

*Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds
(Brightline Trains Florida 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

October 2020

Brightline Trains Florida Passenger Rail Project

Recent Developments

During the month of October, we continued to execute on multiple important initiatives detailed below:

- Miami-Dade commuter rail: through October we advanced negotiations with Miami-Dade County for the establishment of county-funded commuter rail service on our corridor. In November, the Miami-Dade County Board of County Commissioners unanimously approved the resolution supporting the implementation of commuter service and key economic terms. Benefits to Brightline include payments to us of up to \$50 million upfront and up to \$12 million annually for 30 years
- Disney: Continuing to advance development of a station on Disney property in Orlando
- Addition of new inline stations: Ongoing progress on the construction and development of our new stations that will serve key attractions, travel destinations and population centers in Aventura, Boca Raton and PortMiami

In total, we expect these three initiatives to be highly accretive to our ridership and revenue, generating an estimated 3.0 million incremental passengers annually at stabilization, an approximate 45% increase over our estimated ridership prior to these initiatives, and generating stabilized revenue and incremental operating cash flows in excess of \$125 million annually.

Miami-Dade Commuter Service

On November 13, 2020, the Miami-Dade County Board of County Commissioners voted unanimously to approve a resolution for the development of a County-funded commuter service on the Company's rail corridor between Miami and Aventura. The new commuter service represents the Northeast Corridor component of Miami-Dade County's Strategic Miami Area Rapid Transit ("SMART") plan which seeks to advance the Northeast Corridor and five other rapid transit corridors in Miami-Dade County to address traffic congestion and improve mass transit options for Miami-Dade County.

Key economic terms contained in the approved resolution include upfront payments of up to \$50 million and annual access payments of up to \$12 million over a 30-year period. These payments, whether received over time, or monetized as a one-time payment, would be included as collateral for the Company. Once complete, the project will enable the County to provide commuter rail service across up to five new stations between the Company's MiamiCentral and Aventura stations. The implementation of the County's commuter service on our corridor will require additional track and rail infrastructure, as well as the construction of new commuter-only stations. The commuter service may be separately branded and

Brightline Holdings LLC (referred to herein as the Company) is the parent of Brightline Trains Florida LLC (f/k/a Virgin Trains USA Florida LLC and referred to herein as "Brightline", we, us and our), which is the borrower pursuant to the Series 2019A and 2019B Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds (Virgin Trains USA Passenger Rail Project).

operated. This transaction, subject to definitive documentation, is expected to provide high-quality, recurring revenue in the form of an access fee to the Company, while costs required for constructing and operating the commuter service are expected to be provided or sourced by Miami-Dade County.

The Company believes that the Miami-Dade commuter service will provide a valuable transit option to the Miami-Dade community and could serve as a model for similar projects in Broward and Palm Beach Counties. On May 12, 2020, the Company signed a letter of intent with Broward County to develop a similar project.

New South Segment Stations

Our additional inline stations in Aventura and Boca Raton continue to progress. In Aventura, civil construction continues on the approximately 3.5-acre site. The architecture team has completed the 90% construction drawings which are being put out for bid with the sub-contracting community. After the bidding process is complete, we will enter into GMP contracts with the contractor. Similarly, our Boca Raton station is well advanced from a design and engineering perspective and in the month of September we were informed by Federal Railroad Administration (FRA) of the FRA's intent to award the City of Boca Raton approximately \$16.5 million Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant to be used for the project. Negotiations on the definitive documentation remain ongoing for the PortMiami station, though impacted due to the impact of COVID-19 on the cruise industry.

We believe the three new South segment stations will contribute substantial incremental annual passengers upon stabilization. In total, the three new in-line stations will involve the investment of approximately \$140 million between us and local governments.

Disney Station

During November 2019, the Company entered into a memorandum of understanding ("MOU") with Walt Disney Parks and Resorts, Inc. ("Disney") for the development of a station on Disney property in Orlando. In February 2020, we commenced engineering and design work for the proposed project. The station and related rail infrastructure would provide a direct connection between Disney, the most visited theme park destination in the world, and South Florida. The service would provide a car free travel option to the 126 million visitors to the state, including the over 20 million annual domestic and international visitors arriving into South Florida. With a seamless connection to our planned station at PortMiami, the busiest cruise port in the world, cruise passengers would more conveniently be able to supplement their cruise voyage with a visit to Disney theme parks. The extension of our system from the Orlando airport to the Disney station would also serve as the first phase of a potential future connection to Tampa. Subject to permitting, lease negotiations with state agencies for right of way access, as well as negotiation of a definitive agreement with Disney, we anticipate opening the Disney station shortly after opening the Orlando airport station. Management estimates a Disney station would have rapid ridership adoption and that ridership would continue to grow strongly as the new travel option is expected to induce significant additional trips between South Florida and the theme parks.

Coronavirus Impact

We experienced record ridership from November 2019 to mid-March 2020; however, in light of COVID-19 and the unprecedented impact on travel activity, we reduced our service schedule on March 18th and on March 25th we temporarily suspended our passenger rail service and reduced staffing. On April 1, 2020, the Florida governor issued a 30-day stay-at-home order for the state, which was extended to May 18th for South Florida, at which time South Florida entered Phase 1 of the governor's Plan for Florida's Recovery. Restrictions on social and economic activities remain in effect in South Florida as a result of the phased reopening plans established by local governmental bodies. We continue to monitor the situation and evaluate an appropriate time to re-open service to resume building on the strong momentum we have established in South Florida. In the meantime, we continue to focus on developing key new partnerships and business opportunities.

October 2020 Ridership and Revenue Results

Given the impact of COVID-19, we began to curtail service on March 18th and suspended all service as of March 25th.

On a year-to-date basis, we carried a total of 271,778 passengers and recognized \$6.6 million of total revenues in 2020. Prior the impact of COVID-19, we experienced strong momentum in our business during 2020 with ridership and revenue up 50% through mid-February.

	Month-End October 31,		Year-to-Date October 31,	
	2020	2019	2020	2019
Ridership	-	83,426	271,778	784,487
Average Fare per passenger	-	\$14.78	\$18.10	\$16.92
Ticket Revenue	-	\$ 1.2	\$ 4.9	\$ 13.3
Ancillary Revenue	\$ 0.1	\$ 0.5	\$ 1.8	\$ 3.7
Total Revenue	<u>\$ 0.1</u>	<u>\$ 1.7</u>	<u>\$ 6.7</u>	<u>\$ 17.0</u>

Other Activity for the Month

Financings

On various funding dates in September and October, we issued an additional \$70 million aggregate principal amount of secured indebtedness (the Term Loan), the net proceeds of which were used to fund certain Project Costs including operating and construction costs, and related fees and expenses in connection with the Term Loan. The Term Loan matures on June 25, 2021. Interest is based on 60-day and 90-day LIBOR plus 2.50%.

We continue to work on various financing transactions in the near-term to enable us to fund continued construction activity and maintain our construction schedule.

Construction

In October, we continued to progress construction activity, including the build-out to Orlando as well as construction of our new South Florida stations. In October 2020, over 970 construction workers were actively engaged in the build-out of our system to Orlando and, while we have implemented additional health safety measures, we do not anticipate Covid-19 measures to have any adverse impact on our construction timeline. As we look ahead toward the economic recovery of Florida, projects like ours will help create jobs and a transportation network that will prove even more important to the regional economy than it is today.

Other

On December 20, 2019, the United States Court of Appeals for the District of Columbia Circuit affirmed the decision of the United States District Court that the private activity bonds (“PABs”) were properly issued and that the Federal Railroad Administration (“FRA”) complied with all NEPA requirements with respect to the Environmental Impact Statement. In May 2020, the Indian River County Board of County Commissioners filed a petition with the United States Supreme Court requesting the issuance of a writ of certiorari to review the decision of the United States Circuit Court of Appeals for the District of Columbia Circuit. The Company and the US Department of Transportation filed responses in August 2020 and Indian River filed a reply brief in September 2020. On October 5, 2020 the petition for issuance of a writ of certiorari from the United States Supreme Court was denied. The decision of the United States Circuit Court of Appeals for the District of Columbia Circuit stands as the final decision on this matter and is not subject to further appeal. Accordingly, we believe this matter is resolved.

Forward-Looking Statements

Certain statements in this filing may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are generally identified by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “target,” “projects,” “contemplates” or the negative version of those words or other comparable words. The inclusion of any forward-looking information should not be regarded as a representation by the Company or Brightline that the future plans, estimates or expectations contemplated by the Company or Brightline will be achieved. Forward-looking statements are not historical facts, but instead represent only the Company’s or Brightline’s belief as of the date of this filing regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s or Brightline’s control. Furthermore, new risks and uncertainties arise from time to time, some of which may be beyond the Company’s or Brightline’s control, and it is not possible for the Company or Brightline to predict those events or how they may affect the Company or Brightline. Except as may be required by law, the Company, Brightline and their affiliates assume no duty to update or revise its forward-looking statements based on new information, future events or otherwise.

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