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

July 2020
Virgin Trains USA Passenger Rail Project

Recent Developments

During the month of July, we continued to advance multiple important initiatives detailed below:

- **Miami-Dade commuter rail**: Substantial progress on negotiations with Miami-Dade for the implementation of a new county commuter service on our rail corridor, we expect the final agreement to include a meaningful access fee payment to us.

- **Disney**: Continuing to advance development of a station on Disney property in Orlando.

- **New inline stations**: Ongoing progress on the construction and development of our new stations to serve key attractions, travel destinations and population centers in Aventura, Boca Raton and PortMiami.
  
  - In total, we expect the above three initiatives to be highly accretive to our ridership and revenue, generating estimated incremental ridership at stabilization of 3.0 million passengers annually, an approximate 45% increase over our estimated ridership prior to these initiatives, and generating incremental stabilized revenue and operating cash flows in excess of $125 million annually.

- **Brand**: We will no longer use the Virgin brand following our parent’s termination of its licensing agreement with Virgin Enterprises Limited (together with its affiliates, “Virgin”). We will change our name to Brightline Trains LLC following the expiration of the applicable notice period for name changes under the senior loan agreement. Virgin has no remaining affiliation with us, or parent or its affiliate (whether through equity ownership or otherwise).

**Miami-Dade Commuter Service**

In June, the Miami-Dade Board of County Commissioners authorized the mayor to negotiate definitive agreements with us within 90 days that would enable the County to provide commuter rail services on our right of way in accordance with its Strategic Miami Area Rapid Transit (“SMART”) Plan. The Northeast Corridor component of the SMART Plan envisions a commuter service operating from Miami to Aventura and the project would involve construction of additional commuter stations along the corridor, the construction of new rail infrastructure and the acquisition of required rolling stock to provide the service.

It is anticipated that the project would be implemented through three agreements including a development agreement for the design and construction of the required infrastructure, an O&M agreement for the operation of the commuter service (which may be provided by a third party), and a shared infrastructure.

Virgin Trains USA LLC (referred to herein as the Company) is the parent of Virgin Trains USA Florida LLC (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). 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 our expectations and are necessarily dependent upon assumptions, estimates and data that we believe 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. We do 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.
access agreement that would involve a payment to us for the right to operate on our right of way. Funding for capital and operating costs related to the County’s potential commuter service are expected to be provided or sourced by the County. We have been meeting regularly with the County and remain in active negotiations with the mayor’s staff. We believe the project would 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. Over the past month and in collaboration with the County we have completed options for train schedules and associated infrastructure costs to meet the County’s desired commuter service levels. Negotiations are now focused on key financial and operating terms for definitive agreements.

**New South Segment Stations**

Our additional inline stations in Aventura and Boca Raton continue to progress. In Aventura, the station design is advancing and early construction activity has commenced with a formal groundbreaking with Miami-Dade County expected in September. Similarly, our Boca Raton station is well advanced from a design and engineering perspective and we are in the process of reviewing the latest designs with the architects and engineers. Negotiations on the definitive documentation remain ongoing for the PortMiami station, though slightly 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 $120 million between us and local governments.

**Disney Station**

During November, 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...

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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 through at least August 13th. The suspension of service is not expected to have a material net financial impact on our business and we have access to ample operating liquidity to withstand a protracted slowdown in the travel market. 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 will focus on developing key new partnerships and business opportunities.

July 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.

<table>
<thead>
<tr>
<th></th>
<th>Month-End July 31, 2020</th>
<th>Year-to-Date July 31, 2020</th>
<th>Month-End July 31, 2019</th>
<th>Year-to-Date July 31, 2019</th>
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<tr>
<td>Ridership</td>
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<td>83,741</td>
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<td>Average Fare per passenger</td>
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<tr>
<td>Total Revenue</td>
<td>-</td>
<td>$ 1.7</td>
<td>$ 6.6</td>
<td>$ 12.7</td>
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</table>

Other Activity for the Month

Financings

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. The Term Loan matures on June 25, 2021. Interest is based on 90-day LIBOR plus 2.50% with the option to be paid-in-kind subject to an incremental 1.25% interest.

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Construction

We continue to progress construction activity, including the build-out to Orlando as well as construction of our new South Florida stations. In July 2020, over 752 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 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.

Brand Update

As noted above, our parent has terminated its trademark license agreement (the “License Agreement”) with Virgin Enterprises Limited (together with its affiliates, “Virgin”). Accordingly, we will change our name to Brightline Trains 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.

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