

Annual Report 2021

Actions for growth



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A MESSAGE FROM OUR CEO

We are now over two years into a global set of challenges that have tested our company, our industry and our employees at every turn.

The pandemic and, more recently, the reality of global conflict have confirmed the resiliency of our company, employees, systems and technology. Looking back, I remain extraordinarily proud of what we achieved during these volatile and uncertain times. We continue to serve clients, delivering exceptional pricing, execution, risk intermediation and financial products and services to a customer base that spans the largest buy-side, sell-side and retail-oriented firms in the Americas, Europe and Asia.

It is important to highlight that while Virtu, as a global provider of market making and execution services, counts some of the world's largest global buy and sell-side institutions as our clients, the ultimate beneficiaries of our services are small business owners, pensioners and retail investors. In our retail market-making business alone, we estimate that in 2021, Virtu delivered a total of \$3.5 billion¹ in real price improvement to retail investors. These amounts represent actual dollars saved by retail investors buying and selling through their brokers. In the past twenty-five years, technology advancements have been a driving force in the ongoing democratization of the capital markets, enabling individuals to invest alongside large institutions with equal footing. The United States economy, which supports the largest, most accessible and fairest equity capital markets in the world—where entrepreneurs and companies large and small come to access capital for growth—today are available to anyone with a brokerage account. Additionally, innovations like commission-free trading, the growth and expansion of our ETF offerings and fractional share ownership help families invest and plan their futures. We believe in and are committed to the role that firms like ours play in supporting this great ecosystem.

The domestic regulatory and political environment continues to evolve, with substantial attention and focus paid to core market structure topics. We continue to lead with fact-based discussion anchored in impactful data which demonstrates the compelling benefits offered by the current market structure. We consistently support and advocate for reforms aimed at promoting transparency and fairness but insist that the consequences of potential reforms be studied carefully for their potential to disrupt and degrade the current ecosystem which has provided such important measurable benefits to investors.

In 2021 Virtu generated adjusted net trading income of \$1.9 billion², achieved adjusted EBITDA of \$1.3 billion³, and delivered net income of nearly \$830 million. Each of these results is second in our history only to 2020 and reflects our firm's exceptional capability to deliver strong results across a range of environments. Consistent with our longstanding pledge, we used excess cash to deliver substantial value to our shareholders, repurchasing over 14.7 million⁴ shares during the calendar year while maintaining our \$0.96 annual dividend.

We also continue to invest in both the growth of our core businesses and in our strategic growth initiatives. These investments are bearing fruit, as witnessed by continued improvements to our core trading and market making capabilities, consistent industry recognition for our execution services⁵ and broker-neutral products, and the positive momentum of our initiatives across options, block ETFs and cryptocurrencies trading as well as our capital markets offerings to corporate issuers.

As of this writing, Virtu employs about 1000⁶ people globally. We pride ourselves on being a rewarding, fair and inclusive place to work. We also continued



Douglas A. Cifu
Co-founder & CEO

our important work to promote and enhance diversity, equity and inclusion at all levels of our firm through engagement, recruiting, development and leadership-focused programs, led by our DE&I committee and our recently appointed Co-Chief People Officers.

Each year, I reflect on how grateful I am to be surrounded by such dedicated and talented professionals around the globe whose adaptability and perseverance allow us to continue to deliver excellence to clients and the markets—2021 was no exception. Our focused investment in technology, products, and talent over the years allows our clients today to trade on hundreds of venues across over 50 countries and in multiple asset classes, including global equities, ETFs, foreign exchange, futures, fixed income, cryptocurrencies, and myriad other commodities.

As we optimistically look beyond the worst, while recognizing the continuing challenges of new variants and global conflict, we remain focused on empowering and promoting the well-being of our employees, delivering exceptional performance to our customers and creating value for our shareholders. I remain humbled by the opportunity to lead Virtu Financial alongside my incredible colleagues and look forward to all that we will achieve together in 2022 and beyond.

A handwritten signature in dark ink, reading "Douglas A. Cifu", is positioned below the text block on the right side of the page. The signature is fluid and cursive, matching the professional yet approachable tone of the message.

**HOW WE EARN
EVERY TRADE**

**Where transparent trading solutions
meet advanced technology.**

Virtu is a leading provider of financial services and products that leverage cutting-edge technology to deliver liquidity to the global markets and innovative, transparent trading solutions to our clients.



See endnotes at the end of this report.

Global Client Network.

Trusted relationships developed over 30+ years

Reach

- 2,000+ clients
- 50+ countries
- 235+ venues

Diverse Client Base

- Institutional
- Retail
- RIAs
- Asset Managers
- ETF Issuers

**Global Presence,
Local Market Expertise**

- Americas
- EMEA
- APAC

**Client-Focused
Solutions**

- Execution Services
- Workflow Technology
- Liquidity Sourcing
- Trade Analytics, Reporting and Data

Liquidity Pools and Execution Tools.

Efficient and transparent trading

Multiple Asset Classes

- Global Equities
- ETFs
- FICC
- Options

Liquidity Pools

- Principal
- Retail
- Institutional

>30%

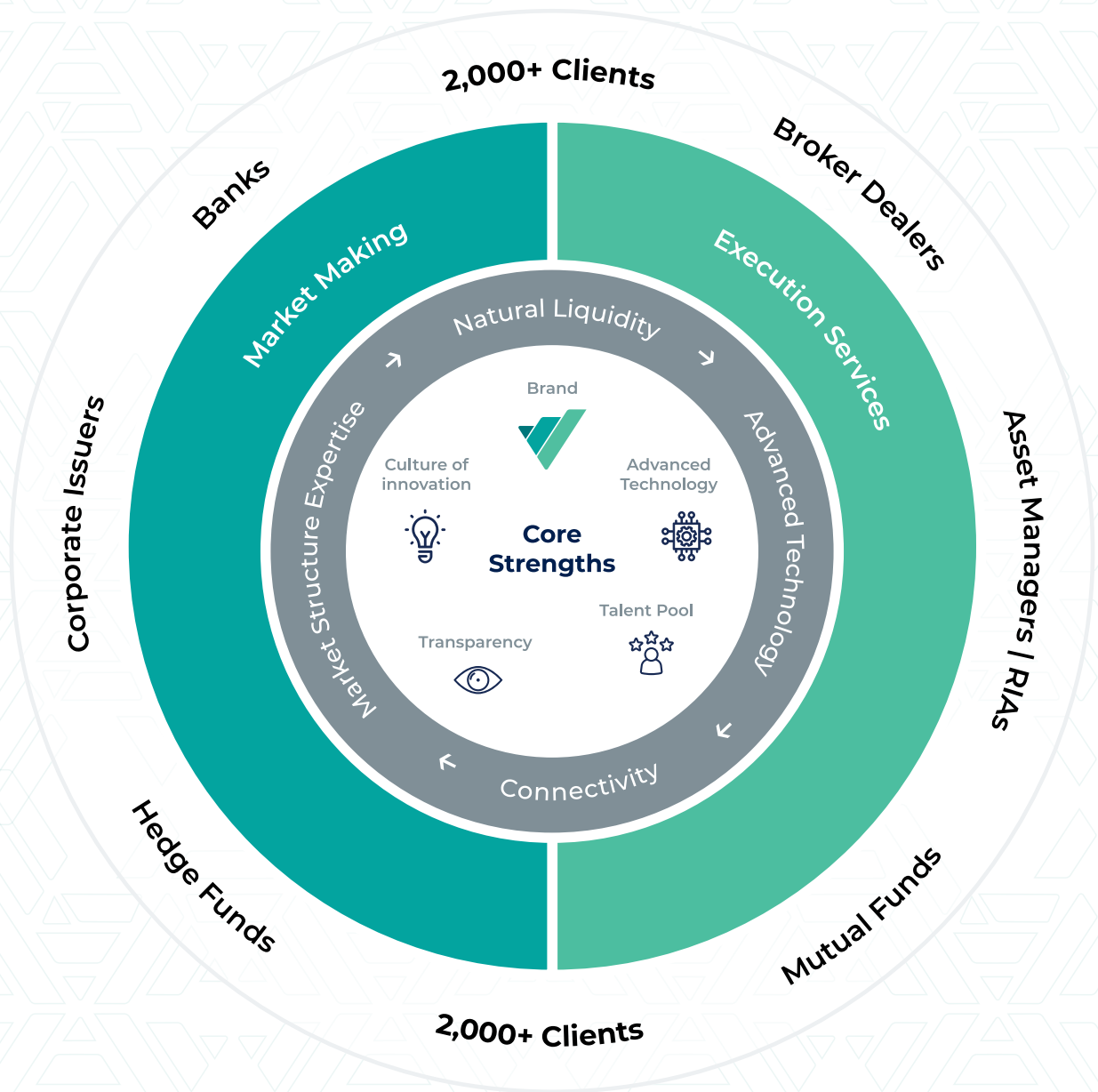
market share in US retail order flow⁷

25K+

securities

Market Leader Across Products

- vEQ Link Liquidity
- OTC Securities
- ATS/MTF/RFQ Platforms
- Block Trading
- ETFs
- FX And Metals



Our powerful end-to-end trading technology and personal client service.

Virtu provides market making, execution services and analytics to a diverse client base of retail and institutional capital market participants.

2,000+
clients

50+
countries

235+
venues

OUR NUMBERS

\$2.8B

revenue

\$1.9B

adjusted net trading income²

\$138M

adjusted net trading income from our organic growth initiatives⁸

>30%

market share in US retail order flow⁷

\$1.2B

price improvement to retail investors

\$3.5B

real price improvement to retail investors¹

\$2.3B

size improvement to retail investors

\$405M

total notional value of shares repurchased⁴

\$0.96

yearly dividend returned to shareholders for 25 consecutive quarters

See endnotes at the end of this report.

OUR PEOPLE-FIRST
CULTURE

Virtu is an international organization with a global presence. Diversity is the cornerstone of our business and promoting an inclusive environment is fundamental to our culture.

Virtu Financial is a willing and equal opportunity employer. We do not discriminate on the basis of race, national origin, gender, gender identity, sexual orientation, protected veteran status, disability, age, or other legally protected status.

We seek to create an inclusive, equitable, culturally competent and supportive environment where our management and employees are committed to a diverse and inclusive workplace.

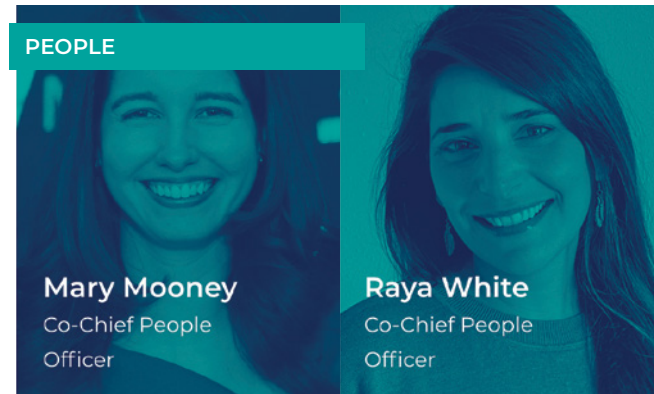


OUR PEOPLE-FIRST CULTURE

#VirtuTogether is emblematic of ordinary people working together to accomplish extraordinary things.

All our initiatives are employee-led, and we aim to promote and create opportunities for employees on organizational climate and culture, engage with leadership to discuss equity in the workplace and provide feedback and insight to executive staff on culture, climate, equity, inclusion and diversity in the workplace.

#VirtuTogether 2021 highlights.



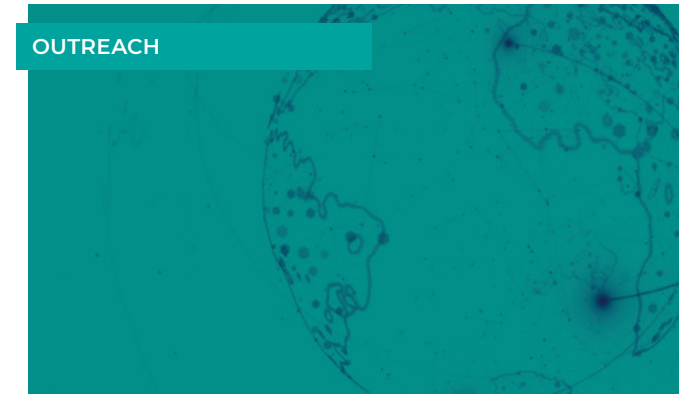
Appointment of Co-Chief People Officers

Mary and Raya are responsible for recruiting exceptional and diverse talent and enhancing Virtu's people-first culture. They assist Virtu employees in identifying and developing their unique skills to maximize their impact and ensure Virtu's continued success.



New York Women in Data Science at Virtu (WiDS)

In March and June, Virtu hosted two multi-day where women were able to share their data science experiences and practical skills. Speaker firms included: Southwest Airlines, Sephora, SEI, Etsy, Wells Fargo and others. Participation was open to all interested in data science and attracted a total of 850 attendees—primarily within the financial services industry.



Industry Client Conference

At Mindshare: 2021 Hot Topics in the Capital Markets, Virtu hosted industry leaders, clients and Virtu experts who discussed important market trends such as China Stock Connect, global portfolio trading, cryptocurrencies, ETFs, and 2021 forecasts for capital markets. Over 530 people attended the virtual full-day event.



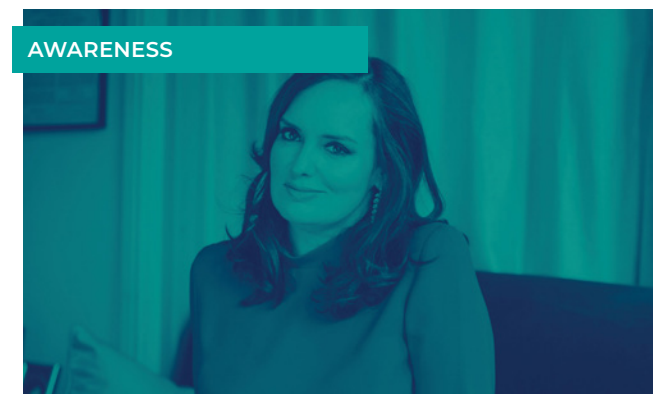
Virtu's Internal Automation Hackathon

20 internal teams across Virtu, made up of developers and non-developers, participated in a social coding event to identify and solve challenges that could be automated.



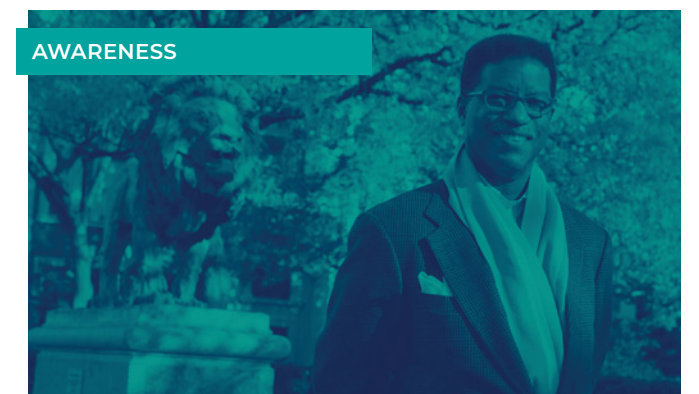
Whole Self Belonging Workshops

Taking inspiration from Google's #IamRemarkable initiative, Virtu hosted two internal workshops (in the Americas and EMEA) designed to break modesty norms by empowering employees to think openly about their accomplishments in the workplace and beyond.



Virtu Talks on Gender Equality

Featuring Deborah Frances-White, comedian and host of The Guilty Feminist podcast.



Virtu Talks on Racial Equality

Fireside chat with George Van Amson, Morgan Stanley and Virtu CEO, Doug Cifu.

OUR PEOPLE-FIRST
CULTURE

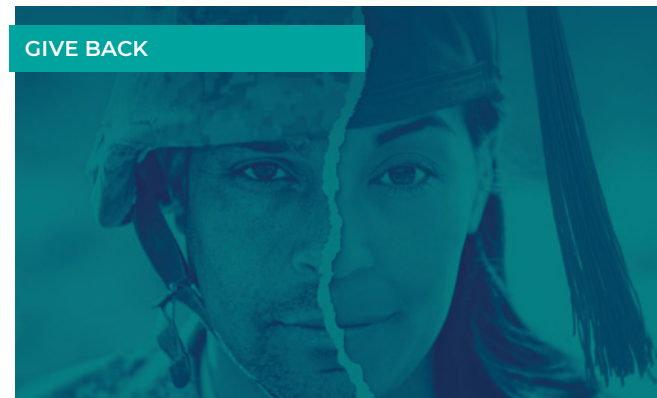
#VirtuTogether
2021 highlights.



OUTREACH

Community Mentorship

Virtu employees hosted a ten-week long afterschool Python programming course for students of Cathedral High School in Boston.



GIVE BACK

Virtu Supports Veterans and Their Families

Virtu's employees packaged their talents and passions into 33 auction items that raised over US\$197K for education scholarship support for military children who lost a parent in the line of duty.



ENVIRONMENT

Earth Day Campaign

In support of environmental protections, employees organized an internal campaign called 'Restore our Earth'. To help spread awareness, teammates shared pictures of themselves in nature and shared resources and daily actions to help save our planet.



BELONGING

Internal DE&I Campaign

Virtu launched the campaign 'Room for EVERY kind of brilliant' to promote the value of different perspectives, authentic self- acceptance and belonging.



DIVERSITY

Building our New Talent Pipeline

Virtu hosted its third annual Winternship, a one-week program designed to introduce female students to a career path in financial services through group projects that challenge and inspire while showcasing various roles at Virtu. Our early talent identification program helps us build a strong and diverse talent pipeline.



AWARENESS

Differently-Abled Equality and Give Back

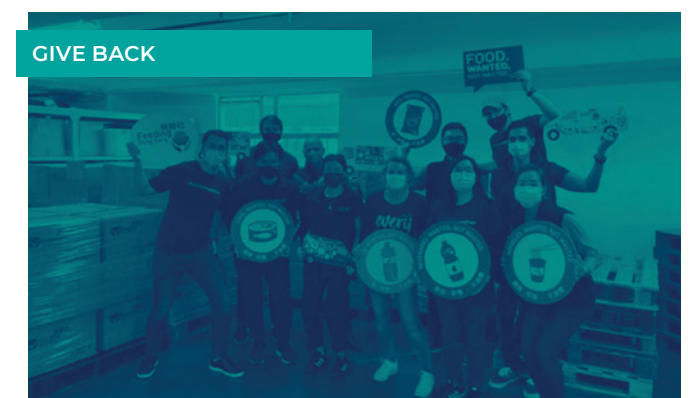
HeartShare Human Services of New York described how they empower differently-abled children and adults through education, life skills and vocational training, employment, residential services, case management, recreational programs, individual and family support, and health care services. Employees also participated in the ArtShare for HeartShare auction, featuring the program's artists. The auction raised \$7,500 in support.



AWARENESS

Virtu Diversity Calendar

Virtu highlights the contributions, influence, history and achievements of different faiths, cultures, affinity groups and heritages through celebrations, observances, food, literature, art, employee spotlights and more throughout the year.



GIVE BACK

Feeding Hong Kong

Virtu employees packed 500 food parcels for Feeding Hong Kong. The food bank addresses the issues of food waste and poverty in Hong Kong.

DISCLAIMER

Cautionary Statement Regarding Forward Looking Statements

This report may contain “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Statements regarding Virtu Financial, Inc.’s (“Virtu’s”, the “Company’s” or “our”) business that are not historical facts are forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. The Company assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, and if the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. Forward-looking statements are based on information available at the time and/or management’s good faith belief with respect to future events, and is subject to risks and uncertainties, some or all of which are not predictable or within Virtu’s control, that could cause actual performance or results to differ materially from those expressed in the statements. Those risks and uncertainties include, without limitation: risks relating to the COVID-19 pandemic, including the possible effects of the economic conditions worldwide resulting from the COVID-19 pandemic and governmental and other responses thereto; fluctuations in trading volume and volatilities in the markets in which we operate; the ability of our trading counterparties and various clearing houses to perform their obligations to us; the performance and reliability of our customized trading platform; the risk of material trading losses from our market making activities; swings in valuations in securities or other instruments in which we hold positions; increasing competition and consolidation in our industry; the risk that cash flow from our operations and other available sources of liquidity will not be sufficient to fund our various ongoing obligations, including operating expenses, short term funding requirements, margin requirements, capital expenditures, debt service and dividend payments; regulatory and legal uncertainties and potential changes associated with our industry, particularly in light of increased attention from media, regulators and lawmakers to market structure and related issues including but not limited to the retail trading environment, wholesale market making and off exchange trading more generally and payment for order flow arrangements; potential adverse results from legal or regulatory proceedings; our ability to remain technologically competitive and to ensure that the technology we utilize is not vulnerable to security risks, hacking and cyber-attacks; risks associated with third party software and technology infrastructure. For a discussion of the risks and uncertainties which could cause actual results to differ from those contained in forward-looking statements, see Virtu’s Securities and Exchange Commission filings, including but not limited to Virtu’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC.

GAAP and Non-GAAP Results

This report includes or may include certain non-GAAP financial measures, including Adjusted EPS, Normalized Adjusted EPS, Adjusted Net Trading Income, Normalized Adjusted Net Income, Normalized Adjusted Pre-Tax Income, EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Trading Capital, Invested Capital, Adjusted Operating Expense and Adjusted Compensation Expense. Non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way we calculate such measures. Accordingly, our non-GAAP financial measures may not be comparable to similar measures used by other companies. We caution investors not to place undue reliance on such non-GAAP measures, but instead to consider them with the most directly comparable GAAP measure. Non-GAAP financial measures have limitations as analytical tools, and should not be considered in isolation, or as a substitute for our results as reported under GAAP. A reconciliation of non-GAAP measures to the most directly comparable financial measure prepared in accordance with GAAP is included in Virtu Financial’s Fourth Quarter 2021 Earnings Supplement, <https://ir.virtu.com/financials-and-filings/quarterly-results/default.aspx>.

END NOTES

1 Rule 605’s calculation method greatly understates the value provided to retail investors. Wholesale market makers are required to fill marketable orders at prices typically better than the National Best Bid and Offer (NBBO), regardless of the quantity of shares displayed at the NBBO. This improvement to both displayed price and size—or “Real Price Improvement”—is not captured by Rule 605. Virtu alone provided \$3.5B in Real Price Improvement to retail investors in 2021. For more information on this subject, please consult: Measuring Real Execution Quality Benefits to Retail Are Significantly Understated, June 2021 presentation to US SEC IAC: <https://www.sec.gov/comments/265-28/26528-8901054-242178.pdf>.

2 This reflects a non-GAAP measure. Please refer to Virtu Financial’s Fourth Quarter 2021 Earnings Supplement, slide 14 for reconciliation to the equivalent GAAP measure. <https://ir.virtu.com/financials-and-filings/quarterly-results/default.aspx>.

3 This reflects a non-GAAP measure. Please refer to Virtu Financial’s Fourth Quarter 2021 Earnings Supplement, slide 13 for reconciliation to the equivalent GAAP measure. <https://ir.virtu.com/financials-and-filings/quarterly-results/default.aspx>.

4 Shares repurchased calculated on a settlement date basis.

5 Triton, as the top-ranked Execution Management System for the second consecutive year at The TRADE’s Leaders in Trading Awards.

6 Employee counts as of April 14, 2022, is 960.

7 Retail order flow market share based on December 2021 Rule 605 reports.

8 This reflects a non-GAAP measure. Please refer to Virtu Financial’s Fourth Quarter 2021 Earnings Supplement, slide 15 for reconciliation to the equivalent GAAP measure. <https://ir.virtu.com/financials-and-filings/quarterly-results/default.aspx>.

Corporate Information

Annual Meeting

The Annual Meeting of Shareholders of Virtu Financial, Inc. will be held virtually on June 2, 2022, at 9:00 AM ET

Transfer Agent and Registrar

American Stock Transfer Trust Company, LLC (AST)

Stock

Since the Company's initial public offering on April 16, 2015, shares of Virtu have been quoted on the NASDAQ, and trade under the symbol "VIRT".

Independent Registered Accounting Firm

PricewaterhouseCoopers LLP

Contact

1633 Broadway
41st Floor
New York, NY 10019
+1.646.682.6000

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investor_relations@virtu.com | media@virtu.com

www.virtu.com

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