Virtu Finance p.l.c.

FINANCIAL ANALYSIS SUMMARY

Update 2023

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.

22 June 2023

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
HSC JDLV	HSC Jean de la Valette
HSC SJPII	HSC Saint John Paul II
MGS	Malta Government Stock
MLA – SIC	Malta – Sicily route
PSO	Public Service Obligation
ROPAX	Roll-on/Roll-off passenger vessel
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 2020, 2021 and 2022 and forecasts for financial year ending 31 December 2023 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

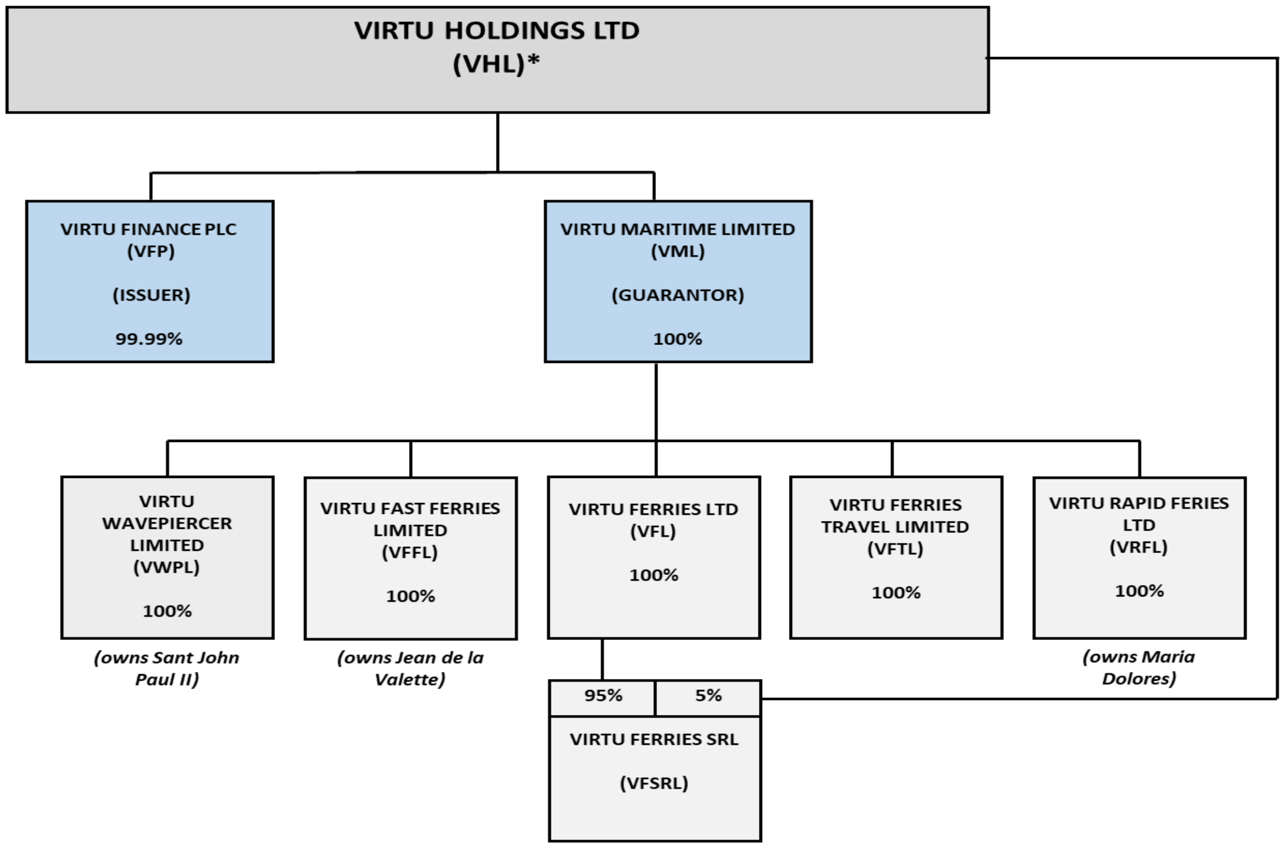
FAS dated 23 June 2022

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 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.

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 entrusted with the operation of the Malta-Gozo fast ferry service. VFL charters two vessels, namely DSC San Frangisk and HSC Gozo Express, which are owned by related entities outside of VML, to operate the Malta-Gozo route.

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 after 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. The HSC JDLV was once again deployed on the Malta-Sicily route during 2022 and will remain active on this route throughout 2023.

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 commenced operations on the Malta-Sicily route in March 2019.

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 2022

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 Valette* ("**HSC JDLV**").

During FY2021, VMG launched a fast ferry service between Valletta and Mgarr, Gozo serviced by *DSC San Frangisk* and *DSC San Pawl.* The latter vessel was replaced by a newer vessel, *HSC Gozo Express* in May 2022.

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 Valette

During FY2022, the Malta-Sicily line, serviced by HSC SJPII as well as by the HSC JDLV (redeployed as a second vessel following a scheduled major overhaul of its four engines), completed 1,414 trips (FY2021: 1,168 trips) against a forecasted 1,342 trips. This exceeded expectations and also exceeds the 1,072 trips made in 2019. In fact, management noted that as COVID related restrictions were lifted, demand for the Malta-Sicily high speed ferry services recovered strongly as evidenced by the level of passenger number and vehicular traffic (across all segments) which exceeded pre-COVID levels. In this respect, it also noteworthy to highlight that the deployment of a second vessel on the route with different timings contributed to the increase in demand.

The HSC Maria Dolores Charter

During FY2022, revenue emanating from 'charter hire and related income' amounted to €3.7 million (FY2021: €1.5 million) and related solely to the charter income generated by the *HSC Maria Dolores* which recommenced operations on the route between Morocco and Spain end of April 2022, following the conclusion of a new 3-year charter agreement.

The Fast Ferry Service Between Valletta, Malta and Mgarr, Gozo

During FY2022, the Gozo route remained challenging as the improved activity on the back of higher tourist arrivals to the island were offset by significantly higher operating costs reflecting higher fuel costs as well as overcapacity on the route which rendered the service uneconomical. Remedial action was sought, as the authorities requested the service to be retained on the basis that a fast, reliable and frequent service between the two sister islands is of a public service nature. Consequently, negotiations with the Ministry for Transport, Infrastructure and Capital Projects in connection with an EU approved Public Service Obligation (PSO) agreement were initiated and are currently in their final stages whilst interim arrangements, with effect from 8 March 2023, were put in place with the aforementioned Ministry which mirror the contents of the PSO 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 number of inbound tourists[1] started to recover in 2021 and amounted to 968,136, and increased to 2.3 million by the end of 2022, albeit still lower than the record of 2.8 million inbound tourists recorded in 2019. Such trend[2] extended into the first few months of 2023, where during the first quarter, 443,062 tourists are estimated to have travelled to Malta, nearly double the 235,295 inbound tourists recorded for the first quarter of 2022.

The number of inbound tourists by sea also 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 continued during 2022, in which 55,108 inbound tourists entered the Maltese Islands by sea representing a significant improvement over 2021 and exceeding the pre-pandemic levels. This trend continued this year with more than 11,000 inbound tourists by sea recorded in the first quarter of 2023 exceeding the levels seen in 2022.

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. During the COVID-19 pandemic drivers of commercial vehicles were exempt from quarantine restrictions in order to keep the local market supplied with essential goods, especially fresh food items.

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[1] *National Statistics Office, 2022, Tourism – December 2022, https://nso.gov.mt/inbound-tourism-december-2022/ [Accessed 19 May 2023]*

[2] *National Statistics Office, 2023, Tourism, https://nso.gov.mt/tourism/ [Accessed 19 May 2023]*

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. As expected, the impact of COVID-19 started to ease gradually over FY2022 which in turn reflected in a better financial performance for the Virtu Maritime Group. During the first quarter of FY2023, travelling has continued to recover and in certain respects has exceeded pre-pandemic levels.

As tourist arrivals reach and exceed pre-pandemic levels, the Group's operations should benefit from increased demand on its Malta-Sicily route and also enhance the performance of the Malta – Gozo route in conjunction with the support of the PSO agreement currently being negotiated with Government.

War In Ukraine

The **war in Ukraine** added a significant element of uncertainty particularly in relation to fuel prices and availability as extreme volatility in the oil market was observed throughout 2022. Although fuel prices remain higher than in recent years, they have come down from their historic high in June 2022 and are expected to be less volatile in 2023 as security of supply concerns has somewhat eased and markets have adjusted to the reality of the situation in Ukraine. Nonetheless, the Group has retained certain mitigating measures to protect against further adverse movements and volatility in oil and fuel prices. These include the 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	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 Roderick E D Chalmers	Independent Non-Executive Director
Mr Kevin Valenzia	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.

Agreement & Counterparty	Nature of Agreement	Agreement Dates
Bareboat Charter Agreement between VFL and VFFL.	Standard BIMCO BARECON charter party agreement for ROPAX[3] 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 1 year, renewable annually.
Fuel hedging derivative contract	Commodity swap agreement for 2,400mt of gasoil at a fixed price per metric tonne.	Contract has monthly exercise and settlement dates. The contract matures on 31 December 2023.

[3] 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.

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.

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[4] €'000	VVE % of Total Assets
2020	200,127	122,780	61.35%
2021	198,656	125,540	63.19%
2022	**196,191**	**120,587**	**61.46%**

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 Valette	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

[4] *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 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. This section provides an overview of the historical financial information for the financial years ending 31 December 2020, 2021 and 2022, and forecasts for the current year FY2023.

The forecasts for FY2023 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

for the year ended 31 December	Actual 2020 €'000	Actual 2021 €'000	Actual 2022 €'000	Forecast 2023 €'000
Finance income	1,098	1,098	1,098	1,098
Finance cost	(991)	(993)	(996)	(998)
Administrative Expenses	(98)	(95)	(98)	(98)
Profit before tax	**9**	**10**	**5**	**2**
Tax expense	(3)	(4)	(2)	(1)
Profit after tax	**6**	**7**	**3**	**1**

In FY2022, 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 2020 *€'000*	Actual 2021 *€'000*	Actual 2022 *€'000*	Forecast 2023 *€'000*
ASSETS				
Non-current assets				
Loans and receivables	24,400	24,400	24,400	24,400
Deferred tax asset	-	-	47	46
Current assets				
Trade and other receivables	810	891	899	945
Cash and cash equivalents	13	8	89	5
Total assets	**25,223**	**25,299**	**25,435**	**25,396**
EQUITY AND LIABILITIES				
Non-current liabilities				
3.75% bonds 2017-2027	24,564	24,620	24,678	24,739
Current liabilities				
Trade, other payables & tax	139	152	226	126
Total liabilities	**24,703**	**24,772**	**24,905**	**24,865**
EQUITY				
Share capital	500	500	500	500
Retained earnings	20	27	30	31
Total equity	**520**	**527**	**530**	**531**
Total equity and liabilities	25,223	25,299	25,435	25,396

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 2020 €'000	Actual 2021 €'000	Actual 2022 €'000	Forecast 2023 €'000
Net cash (used in) / generated from operating activities	5	(5)	81	(84)
Net cash used for investing activities	-	-	-	-
Net cash from financing activities	-	-	-	-
Net movements in cash and cash equivalents	**5**	**(5)**	**81**	**(84)**
Cash and cash equivalents at beginning of the year	8	13	8	89
Cash and cash equivalents at end of year	**13**	**8**	**89**	**5**

Immaterial cash transactions were recorded in FY2022 similar to FY2022. Likewise, FY2023 is not expected to generate any cash movements other than movements in the ordinary course of business.

9. Virtu Maritime Group

This section provides an overview of the consolidated historical financial information of the Guarantor for the financial years ending 31 December 2020, 2021 and 2022. Furthermore, in terms of the Listing Policies issued by the MFSA, the Guarantor is required to prepare forecasts for the current year FY2023.

The forecasts for FY2023 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. The actual outcome may be adversely affected by unforeseen circumstances and, as a result, the variation between forecasts and actual results may be material. Moreover, geopolitical issues, most especially the war in Ukraine, create further uncertainty and volatility especially with respect to commodity prices.

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 2023.

Revenue **Breakdown**	Actual FY2020 *€'000*	Actual FY2021 *€'000*	Actual FY2022 *€'000*	Forecast FY2023 *€'000*
Ferry service, accommodation & excursions	17,654	23,982	36,803	44,925
Charter hire & related income	13,557	1,538	3,729	5,200
Food and beverage sales	332	656	1,325	1,340
Total	**31,543**	**26,176**	**41,857**	**51,465**

Source: *Management information*

In line with historic trends, the '*ferry service, accommodation & excursions*' segment comprised the most significant revenue stream as it accounted for 56.0% of total revenue in 2020 (demand for ferry service still adversely impacted by the COVID pandemic), 91.6% in 2021 and 87.9% in 2022, respectively. The 53.5% increase in revenue from this business segment in FY2022 largely reflects the continued recovery in demand for ferry services between Malta and Sicily from the pandemic years as business activity exceeded pre-pandemic levels (FY2019: €29.3 million). The improved activity levels on the route between Malta and Gozo also contributed to this higher revenue albeit to a much lesser extent.

Moreover, *'charter hire & related income'* registered a significant improvement in FY2022 as it comprises eight months of income from the *HSC Maria Dolores* charter on the Spain-Morocco route compared to the last month of *HSC JDLV*'s charter on the Trinidad & Tobago route in FY2021.

'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 continued to recover in line with the further build-up in travel and has now exceeded pre-pandemic levels, income from this activity doubled for the second

consecutive year to €1.3 million (FY2021: €0.7 million) to also exceed the €0.9 million recorded in FY2019 (pre-pandemic).

The forecast revenue for FY2023 largely reflects a further material improvement in income emanating from '*ferry service, accommodation & excursions*' which in turn reflects four main factors: (i) the positive impact of the PSO agreement for the Gozo fast ferry service; (ii) higher demand for the Malta-Sicily route (as already evidenced in the first quarter of FY2023 although lower growth rates are being prudently forecasted for the remaining three quarters of the year) notwithstanding a lower number of trips being forecasted (1,344 trips compared to 1,414 in FY2022); (iii) strong freight related demand; and (iv) a full-year of higher rates. Overall, income from '*ferry service, accommodation & excursions*' is anticipated to improve by 22.1% from €36.8 million in FY2022 to €44.9 million in FY2023. Meanwhile, *'food and beverage sales'* are forecast to remain relatively unchanged at €1.34 million in FY2022.

Furthermore, VML is also forecasting a higher level of revenue from *'charter hire and related income'* of €5.2 million for FY2023 from €3.7 million in FY2022 reflecting a full-year of operations of the *HSC Maria Dolores* chartered on the Spain – Morocco route as opposed to eight months in FY2022.

9.2 Income Statement

for the year ended 31 December	Actual 2020 *€'000*	Actual 2021 *€'000*	Actual 2022 *€'000*	Forecast 2023 *€'000*
Revenue	**31,543**	**26,176**	**41,857**	**51,465**
Cost of Sales	(14,696)	(20,600)	(29,231)	(30,825)
Gross Profit	**16,847**	**5,576**	**12,626**	**20,640**
Administrative expenses	(3,783)	(3,992)	(5,417)	(5,454)
Other income	453	294	561	570
EBITDA	**13,517**	**1,878**	**7,770**	**15,756**
Depreciation & amortisation	(6,011)	(5,769)	(5,848)	(5,845)
Operating profit / (loss)	**7,506**	**(3,891)**	**1,922**	**9,911**
Net finance costs	(2,992)	(2,549)	(2,715)	(3,168)
Profit / (loss) before tax	**4,514**	**(6,440)**	**(793)**	**6,743**
Tax (expense) / credit	15	95	366	(175)
Profit / (loss) after tax	**4,529**	**(6,345)**	**(427)**	**6,568**

FY2022 Review

During FY2022, total revenue increased by 60% to €41.9 million largely reflecting the continued growth of the Malta-Sicily route as explained above, a full year impact of the Gozo fast ferry service, as well as the charter operations of the *HSC Maria Dolores* on the Spain-Morocco route from May 2022.

Cost of sales and administrative expenses mainly comprise vessel operating expenses and employee benefits. In aggregate, operating expenditure increased by 40.9% from €24.6 million in FY2021 to €34.7 million in FY2022 largely reflecting the surge in fuel costs following the imposition of sanctions and restrictions on fuel exports from Russia due to the Ukraine war. The Group partly recovered the increased fuel costs (also referred to as fuel costs) through the fuel surcharge mechanism and a bunker rebate scheme as approved by the EU. However, as fuel prices peaked in summer 2022, the higher fuel costs were not passed on to customers in their entirety, thus the Group incurred operational losses during this period. Fuel prices subsequently eased from their peak in June 2022, albeit remaining elevated compared to historic levels, as markets adjusted to the reality of the situation in Ukraine and security of supply improved. The higher fuel costs also raised the operational expenses incurred in relation to the Gozo fast ferry service which continued to be a challenging operation also in view of the overcapacity on the route.

Nonetheless, as increases in revenue superseded increases in costs, the group reported an improvement in earnings before interest, tax, depreciation and amortisation (EBITDA) to €7.8 million in FY2022 from €1.9 million in FY2021. After accounting for a relatively unchanged depreciation and amortisation charge of €5.9 million (FY2021: €5.8 million), VMG incurred an operating profit of €1.9 million in contrast to the operating loss of €3.9 million in FY2021. Nonetheless, the operating profit registered in FY2022 is still well below the operating profit of €15.9 million registered in FY2019 largely reflecting the adverse impact of the higher fuel costs, the challenging Gozo fast ferry operation and the lower incidence of *'charter hire and related income'*. In FY2019 the charter hire income was high since both the *HSC Maria Dolores* and the *HSC Jean de la Valette* were being chartered to third parties on the Spain-Morocco and Trinidad-Tobago routes respectively.

Net finance costs increased by 6.5% to €2.7 million in FY2022 (FY2021: €2.6 million) reflecting a higher level of interest on bank borrowings as well as a lower level of finance income.

For the reasons explained above, VML registered a pre-tax loss of €0.8 million in FY2022, lower than the pre-tax loss of €6.4 million registered in FY2021 and in line with the forecast. After accounting for a tax credit of €0.4 million, the net loss for FY2022 amounted to €0.4 million (FY2021: net loss of €6.4 million).

Forecasts FY2023

In FY2023 the performance is forecast to improve in view of a number of factors, namely: (i) the positive impact of the PSO agreement for the Gozo fast ferry service; (ii) higher demand for the Malta-Sicily route (as already evidenced in the first quarter of FY2023 although lower growth rates are being prudently forecasted for the remaining three quarters of the year); (iii) a full-year of higher rates; and (iv) a full-year of the *HSC*

Maria Dolores charter on the Spain-Morocco route. Overall, revenue is expected to increase by 23.0% to €51.5 million.

Operating expenses (comprising both cost of sales and administrative expenses) are expected to increase by 4.7% to €36.3 million (FY2022: €34.7 million) reflecting the expected increase in business activity although the increase in costs is at a slower pace than the increase in revenue given the expected higher average loads per trip. Moreover, the situation in Ukraine remains a source of uncertainty and fuel prices are expected to remain volatile in FY2023, though less so than in FY2022.

As a result of the assumptions adopted in the preparation of the forecast detailed above, EBITDA is expected to further rebound to €15.8 million in FY2023 from €7.8 million in FY2022. Nonetheless, this is still well below the pre-pandemic EBITDA level of €21.4 million largely reflecting the lower level of charter income which carries a higher margin than income from *'ferry service, accommodation & excursions'*.

After accounting for unchanged depreciation charges of €5.85 million, VML is forecasted to register an improved operating profit of €9.9 million in FY2023 (FY2022: €1.9 million).

Net finance costs are expected to increase from €2.7 million in FY2022 to €3.2 million in FY2023, reflecting an increase in the interest rate on floating rate loans and the absence of any interest income as the loan to associate company was repaid in the first quarter of FY2023.

Overall, the Group is forecasting a pre-tax profit for FY2023 of €6.7 million in contrast to the pre-tax losses registered in the preceding two financial years of €0.8 million in FY2022 and €6.4 million in FY2021. A tax charge of €0.2 million is being forecasted for FY2023 thus leading to a net profit of €6.6 million (FY2022: net loss of €0.4 million).

Although management are encouraged by the pick-up in activity following the lifting of all pandemic related restrictions, a degree of uncertainty still prevails particularly in view of the war in Ukraine. 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 FY2023 forecasts.

9.3 Statement of Cash Flows

for the year ended 31 December	Actual 2020 *€'000*	Actual 2021 *€'000*	Actual 2022 *€'000*	Forecast 2023 *€'000*
Net cash from / (used in) operating activities	9,154	3,859	(532)	12,518
Net cash used in investing activities	(151)	(8,235)	(533)	(246)
Free Cash Flow to the Company	**9,003**	**(4,376)**	**(1,065)**	**12,272**
Net cash (used in)/from financing activities	(8,352)	(6,798)	3,212	(8,860)
Net movements in cash and cash equivalents	**651**	**(11,174)**	**2,147**	**3,412**
Cash and cash equivalents at beginning of the year	8,461	9,112	(2,062)	85
Cash and cash equivalents at end of year[5]	**9,112**	**(2,062)**	**85**	**3,497**

FY2022 Review

Cash generated from operations contracted sharply in FY2022 to a net outflow of €0.5 million (FY2021: net inflow of €3.9 million) largely reflecting movements in working capital. On the one hand, 'trade and other receivables' increased materially as the higher levels of business activity during FY2022 led to an increase in trade debtors and additionally at year end, €1.5 million in fuel grants were still due to the Group. On the other hand, trade payables decreased as the Group settled the final instalment of €2 million due on the engine overhaul carried out on *HSC* JDLV in the last quarter of 2021.

Net cash used in investing activities amounted to just €0.5 million in FY2022 reflecting purchases of property, plant and equipment in the ordinary course of business.

In FY2022, the Group registered a net inflow of cash from financing activities amounting to €3.2 million largely reflecting the repayments on some loans due from the ultimate parent company and the proceeds from the new bank loan obtained to finance the engine overhaul on *HSC JDLV* carried out in 2021 which exceeded annual repayments on bank borrowings.

Overall, during FY2022, VML registered a net inflow of cash and cash equivalents amounting to €2.2 million which restored the Group's cash balance to a positive one of €0.1 million in contrast to the negative cash balance of €2.1 million as at the end of FY2021.

[5] *Inclusive of bank overdrafts.*

FORECASTS FY2023

Looking ahead in FY2023, the Group is expected to generate a healthy level of cash from operating activities of €12.5 million reflecting the anticipated improvement in the Group's operations. Moreover, no major working capital movements are being anticipated at this stage.

Net cash used in investment activities is expected to amount to just €0.2 million and largely relates to the continued investment in the Group's IT systems in connection with the recently launched Virtu Ferries app, new booking system and IT services offered on board.

Financing activities are anticipated to result in an outflow of €8.86 million resulting mainly from regular repayments on bank borrowings.

Notwithstanding the expected improvement in performance and the resultant upturn in cash generation, the Board remains conscious of the prevailing uncertainties particularly those related to the Ukraine war. In this respect, the Group has bolstered its contingency plans by securing lines of credit at advantageous rates covering a number of years in order to be prepared for the unexpected.

9.4 Statement of Financial Position

as at 31 December	Actual 2020 €'000	Actual 2021 €'000	Actual 2022 €'000	Forecast 2023 €'000
ASSETS				
Intangible assets	50,006	50,006	50,006	50,006
Property, plant and equipment	123,709	126,715	121,939	116,880
Right-of-use assets	7,396	6,857	6,317	5,777
Trade & other receivables	115	115	115	115
Deferred taxation	540	615	956	781
Total non-current assets	**181,766**	**184,308**	**179,333**	**173,559**
Inventories	269	354	598	550
Trade and other receivables	8,827	13,334	14,343	13,650
Cash and cash equivalents	9,265	660	1,917	3,497
Total current assets	**18,361**	**14,348**	**16,858**	**17,697**
Total assets	200,127	198,656	196,191	191,256
LIABILITIES				
Borrowings	48,720	46,593	46,020	37,658
Trade and other payables	45,530	45,530	45,530	45,530
Lease Liabilities	7,457	7,114	6,738	6,398
Total non-current liabilities	**101,707**	**99,237**	**98,288**	**89,586**
Borrowings	7,328	10,218	10,290	8,742
Trade and other payables	4,133	8,570	6,088	4,925
Lease Liabilities	314	343	376	340
Current tax liability	29	17	54	-
Total current liabilities	**11,804**	**19,148**	**16,808**	**14,007**
Total liabilities	113,511	118,385	115,096	103,593
EQUITY				
Share capital	4,363	4,363	4,363	4,363
Retained earnings	16,780	10,435	11,259	17,827
Other reserve	45,473	45,473	45,473	45,473
Capital reserves	20,000	20,000	20,000	20,000
Total equity	**86,616**	**80,271**	**81,095**	**87,663**
Total equity and liabilities	200,127	198,656	196,191	191,256

FY2022 Review

As at 31 December 2022, Group assets totalled €196.2 million (FY2021: €198.7 million), mainly composed of '*vessel and vessel equipment*' (€121.9 million) and '*intangible assets*' (€50 million). The 1.2% decrease largely reflects the depreciation charge on the Group's '*vessel and vessel equipment*' which was partially offset by the improved cash balances.

Similarly, total liabilities decreased by 2.8% to €115.1 million reflecting the reduction in trade payables as well as well as the reduction in borrowings from related parties. Total Group borrowings amounted to €56.3 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 FY2022 the Group's total equity amounted to €81.1 million, funding 41.3% 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 €11.3 million and (iv) '*share capital*' amounting to €4.36 million. The only change from FY2021 is in *'retained earnings'* which increased by €0.8 million or 7.9% reflecting the capitalisation of loans with ultimate parent company amounting to €1.3 million reduced by the €0.4 million net loss incurred during FY2022.

Forecasts FY2023

In FY2023, VML is expecting total assets to contract by 2.5% largely reflecting the annual depreciation charge on the Group's property, plant and equipment which is expected to be partly offset by the projected improvement in the Group's cash balances.

Similarly, liabilities are expected to decline by 10% to €103.6 million as the Group continue to repay its outstanding borrowings as per repayment schedule as well as further reducing the Group's trade payables. Borrowings are expected to decline by 12.3% to €70.8 million largely reflecting repayment of existing bank loans. Moreover, current trade and other payables are expected to drop by 19.1% to €5.0 million. Given the expected profit to be registered in FY2023, total equity is anticipated to increase from €81.1 million in FY2022 to €87.7 million.

ANALYSIS OF BORROWINGS

as at 31 December	Actual 2020 €'000	Actual 2021 €'000	Actual 2022 €'000	Forecast 2023 €'000
Short-term borrowings	7,328	10,218	10,290	8,742
Long-term borrowings – Bank	48,720	46,593	46,020	37,658
Long-term borrowings – VFP Loan	24,400	24,400	24,400	24,400
Total borrowings	80,448	81,211	80,710	70,800
Less: Cash and cash equivalents	9,265	660	1,917	3,497
Net Debt	71,183	80,551	78,793	67,303
Equity	86,616	80,271	81,095	87,663
Total funding	**157,799**	**160,822**	**159,888**	**154,966**

The decrease in total borrowings between FY2021 and FY2022 resulted from a net repayment of bank borrowings. The improved cash balance of the Group contributed to a further decrease in net debt from €80.6 million in FY2021 to €78.8 million in FY2022.

Net debt is expected to decrease further in FY2023 to €67.3 million (FY2022 €78.8 million) as a result of the scheduled repayments of bank borrowings in FY2023.

10. Ratio Analysis

The following set of ratios have been computed using VML's figures, both historical and forecasts.

Where the ratios were non-comparable because of a negative return or a negative result, the ratio has been recorded as 'N/A'.

Profitability Ratios

	Actual	Actual	Actual	Forecast
	FY2020	FY2021	FY2022	FY2023
Gross Profit margin *(Gross Profit / Revenue)*	53.41%	21.30%	30.16%	40.10%
EBITDA margin *(EBITDA / Revenue)*	42.85%	7.17%	18.56%	30.61%
Operating Profit margin *(Operating Profit / Revenue)*	23.80%	N/A	4.59%	19.26%
Net Profit margin *(Profit for the Period / Revenue)*	14.36%	N/A	N/A	12.76%
Return on Equity *(Profit for the Period / Average Equity)*	5.37%	N/A	N/A	7.78%
Return on Capital Employed *(Operating Profit for the Period / Average Capital Employed)*	4.49%	N/A	1.19%	6.19%
Return on Assets *(Profit for the Period / Average Total Assets)*	2.25%	N/A	N/A	3.39%

Given the sturdier performance registered in FY2022, on the back of the recovery from the COVID years and the restart of the *HSC Maria Dolores* charter, the Group's gross profit margin, EBITDA margin and operating profit margin were all positive and/or improved. Nonetheless, in view of the net loss incurred (albeit a smaller loss than that in FY2021) in FY2022, the other profitability ratios could not be computed.

In FY2023, the further anticipated rebound in business activity is expected to yield improved profitability ratios as the Group is expected to post a much-improved financial performance whilst also returning to a net profit position.

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
	FY2020	FY2021	FY2022	FY2023
Current Ratio *(Current assets / Current liabilities)*	1.56x	0.75x	1.00x	1.26x
Cash Ratio *(Cash & cash equivalents / Current liabilities)*	0.78x	0.03x	0.11x	0.25x

The combined effect of the increases in the Group's cash balance and trade receivables as well as the decrease in trade payables, resulted in stronger liquidity ratios as disclosed in the above table.

Moreover, both the current ratio and cash ratio are expected to further improve in FY2023 largely reflecting the improvement in the Group's cash position as well as the expected continued reduction in trade payables.

SOLVENCY RATIOS

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

	Actual	Actual	Actual	Forecast
	FY2020	FY2021	FY2022	FY2023
Interest Coverage ratio *(EBITDA / Net finance costs)*	4.52x	0.74x	2.86x	4.97x
Gearing Ratio (1) *(Net debt / Total Equity)*	0.82x	1.00x	0.97x	0.77x
Gearing Ratio (2) *[Total debt / (Total Debt plus Total Equity)]*	48.15%	50.29%	49.88%	44.68%
Net Debt to EBITDA *(Net Debt / EBITDA)*	5.27x	42.89x	10.14x	4.27x

The interest coverage ratio strengthened from 0.74 times in FY2021 to 2.86 times in FY2022 on the back of the substantially improved EBITDA in FY2022. Similarly, the net debt to EBITDA is indicating a lower level of leverage resulting from the stronger EBITDA registered in FY2022 combined with the decline in net debt. Meanwhile, the two gearing ratios in the table above are indicating a slightly lowered leveraged position on the back of the aforementioned reduction in borrowings (both on a total and net basis) and the increase in the equity base in FY2022.

In view of the anticipated improvement in the Group's EBITDA in FY2023, the interest coverage ratio is expected to increase to 4.97 times. Moreover, the net debt to EBITDA ratio is also expected to improve on the back of the projected uplift in EBITDA to 4.27 times. Likewise, the gearing ratios are indicating an expected reduction in leverage given the aforementioned anticipated in borrowings (both on a total and net basis) as well as the projected improvement in the equity base in view of the forecasted profits for FY2023.

11. Variance Analysis of the Guarantor's Income Statement for FY2022

for the year ended 31 December	Actual 2022 €'000	Forecast 2022 €'000	Variance %
Revenue	**41,857**	**37,390**	**11.95%**
Cost of Sales	(29,231)	(26,415)	10.66%
Gross Profit	**12,626**	**10,975**	**15.04%**
Administrative expenses	(5,417)	(4,135)	31.00%
Other income	561	740	-24.19%
EBITDA	**7,770**	**7,580**	**2.51%**
Depreciation and amortisation	(5,848)	(5,815)	0.57%
Operating profit	**1,922**	**1,765**	**8.90%**
Net finance costs	(2,715)	(2,600)	4.42%
Loss before tax	**(793)**	**(835)**	**-5.03%**
Tax (expense) / credit	366	-	N/A
Loss after tax	**(427)**	**(835)**	**-48.86%**

In FY2022, the operating financial performance of the Guarantor was better than anticipated due to a number of factors. Revenues exceeded expectations by almost 12% on the back of the faster than expected rebound in demand for ferry services (as evidenced by the 1,414 trips on the Malta-Sicily line as opposed to the forecasted 1,342 trips) and the higher than expected bunkering adjustment factor on ticket fares due to surge in fuel costs which were only partially offset by lower than expected income from the Gozo fast ferry service as the PSO agreement was not concluded in FY2022.

Nonetheless, most of this unexpected growth in revenue was mostly offset by the higher-than-expected fuel costs as well as additional costs which were not envisaged in the FY2022 forecasts related to IT and Gozo fast ferry service.

As a result, EBITDA and operating profit exceeded expectations as indicated in the above table.

Net finance costs were 4.4% higher than expected due to a reduction in interest receivable from a related party whilst the Group benefitted from an unanticipated €0.4 million tax credit. Overall, the Group ended with a lower net loss of €0.4 million compared to the forecasted €0.8 million net loss.

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

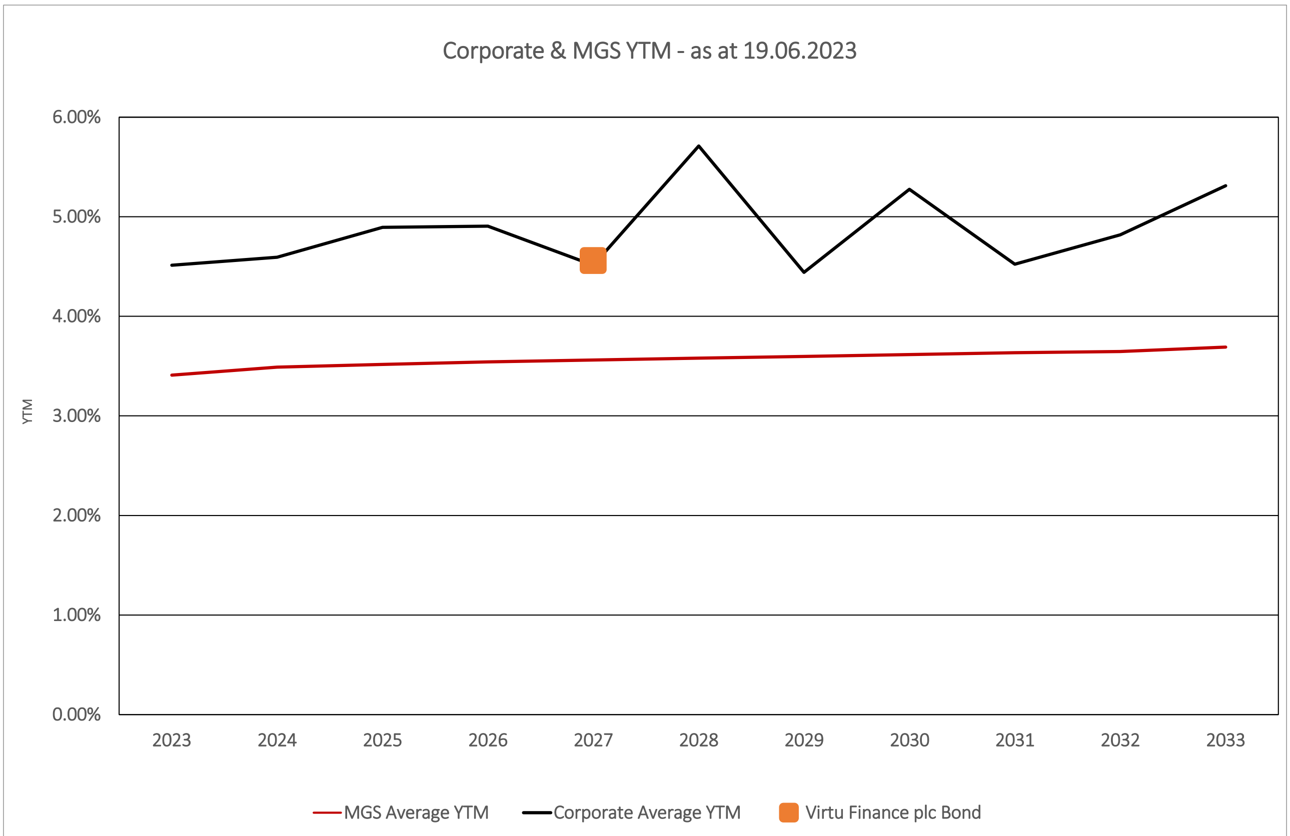
PART D COMPARATIVES

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 19.06.2023)* *(%)*
4.50% Grand Harbour Marina plc 2027	15,000,000	70.8%	6.7	2.3	4.77%
4.00% Eden Finance plc 2027	40,000,000	24.7%	5.2	4.2	4.07%
3.75% Tumas Investments plc 2027	25,000,000	19.7%	2.0	6.4	4.86%
3.50% Simonds Farsons Cisk plc 2027	20,000,000	9.6%	0.6	19.3	2.99%
3.75% Mercury Projects Finance plc 2027 (Secured)	11,500,000	71.8%	15.1	2.6	4.18%
3.75% Virtu Finance plc 2027	**25,000,000**	**49.3%**	**10.1**	**2.9**	**4.56%**

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 19 June 2023. Ratio workings and financial information quoted have been based on the issuers' and their guarantors (where applicable) audited financial statements for the year ended 2022/2023, 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 19 June 2023.

At a coupon of 3.75% per annum, the Virtu Finance bond 2027 yields 4.56% per annum to maturity, which is approximately 100 basis points above the average yield to maturity of Malta Government Stock (MGS) maturing in 2027 and approximately 5 basis points above 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 average 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.