonably well. Going forward, demand for freight traffic is expected to remain healthy given the importance of importing goods to the island of Malta whilst tourist and passenger traffic is expected to rebound but remain well below pre-COVID-19 levels.

Similarly, on 12 March 2020, the Spanish lockdown impacted the Guarantor's vessel charter operations in the region and ferry crossings were suspended immediately. As a result, following discussions with the vessel's charterer, the charter agreement was terminated on 17 March 2020, two months ahead of its original termination date, and the *HSC Maria Dolores* sailed safely to Malta. In the meantime, the vessel has undergone an extensive refit ahead of its return to operations.

On the other hand, the charterer of the *HSC JDLV,* operating on the domestic route between Trinidad and Tobago was unaffected by COVID-19 during 2020 as it continued to service the sea link between these two islands. In fact, the charter agreement which commenced in mid-2019 for an initial one-year term was extended until 1 February 2021. Upon the termination of the charter agreement, the *HSC JDLV* returned to Malta to act as a second vessel on the Malta-Sicily route supporting the *HSC SJPII* on the Malta-Pozzallo route as well as servicing the Malta-Catania line which is expected to commence in Summer 2021. Management noted that this new service would complement the existing Malta Sicily route (between Valletta and Pozzallo) operated by *HSC SJPII* in response to requirements of Maltese and Sicilian importers as well as exporters.

Looking ahead, the Directors anticipate that VMG's operations for FY2021 are expected to continue to be adversely impacted by the effects of the pandemic.

5. 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 John M Portelli	Chairman
Mr Francis A 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.

6. Material Assets and Contracts

VMG, either directly or via its subsidiaries, is party to material contracts with related parties, as detailed hereunder[1].

Agreement & Counterparty	Nature of Agreement	Agreement Dates
Bareboat Charter Agreement between VFL and VFFL.	Standard BIMCO BARECON charter party agreement for ROPAX[2] vessel *HSC JDLV* between VFL and VFFL.	Agreement dated 01/04/2021. Charter period of 10 years.
Bareboat Charter Agreement between VFL and VWPL.	Standard BIMCO BARECON charter party agreement for the HSC SJPII between VFL and VWPL.	Agreement dated 10/03/2019. Charter period of 10 years.
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. Agreement dated 12/06/2021. Commencement date 01/10/2021 for a period of 10 years.
Ship Management Agreement between VFL and VWFL.	Standard time charter party agreement for ROPAX vessel *HSC SJPII* between VFL and VWFL.	Agreement dated 04/02/2019. Commencement date 04/02/2019 for a period of 10 years.
Bareboat Charter Agreement between VFL and Sescat Invest Ltd (a related party)	Standard time charter party agreement for the *DSC San Frangisk* between VFL and Sescat Invest Ltd.	Agreement dated 01/06/2021. Charter period of 5 years which can be extended for a further 1 year.
Bareboat Charter Agreement between VFL and Pampas Maritime Ltd (a related party)	Standard time charter party agreement for the *DSC San Pawl* between VFL and Pampas Maritime Ltd.	Agreement dated 01/06/2021. Charter period of 10 years.

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 on 1 September 2010 and will expire on 30 June 2036. Under this agreement, VGT is

[1] *VRFL is expected to enter into a new charter agreement for the HSC Maria Dolores once the vessel recommences operations.*

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

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[3] €'000	VVE % of Total Assets
2018	153,636	92,229	60.03%
2019	202,061	127,820	63.26%
2020	199,974	122,780	61.40%

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[4]	Spain - Morocco (up to March 2020)	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 June 2019 to February 2021); Malta – Sicily (from April 2021);	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

[3] *Value represents the net book value of the Group's vessels.*

[4] *A new charter agreement for the Spain – Morocco route is expected to be signed once operations recommence.*

7. FINANCIAL INFORMATION - INTRODUCTION

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 financial years ending 31 December 2018, 2019 and 2020. Furthermore, in terms of the Listing Policies issued by the MFSA, the Company is required to prepare forecasts for the current year FY2021.

The forecasts for FY2021 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 2018 €'000	Actual 2019 €'000	Actual 2020 €'000	Forecast 2021 €'000
Finance income	1,095	1,088	1,098	1,098
Finance cost	(986)	(989)	(991)	(993)
Administrative Expenses	(102)	(86)	(98)	(99)
Profit before tax	**7**	**13**	**9**	**6**
Tax expense	(2)	(5)	(3)	(2)
Profit after tax	5	8	6	4

In FY2020, finance income amounting to €1,098,000 was generated from a facility fee and interest charged on loans advanced to VML. Finance costs comprise interest payable on the outstanding bond issue as well as the amortisation of the issuance costs of the bond. Administrative expenses principally comprise Directors fees but also include other professional fees. There are no significant changes in the company's activities that lead to material differences in results from one year to the next in line with the objectives of the company.

8.2 Statement of Financial Position

as at 31 December	Actual 2018 €'000	Actual 2019 €'000	Actual 2020 €'000	Forecast 2021 €'000
ASSETS				
Non-current assets				
Loans and receivables	24,400	24,400	24,400	24,400
Current assets				
Trade and other receivables	692	758	810	761
Cash and cash equivalents	90	8	13	6
Total assets	**25,182**	**25,166**	**25,223**	**25,167**
EQUITY AND LIABILITIES				
Non-current liabilities				
3.75% bonds 2017-2027	24,459	24,511	24,564	24,509
Current liabilities				
Trade, other payables & tax	217	140	139	134
Total liabilities	**24,676**	**24,651**	**24,703**	**24,643**
EQUITY				
Share capital	500	500	500	500
Retained earnings	6	15	20	24
Total equity	**506**	**515**	**520**	**524**
Total equity and liabilities	**25,182**	**25,166**	**25,223**	**25,167**

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 SJPII*. 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 given the nature of the company's activities and objectives.

8.3 Statement of Cash Flows

for the year ended 31 December	Actual 2018 €'000	Actual 2019 €'000	Actual 2020 €'000	Forecast 2021 €'000
Net cash (used in) / generated from operating activities	89	(81)	5	(7)
Net cash used for investing activities	-	-	-	-
Net cash from financing activities	-	-	-	-
Net movements in cash and cash equivalents	**89**	**(81)**	**5**	**(7)**
Cash and cash equivalents at beginning of the year	-	89	8	13
Cash and cash equivalents at end of year	89	8	13	6

Immaterial cash transactions were recorded in FY2020 similar to FY2019. Likewise, FY2021 is not expected to generate any cash movements other than movements in the ordinary course of business.

9. VIRTU MARITIME GROUP

The forecasts for FY2021 included in this FAS update have been based on the best information available to the Board of Directors at the time of the preparation of these forecasts. These include the best estimates of the adverse impact on the Virtu Maritime Group's business resulting from the COVID-19 pandemic. Recent events have indicated that the pandemic has not yet been completely suppressed and various governments are being obliged to implement ongoing policy changes and restrictions in response to any material spike in infection rates and the emergence of new highly transmissible variants. In the light of the continuing uncertainty being caused by the pandemic, readers of this FAS update should appreciate and take into account that the forecasts for FY2021 come with a lesser degree of confidence and assurance than would normally be the case.

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 2021.

Revenue **Breakdown**	Actual FY2018 *€'000*	Actual FY2019 *€'000*	Actual FY2020 *€'000*	Forecast FY2021 *€'000*
Ferry service, accommodation & excursions	27,101	29,327	17,654	18,791
Charter hire & related income	5,271	13,183	13,557	1,351
Food and beverage sales	776	914	332	368
Total	33,148	43,424	31,543	20,510

Source: *Management information*

As illustrated in the table above, in FY2018 and FY2019, the '*ferry service, accommodation & excursions*' segment comprised the most significant revenue stream as it accounted for 81.7% and 67.5% of VML's revenue respectively. Meanwhile, in FY2020, in view of the adverse impact of COVID-19 on the business of VML, particularly on the Malta-Sicily route whereby the number of passengers and passenger cars crossing between the two islands dropped sharply, the revenue from this line of business contracted by almost 40% to €17.65 million. As a result, the contribution of 'ferry service, accommodation & excursions' income to overall revenue dropped to 56% as the revenue from the *'charter hire and related income'* (related to the charter of *HSC JDLV* and *HSC Maria Dolores* to third parties) actually increased by 2.8% to €13.56 million. This increased charter income reflects a full-year contribution from the charter of the *HSC JDLV* (as opposed to 6 months in FY2019) which offset the drop in income from the charter of the *HSC Maria Dolores* which halted operations as from March 2020 due to COVID-19 related travel restrictions. This resulted in the contribution of *'charter hire and related income'* increasing from 30.4% in 2019 to 43% in 2020.

The *'food and beverage sales'* remain a relatively immaterial source of revenue overall. However, the impact of the developments described above and earlier on in this report have also negatively affected these sales as they are directly related to passenger demand on round trips to and from Sicily. As a result, income from this business activity sharply contracted by 63.7% to €0.33 million.

The forecast revenue for FY2021 is once again characterised by the adverse effects of the pandemic and the uncertainty and lack of forward visibility arising therefrom. Management is expecting a rebound in the number of passengers and passenger cars travelling between Malta and Sicily as travel restrictions are gradually lifted and the Malta-Catania route service is added to the existing Malta-Pozzallo line. Nonetheless, business activity is not anticipated to reach pre-COVID levels in the immediate future. The forecast anticipates that income from '*ferry service, accommodation & excursions*' will improve by 6.4% from €17.65 million in FY2020 to €18.79 million in FY2021 which remains 36% below the corresponding income registered in 2019 (pre-COVID). Likewise, *'food and beverage sales'* are forecast to improve by 10.8% from €0.33 million in FY2020 to €0.37 million in FY2021 albeit still below pre-COVID levels.

Furthermore, VML is forecasting a significantly lower level of revenue from *'charter hire and related income'* of €1.35 million for FY2021. This figure solely represents the actual income generated up to 1 February 2021, following which both the HSC Jean de La Vallette and the HSC Maria Dolores were off charter. For the remainder of FY 2021 it is anticipated that the *HSC JDLV* will be serving as a second vessel on the Malta-Sicily route. In so far as the *HSC Maria Dolores* is concerned, management's prudent assumption is that it will remain off-charter for the full year given the current uncertainty as to when COVID – related restrictions will be lifted enabling the vessel to resume operations.

9.2 Income Statement

for the year ended 31 December	Actual 2018 €'000	Actual 2019 €'000	Actual 2020 €'000	Forecast 2021 €'000
Revenue	**33,148**	**43,424**	**31,543**	**20,510**
Cost of Sales	(16,015)	(17,687)	(14,696)	(15,515)
Gross Profit	**17,133**	**25,737**	**16,847**	**4,995**
Administrative expenses	(3,936)	(4,580)	(3,783)	(3,720)
Other income	773	729	453	667
EBITDA	**13,970**	**21,886**	**13,517**	**1,942**
Depreciation & amortisation	(2,973)	(6,001)	(6,011)	(5,750)
Operating profit	**10,997**	**15,884**	**7,506**	**(3,808)**
Net finance costs	(550)	(2,846)	(2,992)	(2,726)
Profit before tax	**10,447**	**13,038**	**4,514**	**(6,534)**
Tax (expense) / credit	462	(195)	15	-
Profit after tax	**10,909**	**12,843**	**4,529**	**(6,534)**

FY2020 Review

During FY2020, total revenue contracted by 27.4% to €31.54 million largely reflecting the lower level of activity on the Malta-Sicily route due to the disruptions brought about by COVID-19.

Cost of sales and administrative expenses mainly comprise vessel operating expenses and employee benefits. In aggregate, operating expenditure contracted by 17% from €22.27 million in FY2019 to €18.48 million in FY2020 reflecting the decrease in operational activity of the Group.

Nonetheless, the larger drop in revenue resulted in lower earnings before interest, tax, depreciation and amortisation (EBITDA) figure of €13.52 million in FY2020 (FY2019: €21.89 million). After accounting for a relatively unchanged depreciation and amortisation charge of €6 million, operating profit in FY2020 amounted to €7.51 million representing a 52.7% drop from the corresponding figure of €15.88 million registered in FY2019.

Net finance costs increased by 5.1% to €2.99 million in FY2020 (FY2019: €2.85 million) largely reflecting a lower level of finance income from €0.86 million to €0.46 million. The drop reflects the part repayment of a loan from a related party. This was only partially offset by the 7.4% drop in finance costs to €3.34 million in FY2020 (FY2019: €3.61 million) largely reflecting the repayment of €4.59 million in bank loans over the course of the year.

Overall, for the reasons explained above, VML registered a pre-tax profit of €4.51 million in FY2020, which is significantly lower than the pre-tax profit of €13.04 million registered in FY2019. After accounting for a minor tax credit, the net profit for FY2020 amounted to €4.53 million (FY2019: €12.84 million).

Forecasts FY2021

The forecast assumes that the performance in FY2021 is expected to be adversely impacted by the disruptions brought about by the pandemic as well as the termination of the charter agreements with third parties. As described in Sections 9.1 & 9.2 above, revenue is forecast to contract by a further 35% to €20.51 million as the anticipated rebound in 'ferry service, accommodation & excursions' is not expected to reach pre-pandemic levels, and more significantly will be insufficient to counter the anticipated drop in charter revenue. As noted above, following the termination of the charter agreement in Trinidad & Tobago on 1 February 2021, the *HSBC JDLV* started operating as a second vessel on the Malta-Sicily route supporting the *HSC SJPII* on the Malta-Pozzallo route as well as operating the Malta-Catania line as from Summer 2021. Moreover, the cautious assumption adopted by management is that the *HSC Maria Dolores* will remain off-charter throughout FY2021, as it is still uncertain when the vessel will resume operations.

Operating expenses (comprising both cost of sales and administrative expenses) are expected to increase by 4.1% to €19.24 million (FY2020: €18.48 million) in line with the forecasted improvement in business activity on the Malta-Sicily route and reflective of the fact that two vessels will be operative on this route. The FY 2020 annual report reveals that VML has entered into swap agreements to enable it to purchase around a third of its fuel requirements at a pre-determined fixed price denominated in US Dollars. Meanwhile, the cost of the remaining fuel purchases will be subject to the movements in the price of oil as well as the US Dollar exchange rate against the euro.

As a result of the assumptions adopted in the preparation of the forecast, EBITDA is expected to contract further to €1.94 million in FY2021 from €13.52 million in FY2020.

After accounting for depreciation charges of €5.75 million (FY2020: €6.01 million) VML is forecasted to incur an operating loss of €3.8 million in FY2021, which contrasts with the operating profit of €7.5 million and €15.9 million registered in FY2020 and FY2019 (pre-COVID) respectively.

Net finance costs are expected to decrease marginally from €2.99 million in FY2020 to €2.73 million in FY2021 reflecting the full-year effect of a reduction in the interest rate charged on certain bank loans with effect from mid-2020.

Overall, the Group is forecasting a pre-tax loss for FY 2021 of €6.53 million in contrast to the pre-tax profit of €4.5 million for the previous year. No tax charge or credit is being forecasted for FY2021.

As noted above, the FY 2020 results of the Group were adversely impacted by the outbreak of the COVID -19 pandemic, and this has continued to be the case through the first five months of FY 2021. The high degree of efficacy demonstrated by the vaccines, the impressive roll out of the inoculation programme in Malta and, after a very slow start, the gathering momentum of the roll out across Europe, gives cause for a degree of cautious optimism. Lockdowns are starting to be lifted and tourist travel is starting to pick up – albeit with an element of hesitancy in certain countries. However, a degree of uncertainty still prevails, and management and the board of directors, adopting an abundance of caution, have chosen to apply what they believe to be careful and prudently based assumptions in the preparation of the FY 2021 forecasts.

9.3 Statement of Cash Flows

for the year ended 31 December	Actual 2018 *€'000*	Actual 2019 *€'000*	Actual 2020 *€'000*	Forecast 2021 *€'000*
Net cash (used in)/from operating activities	13,465	20,959	9,154	(120)
Net cash used in investing activities	(2,504)	(41,287)	(151)	(8,357)
Net cash (used in)/from financing activities	(22,892)	27,375	(8,352)	161
Net movements in cash and cash equivalents	**(11,931)**	**7,047**	**651**	**(8,316)**
Cash and cash equivalents at beginning of the year	13,345	1,414	8,461	9,112
Cash and cash equivalents at end of year	**1,414**	**8,461**	**9,112**	**796**

FY2020 Review

Cash generated from operations sharply contracted in FY2020 by 56.3% to €9.15 million reflecting the COVID-19 impact on the Group's business activity.

Meanwhile, net cash used in investing activities amounted to just €0.15 million in FY2020 as VML did not undertake any material capital projects during the year under review. The €41.29 million in net investment cash outflows that was registered in FY2019 largely reflects the final payment on delivery of *HSC SJPII*. The net cash used in financing activities of €8.35 million in FY2020 largely comprises the repayment of bank borrowings as well as the repayment of loans to related parties as opposed to the net cash from financing activities in FY2019 which amounted to €27.38 million and mainly reflect the final €40 million drawn down on the bank loan arranged to finance the acquisition of the *HSC SJPII*. Overall, during FY2020, VML generated €0.65 million in cash and cash equivalents which resulted in a cash balance of €9.11 million as at the end of the year.

Forecasts FY2021

Looking ahead, in FY2021, the Group is expected to generate substantially less cash from operating activities and is anticipating a negative cash balance from operations of €0.12 million as business is expected to remain relatively subdued on the Malta-Sicily route, the HSC JDLV charter ended on 1 February 2021, the *HSC Maria Dolores* is not forecast to generate any revenue during the year. At the same time, operating costs are anticipated to increase as two vessels will be operating on the Malta-Sicily route.

Net cash used in investment activities is once again expected to increase and reach €8.36 million largely reflecting the scheduled refit of the *HSC JDLV* four engines. A separate bank facility is in the course of being concluded in this regard.

Meanwhile, financing activities are expected to return a net inflow of €0.16 million reflecting the drawdown of €10 million in new loans including the €5 million loan made available the Malta Development Bank (MDB) which was not drawn down in 2020.

The Income Statement forecasts above project a loss of €6.5 million for FY 2021 and total net cash outflows for the year of €8.3 million. These outflows include projected interest and loan principal repayments for the year amounting to €9.2 million as well as a provision for €7.6 million relating to a scheduled (24,000 hours) refit of the four JDLV engines. The Board believes that it is critical that this manufacturer recommended and Class required refit should take place as scheduled in anticipation of improved post-COVID prospects for the vessel. Furthermore, it should be noted that the forecast loss for the year of €6.5 million is stated after a (non-cash) depreciation charge of €5.7 million, and that the forecasts show a positive (though much reduced) EBITDA for the year of €1.9 million.

The Board, conscious of the net outflow of cash indicated by the forecast, will by way of contingency planning, engage with the Group's bankers and shareholders to ensure that adequate funding and/or facilities are in place for the duration of the period that the Group's business continues to be impacted by COVID-19. With shareholders' equity in excess of €80 million, the Group has a strong balance sheet, the market for quality high speed vessels remains buoyant and the projections assume the uninterrupted servicing (of interest and capital) on all existing bank facilities. The Board is therefore confident that, should they be required, appropriate contingency arrangements whether by way of standby facilities or temporary moratoria can be secured.

9.4 Statement of Financial Position

as at 31 December	Actual 2018 €'000	Actual 2019 €'000	Actual 2020 €'000	Forecast 2021 €'000
ASSETS				
Intangible assets	50,006	50,006	50,006	50,006
Vessel and vessel equipment	93,204	129,029	123,709	126,856
Right-of-use assets	-	7,936	7,396	6,857
Trade & other receivables	1,472	115	115	115
Deferred taxation	673	512	540	540
Total non-current assets	**145,355**	**187,598**	**181,766**	**184,374**
Inventories	344	333	269	330
Trade and other receivables	6,523	5,669	8,827	10,967
Cash and cash equivalents	1,414	8,461	9,112	796
Total current assets	**8,281**	**14,463**	**18,208**	**12,093**
Total assets	153,636	202,061	199,974	196,467
LIABILITIES				
Borrowings	23,226	52,784	48,720	50,912
Trade & other payables	24,400	45,530	45,530	45,530
Lease Liabilities	-	7,771	7,457	7,114
Total non-current liabilities	**47,626**	**106,085**	**101,707**	**103,556**
Borrowings	5,484	7,697	7,175	8,206
Trade and other payables	10,151	5,875	4,133	4,280
Current tax liability	1	7	29	-
Lease Liabilities	-	310	314	343
Total current liabilities	**15,636**	**13,889**	**11,651**	**12,829**
Total liabilities	63,262	119,974	113,358	116,385
EQUITY				
Share capital	4,363	4,363	4,363	4,363
Retained earnings	20,538	12,251	16,780	10,246
Other reserve	45,473	45,473	45,473	45,473
Capital reserves	20,000	20,000	20,000	20,000
Total equity	**90,374**	**82,087**	**86,616**	**80,082**
Total equity and liabilities	153,636	202,061	199,974	196,467

FY2020 Review

As at 31 December 2020, Group assets totalled just below €200 million (FY2019: €202.1 million), mainly composed of '*vessel and vessel equipment'* (€123.7 million) and '*intangible assets'* (€50 million). The 1% decrease largely reflects the depreciation charge for the year on VML's vessels and related equipment. This charge was only partially offset by the 55.7% increase in 'trade and other receivables' to €8.83 million (largely reflecting advances to ultimate parent company) and the 7.7% increase in cash and cash equivalents to €9.11 million.

Meanwhile, total liabilities contracted by 5.5% to €113.4 million reflecting the 7.6% decline in bank borrowings to €55.9 million and the 29.7% reduction in current trade payables to €4.13 million. Total Group borrowings amounted to €55.9 million in bank loans and an additional €24.4 million due to Virtu Finance plc (representing the bonds in issue on lent to the Group) and included in trade and other payables under non-current liabilities. The balance of €21.1 million under this classification represents a non-current liability due to Virtu Holdings Limited, the parent company.

At the end of FY2020, the Group's total equity amounted to €86.62 million and funds 43.3% of the total asset base. The equity base is comprised of: (i) '*other reserves'* of €45.47 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 relating to a subordinated loan granted by Virtu Holdings Limited to VML; (iii) '*retained earnings'* of €16.78 million and (iv) '*share capital'* amounting to €4.36 million. The only change from FY2019 is in *'retained earnings'* which increased by €4.5 million or 37% reflecting the net profit registered during FY2020.

Forecasts FY2021

In FY2021, VML is expecting total assets to contract by 1.75% largely reflecting the utilisation of the majority of the cash balance which is anticipated to decline from €9.11 million in FY2020 to €0.8 million in FY2021 to compensate for the sharp decline in the cash that is expected to be generated from operations (as explained in section 9.3).

On the liabilities side, borrowings are expected to increase by €3.2 million to €83.52 million following the drawdown of the €5 million loan from the Malta Development Bank as well as a further €5 million bank loan which will be partly offset by repayments of existing bank loans. Given the challenging circumstances due to COVID-19, total equity is anticipated to decrease from €86.62 million in FY2020 to €80.08 million reflecting the estimated loss to be incurred in FY2021 that will force retained earnings down from €16.78 million to €10.25 million.

Analysis of Borrowings

as at 31 December	Actual 2018 €'000	Actual 2019 €'000	Actual 2020 €'000	Forecast 2021 €'000
Short-term borrowings	5,484	7,697	7,175	8,206
Long-term borrowings - Bank	23,226	52,784	48,720	50,912
Long-term borrowings – VFP Loan	24,400	24,400	24,400	24,400
Total borrowings	53,110	84,881	80,295	83,518
Less: Cash and cash equivalents	1,414	8,461	9,112	796
Net Debt	51,696	76,420	71,183	82,722
Equity	90,374	82,087	86,616	80,082
Total funding	**142,070**	**158,507**	**157,799**	**162,804**

The decrease in total borrowings between FY2019 and FY2020 results principally from the repayment of €4.59 million in bank borrowings. This was only partially offset by the increase in the cash balance and therefore net debt decreased from €76.42 million in FY2019 to €71.18 million in FY2020.

For FY2021, net debt is expected to increase as a result of new facilities totalling €10 million concluded or under negotiation with the Group's bankers. The forecast assumes that current arrangements concerning the regular payment of interest and principal on all existing facilities remain in place. As a result, VML's net debt is forecast to increase from €71.18 million in FY2020 to €82.72 million by the end of FY2021.

10. Ratio Analysis

Profitability Ratios

	Actual FY2018	Actual FY2019	Actual FY2020	Forecast FY2021
Gross Profit margin *(Gross Profit / Revenue)*	51.69%	59.27%	53.41%	24.35%
EBITDA margin *(EBITDA / Revenue)*	42.14%	50.40%	42.85%	9.47%
Operating Profit margin *(Operating Profit / Revenue)*	33.18%	36.58%	23.80%	N/A
Net Profit margin *(Profit for the Period / Revenue)*	32.91%	29.58%	14.36%	N/A
Return on Equity *(Profit for the Period / Average Equity)*	12.85%	14.89%	5.37%	N/A
Return on Capital Employed *(Profit for the Period / Average Capital Employed)*	7.87%	8.27%	2.71%	N/A
Return on Assets *(Profit for the Period / Average Total Assets)*	6.91%	7.22%	2.25%	N/A

As expected, the outbreak of the pandemic had an adverse effect on the financial performance of VML and its subsidiaries. As a result, the profit margins weakened in FY2020 compared to FY2019. Likewise, the return on equity, capital employed and assets were weaker than those of the previous comparable period.

In FY2021, COVID-19 is expected to continue disrupting the business activities of VML and therefore the Group is expecting a further contraction in the gross profit and EBITDA margins. Moreover, the other ratios cannot be computed in view of the loss forecast to be registered by VML in FY2021.

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 FY2018	Actual FY2019	Actual FY2020	Forecast FY2021
Current Ratio *(Current assets / Current liabilities)*	0.53x	1.04x	1.56x	0.94x
Cash Ratio *(Cash & cash equivalents / Current liabilities)*	0.09x	0.61x	0.78x	0.06x

An increase in trade receivables and cash balances in FY2020 combined with a reduction in current liabilities (as explained in Section 9.4) generated a heathy improvement in the two key liquidity metrics. Meanwhile, the liquidity ratios are expected to deteriorate in FY2021 on the back of the cash utilisation (to support the Group's financing requirements in view of the significant decline in the cash expected to be generated from operations) as well as an increase in current liabilities reflecting the additional short-term bank borrowings.

Solvency Ratios

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

	Actual FY2018	Actual FY2019	Actual FY2020	Forecast FY2021
Interest Coverage ratio *(EBITDA / Net finance costs)*	25.40x	7.69x	4.52x	0.71x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.57x	0.93x	0.82x	1.03x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	37.01%	50.84%	48.11%	51.05%
Net Debt to EBITDA *(Net Debt / EBITDA)*	3.70x	3.49x	5.27x	42.60x

The interest coverage ratio weakened from 7.69 times in FY2019 to 4.52 times in FY2020 on the back of the weaker EBITDA generated in FY2020 as a result of the impact on the business of the pandemic. Similarly, the net debt to EBITDA is indicating a higher level of leverage resulting from the weaker EBITDA registered in FY2020 as total borrowings decreased during the year. In fact, the two gearing ratios in the table above are indicating an improved leverage position on the back of the aforementioned decline in borrowings as well as the increase in the equity base on the back of the profit registered during FY2020.

In view of the ongoing impact of COVID-19 on the Group's performance in FY 2021, the interest coverage ratio is expected to fall below 1. The net debt to EBITDA ratio is also expected to rise on the back of the projected drop in EBITDA as well as the increase in bank borrowings. Moreover, the gearing ratios are also indicating an expected increase in leverage given the aforementioned increase in debt levels as well as the reduction in the equity base in view of the forecast losses for FY2021.

Despite the lower solvency ratios, the Annual Report states that *"…the board of directors expect that the Group will be able to sustain its operations over the next twelve months, will have adequate resources to continue in operation for the foreseeable future and will be in a position to meet its obligations as and when they fall due."* Reference is made to Section 9.3 above in this regard.

11. VARIANCE ANALYSIS OF THE GUARANTOR'S INCOME STATEMENT FOR 2020

for the year ended 31 December	Actual 2020 €'000	Forecast 2020 €'000	Variance %
Revenue	31,543	30,993	1.77%
Cost of Sales	(14,696)	(14,778)	-0.55%
Gross Profit	**16,847**	**16,215**	3.90%
Administrative expenses	(3,783)	(2,985)	26.73%
Other income	453	437	3.66%
EBITDA	**13,517**	**13,667**	-1.10%
Depreciation and amortisation	(6,011)	(5,981)	0.50%
Operating profit	**7,506**	**7,686**	-2.34%
Net finance costs	(2,992)	(3,190)	-6.21%
Profit before tax	**4,514**	**4,496**	0.40%
Tax (expense) / credit	15	(20)	-175.00%
Profit after tax	**4,529**	**4,476**	1.18%

In FY2020, the overall financial performance of the Guarantor was very much in line with forecasts. In fact, profit after tax amounted to €4.53 million which is just 1.2% higher than the forecasted €4.48 million. The most material variances related to revenue as it exceeded expectations by 1.8% on the back of higher than expected revenue generated from ticket sales. Similarly, operating expenses (comprising both cost of sales and administrative expenses) were higher than estimated reflecting higher than expected cost related to the vessels on charter and salaries. Moreover, finance costs were 6.2% lower than expected because of an unexpected reduction in interest charges on loans effective from the second half of FY2020.

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

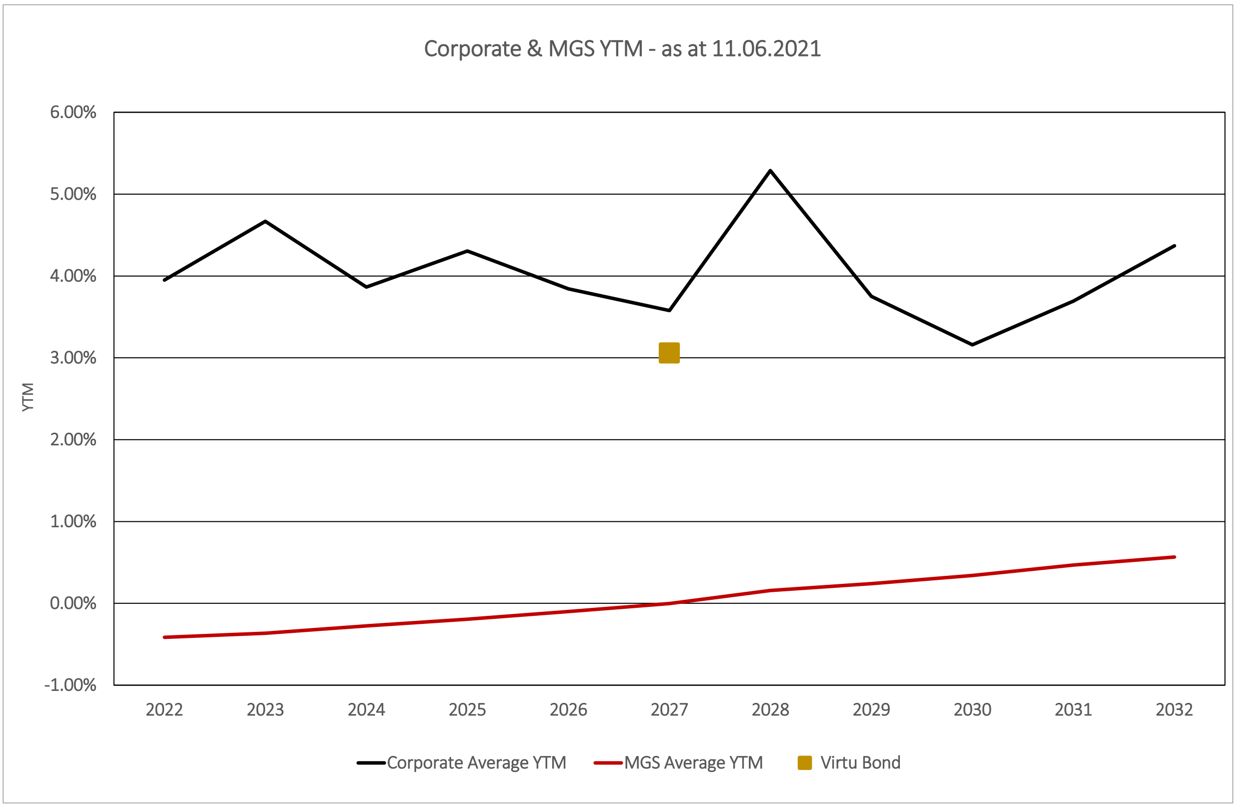
PART D COMPARATIVES

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 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 *(€)*	**Gearing Ratio*** *(%)*	**Net Debt to EBITDA** *(times)*	**Interest Cover** *(times)*	**YTM** *(as at 11.06.2021)* *(%)*
4.50% Grand Harbour Marina plc 2027	15,000,000	83.8%	6.43	2.39	4.04
4.00% Eden Finance plc 2027	40,000,000	31.0%	N/A	N/A	3.24
3.75% Tumas Investments plc 2027	25,000,000	17.6%	1.55	8.22	3.38
3.50% Simonds Farsons Cisk plc 2027	20,000,000	13.4%	1.24	12.00	2.53
3.75% Mercury Projects Finance plc 2027 (Secured)	11,500,000	57.1%	1.06	34.08	3.46
3.75% Virtu Finance plc 2027	**25,000,000**	**45.1%**	**5.27**	**4.52**	**3.06**

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 11 June 2021. 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 2020/2021, as applicable.

**Gearing Ratio: Net Debt / (Net Debt + Equity)*



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 11 June 2021.

At a coupon of 3.75% per annum, the Virtu Finance bond 2027 yields 3.06% per annum to maturity, which is approximately 306 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and approximately 52 basis points below the average yield to maturity of corporate bonds maturing in 2027.

PART E GLOSSARY

Income Statement Explanatory Definitions

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortization. It reflects the company's earnings purely from operations and is commonly used to analyse and compare profitability across companies as it eliminates effects of financing and accounting decisions which vary between companies in its computation.
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	EBIT is an abbreviation for earnings before interest and tax. Similar to the above but factors in also depreciation and amortisation.
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 (if any).
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit after tax generated in one financial year from all operational as well as non-operational activities.

Cash Flow Statement Explanatory Definitions

Cash Flow from Operating Activities	The cash used or generated from the company's principal operational 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 into Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within one year from the statement of financial position date. These usually comprise longer term investments such as property, plant, equipment and investment properties. They are capitalised rather than expensed meaning that the company allocates the cost of the asset over the number of years for which the asset will be in use.
Current Assets	Assets which are realisable within one year from the statement of financial position date. These usually comprise receivables, inventory (stock) as well as cash and cash equivalents.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	All obligations which are due within one financial year. These usually comprise payables and short-term debt which may include bank borrowing and/or bonds.
Non-Current Liabilities	All obligations which are due after more than one financial year. Would typically include bank borrowing and bonds.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves and/or other equity components.

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 (or liquidity 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. The ratio provides an indication of how many years it would take for a company to pay back its debt in full assuming constant EBITDA and debt levels of the remaining years.

Other Definitions

Yield to Maturity (YTM)	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.