RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS
Rizzo, Farrugia & Co (Stockbrokers) Ltd
Airways House, Fourth Floor, High Street, Sliema SLM1551, Malta
T. +356 22583000 E. info@rizzofarrugia.com W. www.rizzofarrugia.com

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

23 June 2022

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 2019, 2020 and 2021 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 2022 has been provided and approved by management of the Company and the Guarantor;

(c) Our commentary on the 2021 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 2022

Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance with the Listing Policies issued by the Malta Financial Services Authority, dated 5 March 2013, as revised on 13 August 2021.

23 June 2022

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

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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 dated 5 March 2013 and last revised on 13 August 2021. 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 2019, 2020 and 2021 and forecasts for financial year ending 31 December 2022 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

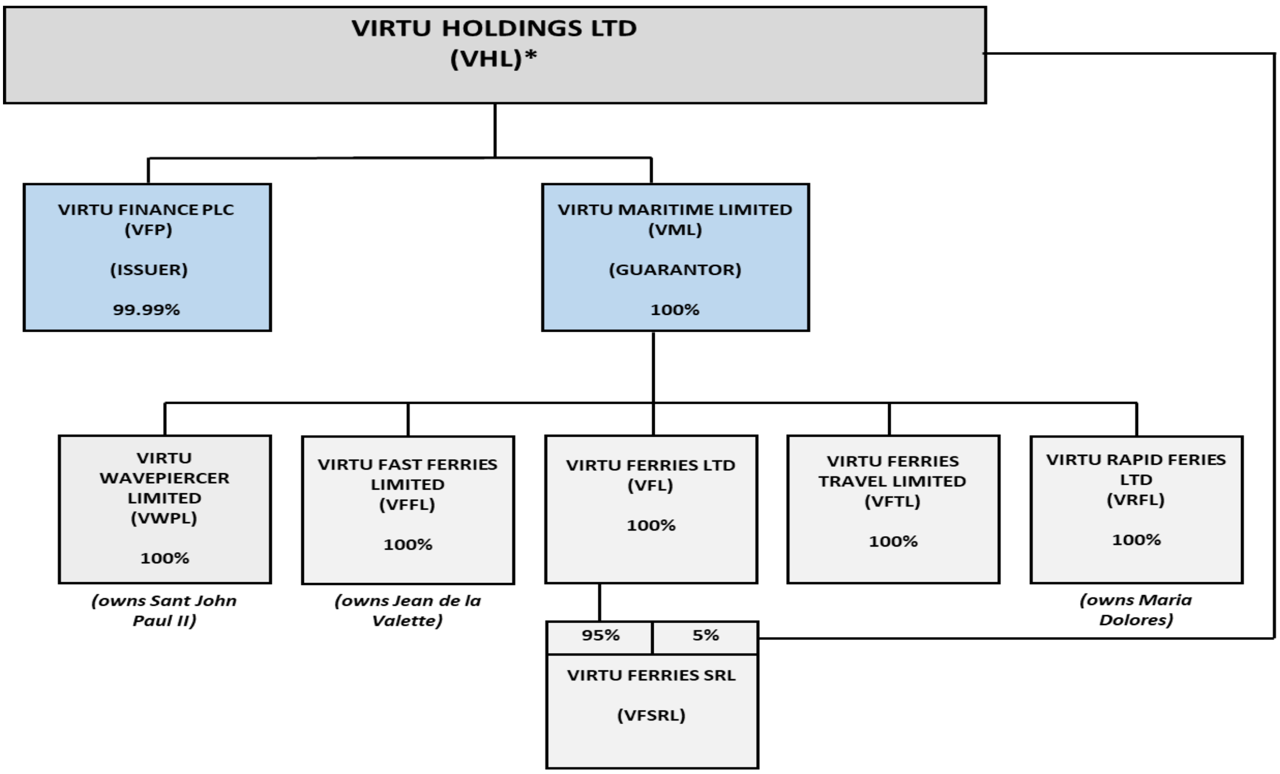
FAS dated 17 June 2021

3. 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 do not form part of 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, together with another unrelated operator, was also entrusted with the operation of the Malta-Gozo fast ferry service. Initially, VFL chartered two vessels, namely DSC San Frangisk and DSC San Pawl, which are owned by related entities outside of VML. However, in April 2022 VFL chartered a vessel more suited to the route, the HSC Gozo Express (to replace the DSC San Pawl), as part of a rationalisation exercise to counter the prevailing challenges on this route as the Board believes the performance on this route will improve significantly once the tourist economy in Malta recovers.

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 for preventative maintenance. During 2021, the HSC JDLV was deployed as a second vessel on the Malta-Sicily route although in the latter part of the year the vessel was taken out of service to undergo a scheduled major overhaul of its four engines.

VFSRL is a company incorporated under the laws of Italy, and manages the Sicily reservations, marketing and port operations.

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 a route between Tarifa in Spain and Tangier Ville in Morocco since 2012. In March 2020, following the termination of the charter agreement due to the COVID pandemic, the vessel underwent an extensive refit. In April 2022, the *HSC Maria Dolores* departed Malta to recommence operations on the route between Spain and Morocco on the back of a new 3-year charter agreement.

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 2021

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 arm of VMG. The MLA-SIC line is currently serviced by the High-Speed Passenger and Vehicle Ferry, *HSC Saint John Paul II* ("**HSC SJPII**") and *HSC Jean de la Valetta* (**HSC JDLV**").

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: HSC Saint John Paul II & HSC Jean de la Valetta

During FY2021, the Malta-Sicily line, serviced by HSC SJPII as well as by the HSC JDLV (redeployed as a second vessel following the termination of the Trinidad and Tobago charter in early 2021), completed 1,168 trips (FY2020: 848 trips) against a forecasted 1,017 trips. This exceeded expectations and also exceeds the 1,072 trips made in 2019. Nonetheless, management noted that whilst freight traffic on the Malta-Sicily route held up well and showed some improvement over FY2020 volumes, 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 FY2021, revenue emanating from 'charter hire and related income' amounted to just €1.5 million (FY2020: €13.6 million) and related solely to the charter income generated by HSC JDLV up until 1 February 2021 whilst in operation on the Trinidad and Tobago route. Following the termination of this charter agreement, the HSC JDLV returned to Malta to act as a second vessel on the MLA-SIC line.

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, the *HSC Maria Dolores* was unable to recommence operations in 2020 and throughout 2021. The *HSC Maria Dolores* left Malta in April 2022 to recommence operations on the route between Morocco and Spain following the conclusion of a new 3-year charter agreement.

Tourism Trends And Sicily as a Destination and Source Market

Tourism is one of the major pillars of the Maltese economy and its importance in recent years has increased as tourism numbers significantly grew year after year, until the outbreak of the COVID-19 pandemic. The pandemic had a marked negative impact on the tourism sector, which also directly impacted the Maltese economy due to its material direct and indirect contributions to the country's gross domestic product. The tourism industry was predominantly hit because of travel restrictions (primarily in 2020 but also during 2021) as well as a reduction in the demand for travelling. In fact, inbound visitors dropped sharply to 0.66 million in 2020 and only partially rebounded to 0.97 million in 2021, which is still materially lower than the almost 2.8 million inbound visitors recorded in 2019 before the outbreak of the pandemic[1].

The number of inbound tourists by sea [2] started to recover in 2021 and amounted to 24,189, an increase of 30% over the 18,579 tourists in 2020, albeit still substantially lower than the 51,212 inbound tourists by sea recorded in 2019.

The recovery of inbound tourists by sea[3] continued during the first quarter of 2022, in which 6,554 inbound tourists entered the Maltese Islands by sea. This is 16% higher than the 5,649 travellers of the first quarter of 2021, and just 4.6% below the 6,873 visitors of the first quarter of 2020.

Tourism numbers rebounded during the first quarter of 2022 and industry operators are cautiously optimistic[4]. Nonetheless, the outlook for the rest of the year the tourism sector is still uncertain and largely depends on how the COVID-19 pandemic and the Ukraine-Russia war unfold.

Apart from touristic purposes, the MLA-SIC line is used for the carriage of goods between Malta and Sicily, particularly those transporting fresh produce, fish and other products of a perishable nature by light and heavy commercial vehicles. A fast ferry service is indispensable in this context. The Port of Valletta holds a strategic importance in supporting the importation of goods into the island of Malta.

[1] *National Statistics Office, 2022, Inbound Tourism: December 2021, available from: https://nso.gov.mt/en/News_Releases/Documents/2022/02/News2022_019.pdf [Accessed 10 May 2022]*

[2] *National Statistics Office, 2022, Inbound Tourism: December 2021, available from: https://nso.gov.mt/en/News_Releases/Documents/2022/02/News2022_019.pdf [Accessed 10 May 2022]*

[3] *National Statistics Office, 2022, Inbound Tourism: March 2022, available from: https://nso.gov.mt/en/News_Releases/Documents/2022/05/News2022_080.pdf [Accessed 10 May 2022]*

[4] *Mediterranean Observer, 2022, Malta Hotels and Restaurants Association optimistic for the tourism sector, but only if Covid-19 restrictions are removed, available from: https://mediterranean.observer/mhra-optimistic-for-the-tourism-sector-but-only-if-covid-19-restrictions-are-removed/ [Accessed 27 May 2022]*

4. Market Updates

COVID-19 Pandemic

The **COVID-19 pandemic**, which started 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 by the Board and management, the operations of the Virtu Maritime Group were adversely impacted by the COVID-19 pandemic resulting in lower profits and cash generation in FY2020 and FY2021 when compared to FY2019.

The various pandemic related measures implemented across the world (including periods of lockdown) but particularly in Sicily, Italy and in Malta, led to a sharp decline in passenger and passenger car traffic crossing between the two islands. Meanwhile, freight traffic held up reasonably well. Going forward, the Directors expect the impact of COVID-19 to ease gradually over FY2022 which should in turn be reflected in a better financial performance for the Virtu Maritime Group.

Moreover, the successful rechartering of the HSC Maria Dolores from 17 April 2022 will further contribute to the projected improvement in performance. Meanwhile, the Malta – Gozo route is expected to remain challenging until such time as tourist arrivals reach pre-pandemic levels, which may be some way off.

War In Ukraine

The **war in Ukraine** is also an important element of uncertainty particularly in relation to fuel prices and availability as significant volatility in the oil market was observed in early 2022. Although, the Directors are conscious of the potential impact this war might have on fuel prices and the travel industry in general, the Directors believe it still too early to evaluate the commercial and financial impact that this crisis might have on the Virtu Maritime Group. Nonetheless, the Group has already taken certain mitigating measures to protect against further adverse movements and volatility in oil and fuel prices. These include the introduction of a fuel surcharge and hedging a portion of the anticipated fuel requirements.

5. Governance and Senior Management

Directors of the Company

Mr Roderick E D Chalmers	Independent Non-Executive Chairman
Mr Kevin Valenzia *(appointed 28 December 2021)*	Independent Non-Executive Director
Mr Stefan Bonello Ghio	Non-Executive Director
Mrs Stephanie Attard Montalto	Executive Director
Mr Matthew Portelli	Executive Director

Mr Charles Borg resigned from the Board of Directors with effect from 29 November 2021.

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 Roderick E D Chalmers	Independent Non-Executive Director
Mr Kevin Valenzia *(appointed 28 December 2021)*	Independent Non-Executive Director
Mr Stefan Bonello Ghio	Non-Executive Director

Mr Charles Borg resigned from the Board of Directors with effect from 29 November 2021.

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.

Agreement & Counterparty	Nature of Agreement	Agreement Dates
Bareboat Charter Agreement between VFL and VFFL.	Standard BIMCO BARECON charter party agreement for ROPAX[5] 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 BIMCO SHIPMAN agreement for ROPAX vessel *HSC JDLV* between VFL and VFFL.	Agreement dated 12/06/2021. Commencement date 01/10/2021 for a period of 10 years.
Ship Management Agreement between VFL and VWFL.	Standard BIMCO SHIPMAN 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 BIMCO BARECON 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.
Time Charter Agreement between VRFL and Inter Shipping Sarl (a third-party).	Standard BIMCO ROPAXTIME charter party agreement for the HSC Maria Dolores between VRFL and Inter Shipping Sarl *(a third-party)*.	Agreement dated 14/04/2022. Charter period of 3 years.
Bareboat Charter Agreement between Waterways Limited (a related party) and VFL.	Standard BIMCO BARECON charter party agreement for the *HSC Gozo Express* between Waterways Limited *(a related party)* and VFL.	Agreement dated 01/05/2022. Charter period of 5 years which can be extended for a further 1 year.
Fuel hedging derivative contract	Commodity swap agreement for a predefined quantity of Platts Gasoil at a fixed price per metric tonne. ***Nominal amount outstanding as at 31 December 2021:*** *1,800 metric tonnes.*	Contract has monthly exercise and settlement dates. The contract matures on 30 June 2022.

[5] 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.

VFL was party to a bareboat charter agreement with Pampas Maritime Ltd (a related party) for the *DSC San Pawl.* The agreement was dated 01 June 2021 and was for a period of 10 years. However, in April 2022 this agreement was terminated as VFL chartered the *HSC Gozo Express* to service the Malta - Gozo route.

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 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[6] €'000	VVE % of Total Assets
2019	202,061	127,820	63.26%
2020	200,127	122,780	61.35%
2021	198,656	125,540	63.19%

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	April 2022	65 cars / 35 cars + 95 truck lane metres	600	36 knots
HSC Jean de la Vallette	Malta – Sicily	April 2021	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

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

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 2019, 2020 and 2021. Furthermore, in terms of the Listing Policies issued by the MFSA, the Company is required to prepare forecasts for the current year FY2022.

The forecasts for FY2022 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 circumstances and, as a result, the variation between forecasts and actual results may be material.

8.1 INCOME STATEMENT

	Actual	Actual	Actual	Forecast
for the year ended 31 December	2019	2020	2021	2022
	€'000	€'000	€'000	€'000
Finance income	1,088	1,098	1,098	1,098
Finance cost	(989)	(991)	(993)	(996)
Administrative Expenses	(86)	(98)	(95)	(99)
Profit before tax	**13**	**9**	**10**	**3**
Tax expense	(5)	(3)	(4)	(1)
Profit after tax	8	6	7	2

In FY2021, 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 2019 €'000	Actual 2020 €'000	Actual 2021 €'000	Forecast 2022 €'000
ASSETS				
Non-current assets				
Loans and receivables	24,400	24,400	24,400	24,400
Current assets				
Trade and other receivables	758	810	891	947
Cash and cash equivalents	8	13	8	4
Total assets	**25,166**	**25,223**	**25,299**	**25,351**
EQUITY AND LIABILITIES				
Non-current liabilities				
3.75% bonds 2017-2027	24,511	24,564	24,620	24,678
Current liabilities				
Trade, other payables & tax	140	139	152	144
Total liabilities	**24,651**	**24,703**	**24,772**	**24,822**
EQUITY				
Share capital	500	500	500	500
Retained earnings	15	20	27	29
Total equity	**515**	**520**	**527**	**529**
Total equity and liabilities	**25,166**	**25,223**	**25,299**	**25,351**

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 €24.7 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 2019 *€'000*	Actual 2020 *€'000*	Actual 2021 *€'000*	Forecast 2022 ***€'000***
Net cash (used in) / generated from operating activities	(81)	5	(5)	(4)
Net cash used for investing activities	-	-	-	-
Net cash from financing activities	-	-	-	-
Net movements in cash and cash equivalents	**(81)**	**5**	**(5)**	**(4)**
Cash and cash equivalents at beginning of the year	89	8	13	8
Cash and cash equivalents at end of year	8	13	8	4

Immaterial cash transactions were recorded in FY2021 similar to FY2020. Likewise, FY2022 is not expected to generate any cash movements other than movements in the ordinary course of business.

9. Virtu Maritime Group

The forecasts for FY2022 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 as well as the direct and indirect adverse effects of the Ukraine war. Although vaccination rollouts across the globe (particularly in western nations) have led to a more controlled situation with respect to COVID-19, the pandemic has not yet been completely suppressed and as such a certain degree of uncertainty still prevails. Moreover, geopolitical issues, most especially the war in Ukraine, create further uncertainty and volatility especially with respect to commodity prices. In view of the prevailing circumstances, readers of this FAS update should appreciate and take into account that the forecasts for FY2022 continue to 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 2022.

	Actual	Actual	Actual	Forecast
	FY2019	FY2020	FY2021	FY2022
Revenue **Breakdown**	*€'000*	*€'000*	*€'000*	*€'000*
Ferry service, accommodation & excursions	29,327	17,654	23,982	32,435
Charter hire & related income	13,183	13,557	1,538	4,170
Food and beverage sales	914	332	656	785
Total	**43,424**	**31,543**	**26,176**	**37,390**

Source: *Management information*

Notwithstanding the sharp downturn in FY2020 in view of the adverse impact of COVID-19, the '*ferry service, accommodation & excursions*' segment comprised the most significant revenue stream as it accounted for 67.5%, 56.0% and 91.6% respectively in the last three financial years. The drop in revenue in FY2021 stemmed from a reduction in *'charter hire & related income'* which was at a minimal level as it only comprised the last month of HSC JDLV's charter on the Trinidad & Tobago route whilst the *HSC Maria Dolores* remained in port throughout FY2021 as the operations between Spain and Morocco could not be resumed.

'Food and beverage sales', a relatively immaterial source of revenue overall, are directly related to passenger demand. As the number of passengers on the Malta – Sicily route gradually rebounded in line with the build-up in travel (albeit still below pre-pandemic levels), income from this activity almost doubled to €0.66 million (FY2020: €0.33 million) but is still below the €0.91 million recorded in FY2019 (pre-pandemic).

The forecast revenue for FY2022 partly reflects the expected rebound in activity with passenger and vehicle volumes on the Malta-Sicily route expected to approach the pre-pandemic levels of FY2019 (as all COVID-19 restrictions have now been lifted) whilst commercial vehicles are expected to continue exceeding the FY2019 numbers given the higher number of trips forecast (1,342 trips compared to 1,072 trips in FY2019) with the operation of two vessels. Passenger fares on the Malta-Sicily route have been reduced. VML is also forecasting additional revenue from the Gozo fast ferry service which will be operating for the whole year in FY2022. Overall, income from '*ferry service, accommodation & excursions*' is anticipated to improve by 35.2% from €23.98 million in FY2021 to €32.44 million in FY2022 which also exceeds the €29.33 million recorded in FY2019 (pre-pandemic). Likewise, *'food and beverage sales'* are forecast to improve by 19.7% from €0.66 million in FY2021 to €0.79 million in FY2022 albeit still below pre-COVID levels.

Furthermore, VML is forecasting a significantly higher level of revenue from *'charter hire and related income'* of €4.17 million for FY2022 from €1.54 million in FY2021 reflecting the commencement of the HSC Maria Dolores new charter agreement with effect from 17 April 2022. In contrast, in FY2021 the only charter income related to the last month of operations by the *HSC JDLV* on the Trinidad – Tobago route.

9.2 Income Statement

for the year ended 31 December	Actual 2019 €'000	Actual 2020 €'000	Actual 2021 €'000	Forecast 2022 €'000
Revenue	43,424	31,543	26,176	37,390
Cost of Sales	(17,687)	(14,696)	(20,600)	(26,415)
Gross Profit	25,737	16,847	5,576	10,975
Administrative expenses	(4,580)	(3,783)	(3,992)	(4,135)
Other income	729	453	294	740
EBITDA	21,886	13,517	1,878	7,580
Depreciation & amortisation	(6,001)	(6,011)	(5,769)	(5,815)
Operating profit / (loss)	15,884	7,506	(3,891)	1,765
Net finance costs	(2,846)	(2,992)	(2,549)	(2,600)
Profit / (loss) before tax	13,038	4,514	(6,440)	(835)
Tax (expense) / credit	(195)	15	95	-
Profit / (loss) after tax	12,843	4,529	(6,345)	(835)

FY2021 Review

During FY2021, total revenue contracted by 17.0% to €26.2 million as the rebound in the 'ferry service, accommodation & excursions' income in line with the pick-up in activity on the Malta-Sicily route was more than offset by the sharp drop in charter income which only comprised the last month of the *HSC JDLV* charter on the Trinidad & Tobago route.

Cost of sales and administrative expenses mainly comprise vessel operating expenses and employee benefits. In aggregate, operating expenditure increased by 33.1% from €18.48 million in FY2020 to €24.59 million in FY2021 reflecting the additional costs to operate the second vessel on the Malta – Sicily route, the rebound in operational activity of the Group as evidenced by the increased number of trips between Malta and Sicily and the commencement of the operations related to the Malta – Gozo route (serviced by two vessels – *DSC San Pawl* and *DSC San Frangisk*).

Given the combined effect of lower revenues and higher operating expenditure, earnings before interest, tax, depreciation and amortisation (EBITDA) contracted sharply to €1.88 million in FY2021 from €13.52 million in FY2020. After accounting for a relatively unchanged depreciation and amortisation charge of €5.77 million (FY2020: €6.01 million), VMG incurred an operating loss of €3.89 million in contrast to the operating profit of €7.51 million in FY2020.

Net finance costs decreased by 14.8% to €2.55 million in FY2021 (FY2020: €2.99 million) largely reflecting the full year effect of lower interest rates on some of the bank loans that were refinanced in July 2020. Moreover, the level of bank borrowings were lower than in FY2020 for most of FY2021 and only increased again towards the latter part of FY2021 with the drawdown of the BOV MDB COVID-19 Assist loan.

Overall, for the reasons explained above, VML registered a pre-tax loss of €6.44 million in FY2021, contrasting the pre-tax profit of €4.51 million registered in FY2020. After accounting for a minor tax credit, the net loss for FY2021 amounted to €6.35 million (FY2020: net profit of €4.53 million).

Forecasts FY2022

The forecast assumes that the performance in FY2022 is expected to improve materially in view of having two vessels operating the Malta-Sicily route with volumes approaching pre-pandemic levels, the Gozo ferry service operating for a whole year and the resumption of the charter of the *HSC Maria Dolores*.

Operating expenses (comprising both cost of sales and administrative expenses) are expected to increase by 24.2% (at slower pace than the increase in revenue) to €30.55 million (FY2021: €24.59 million) as business activity rebounds, two vessels operating the Malta-Sicily route for a full year, lower COVID aid from government, increased advertising and fuel costs rise (only part of the requirement is being hedged).

As a result of the assumptions adopted in the preparation of the forecast, EBITDA is expected to rebound to €7.58 million in FY2022 from €1.88 million in FY2021.

After accounting for depreciation charges of €5.82 million (FY2021: €5.77 million) VML is forecasted to register an operating profit of €1.77 million in FY2022, a significant improvement over the operating loss of €1.88

million incurred in FY2021. Nonetheless, this is still well below the pre-pandemic EBITDA level of €21.89 million largely reflecting the lower level of charter income which carries a higher margin than income from *'ferry service, accommodation & excursions'*.

Net finance costs are expected to increase marginally from €2.55 million in FY2021 to €2.60 million in FY2022 reflecting a full-year's interest on the €5 million Malta Development Bank ("**MDB**") loan and the drawdown of the €8 million loan to finance the *HSC JDLV* engine overhaul.

Overall, the Group is forecasting a pre-tax loss for FY2022 of €0.84 million which represents an improvement from the €6.35 million pre-tax loss incurred in FY2021. No tax charge or credit is being forecast for FY2022.

Although management are encouraged by the pick-up in activity following the lifting of all pandemic related restrictions, a degree of uncertainty still prevails. Management and the board of directors have therefore adopted a cautious approach, applying what they believe to be careful and prudently based assumptions in the preparation of the FY2022 forecasts.

9.3 Statement of Cash Flows

for the year ended 31 December	Actual 2019 *€'000*	Actual 2020 *€'000*	Actual 2021 *€'000*	Forecast 2022 *€'000*
Net cash (used in)/from operating activities	20,959	9,154	3,859	3,735
Net cash used in investing activities	(41,287)	(151)	(8,235)	(950)
Free Cash Flow to the Firm	**(20,328)**	**9,003**	**(4,376)**	**2,785**
Net cash (used in)/from financing activities	27,375	(8,352)	(6,798)	(3,265)
Net movements in cash and cash equivalents	**7,047**	**651**	**(11,174)**	**(480)**
Cash and cash equivalents at beginning of the year	1,414	8,461	9,112	(2,062)
Cash and cash equivalents at end of year	8,461	9,112	(2,062)	(2,542)

FY2021 Review

Cash generated from operations contracted sharply in FY2021 by 57.8% to €3.9 million reflecting the operating loss incurred during the year under review as well as the sharp increase in trade payables largely due to part of the expenditure on *HSC JDLV* engine overhaul being payable in 2022.

Meanwhile, net cash used in investing activities amounted to €8.24 million in FY2021 relating mostly to *HSC JDLV* engine overhaul. In the previous year, VML did not undertake any material capital projects given the uncertainty primarily related to the pandemic which prevailed at the time.

Similar to FY2020, the net cash used in financing activities of €6.8 million in FY2021 largely comprise the repayment of bank borrowings as well as the repayment of loans to related parties, partly offset by fresh bank financing obtained during the year under review. Overall, during FY2021, VML used €11.17 million in cash and cash equivalents which resulted in a negative cash balance of €2.06 million as at the end of the year.

Forecasts FY2022

Looking ahead in FY2022, the Group is expected to generate comparable levels of cash from operating activities at €3.74 million (FY2021: €3.86 million) notwithstanding the anticipated improvement in the Group's operations. This is largely due to varying working capital movements whereby these amounted to an increase of €4 million in FY2021 (including exceptional movements on payables on the *HSC JDLV* engine overhaul and COVID deferred payments) whilst a €1 million reduction is being forecast for FY2022.

Net cash used in investment activities is expected to amount to just under €1 million and largely relates to the implementation of a new reservation system as well as the construction of a new ramp in the port of Catania.

Financing activities are anticipated to result in an outflow of €3.27 million reflecting the loan repayments expected to be made during FY2022 net of the drawdown of an €8 million new bank loan to finance the final payments related to the *HSC JDLV* engine overhaul.

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 and/or the fall out of the war in Ukraine. With shareholders' equity at just below €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 2019 *€'000*	Actual 2020 *€'000*	Actual 2021 *€'000*	Forecast 2022 *€'000*
ASSETS				
Intangible assets	50,006	50,006	50,006	50,006
Property, plant and equipment	129,029	123,709	126,715	122,390
Right-of-use assets	7,936	7,396	6,857	6,857
Trade & other receivables	115	115	115	115
Deferred taxation	512	540	615	615
Total non-current assets	**187,598**	**181,766**	**184,308**	**179,983**
Inventories	333	269	354	350
Trade and other receivables	5,669	8,827	13,334	15,800
Cash and cash equivalents	8,461	9,265	660	500
Total current assets	**14,463**	**18,361**	**14,348**	**16,650**
Total assets	202,061	200,127	198,656	196,633
LIABILITIES				
Borrowings	52,784	48,720	46,593	45,851
Trade and other payables	45,530	45,530	45,530	45,530
Lease Liabilities	7,771	7,457	7,114	6,600
Total non-current liabilities	**106,085**	**101,707**	**99,237**	**97,981**
Borrowings	7,697	7,328	10,218	10,913
Trade and other payables	5,875	4,133	8,570	7,836
Current tax liability	7	29	17	17
Lease Liabilities	310	314	343	450
Total current liabilities	**13,889**	**11,804**	**19,148**	**19,216**
Total liabilities	119,974	113,511	118,385	117,197
EQUITY				
Share capital	4,363	4,363	4,363	4,363
Retained earnings	12,251	16,780	10,435	9,600
Other reserve	45,473	45,473	45,473	45,473
Capital reserves	20,000	20,000	20,000	20,000
Total equity	**82,087**	**86,616**	**80,271**	**79,436**
Total equity and liabilities	202,061	200,127	198,656	196,633

FY2021 REVIEW

As at 31 December 2021, Group assets totalled €198.7 million (FY2020: €200.1 million), mainly composed of '*vessel and vessel equipment*' (€125.5 million) and '*intangible assets*' (€50 million). The 0.7% decrease largely reflects the decline in the Group's cash balances (from €9.3 million FY2020 to €0.5 million FY2021) which offsets the increase in property, plant and equipment arising from the engine overhaul of *HSC JDLV*.

Meanwhile, total liabilities increased by 4.3% to €118.4 million reflecting the increase in trade largely reflecting the remaining payments due on the engine overhaul of *HSC JDLV*. Total Group borrowings amounted to €56.8 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 FY2021 the Group's total equity amounted to €80.3 million, funding 40.4% of the total asset base. The equity base is comprised 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 relating to a subordinated loan granted by Virtu Holdings Limited to VML; (iii) '*retained earnings*' of €10.4 million and (iv) '*share capital*' amounting to €4.4 million. The only change from FY2020 is in *'retained earnings'* which decreased by €6.3 million or 37.8% reflecting the net loss registered during FY2021.

FORECASTS FY2022

In FY2022, VML is expecting total assets to contract by 1% largely reflecting the annual depreciation charge on the Group's property, plant and equipment which is expected to be partly offset by a higher level of trade receivables.

On the liabilities side, borrowings are expected to remain relatively unchanged at €81.2 million following the drawdown of the €8 million bank loan received to fund the *HSC JDLV* engine overhaul which will be counterbalanced by repayments of existing bank loans. Meanwhile, current trade and other payables are expected to drop by 8.6% to €7.84 million in view of payment deferrals in FY2021. Given the expected loss to be incurred in FY2022, total equity is anticipated to decrease from €80.27 million in FY2021 to €79.44 million.

Analysis of Borrowings

as at 31 December	Actual 2019 €'000	Actual 2020 €'000	Actual 2021 €'000	Forecast 2022 €'000
Short-term borrowings	7,697	7,328	10,218	10,913
Long-term borrowings – Bank	52,784	48,720	46,593	45,851
Long-term borrowings – VFP Loan	24,400	24,400	24,400	24,400
Total borrowings	**84,881**	**80,448**	**81,211**	**81,164**
Less: Cash and cash equivalents	8,461	9,265	660	500
Net Debt	**76,420**	**71,183**	**80,551**	**80,664**
Equity	82,087	86,616	80,271	79,436
Total funding	**158,507**	**157,799**	**160,822**	**160,100**

The increase in total borrowings between FY2020 and FY2021 results from the drawdown of the BOV MDB COVID-19 Assist bank loan. The utilisation of most of the Group's cash balance led to a further increase in net debt from €71.2 million in FY2020 to €80.6 million in FY2021.

Net debt is expected to increase minimally in FY2022 to €80.66 million (FY2021 €80.55 million) as a result of the drawdown on the loan for *HSC JDLV* engine overhaul. The forecast assumes that current arrangements concerning the regular payment of interest and principal on all existing facilities remain in place.

10. Ratio Analysis

Profitability Ratios

	Actual FY2019	Actual FY2020	Actual FY2021	Forecast FY2022
Gross Profit margin *(Gross Profit / Revenue)*	59.27%	53.41%	21.30%	29.35%
EBITDA margin *(EBITDA / Revenue)*	50.40%	42.85%	7.17%	20.27%
Operating Profit margin *(Operating Profit / Revenue)*	36.58%	23.80%	N/A	4.72%
Net Profit margin *(Profit for the Period / Revenue)*	29.58%	14.36%	N/A	N/A
Return on Equity *(Profit for the Period / Average Equity)*	14.89%	5.37%	N/A	N/A
Return on Capital Employed *(Profit for the Period / Average Capital Employed)*	8.27%	2.71%	N/A	N/A
Return on Assets *(Profit for the Period / Average Total Assets)*	7.22%	2.25%	N/A	N/A

Given the weaker performance registered in FY2021 on the back of declining revenues and rising cost base, the Group's gross profit margin and EBITDA margin weakened considerably. Moreover, in view of the operational and net loss incurred in FY2021, the other profitability ratios could not be computed.

In FY2022, the anticipated rebound in business activity is expected to yield improved margins in terms of gross profit, EBITDA and operating profit. The other ratios cannot be computed in view of the loss forecast to be registered by VML in FY2022.

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	Actual	Actual	Forecast
	FY2019	FY2020	FY2021	FY2022
Current Ratio *(Current assets / Current liabilities)*	1.04x	1.56x	0.75x	0.87x
Cash Ratio *(Cash & cash equivalents / Current liabilities)*	0.61x	0.78x	0.03x	0.03x

The combined effect of the decrease in the Group's cash balance and the increase in trade payables, resulted in weaker liquidity ratios as disclosed in the above table. It is also important to highlight that as at the end of FY2021, current liabilities exceed current assets by €4.8 million. Nonetheless, the Directors note that on the assumption that the Group will meet its projected cash flow forecasts and the support of the Group's shareholders, the ultimate parent company and other group undertakings remains in place, the business of the Group is expected to remain viable and should generate sufficient liquidity to enable it to honour its labilities as and when they fall due.

Meanwhile, the current ratio is expected to improve in FY2022 largely reflecting the expected increase in trade receivables. The cash ratio is anticipated to remain relatively unchanged at 0.03 times given the marginal changes in cash balances as well as current liabilities.

Solvency Ratios

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

	Actual	Actual	Actual	Forecast
	FY2019	FY2020	FY2021	FY2022
Interest Coverage ratio *(EBITDA / Net finance costs)*	7.69x	4.52x	0.74x	2.92x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.93x	0.82x	1.00x	1.02x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	50.84%	48.15%	50.29%	50.54%
Net Debt to EBITDA *(Net Debt / EBITDA)*	3.49x	5.27x	42.89x	10.64x

The interest coverage ratio weakened from 4.52 times in FY2020 to 0.74 times in FY2021 on the back of the substantially weaker EBITDA in FY2021. Similarly, the net debt to EBITDA is indicating a higher level of leverage resulting from the weaker EBITDA registered in FY2021 combined with the increase in total borrowings. Similarly, the two gearing ratios in the table above are indicating a more leveraged position on the back of the aforementioned increase in borrowings as well as the contraction in the equity base due to the loss incurred during FY2021.

In view of the anticipated improvement in the Group's EBITDA in FY2022, the interest coverage ratio is expected to increase to 2.92 times. The net debt to EBITDA ratio is also expected to improve on the back of the projected uplift in EBITDA to 10.6 times. Meanwhile, the gearing ratios are indicating an expected minimal increase in leverage given the aforementioned slight increase in net debt levels as well as the reduction in the equity base in view of the forecast losses for FY2022.

The weaker solvency ratios (compared to historics) were anticipated and 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."*

11. Variance Analysis of the Guarantor's income statement for 2021

for the year ended 31 December	Actual 2021 €'000	Forecast 2021 €'000	Variance %
Revenue	**26,176**	**20,510**	**27.6%**
Cost of Sales	(20,600)	(15,515)	32.8%
Gross Profit	**5,576**	**4,995**	**11.6%**
Administrative expenses	(3,992)	(3,720)	7.3%
Other income	294	667	-55.9%
EBITDA	**1,878**	**1,942**	**-3.3%**
Depreciation and amortisation	(5,769)	(5,750)	0.3%
Operating loss	**(3,891)**	**(3,808)**	**2.2%**
Net finance costs	(2,549)	(2,726)	-6.5%
Loss before tax	**(6,440)**	**(6,534)**	**-1.4%**
Tax (expense) / credit	95	-	N/A
Loss after tax	**(6,345)**	**(6,534)**	**-2.9%**

In FY2021, the overall financial performance of the Guarantor was very much in line with forecasts. In fact, the loss after tax amounted to €6.53 million which is just 2.9% higher than the forecast €6.35 million net loss.

Nonetheless, some elements within the income statement varied materially. Revenue, at €26.18 million was 27.6% higher-than-forecast on the back of a faster than expected post COVID-19 rebound. However, this was mostly offset by the 27.9% higher-than-expected operational costs which in aggregate amounted to €24.59 million, in view of the higher-than-expected trips between Malta and Sicily as well as the commencement of the Gozo operation. Moreover, finance costs were 6.5% lower than expected largely reflecting higher than expected financial income from a loan to a related party.

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

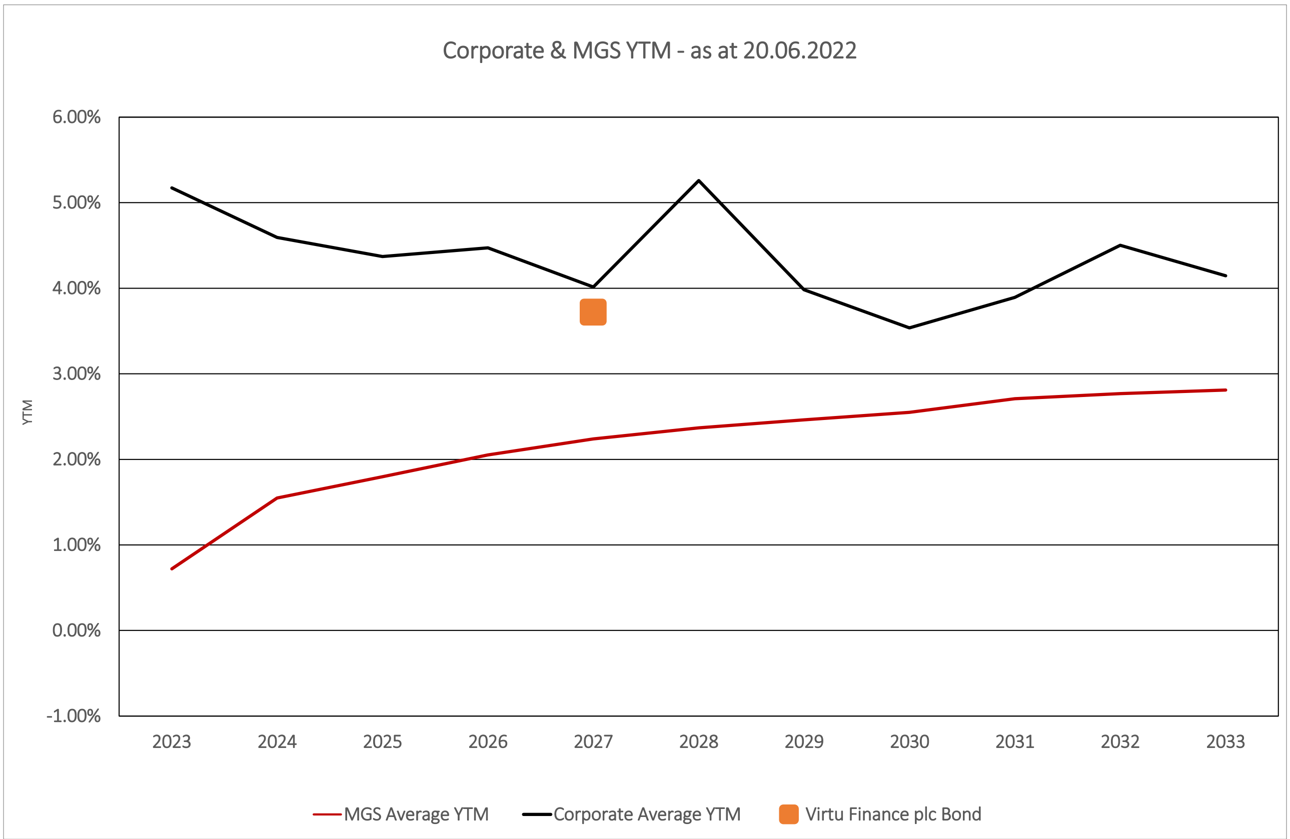
PART D COMPARATIVES

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 20.06.2021)* *(%)*
4.50% Grand Harbour Marina plc 2027	15,000,000	85.1%	7.33	1.95	4.18%
4.00% Eden Finance plc 2027	40,000,000	27.8%	5.72	3.63	3.88%
3.75% Tumas Investments plc 2027	25,000,000	19.7%	2.59	5.26	3.75%
3.50% Simonds Farsons Cisk plc 2027	20,000,000	7.4%	0.45	17.71	3.08%
3.75% Mercury Projects Finance plc 2027 (Secured)	11,500,000	63.5%	191.42	0.35	3.75%
3.75% Virtu Finance plc 2027	**25,000,000**	**55.9%**	**54.14**	**0.74**	**3.72%**

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 20 June 2021. Ratio workings and financial information quoted have been based on the issuers' 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 20 June 2021.

At a coupon of 3.75% per annum, the Virtu Finance bond 2027 yields 3.72% per annum to maturity, which is approximately 148 basis points over the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and approximately 29 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.
Free Cash Flow (FCF)	FCF represents the amount of cash remaining from operations after deducting capital expenditure requirements.

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	Return on assets (ROA) measures the rate of return on the assets of the company. 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.