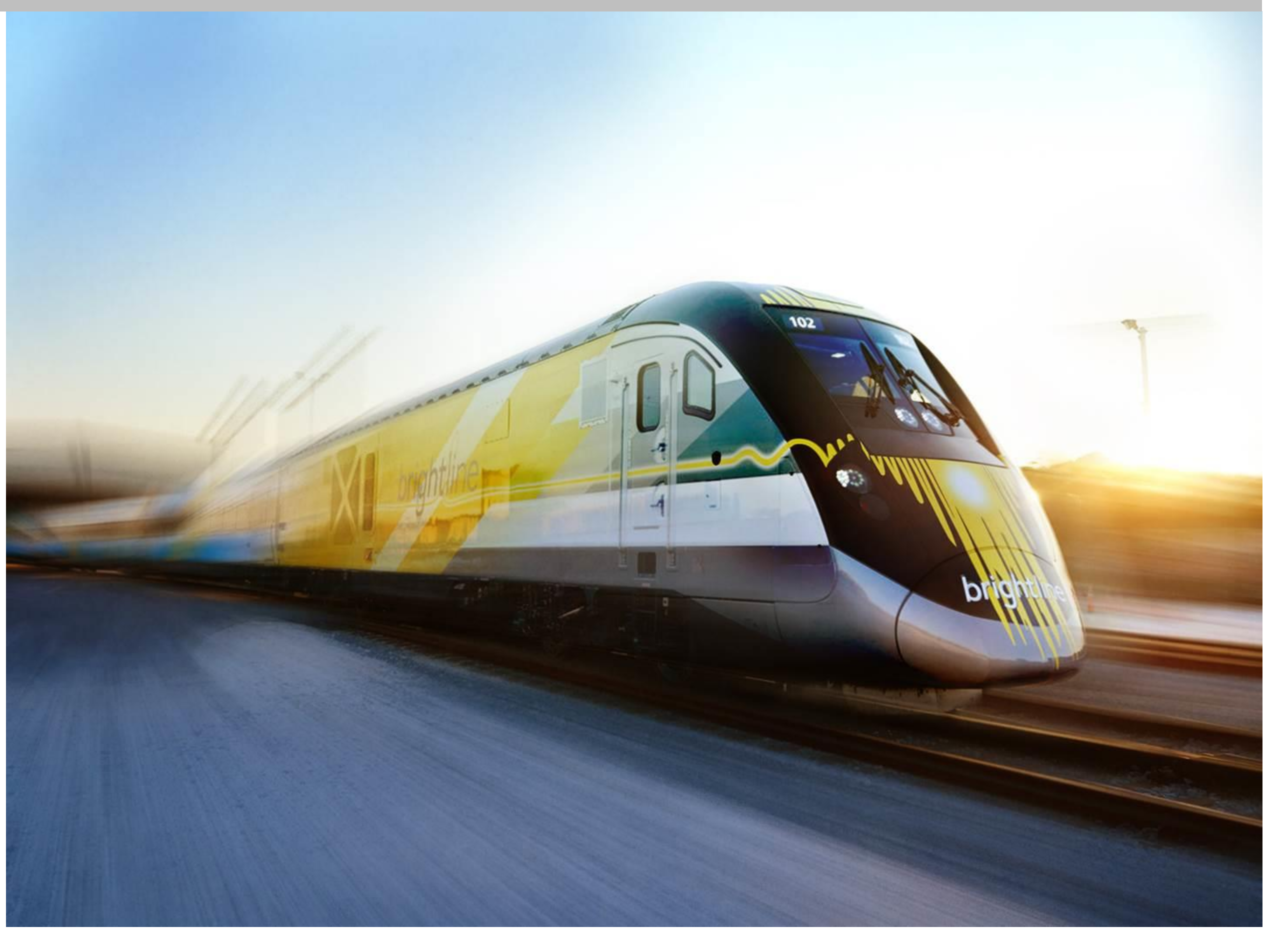
Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019A, 2019A-1

and

Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds)



Annual Report

As of and for the Year Ended December 31, 2020

brightline
TRAINS FLORIDA, LLC

Date: April 30, 2021

Re: Officers Certificate for *Brightline Trains Florida LLC* (f/k/a Virgin Trains USA Florida LLC, Brightline Trains LLC, f/k/a All Aboard Florida Operations, LLC*)*

Annual Report

CUSIP Nos.: 34061YAB6, 34061YAC4, 34061YAD2, 34061YAJ9 and 34061YAH3

I hereby certify that the Annual Report filed on April 30, 2021 constitutes the disclosure of annual financial and operating information with respect to the Brightline Trains Florida LLC of December 31, 2020 and for the year then ended in the form and content as required by the Disclosure Dissemination Agent Agreement.

I further certify that the information complies, in all material respects, with the requirements of the Disclosure Dissemination Agent Agreement.

Digital Assurance Certification (DAC) shall be entitled to rely on this certificate.

If you have further questions about this matter, please do not hesitate to call.

Jeff Swiatek

Name Jeff Swiatek
Title Chief Financial Officer
Brightline Trains Florida LLC

161 NW 6th Street | Suite 900 | Miami, FL

Brightline Florida Passenger Rail Project

Executive Summary

We own and operate an express passenger rail system connecting major population centers in Florida. We are the first new major private passenger intercity railroad in the United States in over a century.

We carried over one million riders in 2019, our first full year of operations. Effective January 2, 2019 we increased our schedule to 226 trips per week with 34 daily weekday trips between Miami and West Palm Beach, one of the most heavily traveled and congested regions in the U.S. We believe our passenger rail system offers travel that is faster, safer, more eco-friendly, more reliable, less expensive, more productive and more enjoyable than travel by car. We also commenced construction of the expansion of our Florida passenger rail system to Orlando, which we are on schedule to complete in the December of 2022.

Through December 2020, we executed on multiple important initiatives detailed below:

- Miami-Dade commuter rail: 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 are expected to include payments to us of up to $50 million upfront and $12 million annually for 30 years

- Disney: we entered into a long-term agreement to develop, construct and operate a station at Disney Springs, subject to permitting, final design and our satisfaction of certain other obligations and obtaining all other necessary government approvals

- Addition of new in-line 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.

We experienced record ridership from November 2019 to mid-March 2020 and carried 271,788 riders in the first three months of 2020. However, in light of COVID-19 and the unprecedented impact on travel activity, we temporarily suspended our passenger rail service in March 2020 and reduced staffing.

Brightline Holdings LLC (referred to herein as "Parent") 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, 2019A-1 and 2019B Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds (Brightline Trains Passenger Rail Project). Certain statements in this filing may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

2020 Construction and Expansion Plans

Construction

Construction of the South segment of the project, Miami to West Palm Beach, is substantially complete and remaining South segment construction activities primarily involve enhancements related to positive train control of the system.

We continued to progress construction activity, including the build-out to Orlando as well as construction of our new South Florida stations. Over 895 construction workers were actively engaged in the build-out of our system to Orlando in March 2021 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.

Expansion Plans

Miami-Dade Commuter Service

In June 2020, the Miami-Dade County Board of County Commissioners voted to authorize the County Mayor to negotiate an agreement to provide commuter service on our rail corridor between MiamiCentral and Aventura stations in an effort to activate the Northeast Corridor component of Miami-Dade County's Strategic Miami Area Rapid Transit (SMART) plan. The SMART plan seeks to advance the Northeast Corridor and five other rapid transit corridors in Miami-Dade County. On November 13, 2020, the Miami-Dade County Board of County Commissioners voted unanimously to approve a resolution for the development to the commuter service on our rail corridor between Miami and Aventura. Key economic terms contained in the approved resolution include County upfront payment to us in an amount not to exceed $50 million, paid in one or more installments, and annual access payments starting at up to $12 million for a term to be agreed upon. We currently expect such term to be 30 years, which is subject to negotiation of definitive documents. We have prepared conceptual designs for stations and shared them with the County, identified station locations, subject to confirmation by the County, and we have selected rolling stock provider options for the County that are compatible with our existing system.

Once complete, the project will enable the County to provide commuter rail service access to up to five new stations between 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 (as those stations will not be served by our intercity service). The commuter service may be separately branded and operated. Costs required for constructing and operating the commuter service are expected to be provided or sourced by Miami-Dade County. Provision of this commuter service is subject to execution of definitive documentation and the approval of same by the Miami-Dade County Board of County Commissioners. During March, Miami-Dade County took several key steps to advance the project. On March 18th, the Miami-Dade Transportation Organization Governing Board unanimously voted to select our corridor as the Locally Preferred Alternative for the Northeast Commuter Corridor component of the SMART plan. On March 19th, Miami-Dade applied to the USDOT under USDOT's INFRA Grant program to obtain federal grant support for the project. Miami-Dade County also conducted a public process to determine the station locations and is currently reviewing the proposals that were submitted by the March 31st deadline. We anticipate the County will finalize their review and station selection in the month of May.

We expect to receive the upfront and annual access fees with no additional performance obligations, thereby contributing directly to our EBITDA. Alternatively, we may choose to provide such access and develop the commuter service through an affiliate. In such a scenario, the affiliate would pay us a one-time fee for the right to use and occupy our rail corridor for the purpose of providing such commuter service, likely in the form of an upfront monetization of the annual access fee payment stream. The proceeds of such monetization would be paid to us as compensation and have the potential to allow us to deliver the Project, the Capacity Expansion Projects, the new in-line Stations and the station at Disney Springs while incurring substantially less Senior Indebtedness. Any payments received by us in connection with the commuter service on our rail corridor, including any annual access fees or any one-time fee paid to us by an affiliate for the right to use and occupy our rail corridor for the purpose of providing such commuter service, would constitute Project Revenues and, therefore, Collateral for the benefit of the holders for the Series 2019B Bonds, the Series 2019A Bonds and any Permitted Additional Senior Indebtedness.

New South Segment Stations

Our additional in-line stations in Aventura and Boca Raton continue to progress and are on track to have station construction activities commence in April. For Aventura, we have released the station site work and the subcontractor mobilized and started in late April. Additionally, we continue to work with the contractor to finalize the Guaranteed Maximum Price (GMP) pricing for the balance of the station work and anticipate executing the GMP contract by mid-May. Similarly, for the Boca Raton station, we provided the contractor a notice to proceed with the station-enabling work. That work, which commenced in late April, includes the construction of a new community garden and temporary parking lot that will serve library patrons while the permanent station and library garage are constructed. On a parallel path, we continue to advance our discussions and finalize the Grant Agreement with the Federal Railroad Administration (FRA) related to the FRA's plan to award approximately $16.5 million Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant to be used for the Boca Raton 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

In November 2020, we entered into a long-term agreement to develop, construct and operate a station at Disney Springs, subject to permitting, final design and our satisfaction of certain other obligations and obtaining all other necessary government approvals. Walt Disney World Resort is a highly visited destination, attracting millions of visitors annually, a significant number of whom originate along our corridor.

The Station at Disney Springs will provide a fast, convenient and enjoyable alternative to driving or flying for the millions of trips made by guests traveling between South Florida and Orlando to visit the Walt Disney World Resort each year. As part of a future planned extension to Tampa, the station at Disney

Springs could also serve the millions of annual visitors to Disney and Orlando originating from the Tampa area. The extension from the Orlando airport to the station at Disney Springs comprises a component of the Tampa extension for which we won the RFP process in November 2018. The RFP was issued by the Florida Department of Transportation (FDOT) and the Central Florida Expressway Authority (CFX) for the leasing of rights of way owned by FDOT and CFX to provide intercity passenger rail service between Orlando and Tampa. We expect the station at Disney Springs to have a significant potential to increase our ridership, revenue and EBITDA.

Coronavirus Impact

On January 30, 2020, the World Health Organization declared COVID-19 a "Public Health Emergency of International Concern" and on March 10, 2020, declared COVID-19 a pandemic. We have reduced staffing levels for the duration of the service suspension such that the suspension. 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.

Our North Segment and additional in-line station development activities have continued with minor disruption. We continue to monitor the situation and evaluate an appropriate time to re-open our passenger rail service.

The extent to which the COVID-19 will impact the Company will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity and duration of the financial and operational impacts of COVID-19 and actions taken related thereto.

Other Material Developments

Financings

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.

- On February 26, 2021, we entered into a Bank Term Loan credit facility from a syndicate of financial institutions with a total capacity of $100 million and drew $40 million at the closing date and $20 million in April 2021. The proceeds of the Bank Term Loan are available for project costs, including construction of our North Segment, new in-line stations and expansion to Disney as well as operating activities at Brightline Trains Florida. The Bank Term Loan has a 90-day draw window, matures on February 25, 2022, bears interest at LIBOR plus 2.50% and is subject to prepayment in certain circumstances.

- On December 23, 2020, we remarketed an aggregate principal amount of $950,000,000 of the Florida

Development Finance Corporation Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019B (Green Bonds) (the "Series 2019B Bonds") pursuant to the final Limited Remarketing Memorandum dated December 11, 2020.

- On December 23, 2020, Brightline Holdings LLC, our indirect parent, consummated the Tender Offers for $225 million of our outstanding series 2019A Project Bonds, as disclosed separately in our tender offer event-based disclosure dated December 21, 2020.

- On December 23, 2020, we remarketed an aggregate principal amount of $210,000,000 of the Florida Development Finance Corporation Surface Transportation Facility Revenue Bonds (Brightline Florida Passenger Rail Project), Series 2019A-1 (the "Series 2019A-1 Bonds") pursuant to the final Limited Remarketing Memorandum dated December 21, 2020.

- On July 10, 2020, we issued $48.5 million aggregate principal amount of secured indebtedness (the Term Loan), the net proceeds of which were used to fund certain Project Costs, fees and expenses in connection with the Project and the Term Loan. 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 was paid-in-full on December 23, 2020.

- On June 26, 2020, we entered into and borrowed $31.1 million under a Revolving Senior Loan Agreement (the Revolving Credit Facility) with our parent, Brightline Holdings LLC. The proceeds of which are available for our general corporate purposes. We repaid this loan in full in connection with the Series 2019B Bond remarketing in December 2020.

Brand Update

Our Parent has terminated its trademark license agreement (the "License Agreement") with Virgin Enterprises Limited (together with its affiliates, "Virgin"). Accordingly, we changed our name to Brightline Trains Florida LLC following the expiration of the applicable notice period for name changes under the senior loan agreement. Virgin has no remaining affiliation with us, our Parent or its affiliates (whether through equity ownership or otherwise). Our Parent delivered a termination notice in accordance with the License Agreement on July 29, 2020. Virgin has disputed the validity of the termination notice.

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.

Passenger Ridership, Fare Data and Revenue for the Project

For the years ended December 31, 2020 and 2019, we operated between Miami and West Palm Beach, referred to as the South Segment (the short distance segment). Amounts in the following table are in millions of US dollars, except for passenger and per passenger data.

	Year-to-Date December 31,		
	2020	2019	Change
Ridership:			
Short Segment	271,778	1,012,804	(73)%
Long Segment	–	–	–
Average Fare per passenger:			
Short Segment	$18.10	$16.87	7%
Long Segment	–	–	–
Fare Revenue	$ 4.9	$ 17.1	(71)%
Ancillary Revenue	$ 2.6	$ 5.0	(49)%
Total Revenue	$ 7.5	$ 22.1	(66)%

Financial Results 2020 and 2019

Results of Operations

During the year ending on December 31, 2020 and 2019, we carried a total of 271,778 and 1,012,804 passengers, respectively, and recognized $7.5 million and $22.1 million, respectively, of total revenues, a decrease of 73% and 66%, respectively, over the prior year. Average ticket fare was $18.10 in 2020 and ancillary revenue totaled $2.6 million. We experienced record ridership from November 2019 to mid-March; however, in light of COVID-19 and the unprecedented impact on travel activity, we temporarily suspended our passenger rail service in March 2020 and reduced staffing.

Revenue for the year decreased to $14.6 million, a 66% decrease from the prior year, due to the temporary suspension of passenger rail service in March 2020. Likewise, train operating expenses, except for depreciation and amortization, decreased 37% to $34.3 million as a result of reductions in costs associated with the temporary suspension of passenger rail service, partially offset by slightly higher fixed occupancy costs (approximately $0.5 million). Depreciation and amortization cost increased by 10% to $3.3 million as such costs were not impacted by the temporary suspension of passenger rail service and were driven by the full year depreciation for assets placed in-service in September of 2019. Corporate, general and administrative expenses decreased by 37% due to cost reductions associated with the temporary suspension of passenger rail service, including labor, professional fees, information technology and the allocation of $2.2 million of property taxes to operating activities in 2020. Expansion costs were essential flat as activities related to the new in-line stations and other expansion activities continued with limited interruptions due to COVID-19. Interest costs increased by 197% to $96.9 million as a result of the full year impact of interest costs for the Series 2019A and 2019B Bonds as well as short-term indebtedness incurred in 2020. We recognized $2.7 million of loss on extinguishment of debt associated with the issuance of the Series 2019B project bonds and extinguishment of short-term debt in December 2002 as compared to the $48.3 million loss on extinguishment of debt in 2019 associated with the issuance of the Series 2019A Bonds. We also recognized $8.5 million of gains sales of investments in 2020 as compared to $2.4 million of such gains in 2019 associated with investment of proceeds from the Series 2019A and 2019B Bonds prior to the use of such funds for construction of the North Segment and pre-funding interest and ramp-up reserves.

Financial Position

The $287.2 million increase in our total restricted cash to $754.0 million is attributable to the issuance of the Series 2019B Bonds as project bonds in December 2020 and consist primarily of deposits held at major financial institutions to meet certain obligations directly related to the construction and development of the North and South Segments, pre-funded interest for our Senior Loan Agreements (Series 2019A, 2019A-1 and 2019B Bonds), the operation of the South Segment and collateral to undrawn letters of credit. The $1.2 billion decrease in total investments in marketable securities in 2020 is attributable to the use of proceeds from liquidation of such investments in our construction projects, remarketing of the Series 2019B Bonds, payment of interest on the Series 2019A and 2019B Bonds and the increase in restricted cash. Our long-term debt decreased by approximately $63.5 million from 2019 is primarily due to original issuance discounts on the Series 2019B and 2019A-1 Bonds. Total invested equity of $868.8 million decreased $169.3 million due to our current year net loss of $184.3 million, partially offset by $15.1 million of capital contributions from our Parent.

Debt Service Coverage Data

Debt service coverage data is based on actual reported results as adjusted for certain non-recurring items and other sources of liquidity available to us as of the dates reflected. The financial measures EBITDA, Free Cash Flow from Operations, Cash Available for Debt Service and Cash Available After Debt Service are supplemental measures of Brightline's operating performance that are not Generally Accepted Accounting Principles (GAAP) measures and are defined in the related footnotes. These non-GAAP measures have limitations as an analytical tool, are not a measurement of income (loss) from continuing operations and/or net income (loss) and should not be considered as an alternative to net income (loss) as a measure of operating performance.

Amounts in the table below are reflected in millions of US dollars.

	2020	2019
EBITDA[1]	$ (51.4)	$ (123.4)
Loss on Extinguishment of Debt (non-recurring)	2.7	48.3
Capital Expenditures	(4.6)	(8.1)
Free Cash Flow from Operations[2]	(53.3)	(83.2)
Funding from Ramp-up Reserve	61.0	15.8
Funding from Parent	15.1	39.2
Cash Available for Debt Service [3]	7.8	(28.3)
Debt Service, net[4]	–	–
Cash Available after Debt Service[5]	7.8	(28.3)
Debt Service Coverage[6]	n/a	n/a

1 EBITDA is defined as Net Loss excluding interest, taxes based on income, depreciation and amortization.
2 Free Cash Flow from Operations is defined as EBITDA adjusted for the loss on extinguishment of debt less rolling stock, infrastructure, station and other maintenance capital expenditures and rebranding expenditures.
3 Cash Available for Debt Services is defined as Free Cash Flow from Operations plus Ramp-up Reserve Balance, Parent Funding and Incremental Other Debt Borrowing.
4 Debt Service, net is defined as contractual debt service less prefunded debt service reserves
5 Cash Available after Debt Service is defined as Cash Available for Debt Service minus Debt Service, net. Brightline's definitions and calculation of these non-GAAP measures may differ from the non-GAAP measures or analogous calculations of other companies in Brightline's industry and may limit their usefulness as a comparative measure.
6 Debt Service Coverage equals Cash Available for Debt Service divided by Debt Service, net.

Additional Reporting

Brightline Trains Florida LLC recently filed reports regarding revenue and ridership results as well as other activities for January, February and March 2021 on the Electronic Municipal Market Access site (https://emma.msrb.org).

Brightline Trains Florida LLC recently filed reports regarding the current status of the North Segment and in-line Station construction activity for January, February and March 2021 on the Electronic Municipal Market Access site (https://emma.msrb.org).

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 our Parent or Brightline that the future plans, estimates or expectations contemplated by our Parent or Brightline will be achieved. Forward-looking statements are not historical facts, but instead represent only our Parent'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 our Parent's or Brightline's control. Furthermore, new risks and uncertainties arise from time to time, some of which may be beyond our Parent's or Brightline's control, and it is not possible for our Parent or Brightline to predict those events or how they may affect our Parent or Brightline. Except as may be required by law, our Parent, Brightline and their affiliates assume no duty to update or revise its forward-looking statements based on new information, future events or otherwise.