

*Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds
(Virgin Trains USA Passenger Rail Project), Series 2019A
and
Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds
(Virgin Trains USA Passenger Rail Project), Series 2019B*



Monthly Revenue and Ridership Report
For the Month Ended 07/31/2019



Virgin Trains USA Passenger Rail Project

July 2019 Ridership and Revenue Results

For the month ended July 31, 2019, we carried 83,741 passengers and generated total revenue of approximately \$1.7 million. Average ticket fare was \$15.83 for the month and ancillary revenue totaled \$0.4 million. Year-over-year, compared to July 2018, ridership grew 61% and total revenue grew 73% for the month. On a 2019 year-to-date basis, we carried a total of 565,061 passengers and recognized \$12.7 million of total revenues, an increase of 142% and 287%, respectively, over the prior year period. The strong year-over-year results are due to the addition of service to Miami in May 2018 as well as the rapid adoption of our service by repeat customers over the past 12 months.

Amounts in the following table as of July 31st, in millions of US dollars, except for passenger and per passenger data.

	Month End July 31,			Year-to-Date July 31,		
	2019	2018	Change	2019	2018	Change
Ridership	83,741	52,162	+61%	565,061	233,032	+142%
Average Fare per passenger	\$15.83	\$14.33	+10%	\$17.70	\$ 10.95	+62%
Ticket Revenue	\$ 1.3	\$ 0.8	+77%	\$ 10.0	\$ 2.6	+292%
Ancillary Revenue	\$ 0.4	\$ 0.2	+57%	\$ 2.7	\$ 0.7	+270%
Total Revenue	\$ 1.7	\$ 1.0	+73%	\$ 12.7	\$ 3.3	+287%

Other Activity for the Month

Financing. There were no new financings during the month of July.

New Stations. We plan to establish additional stations in our currently operational system between Miami and West Palm Beach to meet additional demand for our service. Specifically, we are progressing on the development of three new stations located in key population centers and destination markets in South Florida including PortMiami, Aventura and Boca Raton. We expect to commence construction on stations prior to the end of 2019, with operations commencing in 2020, and believe these new stations have the potential to ultimately generate in excess of two million additional annual trips along our rail system.



The statements contained herein that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on the Company's expectations and are necessarily dependent upon assumptions, estimates and data that the Company believes are reasonable as of the date made but that may be incorrect, incomplete or imprecise or not reflective of actual results. Actual events or results may differ materially from the results anticipated in these forward-looking statements as a result of a variety of factors. The Company does not undertake to update or revise any of the forward-looking statements contained herein, even if it becomes clear that the forward-looking statements contained herein will not be realized.

New Partnerships and Distribution Channels. We are pursuing multiple revenue generating opportunities including new partnerships with cruise lines and other transportation partners. To date, we have executed agreements with two cruise lines to market our new train-to-port product and expect to enter into agreements with additional cruise line partners during the third quarter of 2019. We expect these agreements to generate substantial incremental ridership and ancillary revenue given the connectivity of our system to the world's busiest cruise port and the large number of cruise passengers originating from points north of Miami.

Furthermore, during the third quarter of 2019, we expect to make our service accessible through global distribution systems, enabling travel agents to directly book travel on our system on behalf of their clients.

Orlando Construction. Construction of our extension from West Palm Beach to Orlando continues as planned. Revenue service is scheduled to commence in 2022.

Rebranding. We are currently rebranding our business as Virgin Trains USA, with the transition planned for the fourth quarter of this year. Our rebranding will include a new online presence, as well as a new look for our trainsets and a revised customer environment in our stations. We expect to obtain strong marketing and pricing benefits from the rebranding due to the high customer awareness commanded by the Virgin name, especially with respect to the approximately 125 million domestic and international annual visitors to Florida. We also expect significant cross-marketing opportunities with other Virgin companies. Virgin Atlantic and Virgin Holidays both bring a large number of customers to Florida each year and the launch of the Virgin Voyages cruise line out of PortMiami in early 2020 will further expand the market for our train-to-port product.



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