1 March 2023

Aston Martin Lagonda Global Holdings plc

Preliminary results for the 12 months to 31 December 2022

- **FY 2022 results in-line with prior outlook, with strong Q4 performance**
- **FY 2022 revenue growth of 26%, driven by record total ASP of more than £200k**
- **Strong demand across the portfolio; c.80% of current range GT/Sports sold out for 2023 ahead of upcoming launches; DBX order book into Q3 2023**
- **Strong underlying year-on-year core gross margin progression, aligned with ultra-luxury strategy**
- **Cash balance of £583m; net debt of £766m, despite £156m negative FX impact**
- **2023 Outlook: Wholesale volume growth to c.7,000, and up to c.20% adjusted EBITDA margin**
- **On track to achieve 2024/25 financial targets**

£m	31-Dec-22	31-Dec-21	% change	Q4-22	Q4-21	% change
Total wholesales[1]	**6,412**	**6,178**	4%	**2,352**	**1,928**	22%
Revenue	1,381.5	1,095.3	26%	524.3	358.9	46%
Gross Profit	450.7	343.7	31%	*164.5*	121.8	35%
Adjusted EBITDA[2]	**190.2**	**137.9**	38%	**110.4**	**65.6**	68%
Adjusted operating (loss)/profit[2]	**(117.9)**	**(74.3)**	(59%)	**10.3**	**(9.2)**	n.m.
Operating (loss)/ profit	**(141.8)**	**(76.5)**	(85%)	**6.6**	**(8.3)**	n.m.
(Loss)/ Profit before tax	(495.0)	(213.8)	(132%)	16.3	(25.2)	n.m.
Net debt[2]	(765.5)	(891.6)	14%	(765.5)	(891.6)	14%

1. Number of vehicles including Specials; 2. For definition of alternative performance measures please see Appendix

Financial Highlights

- Continued strong demand across all product lines with c.80% of current range of GT/Sports cars sold out for 2023 ahead of upcoming launches and DBX order book into Q3 2023
- Despite the impact of supply chain and logistics disruptions, most notably in Q2 and Q3, wholesale volumes in 2022 grew in line with revised range:
  - Wholesale volumes increased by 4% year-on-year to 6,412 (2021: 6,178)
    - Volumes included more than 3,200 DBXs, driven by launch of the DBX707 which represented more than 50% of overall DBX volumes
  - Q4 wholesale volumes of 2,352 increased by 22% year-on-year (Q4 2021: 1,928)
- Revenue increased by 26% year-on-year to £1.4bn and Q4 revenue increased by 46% year-on-year to £524m driven by:
  - Strong pricing dynamics and favourable mix in the core portfolio:
    - FY 2022 core ASP of £177k, up 18% from £150k in FY 2021
    - Q4 2022 core ASP of £184k, up 21% from £152k in Q4 2021
  - 80 Aston Martin Valkyrie programme deliveries during 2022, including 36 in Q4
  - Foreign exchange tailwinds for ASPs due to GBP weakness versus major currencies

- Gross profit increased by 31% year-on-year to £451m (2021: £344m) and gross margin increased to 33% (2021: 31%), reflecting improved pricing and gross margin for core models, partially offset by the impact of lower year-on-year gross margin within Specials. In addition, year-on-year gross margin performance was impacted by approximately £20 million of supply chain recovery costs incurred in the second half of the year
- Adjusted EBITDA increased by 38% year-on-year to £190m, primarily driven by higher revenue and gross profit, partially offset by higher operating expenses including reinvestments into brand, marketing and new product launch activities, as well as inflationary impacts on general costs
- Operating loss of £142m included a £96m year-on-year increase in depreciation and amortisation, primarily driven by higher year-on-year Aston Martin Valkyrie programme deliveries and, to a lesser extent, by accelerated amortisation of capitalised development costs ahead of the next generation of sports car launches
- Loss before tax of £495m was materially impacted by a £156m negative non-cash FX revaluation of US dollar-denominated debt as the GBP weakened significantly against the US dollar during the year
- Net cash inflow from operating activities of £127m. Free cash outflow[1] of £299m included:
  - Capital expenditure of £287m, primarily related to new model development including the next generation of sports cars
  - Net cash interest payments of £139m
- Positive free cash flow in Q4 of £37m, driven by strong profitability and cash inflows from working capital following the impact of supply chain and logistics disruptions, earlier in the year
- Successfully completed $200m debt tender in October 2022
- Year-end cash of £583m (2021: £419m); Net debt of £766m (2021: £892m), including a negative £156m impact of non-cash FX revaluation of US dollar-denominated debt as the GBP weakened significantly against the US dollar during the year

FY 2022 Operational Highlights

- Product development and launches continue at pace, with breath-taking new products focused on ultra-luxury, high performance and driving intensity:
  - The critically-acclaimed DBX707, the most powerful luxury SUV on the market, unveiled in February 2022. DBX707 represented more than 50% of total DBX deliveries in 2022
  - The V12 Vantage Coupe, an iconic finale and the only time a turbocharged V12 engine has ever been fitted in a Vantage. All 333 units were sold before the car's reveal in March, and deliveries started in Q2 2022
  - The V12 Vantage Roadster, fusing ultimate performance with open-air thrills. All 249 units sold-out following unveil at Pebble Beach, and deliveries started in Q4 2022
  - The stunning, two-seater, coach-built DBR22, an ultra-exclusive concept limited to 22 units. Crowned Best of Show at the influential Chantilly Arts et Élégance Richard Mille, all examples are sold, with deliveries expected to start in 2023
  - Development upgrades to hybrid supercar Valhalla showcased to customer acclaim at Pebble Beach; more than 50% of the 999 vehicles already sold

[1] *For definition of alternative performance measures please see Appendix*

New brand positioning and go-to-market strategy realising our iconic brand's potential by elevating profile, increasing desire, driving awareness, and raising customer demand

- Impactful new creative identity and *Intensity. Driven.* brand positioning, supporting a >10% increase in sales leads, 10% increase in web and configurator sessions, as well as heightened brand desirability
- More than 60% of customers placing orders in 2022 were new to the Aston Martin brand
- Bold campaigns & optimised content strategy, including the introduction to new platforms such as TikTok, delivering a >70% increase in social media views and improved engagement
- New model launches, enhanced data management and customer targeting tools driving a c.60% increase in dealership test drives
- Increasing brand salience and optimised digital user experience supporting >60% increase in sales leads generated by award-winning online configurator
- Aston Martin Aramco Cognizant Formula One™ Team continues to connect the brand with engaged audience and raising consideration in key markets, with Aston Martin's Formula One® global fanbase surpassing 150 million in 2022. Research shows that >95% of US customers feel Aston Martin's presence in F1® made them more likely to consider the brand
- More than 70% of Vantage F1® Edition owners are new to the Aston Martin brand, further demonstrating the positive impact that Aston Martin's global presence in the sport is having on its brand image and appeal to new customers

- New leadership appointments and operational improvements to support future growth:
  - New executive appointments and internal promotions, including senior leaders in engineering, commercial, procurement, human resources and operational teams
  - Changes to the organisational structure, including new operational improvements, tailored to enhance future product launches and support long-term growth with a focus on enhancing quality and driving overall efficiencies
  - Cross-functional structure established for the engineering organisation, to enhance development of the next generation of high-performance and electrified vehicles covering areas such as e-Powertrain, Software & Electronics Technology, Infotainment, as well as Product & Component Development
  - Re-shaped and enhanced supply chain strategy, focused on building long-term partnerships, to improve resilience and performance

- Deepening the integration of sustainability into our business and improving our sustainability performance through our *Racing. Green.* strategy
  - Working towards net-zero manufacturing facilities and a 30% reduction in supply chain emissions by 2030 compared with 2020 levels
  - In 2022 new targets were set to drive year-on-year improvements in our sustainability performance including reducing CO_2 emissions and energy intensity per car each year by 2.5%. In 2022 we reduced Scope 1 CO_2 emissions by 3.9% per car compared to 2021
  - In our manufacturing facilities in Gaydon and St Athan we continued our commitments to only use renewable electricity. By 2025 we aim to achieve zero single-use plastic packaging from our manufacturing facilities and to reduce our water consumption by 15% compared with 2019 levels
  - In 2022 we also enhanced our gender diversity goals with a target of 25% women in leadership positions by 2025, rising to 30% by 2030
  - In January 2023 we announced that we are increasing employment at our Gaydon headquarters with the creation of more than 100 new skilled jobs in our manufacturing factory to support the launch of our next generation of sports cars

Lawrence Stroll, Aston Martin Lagonda Executive Chairman commented:

"2022 saw Aston Martin continue to build on the strong foundations that have been established during my three years as Executive Chairman. While the last 12 months presented industry-wide challenges, we look to the future with renewed confidence in our ability to deliver on our vision, and the targets we have set.

"Despite the operating environment, we ended the year with significantly improved growth, margin enhancement and positive free cash flow in Q4, exiting 2022 with the strongest order book in many years.

"2022 marked the start of a thrilling new product line-up, starting with the critically acclaimed DBX707 – the most powerful luxury SUV in the world - combining ultra-luxury with high performance and, crucially, with increased profitability. The DBX707 was followed by V12 Vantage, the ultra-luxury DBR22 and, in early January of this year, the DBS 770 Ultimate - all fully sold out.

"The year saw us continue to strengthen our teams, led by Amedeo, with a focus on innovation, execution and efficiency to support our longer-term growth. Furthermore, we completed a significant £654 million equity capital raise, which also saw the Public Investment Fund become a new anchor shareholder. This enabled us to take action to deleverage our balance sheet and our target remains to become sustainably free cash flow positive from 2024.

"We have made the biggest investment in our iconic brand through the launch of a bold new creative strategy and brand position that aligns Aston Martin to our future ambitions. Our high-performance DNA has been further amplified by our partnership with the Aston Martin Aramco Cognizant Formula One ™ team, driving growing demand from a new generation of customers, with more than 60% new to the brand.

"As I have said before, I knew it would take multiple years to build Aston Martin into the world's most desirable ultra-luxury British performance brand. With the heavy lifting behind us, we are now poised to see the results of this transformation, starting in 2023. In addition to celebrating our 110th anniversary and our exciting line up of Specials, it will also see the start of our next generation of front-engine sports cars which will truly reposition Aston Martin for the future.

"Over the last three years, I have consistently referenced our target to deliver around £2bn of revenue and £500m of adjusted EBITDA by 2024/25. I am extremely proud that given the strong progress we have made to transform Aston Martin into a truly ultra-luxury business, demonstrated by the trajectory of our ASP and gross margin, we are on track to meet these financial targets, but with significantly lower volumes than I originally envisaged. In addition, I remain highly confident that we will achieve our target to deliver 10,000 wholesales over the coming years, and with it, significantly enhanced financial performance."

Amedeo Felisa, Aston Martin Lagonda Chief Executive Officer commented:

"Having navigated a challenging operating environment throughout 2022, I am pleased with how we ended the year. We delivered in line with expectations, took actions to address the short-term impacts of supply chain issues, and continued to make progress in a number of key areas that will support our ability to meet strong customer demand and deliver our growth ambitions.

"A top priority has been to improve our execution capabilities, leveraging my experience and the exceptional talent we have to implement changes throughout the organisation. This has included measures to address short-term issues, such as the supply chain disruption on DBX707 deliveries, as well as more structural changes to support future product launches, focused on innovation, quality and overall efficiencies.

"We enter our 110th anniversary year ready to write a new chapter in our proud history. Building on the strong product momentum we created in 2022, this year will see us begin the transformation to our game-changing, next generation of front-engine sports cars. This transition is also expected to deliver significant improvements in profitability in the second half of the year, with all new models continuing to target a 40%+ gross margin.

"I also want to thank our people for what we have achieved. They continue to demonstrate an unwavering commitment and passion for our iconic company. At the start of 2023, we introduced a new set of company values, grounded by the powerful principle that 'No one builds an Aston Martin on their own'. Combined with our iconic brand, the market opportunity, and our focus on consistently executing our ultra-luxury strategy, I have great confidence in Aston Martin delivering on our shared ambitions."

Outlook

We remain on our way to achieving our target of c.10,000 wholesales, aligned with our ultra-luxury strategy. In addition, we are well on track to deliver our medium-term financial targets of c.£2bn revenue and c.£500m adjusted EBITDA in 2024/25.

For 2023 we expect to deliver significant growth in profitability compared to 2022, primarily driven by an increase in volumes and higher gross margin in both Core and Special vehicles. More specifically, we expect significant year-on-year growth and positive free cash flow in the second half of the year.

For the first half of 2023, we expect our adjusted EBITDA and free cash flow performance to be similar to the first half of 2022. This is driven by expectations of strong year-on-year growth in DBX volumes, commencing the transition of sports cars sales ahead of new launches later in the year, as well as investments to support our future growth.

Within the first half of 2023, we expect broadly similar free cash flow outcomes between Q1 2023 and Q2 2023 driven by the expected phasing of deliveries, capital expenditure and working capital dynamics in Q1 2023, and the timing of cash interest payments related to our Senior Secured Notes in Q2 2023.

The second half of 2023 is expected to see delivery of a number of new products across the Core and Specials ranges, all with improved profitability. In addition to the ramp up of the already sold-out DBS 770 Ultimate, we expect deliveries of the first of our next generation of sports cars to commence in Q3.

Within Specials, we plan to commence deliveries of the sold-out Aston Martin Valkyrie Spider and the ultra-luxury DBR22 in the second half of the year. Finally, and in conjunction with our historic 110th anniversary, we plan to launch a new, strictly limited, exclusive Aston Martin model, with deliveries commencing in Q4.

We expect to increase investment in brand and new product launch activities during the year. This will also allow us to continue to elevate our ultra-luxury performance brand positioning and to support the acceleration of our longer-term growth.

Although the operating environment remains volatile, including ongoing inflationary pressures and pockets of supply chain disruptions, our teams continue to work in partnership with our suppliers to mitigate any impact on our performance in 2023.

Capital expenditure is expected to increase year-on-year, primarily driven by:

- a rephasing of deferred spend from 2022,
- the impact of significantly higher year-on-year inflation,
- incremental investments related to the new, strictly limited, exclusive Aston Martin model referenced above, which will accelerate our growth in Q4 and into 2024
- increasing investments in our electrified portfolio, alongside the final year of significant expenditure associated with our Internal Combustion Engine (ICE) portfolio

We expect 2023 to be the peak year of capital expenditure, with capital expenditure readjusting from next year to support both the development and the delivery of our future product range, as well as our target of becoming sustainably free cash flow positive from 2024.

2023 guidance:

- **Wholesales**: year-on-year growth to c.7,000 units
- **Adjusted EBITDA margin**: year-on-year expansion, up to c.20% adjusted EBITDA margin
- **Capex and R&D**: c.£370m
- **Depreciation and amortisation**: c.£350m-£370m
- **Interest costs**: c.£120m (cash) assuming current exchange rates prevail for 2023

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- Recorded presentations accompanying this release from Lawrence Stroll, Amedeo Felisa and Doug Lafferty are available on the corporate website from 07.00am GMT today; there will be a live Q&A for investors and analysts at 08:30am GMT
- Presentations and the Q&A can be accessed here: www.astonmartinlagonda.com/investors/calendar
- A replay facility will be available on the website later in the day

BUSINESS REVIEW

2022 saw Aston Martin continue to execute in a number of key areas on its journey to become the world's most desirable ultra-luxury British performance brand. This included the introduction of a new line of breath-taking products with strong consumer desirability and enhanced profitability, establishing a bold new creative identity for the Company's iconic brand, significantly enhancing its in-house engineering and operational expertise, as well as completing a strategic equity capital raise.

In addition, the Company continued to strengthen its leadership team with new executive appointments across the organisation and, in conjunction with the 110th anniversary of Aston Martin in 2023, introduced new Company values grounded on the principle that 'No one builds an Aston Martin on their own'.

Despite a challenging operating environment throughout the year, including supply chain and logistics disruptions which limited the Company's ability to meet strong customer demand, as well as inflationary pressures, it ended 2022 well positioned to deliver on its medium-term financial targets.

Delivering thrilling new products

Building on the strong momentum from its new introductions in 2021, the Company accelerated the transformation of its portfolio during 2022, combining ultra-luxury with high performance and improved profitability.

In Q1 the DBX707, the most powerful luxury SUV on the market, was unveiled. Building on the success of the DBX, Aston Martin's first SUV, the DBX707 elevated the Company's positioning and attractiveness to the pinnacle of the SUV segment. Deliveries of the DBX707 commenced in Q2 to extensive media acclaim and strong customer demand, and the DBX707 represented more than 50% of overall DBX volumes in 2022.

This was quickly followed with the introduction of the new V12 Vantage Coupe in March, the final edition of an iconic bloodline, which enjoyed unprecedented demand with all 333 units sold ahead of its release.

At the Pebble Beach Concours d'Elegance, the Company introduced two new models – the V12 Vantage Roadster and the ultra-exclusive DBR22 – and shared the latest development updates to its hybrid supercar, Valhalla. All 249 units of the V12 Vantage Roadster, which combines the thrilling performance of the most powerful Aston Martin Vantage ever made with the freedom and sensory stimulation of roof-down driving, were sold out ahead of its unveiling. The DBR22, a spectacular V12-engined two-seater coach-built design concept, was declared Best of Show at the influential Chantilly Arts et Élégance Richard Mille. Priced at £1.75m and with the orderbook closed, deliveries are expected to start in 2023.

2023, Aston Martin's 110th anniversary, promises to be a monumental year, as the Company prepares to unleash the start of its highly anticipated next generation sports cars, which will further enhance Aston Martin's focus on ultra-luxury, high-performance and driving intensity. Ahead of this, and with production of the current generation DBS nearing its end, the Company introduced its most powerful production Aston Martin ever. The limited-edition DBS 770 Ultimate launched in January 2023 in both Coupe and Volante form. All 499 examples are sold out, with deliveries scheduled to begin in Q3 2023.

Brand repositioning and new iconic wings logo

In July 2022, the Company launched a bold new creative brand strategy and global marketing campaign to further accelerate its growth amongst new audiences.

Celebrating the Company's position as makers of the most exquisitely addictive performance cars and centred on the brand idea *Intensity. Driven*. the creative identity builds on Aston Martin's strong, established reputation for combining luxurious craftsmanship and sophisticated design with high-octane emotion and intense driving pleasure, as defined by breath-taking new models such as DBX707, V12 Vantage and the uncompromising Aston Martin Valkyrie.

The strategic repositioning is the largest investment in Aston Martin's brand for more than a decade and strengthens its position at the pinnacle of the performance ultra-luxury segment. It builds on Aston Martin's growing appeal to a wider, affluent global audience strategically targeted by the brand, whilst underpinning its core values.

In addition to the new visual and verbal expression, the radical redesign includes a contemporary update to the iconic wings, created by the manufacturer's world-renowned design function in collaboration with acclaimed British art director and graphic designer Peter Saville.

- 48.8 million online impressions generated for new *Intensity. Driven*. brand campaign
- More than 1.1million website sessions throughout August 2022 – the busiest month of traffic since the brand's return to Formula One® in March 2021

Enhancing innovation and operational capabilities to support future growth

The Company continued to add key talent across the organisation, with new executive management appointments as well as new senior leaders in its engineering, commercial, procurement, human resources and operational teams. In addition to the appointments of Amedeo Felisa as the new Chief Executive Officer and Doug Lafferty as the new Chief Financial Officer, the Company announced the additions of Simon Smith as the new Chief People Officer and Roberto Fedeli as the new Group Chief Technology Officer.

Aligned with the Company's plans to globalise its brand and increase its share of key strategic markets, regional leadership has also been reinforced with the appointment of new, experienced regional presidents in the Americas, Asia and Europe.

A former CEO of Ferrari, Amedeo is one of the most highly regarded leaders and engineering professionals in the high-performance luxury sports car sector. In conjunction with Amedeo's appointment in May, the Company implemented a number of changes to its organisational structure, including new ways of working, to enhance its operational capabilities – all aligned to support future growth.

This included a new cross-functional structure for its engineering organisation to enhance the development of its next generation of high-performance vehicles, and expanding its in-house engineering capabilities covering areas such as e-Powertrain, Software and Electronics Technology, Infotainment, as well as Product and Component Development.

Consistent with the Company's ongoing focus on operational excellence, new initiatives and processes were implemented with key functional capabilities strengthened. For example, a new supplier strategy, focused on building long-term partnerships, was developed over the course of the year to improve supply chain resilience and performance. In addition, new processes were implemented to support future product launches, with a focus on improving quality and driving overall efficiencies.

Investing in people and their career development will continue to shape Aston Martin's future. This includes supporting and developing the next generation of British talent and skills. Over the course of the year, the Company renewed its commitment to making Aston Martin a great place to work, with a focus on fostering a spirit of collaboration. At the start of 2023, the Company introduced a new set of values, grounded by the principle that 'No one builds an Aston Martin on their own'.

Equity capital raise, new anchor shareholder and Board appointments

In July, the Company announced a £654m equity capital raise to strengthen its financial position and enhance its pathway for significant shareholder value creation. The equity capital raise, successfully completed in September, has allowed the Company to de-lever its balance sheet, and supports its target to become sustainably free cash flow positive from 2024. In October, the Company successfully completed a tender offer for a total consideration of $200m relating to its outstanding Senior Secured Notes.

In conjunction with the equity capital raise, the Public Investment Fund (PIF) became a new anchor investor and the Company's second largest shareholder. A Relationship Agreement was entered into between the Company and PIF, whereby Ahmed Al-Subaey and Scott Robertson were appointed to the Board as PIF's representative Non-executive Directors with effect from 1 November 2023. The Company also appointed Sir Nigel Boardman as an Independent Non-executive Director with effect from 1 October 2022.

Making sustainability central to everything we do

In 2022 the Company accelerated progress towards the goals in its sustainability strategy *Racing. Green'* and its updated targets now include:

- Carbon Neutral manufacturing facilities
- 100% use of renewable electricity in its manufacturing facilities
- A new goal to achieve a 2.5% year-on-year reduction in CO_2 emissions from its manufacturing facilities*
- A new goal to reduce CO_2 emissions intensity and energy consumption per car by 2.5% year on year*
- Enhancing its gender diversity aspiration with a new target of women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030
- A new target to improve biodiversity at its manufacturing facilities

**Scope 1 CO_2 emissions*

Reducing CO_2 emissions from the Company's products, manufacturing processes and wider supply chain remains a top priority. Our first PHEV, the Valhalla, commences delivery in 2024, followed by the first BEV which is targeted for launch in 2025 and a fully electrified GT/Sport and SUV portfolio by 2030. Aston Martin's company-wide EV Transformation Programme is equipping its people, changing its processes, and reshaping the organisation for a new electrified, lower carbon future. Sustainability is also increasingly embedded throughout the vehicle design process, and the Company is intensifying its focus on optimising the materials used, as well as increasing its focus on the use of materials which are low carbon, sustainably sourced and recycled.

The Company continues to implement projects which will help make its manufacturing facilities net-zero by 2030 and work on reducing CO_2 emissions from the supply chain is gaining momentum as the Company aims for net-zero across its supply chain by 2039. Successfully reducing emissions across the entire supply chain will require strong collaboration, with all supply chain partners playing their part.

With a focus going beyond climate change, the Company is working collaboratively with suppliers to achieve the target of zero single-use plastic packaging waste by 2025. Investment in water saving technologies in 2022 will save 1 million litres of water annually from staff facilities, as the Company strives to reduce total water consumption by 15% by 2025, compared with 2019 levels.

No one builds an Aston Martin on their own. People are at the heart of the success of the business and over the last year, the Company has invested in a commitment to make Aston Martin a great and inclusive place to work. This includes a new safety training programme and further improvements to safety management systems as the Company continues to strive for zero injuries and zero harm. The last year has also seen further emphasis on increasing diversity and championing inclusivity at Aston Martin. This includes an enhanced target for women to be in 25% of leadership positions by 2025 and 30% by 2030, compared with 15% currently. During 2022 the Company welcomed new apprentices and graduate trainees, strengthening the talent it continues to develop at every level of the business.

All of the Company's work on sustainability is guided by its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. It is also underpinned by a broad commitment to delivering the highest standards, with strategic oversight provided by the Board Sustainability Committee. Throughout 2022, the Company maintained this commitment by continuing to focus on compliance with its legal and regulatory obligations as well as embracing sustainability best practices. Aston Martin's sustainability strategy is helping to shape its transformation as it takes action to turn aspirations into reality, making sustainability central to everything it does. In some areas more will need to be done to accelerate progress, but by continuing to intensify the focus on delivery, the Company will achieve its ambition: to become a world-leading sustainable ultra-luxury automotive business.

FINANCIAL REVIEW

Sales and revenue analysis

Number of vehicles	FY-22	FY-21	*% change*	Q4-22	Q4-21	*% change*
Wholesale	**6,412**	**6,178**	*4%*	**2,352**	**1,928**	*22%*
Core (excluding Specials)	6,323	6,080	*4%*	2,313	1,886	*23%*
By region:						
UK	1,110	1,109	*0%*	416	381	*9%*
Americas	1,980	1,984	*0%*	828	546	*52%*
EMEA (ex. UK)	1,508	1,270	*19%*	723	372	*94%*
APAC	1,814	1,815	*0%*	385	629	*(39%)*
By model:						
Sports	1,833	1,479	*24%*	614	520	*18%*
GT	1,271	1,589	*(20%)*	306	546	*(44%)*
SUV	3,219	3,001	*7%*	1,393	815	*71%*
Other	0	11	*n.m.*	0	5	*n.m.*
Specials	89	98	*(9%)*	39	42	*(7%)*

Note: Sports includes Vantage, GT includes DB11 and DBS, SUV includes DBX and Other includes prior generation models

Despite a challenging and uncertain operating environment, characterised by the war in Ukraine, supply chain and logistics disruptions, inflationary pressures, as well as intermittent COVID-19 lockdowns in China, total wholesales increased by 4% year-on-year, driven by strong demand across the portfolio.

Total wholesales of 6,412 units included 89 Specials in 2022, comprised of 80 Aston Martin Valkyrie programme vehicles and 9 other vehicles. This compared to 6,178 total wholesales, which included 98 Specials, in 2021.

Given significant supply chain and logistics disruptions, most notably in Q2 and Q3, which delayed the Company's ability to meet customer demand, the fourth quarter represented the peak of volumes for the year, as expected.

Total wholesales of 2,352 units in Q4 increased by 70% compared to Q3 and by 22% year-on-year. The year-on-year growth in Q4 wholesales was primarily driven by significantly higher DBX volumes, supported by strong customer demand and strong operational execution, as the Company actively managed the supply chain and logistics disruptions which had restricted its ability to meet demand earlier in the year. This was partially offset by lower year-on-year wholesales in China, following the strong growth achieved in Q4 2021 and, to a lesser extent, by the COVID-19 lockdowns during the quarter.

Aligned with its ultra-luxury strategy, the Company continues to operate a demand-led operating model. However, given the timing of deliveries towards the end of Q4, total wholesale volumes were temporarily ahead of retail volumes at the end of 2022. Many of those vehicles were retailed in early Q1, and the Company expects to see retails outpace wholesales in 2023.

Geographically, wholesale volumes remained well balanced across all regions, reflecting the broad customer appeal of the Company's product portfolio. In addition, supply chain disruptions throughout the year, most notably in Q2 and Q3, impacted our geographic and product mix, as well as our ability to meet strong customer demand.

The Americas and APAC were the largest regions, collectively representing approximately 60% of total volumes. Despite geopolitical challenges, EMEA wholesales increased by 19% year-on-year, driven by strong customer demand for the DBX707 and higher year-on-year Sports volumes.

Revenue by Category

£m	**FY-22**	**FY-21**	***% change***
Sale of vehicles	1,291.5	1,005.4	*28%*
Sale of parts	70.8	65.5	*8%*
Servicing of vehicles	9.3	10.6	*(12%)*
Brand and motorsport	9.9	13.8	*(28%)*
Total	**1,381.5**	**1,095.3**	***26%***

Revenues increased by 26% year-on-year to £1.4bn (2021: £1.1bn), primarily due to strong wholesale average selling price (ASP) growth and, to a lesser extent, due to higher wholesale volumes. Total ASP of £201k (2021: £162k) – a record level for Aston Martin – increased by 24% year-on-year, reflecting higher Aston Martin Valkyrie deliveries (80 in 2022, compared to 10 in 2021) and higher core ASPs. Core ASP of £177k (2021: £150k) increased by 18% year-on-year driven by strong pricing and mix dynamics, as well as foreign exchange tailwinds.

Q4 revenues increased by 46% year-on-year to £524m (Q4 2021: £359m), driven by strong ASP growth and higher wholesale volumes, most notably DBX. Total Q4 ASP of £213k (Q4 2021: £175k) increased by 22% year-on-year, reflecting higher Aston Martin Valkyrie deliveries (36 in Q4 2022, compared to 10 in Q4 2021) and higher core ASPs. Core Q4 ASP of £184k (Q4 2021: £152k) increased by 21% year-on-year driven by strong pricing and mix dynamics, as well as foreign exchange tailwinds.

Pricing dynamics were strong throughout 2022, aligned with the Company's ultra-luxury strategy. This included price increases implemented across the range during late 2021 and in the first half of 2022, reflecting the strong pricing power of the Aston Martin brand. ASPs also benefitted from favourable mix, as well as lower incentive support.

Summary income statement and analysis

£m	**FY-22**	**FY-21**	**Q4-22**	**Q4-21**
Revenue	**1,381.5**	**1,095.3**	**524.3**	**358.9**
Cost of sales	(930.8)	(751.6)	(359.8)	(237.1)
Gross profit	**450.7**	**343.7**	**164.5**	**121.8**
Gross margin %	*32.6%*	*31.4%*	*31.4%*	*33.9%*
Operating expenses[1]	(568.6)	(418.0)	(154.2)	(131.0)
of which depreciation & amortisation	*308.1*	*212.2*	*100.1*	*74.8*
Adjusted operating (loss)/ profit[2]	**(117.9)**	**(74.3)**	**10.3**	**(9.2)**
Adjusting operating items	(23.9)	(2.2)	(3.7)	0.9
Operating (loss)/ profit	**(141.8)**	**(76.5)**	**6.6**	**(8.3)**
Net financing (expense)/income	(353.2)	(137.3)	9.7	(16.9)
of which adjusting financing items	*(20.1)*	*34.1*	*(39.1)*	*21.2*
(Loss)/profit before tax	**(495.0)**	**(213.8)**	**16.3**	**(25.2)**
Taxation	(32.7)	24.5	(26.0)	(7.5)
(Loss)/profit for the period	**(527.7)**	**(189.3)**	**(9.7)**	**(32.7)**
Adjusted EBITDA[1,2]	**190.2**	**137.9**	**110.4**	**65.6**
Adjusted EBITDA margin	*13.8%*	*12.6%*	*21.1%*	*18.3%*
Adjusted (loss)/profit before tax[1]	**(451.0)**	**(245.7)**	**59.1**	**(47.3)**
EPS (pence)	(124.5)	(58.6)		
Adjusted EPS (pence)[2]	**(114.1)**	**(70.9)**		

1. Excludes adjusting items; 2. For definition of alternative performance measures please see Appendix

In 2022, gross profit of £451m increased by £107m, or 31%, year-on-year. This translated to a gross margin of 33%, a year-on-year expansion of approximately 120 basis points. The gross margin expansion was primarily due to higher year-on-year gross margin within the core range of vehicles, supported by the introduction of new products – most notably the V12 Vantage and DBX707 – as well as foreign exchange tailwinds.

This was partially offset by lower year-on-year gross margin within Specials driven by higher Aston Martin Valkyrie programme deliveries related to Nebula Project AG during 2022. As disclosed on 22 June 2021, the Company has filed for civil legal proceedings against Nebula Project AG and criminal proceedings against its board members, after it became aware that Nebula had taken deposits from its customers and failed to pass them on to the Company. Aston Martin has continued to work with its affected customers to ensure they receive their Aston Martin Valkyrie vehicles despite Nebula's actions.

In addition, year-on-year gross margin was negatively impacted by higher supply chain and logistics costs, including approximately £20m of incremental supply chain recovery costs in the second half of the year.

Q4 gross profit of £165m increased by £43m, or 35%, year-on-year. This translated to a gross margin of 31%, a decline of approximately 250 basis points year-on-year, as lower gross margin within Specials and higher manufacturing and logistics costs were partially offset by higher year-on-year gross margin from the core range of vehicles and, to a lesser extent, from higher overall core volumes.

The Company continues to target a 40%+ gross margin from its future products.

In 2022, adjusted EBITDA of £190m increased by £52m year-on-year, or by 38%. This translated to an adjusted EBITDA margin of 14%, an increase of approximately 120 basis points compared to the prior year and within the revised guidance range of approximately 100-300 basis points of year-on-year margin expansion.

Q4 adjusted EBITDA of £110m increased by £45m year-on-year, or by 68%. This translated to an adjusted EBITDA margin of 21%, an increase of approximately 280 basis points compared to the prior year period, driven by strong operating leverage.

The operating loss of £142m compared to a £77m loss in the prior year. The £65m year-on-year change was primarily driven by:

- A £96m increase in depreciation and amortisation charges, principally related to Aston Martin Valkyrie deliveries and accelerated depreciation ahead of the next generation of sports cars starting in 2023
- Increased investment in brand and product launches such as the DBX707, V12 Vantage and Valhalla, marketing initiatives at events such as the Goodwood Festival of Speed and Pebble Beach
- Higher general costs, including inflationary pressures, to support the Company's future growth

These factors were partially offset by:

- Higher year-on-year gross profit, as described above, which included a £31m benefit to operating profit from exchange rate movements

Adjusting operating items of £24m (2021: £2m) predominantly related to the closure to future accrual of the pension scheme disclosed at the Full Year 2021 results, ERP implementation costs, as well as one-time expenses related to the change of CEO and appointment of other new executives.

Net adjusted financing costs of £333m increased significantly from £171m in the prior year, reflecting the revaluation of the US dollar-denominated Senior Secured Notes giving a non-cash FX charge of £156m (2021 included a £12m FX charge). The £20m adjusting finance charge related to costs associated with the equity capital raise and debt tender, partially offset by the fair value movements of outstanding warrants (2021: £34m adjusting finance credit).

The loss before tax was £495m (2021: £214m loss) and the loss for the period was £528m (2021: £189m loss), both significantly impacted by the revaluation of the US dollar-denominated Senior Secured Notes.

The tax charge on the adjusted loss before tax was £33m. The effective tax rate at (7.3)% differs from the 19% standard UK tax rate mainly due to movements in unprovided deferred tax and derecognition of deferred tax related to losses, accelerated capital allowances and a restriction on the amount of interest that can be deducted for tax purposes. Tax on adjusting items was nil as a result of the unprovided deferred tax.

The total share count at 31 December 2022 was 699 million following the placing of new ordinary shares to PIF, as well as the 4-for-1 rights issue completed in September 2022. The weighted average number of shares in 2022 was 425 million. 28.8 million shares in relation to the warrants remain outstanding and are exercisable until December 2027.

The Company is embedding the first tranche of technology from Mercedes-Benz AG into its product renewal and expansion pipeline. There are currently no plans to issue additional shares to Mercedes-Benz AG during 2023.

Cash flow and net debt

£m	FY-22	FY-21	Q4-22	Q4-21
Cash generated from operating activities	127.1	178.9	184.0	27.5
Cash used in investing activities (excl. interest)	(286.9)	(185.2)	(73.5)	(49.0)
Net cash interest paid	(139.0)	(116.9)	(73.7)	(62.6)
Free Cash (outflow)/inflow	**(298.8)**	**(123.2)**	**36.8**	**(84.1)**
Cash inflow/(outflow) from financing activities (excl. interest)	456.2	51.5	(210.5)	7.5
Increase/(decrease) in net cash	**157.4**	**(71.7)**	**(173.7)**	**(76.6)**
Effect of exchange rates on cash and cash equivalents	7.0	1.2	(14.8)	0.3
Cash balance	**583.3**	**418.9**	**583.3**	**418.9**

Net cash inflow from operating activities was £127m (2021: £179m). The year-on-year change in cash flow from operating activities was primarily due to adverse movements in working capital. Cash flow from operating activities in 2022 included a £15m outflow related to movements in working capital, compared with a £56m inflow in 2021. The largest movement in 2022 was a £82m increase in trade and other payables, principally associated with higher accruals related to future product rollout plans, which was partially offset by a £78m increase in inventories, which was significantly impacted by supply chain and logistics disruptions, most notably in Q2 and Q3.

Demand for Specials remained strong throughout the year, with deposit intake for Valhalla and the Aston Martin Valkyrie Spider. However, this was offset by higher deliveries of Aston Martin Valkyrie programme vehicles, resulting in a net £18m outflow from deposits during the year.

As expected, the Company generated a significant improvement in cash flow from operating activities in Q4, driven by a combination of strong profitability and cash inflows from working capital. Cash inflow from operating activities was £184m in Q4 (Q4 2021: £28m).

Capital expenditure was £287m in 2022, an increase of £102m year-on-year, with investment focused on the future product pipeline, particularly the next generation of sports cars, as well as development of the Company's electrification programme.

Free cash was a net outflow of £299m, compared to a £123m outflow in 2021. This was primarily due to the year-on-year increase in capital expenditure, as well as the changes in working capital-related cashflows described above.

Cash inflow from financing (excluding interest) of £456m (2021: £52m) included £654m of gross proceeds from the equity capital raise, partially offset by a £187m net cash outflow related to the $200m debt tender, which was completed in Q4.

Net cash inflow of £157m resulted in a closing cash balance of £583m as at 31 December 2022 (31 December 2021: £419m). Net debt of £766m, a £126m reduction from £892m at the end of 2021, included a £156m negative impact of non-cash FX revaluation of US dollar-denominated debt as the pound weakened against the US dollar during the year.

£m	31 Dec-22	31 Dec-21
Loan Notes[1]	(1,104.0)	(1,074.9)
Inventory financing	(38.2)	(19.7)
Bank loans and overdrafts	(107.1)	(114.3)
Lease liabilities (IFRS 16)	(99.8)	(103.4)
Gross debt	**(1,349.1)**	**(1,312.3)**
Cash balance	583.3	418.9
Cash not available for short-term use	0.3	1.8
Net debt	**(765.5)**	**(891.6)**

1 US$ notes of £1.1bn equivalent (First Lien of £935m at 10.5% interest maturing in November 2025; Second Lien of £169m at 15.0% split interest (8.9% cash; 6.1% PIK) with detachable warrants maturing in November 2026). These instruments carry no-call options of two years for the Second Lien and three years for the First Lien.

APPENDICES

Dealerships

	31 Dec-22	31 Dec-21
UK	21	22
Americas	44	44
EMEA ex. UK	52	53
APAC	48	49
Total	**165**	**168**
Number of countries	**54**	**56**

Alternative Performance Measure

£m	FY-22	FY-21
Loss before tax	**(495.0)**	**(213.8)**
Adjusting operating expense	23.9	2.2
Adjusting finance income	(12.5)	(34.1)
Adjusting finance expense	32.6	-
Adjusted EBT	**(451.0)**	**(245.7)**
Adjusted finance income	(3.0)	(2.3)
Adjusted finance expense	336.1	173.7
Adjusted operating loss	**(117.9)**	**(74.3)**
Reported depreciation	88.8	74.6
Reported amortisation	219.3	137.6
Adjusted EBITDA	**190.2**	**137.9**

Alternative performance measures

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group, enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance.

- Adjusted operating loss is loss from operating activities before adjusting items
- Adjusted EBITDA removes depreciation, loss/(profit) on sale of fixed assets and amortisation from adjusted operating loss
- Adjusted EBITDA margin is adjusted EBITDA (as defined above) divided by revenue
- Adjusted EBT is the loss before tax and adjusting items as shown in the Consolidated Income Statement
- Adjusted Earnings Per Share is loss after income tax before adjusting items, divided by the weighted average number of ordinary shares in issue during the reporting period
- Net Debt is current and non-current borrowings in addition to inventory financing arrangements, lease liabilities recognised following the adoption of IFRS 16, less cash and cash equivalents, cash held not available for short-term use
- Free cashflow is represented by cash (outflow)/inflow from operating activities less the cash used in investing activities (excluding interest received) plus interest paid in the year less interest received.

Further details and definitions of adjusting items are contained in note 5 of the Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 Adjusted £m	2022 Adjusting items* £m	2022 Total £m	2021 Adjusted £m	2021 Adjusting items* £m	2021 Total £m
Revenue	3	**1,381.5**	**–**	**1,381.5**	1,095.3	–	1,095.3
Cost of sales		**(930.8)**	**–**	**(930.8)**	(751.6)	–	(751.6)
Gross profit		**450.7**	**–**	**450.7**	343.7	–	343.7
Selling and distribution expenses		**(113.0)**	**–**	**(113.0)**	(84.8)	–	(84.8)
Administrative and other operating expenses		**(455.6)**	**(23.9)**	**(479.5)**	(333.2)	(2.2)	(335.4)
Operating loss	4	**(117.9)**	**(23.9)**	**(141.8)**	(74.3)	(2.2)	(76.5)
Finance income	6	**3.0**	**12.5**	**15.5**	2.3	34.1	36.4
Finance expense	7	**(336.1)**	**(32.6)**	**(368.7)**	(173.7)	–	(173.7)
Loss before tax		**(451.0)**	**(44.0)**	**(495.0)**	(245.7)	31.9	(213.8)
Income tax (charge)/credit	8	**(32.7)**	**–**	**(32.7)**	16.2	8.3	24.5
Loss for the year		**(483.7)**	**(44.0)**	**(527.7)**	(229.5)	40.2	(189.3)
(Loss)/profit attributable to:							
Owners of the Group				**(528.6)**			(191.6)
Non-controlling interests				**0.9**			2.3
				(527.7)			(189.3)
Other comprehensive income							
Items that will never be reclassified to the Income Statement							
Remeasurement of Defined Benefit liability				**6.8**			3.8
Taxation on items that will never be reclassified to the Income Statement	8			**(1.7)**			(1.0)
Effect of change in rate in taxation	8			**–**			6.0
Items that are or may be reclassified to the Income Statement							
Foreign currency translation differences				**3.8**			2.3
Fair value adjustment – cash flow hedges				**(6.1)**			(0.3)
Amounts reclassified to the Income Statement – cash flow hedges				**2.9**			(4.3)
Taxation on items that may be reclassified to the Income Statement	8			**0.8**			1.2
Other comprehensive income for the year, net of income tax				**6.5**			7.7
Total comprehensive loss for the year				**(521.2)**			(181.6)
Total comprehensive (loss)/income for the year attributable to:							
Owners of the Group				**(522.1)**			(183.9)
Non-controlling interests				**0.9**			2.3
				(521.2)			(181.6)
Earnings per ordinary share							*Restated***
Basic loss per share	9			**(124.5p)**			(58.6p)
Diluted loss per share	9			**(124.5p)**			(58.6p)

All operations of the Group are continuing.

* Adjusting items are defined in note 2 with further detail shown in note 5.
** Earnings per ordinary share has been adjusted to reflect the bonus element of the rights issue undertaken in September 2022. See notes 9 and 12.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Capital reserve £m	Translation reserve £m	Hedge reserves £m	Retained earnings £m	Non-controlling interest £m	Total equity £m
At 1 January 2022	**11.6**	**1,123.4**	**143.9**	**9.3**	**6.6**	**2.7**	**6.7**	**(662.4)**	**18.6**	**660.4**
Total comprehensive loss for the year										
(Loss)/profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(528.6)**	**0.9**	**(527.7)**
Other comprehensive income										
Foreign currency translation differences	**–**	**–**	**–**	**–**	**–**	**3.8**	**–**	**–**	**–**	**3.8**
Fair value movement – cash flow hedges	**–**	**–**	**–**	**–**	**–**	**–**	**(6.1)**	**–**	**–**	**(6.1)**
Amounts reclassified to the Income Statement – cash flow hedges	**–**	**–**	**–**	**–**	**–**	**–**	**2.9**	**–**	**–**	**2.9**
Remeasurement of Defined Benefit liability	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6.8**	**–**	**6.8**
Tax on other comprehensive income (note 8)	**–**	**–**	**–**	**–**	**–**	**–**	**0.8**	**(1.7)**	**–**	**(0.9)**
Total other comprehensive income/(loss)	**–**	**–**	**–**	**–**	**–**	**3.8**	**(2.4)**	**5.1**	**–**	**6.5**
Total comprehensive income/(loss) for the year	**–**	**–**	**–**	**–**	**–**	**3.8**	**(2.4)**	**(523.5)**	**0.9**	**(521.2)**
Transactions with owners, recorded directly in equity										
Issuance of new shares (note 11)	**58.3**	**574.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**632.3**
Credit for the year under equity-settled share-based payments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1.0**	**–**	**1.0**
Tax on items credited to equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total transactions with owners	**58.3**	**574.0**	**-**	**–**	**–**	**–**	**–**	**1.0**	**–**	**633.3**
At 31 December 2022	**69.9**	**1,697.4**	**143.9**	**9.3**	**6.6**	**6.5**	**4.3**	**(1,184.9)**	**19.5**	**772.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

Group	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Capital reserve £m	Translation reserve £m	Hedge reserves £m	Retained earnings £m	Non-controlling interest £m	Total equity £m
At 1 January 2021	11.5	1,108.2	144.0	9.3	6.6	0.4	10.9	(503.1)	16.3	804.1
Total comprehensive loss for the year										
(Loss)/profit for the year	–	–	–	–	–	–	–	(191.6)	2.3	(189.3)
Other comprehensive income										
Foreign currency translation differences	–	–	–	–	–	2.3	–	–	–	2.3
Fair value movement – cash flow hedges	–	–	–	–	–	–	(0.3)	–	–	(0.3)
Amounts reclassified to the Income Statement – cash flow hedges	–	–	–	–	–	–	(4.3)	–	–	(4.3)
Remeasurement of Defined Benefit liability	–	–	–	–	–	–	–	3.8	–	3.8
Effect of change in rate of taxation (note 8)	–	–	–	–	–	–	(0.8)	6.8	–	6.0
Tax on other comprehensive income (note 8)	–	–	–	–	–	–	1.2	(1.0)	–	0.2
Total other comprehensive income/(loss)	–	–	–	–	–	2.3	(4.2)	9.6	–	7.7
Total comprehensive income/(loss) for the year	–	–	–	–	–	2.3	(4.2)	(182.0)	2.3	(181.6)
Transactions with owners, recorded directly in equity										
Warrant options exercised (note 11)	0.1	15.1	–	–	–	–	–	14.8	–	30.0
Credit for the year under equity-settled share-based payments	–	–	–	–	–	–	–	3.1		3.1
Effect of change in rate of taxation (note 8)	–	–	–	–	–	–	–	4.7	–	4.7
Tax on items credited to equity (note 8)	–	–	–	–	–	–	–	0.1	–	0.1
Reclassification (note 11)	–	0.1	(0.1)	–	–	–	–	–	–	–
Total transactions with owners	0.1	15.2	(0.1)	–	–	–	–	22.7	–	37.9
At 31 December 2021	11.6	1,123.4	143.9	9.3	6.6	2.7	6.7	(662.4)	18.6	660.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

	Notes	**31 December 2022 £m**	31 December 2021 £m
Non-current assets			
Intangible assets		**1,394.6**	1,384.1
Property, plant and equipment		**369.9**	355.5
Right-of-use lease assets		**74.4**	76.0
Trade and other receivables		**6.3**	2.1
Other financial assets		**–**	0.5
Deferred tax asset	8	**133.7**	156.4
		1,978.9	1,974.6
Current assets			
Inventories		**286.2**	196.8
Trade and other receivables		**245.7**	243.4
Income tax receivable		**1.4**	1.5
Other financial assets		**8.8**	7.3
Cash and cash equivalents		**583.3**	418.9
		1,125.4	867.9
Total assets		**3,104.3**	2,842.5
Current liabilities			
Borrowings		**107.1**	114.3
Trade and other payables		**876.3**	721.0
Income tax payable		**6.3**	5.5
Other financial liabilities		**26.2**	34.8
Lease liabilities		**7.4**	9.7
Provisions		**18.6**	19.9
		1,041.9	905.2
Non-current liabilities			
Borrowings		**1,104.0**	1,074.9
Trade and other payables		**9.1**	9.8
Lease liabilities		**92.4**	93.7
Provisions		**22.5**	19.0
Employee benefits		**61.2**	78.7
Deferred tax liabilities	8	**0.7**	0.8
		1,289.9	1,276.9
Total liabilities		**2,331.8**	2,182.1
Net assets		**772.5**	660.4
Capital and reserves			
Share capital	11	**69.9**	11.6
Share premium		**1,697.4**	1,123.4
Merger reserve		**143.9**	143.9
Capital redemption reserve		**9.3**	9.3
Capital reserve		**6.6**	6.6
Translation reserve		**6.5**	2.7
Hedge reserves		**4.3**	6.7
Retained earnings		**(1,184.9)**	(662.4)
Equity attributable to owners of the Group		**753.0**	641.8
Non-controlling interests		**19.5**	18.6
Total shareholders' equity		**772.5**	660.4

The Financial Statements were approved by the Board of Directors on 28 February 2023 and were signed on its behalf by

AMEDEO FELISA
CHIEF EXECUTIVE OFFICER
COMPANY NUMBER: 11488166

DOUG LAFFERTY
CHIEF FINANCIAL OFFICER

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £m	2021 £m
Operating activities			
Loss for the year		**(527.7)**	(189.3)
Adjustments to reconcile loss for the year to net cash inflow from operating activities			
Tax charge/(credit) on operations	8	**32.7**	(24.5)
Net finance costs		**353.2**	137.3
Other non-cash movements		**(2.0)**	(0.1)
Depreciation and impairment of property, plant and equipment	4	**77.8**	65.3
Depreciation and impairment of right-of-use lease assets	4	**11.0**	9.3
Amortisation and impairment of intangible assets	4	**219.3**	137.6
Difference between pension contributions paid and amounts recognised in Income Statement		**(12.1)**	(11.4)
(Increase)/decrease in inventories		**(78.4)**	7.7
Increase in trade and other receivables		**(0.1)**	(75.4)
Increase in trade and other payables		**81.5**	52.8
(Decrease)/increase in advances and customer deposits		**(17.9)**	70.7
Movement in provisions		**0.7**	(0.2)
(Increase)/decrease in other derivative contracts		**(2.3)**	0.7
Other movements in deferred tax asset		**(3.5)**	(2.9)
Cash generated from operations		**132.4**	179.8
Decrease in cash held not available for short term use		**1.5**	8.1
Income taxes paid	8	**(6.8)**	(9.0)
Net cash inflow from operating activities		**127.1**	178.9
Cash flows from investing activities			
Interest received	6	**2.2**	1.1
Increase in loan assets		**–**	(1.4)
Decrease in loan assets		**–**	0.9
Payments to acquire property, plant and equipment		**(58.6)**	(40.7)
Payments to acquire intangible assets		**(228.3)**	(144.0)
Net cash used in investing activities		**(284.7)**	(184.1)
Cash flows from financing activities			
Interest paid		**(141.2)**	(118.0)
Proceeds from equity share issue		**653.9**	–
Proceeds from issue of equity warrants		**–**	15.3
Proceeds from financial instrument utilised as part of refinancing transactions		**4.2**	–
Principal element of lease payments		**(10.0)**	(9.9)
Repayment of existing borrowings		**(172.7)**	(37.3)
Premium paid upon redemption of borrowings		**(14.3)**	–
Proceeds from inventory repurchase arrangement		**75.7**	19.0
Repayment of inventory repurchase arrangement		**(60.0)**	(40.0)
Proceeds from new borrowings		**–**	108.5
Transaction fees paid on issuance of shares		**(18.7)**	(1.3)
Transaction fees paid on financing activities		**(1.9)**	(2.8)
Net cash inflow/(outflow) from financing activities		**315.0**	(66.5)
Net increase/(decrease) in cash and cash equivalents		**157.4**	(71.7)
Cash and cash equivalents at the beginning of the year		**418.9**	489.4
Effect of exchange rates on cash and cash equivalents		**7.0**	1.2
Cash and cash equivalents at the end of the year		**583.3**	418.9

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 BASIS OF ACCOUNTING

Aston Martin Lagonda Global Holdings plc (the "Company") is a company incorporated in England and Wales and domiciled in the UK. The Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The Group Financial Statements have been prepared and approved by the Directors in accordance with UK adopted international accounting standards.

The Group Financial Statements have been prepared under the historical cost convention except where the measurement of balances at fair value is required as explained below. The Financial Statements are prepared in millions to one decimal place, and in sterling which is the Company's functional currency.

The financial information set out does not constitute the Company's financial statements for the years ended 31 December 2022 or 2021 but is derived from those financial statements. Financial statements for 2021 have been delivered to the registrar of companies, and those for 2022 will be delivered in due course. The auditors have reported on those accounts. Their reports for both years ended 31 December 2022 and 31 December 2021 were not qualified. Their reports did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

CLIMATE CHANGE

In preparing the Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report this year and the new sustainability goals including the stated net-zero targets. Climate change is not expected to have a significant impact on the Group's going concern assessment to June 2024 nor the viability of the Group over the next five years following consideration of the below points.

- The Group has modelled various scenarios to take account of the risks and opportunities identified with the impact of climate change to assess the financial impact on its business plan and viability.
- The Group has a Strategic Cooperation Agreement with Mercedes-Benz AG. The agreement provides the Company with access to a wide range of world-class technologies for the next generation of luxury vehicles which are planned to be launched through to 2027.
- The Group is planning to leverage strategic long term partnerships with vendors to develop EV powertrain technology with significant capital expenditure planned to support the transition to a fully electrified portfolio of Sport/GT cars and SUVs by 2030.
- The Group continues to invest in onsite renewable energy generation solutions for our facilities and the increased use of sustainable materials within production and the required capital investment is included in our five-year forecasts to enable us to meet our target for net-zero manufacturing facilities by 2030.
- The Group has a clear plan in place to deliver a transformed product range to meet climate change regulations impacting the automotive sector, launching a Plug-In Hybrid Electric Vehicle ("PHEV") by 2024 and targeting the launch of our first Battery Electric Vehicle ("BEV") in 2025.

Consistent with the above, management have further considered the impact of climate change on a number of key estimates within the Financial Statements and has not found climate change to have a material impact on conclusions reached. Climate change considerations have been factored into impairment assessments of the carrying value of non-current assets (such as capitalised development cost intangible assets) through usage of a pre-tax discount rate which reflects the individual nature and specific risks relating to the business and the market in which the Group operates. In addition the forecast cash flows used in both the impairment assessments of the carrying value of non-current assets and the assessment of the recoverability of deferred tax assets reflect the current energy cost headwinds and future costs to achieve net-zero manufacturing facilities by 2030 as well as the forecast volumes for both existing and future car lines given current order books and our assessment of changing customer preferences.

GOING CONCERN

The Group meets its day-to-day working capital requirements and medium term funding requirements through a mixture of $1,143.7m of First Lien notes at 10.5% which mature in November 2025, $229.1m of Second Lien split coupon notes at 15% per annum (8.89 % cash and 6.11% PIK) which mature in November 2026, a revolving credit facility (£90.6m) which matures August 2025, facilities to finance inventory, a bilateral RCF agreement and a wholesale vehicle financing facility. Under the RCF the Group is required to comply with a liquidity covenant until May 2022 and a leverage covenant tested quarterly.

The Directors have developed trading and cash flow forecasts for the period from the date of approval of these Financial Statements through 30 June 2024 (the going concern review period). These forecasts show that the Group has sufficient financial resources to meet its obligations as they fall due and to comply with covenants for the going concern review period.

The forecasts reflect our ultra-luxury performance-oriented strategy balancing supply and demand and the actions taken to improve cost efficiency and gross margin. The forecasts include the costs of the Group's environmental, social and governance ("ESG") commitments and make assumptions in respect of future market conditions and, in particular, wholesale volumes, average selling price, the launch of new models, and future operating costs. The nature of the Group's business is such that there can be variation in the timing of cash flows around the development and launch of new models. In addition, the availability of funds provided through the vehicle wholesale finance facility changes as the availability of credit insurance and sales volumes vary, in total and seasonally. The forecasts take into account these factors to the extent which the Directors consider them to represent their best estimate of the future based on the information that is available to them at the time of approval of these Financial Statements.

The Directors have considered a severe but plausible downside scenario that includes considering the impact of a 25% reduction in DBX volumes and a 8% reduction in sports volumes from forecast levels, operating costs higher than the base plan, incremental working capital requirements such as a reduced deposit inflows or increased deposit outflows and the impact of the strengthening of the sterling dollar exchange rate.

The Group plans to make continued investment for growth in the period and, accordingly, funds generated through operations are expected to be reinvested in the business mainly through new model development and other capital expenditure. To a certain extent such expenditure is discretionary and, in the event of risks occurring which could have a particularly severe effect on the Group, as identified in the severe but plausible downside scenario, actions such as constraining capital spending, working capital improvements, reduction in marketing expenditure and the continuation of strict and immediate expense control would be taken to safeguard the Group's financial position.

In addition, we also considered the circumstances which would be needed to exhaust the Group's liquidity over the assessment period, a reverse stress test. This would indicate that vehicle sales would need to reduce by 35% from forecast levels without any of the above mitigations to result in having no liquidity. The likelihood of these circumstances occurring is considered remote both in terms of the magnitude of the reduction and that, over such a long period, management could take substantial mitigating actions, such as reducing capital spending to preserve liquidity.

Accordingly, after considering the forecasts, appropriate sensitivities, current trading and available facilities, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to comply with its financial covenants therefore the Directors continue to adopt the going concern basis in preparing the Financial Statements.

2 ACCOUNTING POLICIES

ADJUSTING ITEMS

An adjusting item is disclosed separately in the Consolidated Statement of Comprehensive Income where the quantum, nature or volatility of such items would otherwise distort the underlying trading performance of the Group including where they are not expected to repeat in future periods. The tax effect is also included.

Details in respect of adjusting items recognised in the current and prior year are set out in note 5 in the Financial Statements.

3 SEGMENTAL REPORTING

Operating segments are defined as components of the Group about which separate financial information is available and is evaluated regularly by the chief operating decision-maker in assessing performance. The Group has only one operating segment, the automotive segment, and therefore no separate segmental report is disclosed. The automotive segment includes all activities relating to design, development, manufacture and marketing of vehicles including consulting services; as well as the sale of parts, servicing and automotive brand activities from which the Group derives its revenues.

Revenue	2022 £m	2021 £m
Analysis by category		
Sale of vehicles	**1,291.5**	1,005.4
Sale of parts	**70.8**	65.5
Servicing of vehicles	**9.3**	10.6
Brands and motorsport	**9.9**	13.8
	1,381.5	1,095.3

Revenue	2022 £m	2021 £m
Analysis by geographic location		
United Kingdom	**366.0**	231.3
The Americas	**401.8**	302.7
Rest of Europe, Middle East and Africa	**260.2**	233.8
Asia Pacific	**353.5**	327.5
	1,381.5	1,095.3

4 OPERATING LOSS

The Group's operating loss is stated after charging/(crediting):

		2022 £m	2021 £m
Depreciation and impairment of property, plant and equipment		**80.7**	65.0
Depreciation released from/(absorbed into) inventory under standard costing		**(2.9)**	0.3
Depreciation and impairment of right-of-use lease assets		**11.0**	9.3
Amortisation and impairment of intangible assets		**227.4**	135.0
Amortisation released from/(absorbed into) inventory under standard costing		**(8.1)**	2.6
Depreciation, amortisation and impairment charges included in administrative and other operating expenses		**308.1**	212.2
Increase in trade receivable loss allowance – administrative and other operating expenses		**0.6**	3.1
Research and development expenditure tax credit		**(18.4)**	(16.6)
Net foreign currency differences		**8.7**	11.2
Cost of inventories recognised as an expense		**798.0**	641.4
Write-down of inventories to net realisable value		**8.9**	0.2
(Increase)/decrease in fair value of other derivative contracts		**(2.3)**	0.7
Lease payments (gross of sub-lease receipts)			
	Plant, machinery and IT equipment*	**0.7**	0.3
Sub-lease receipts	Land and buildings	**(0.6)**	(0.6)
Auditor's remuneration:			
	Audit of these Financial Statements	**0.3**	0.3
	Audit of Financial Statements of subsidiaries pursuant to legislation	**0.4**	0.3
	Audit-related assurance	**0.1**	0.1
	Services related to corporate finance transactions	**0.2**	0.1
Research and development expenditure recognised as an expense		**14.1**	13.0

* Election taken by the Group to not recognise right-of-use lease assets and equivalent lease liabilities for short term and low-value leases

	2022 £m	2021 £m
Total research and development expenditure	**246.1**	191.2
Capitalised research and development expenditure	**(232.0)**	(178.2)
Research and development expenditure recognised as an expense	**14.1**	13.0

5 ADJUSTING ITEMS

	2022 £m	2021 £m
Adjusting operating expenses:		
ERP implementation costs[1]	**(6.9)**	(4.0)
Defined Benefit pension scheme closure costs[2]	**(13.5)**	–
Director settlement and incentive arrangements[3]	**(3.5)**	–
Restructuring costs[7]	**–**	2.4
Lease early exit costs[8]	**–**	(0.6)
	(23.9)	(2.2)
Adjusting finance income:		
Foreign exchange gain on financial instrument utilised during refinance transactions[4]	**4.1**	–
Gain on financial instruments recognised at fair value through Income Statement[5]	**8.4**	34.1
Adjusting finance expenses:		
Premium paid on the early redemption of Senior Secured Notes[4]	**(14.3)**	–
Write-off of capitalised borrowing fees upon early settlement of Senior Secured Notes[4]	**(16.4)**	–
Professional fees incurred on refinancing expensed directly to the Income Statement[4]	**(1.9)**	–
	(20.1)	34.1
Total adjusting items before tax	**(44.0)**	31.9
Tax (charge) on adjusting items[6]	**–**	(8.1)
Tax credit due to remeasurement of deferred tax on previously classified adjusting items[6]	**–**	16.4
Adjusting items after tax	**(44.0)**	40.2

Summary of 2022 adjusting items

1. In the year ended 31 December 2022 the Group incurred further implementation costs for a cloud-based Enterprise Resource Planning (ERP) system for which the Group will not own any intellectual property. £6.9m of costs have been incurred in the period under the service contract and expensed to the Income Statement during the business readiness phase of the project. The project continues to undergo a phased rollout during 2023 following the previous migration of finance in 2022. Due to the infrequent recurrence of such costs and the expected quantum during the implementation phase, these have been separately presented as adjusting. The cash impact of this item is a working capital outflow at the time of invoice payment.
2. On 31 January 2022, the Group closed its Defined Benefit Pension Scheme to future accrual incurring a past service cost of £2.8m. Under the terms of the closure agreement, employees were granted cash payments both in the current year and the following two financial years totalling £8.8m. These costs have been fully accrued. In addition, the affected the employees were each granted 185 shares incurring a share-based payment charge of £0.9m during the year. The terms of the agreement provide the employees with a minimum guaranteed value for these shares subject to their ongoing employment with the Group. The Group will pay the employees a further cash sum if the share price at 1 February 2024 does not meet this value. The charge associated with this portion is £1.0m in the year ended 31 December 2022 and is being accounted for in accordance with IFRS2 as a cash settled share-based payment scheme. Further costs are expected in future periods under this guarantee until the liability crystallises in February 2024. The Group will continue to present these costs in adjusting items due to their volatile nature and connection with the closure of the pension scheme which is considered a non-recurring event.
3. On 14 January 2022, it was announced that Doug Lafferty would be joining the Group as Chief Financial Officer replacing Ken Gregor who stepped down from the Board on 1 May 2022. On 4 May, it was announced that Tobias Moers would be stepping down as Chief Executive Officer and Chief Technical Officer. Amedeo Felisa was appointed as Chief Executive Officer and Roberto Fedeli was appointed as Chief Technical Officer on the same day. The total cost associated with these changes was £3.5m, of which £1.8m represents joining incentives, £0.7m represents severance, and £1.0m comprises social security and other costs. Due to the quantum of such costs incurred in the period, they have been separately presented. The cash outflows associated with this expense are expected to be incurred within a period of 12 months from the appointment of each individual.
4. Following the successful equity raise in September 2022, the Group paid down $40.3m of First Lien Senior Secured Notes ("SSNs) and $143.8m of Second Lien SSNs. The early settlement of these notes incurred a redemption premium of £14.3m and transaction fees of £1.9m and resulted in the acceleration of capitalised borrowing costs of £16.4m. The cash impact of the fees and premium are incurred within the year ended 31 December 2022. The acceleration of the borrowing costs is a non-cash item. In order to facilitate the repayment of the SSNs the Group placed a forward currency contract to purchase US dollars. Due to favourable movements in the exchange rates, a gain of £4.1m was realised in the Income Statement at the transaction date.
5. The Group issued Second Lien SSNs during the year ended 31 December 2020 which included detachable warrants classified as a derivative option liability initially valued at £34.6m. The movement in fair value of the liability in the year ended 31 December 2022 resulted in a gain of £8.4m (2021: £34.1m) being recognised in the Income Statement. There is no cash impact of this adjustment.
6. In 2022, nil tax has been recognised as an adjusting item (2021: £8.3m credit) which is not in line with the standard rate of income tax for the Group of 19% (2021: 19%).This is on the basis that the adjusting items generate net deferred tax assets, specifically unused tax losses and interest amounts disallowed under the corporate interest restriction legislation, which have not been recognised to the extent that sufficient taxable profits are not forecast in the foreseeable future to which the unused tax losses and interest amounts disallowed under the corporate interest restriction legislation would be utilised. In 2021, a total tax credit of £8.3m was recognised as an adjusting item. The effective tax rate associated with the tax credit on adjusting items in the prior period was not in line with the standard rate of income tax for the Group at 19%. This was due to a £16.4m tax credit attributable to deferred tax balances on items treated as adjusting in previous years being re-measured at 25%.

Summary of 2021 adjusting items

7. During 2020 the Group provided £12.1m for restructuring costs associated with a reduction in employee numbers to reflect the lower than originally planned production volumes. In addition to this, the Group incurred an additional £0.3m of phase one restructuring costs in 2020. A revision to the estimated total costs resulting from greater natural attrition resulted in £2.4m of the existing provision being released to the Income Statement during the year ended 31 December 2021. The cash impact of the restructuring cost is realised in line with the movement in the provision. The credit to the Consolidated Income Statement in 2021 had no cash impact.
8. In the year ended 31 December 2021 the Group continued to rationalise its geographical footprint. The Group incurred £0.6m of costs associated with surrendering a lease 30 months early. These costs have been disclosed consistently with prior periods. The rationalisation of the geographical footprint is now complete. The associated cash outflow related to this adjustment will be realised during 2022 and 2023 in line with the exit agreement.

6 FINANCE INCOME

	2022 £m	2021 £m
Bank deposit and other interest income	**3.0**	2.3
Finance income before adjusting items	**3.0**	2.3
Adjusting finance income items:		
Foreign exchange gain on financial instrument utilised during refinance transactions	**4.1**	–
Gain on financial instruments recognised at fair value through Income Statement	**8.4**	34.1
Total adjusting finance income	**12.5**	34.1
Total finance income	**15.5**	36.4

7 FINANCE EXPENSE

	2022 £m	2021 £m
Bank loans, overdrafts and senior secured notes	**166.0**	151.3
Foreign exchange loss on borrowings not designated as part of a hedging relationship	**156.2**	12.4
Interest on lease liabilities	**4.5**	3.9
Net interest expense on the net Defined Benefit liability	**1.4**	1.3
Interest on contract liabilities held	**8.0**	4.8
Finance expense before adjusting items	**336.1**	173.7
Adjusting finance expense items:		
Premium paid on the early redemption of Senior Secured Notes	**14.3**	–
Write-off of capitalised borrowing fees upon early settlement of Senior Secured Notes	**16.4**	–
Professional fees incurred on refinancing expensed directly to the Income Statement	**1.9**	–
Total adjusting finance expense	**32.6**	–
Total finance expense	**368.7**	173.7

8 TAXATION

	2022 £m	2021 £m
UK corporation tax on profits	**0.2**	0.5
Overseas tax	**7.4**	10.8
Total current income tax charge	**7.6**	11.3
Deferred tax credit		
Origination and reversal of temporary differences	**29.4**	(16.1)
Prior period movement	**(4.3)**	(2.4)
Effect of change in deferred tax rate	**–**	(17.3)
Total deferred tax charge/ (credit)	**25.1**	(35.8)
Total income tax charge/ (credit) in the Income Statement	**32.7**	(24.5)
Tax relating to items credited to other comprehensive income		
Deferred tax		
Actuarial movement on Defined Benefit plan	**1.7**	1.0
Fair value adjustment on cash flow hedges	**(0.8)**	(1.2)
Effect of change in deferred tax rate	**–**	(6.0)
	0.9	(6.2)
Tax relating to items charged in equity – deferred tax		
Effect of change in deferred tax rate	**–**	(4.8)

8 TAXATION CONTINUED

(A) RECONCILIATION OF THE TOTAL INCOME TAX CREDIT

The tax charge in the Consolidated Statement of Comprehensive Income for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are reconciled below:

	2022 £m	2021 £m
Loss from operations before taxation	**(495.0)**	(213.8)
Loss on operations before taxation multiplied by standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	**(94.0)**	(40.6)
Difference to total income tax credit due to effects of:		
Expenses not deductible for tax purposes	**2.0**	0.5
Movement in unprovided deferred tax on current period losses and restricted tax interest	**84.7**	15.0
Movement in unprovided deferred tax on current period accelerated capital allowances	**15.6**	–
Derecognition of deferred tax assets	**25.6**	17.7
Irrecoverable overseas withholding taxes	**0.8**	1.4
Adjustments in respect of prior periods	**(4.3)**	(2.4)
Effect of change in deferred tax rate	**–**	(17.3)
Difference in UK tax rates	**1.1**	(4.8)
Difference in overseas tax rates	**1.2**	2.9
Other	**–**	3.1
Total income tax charge	**32.7**	(24.5)

(B) TAX PAID

Total net tax paid during the year of £6.8m (2021: £9.0m).

(C) FACTORS AFFECTING FUTURE TAX CHARGES

The UK's main rate of corporation tax will increase from 19% to 25%, effective from 1 April 2023.

9 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the loss for the year available for equity holders by the weighted average number of ordinary shares in issue during the year.

On 28 September 2022 the Company issued 559.0m ordinary shares by way of a rights issue. Due to the shares being issued at substantially below market price, a bonus issue is deemed to have taken place. A total of 211.6m shares issued were considered bonus shares. The weighted average shares used to calculate earnings per share in both the current and the prior year have been adjusted accordingly.

Continuing and total operations	**2022**	2021 *Restated**
Basic earnings per ordinary share		
Loss available for equity holders (£m)	**(528.6)**	(191.6)
Basic weighted average number of ordinary shares (million)[1]	**424.7**	327.1
Basic loss per ordinary share (pence)	**(124.5p)**	(58.6p)

1.To aid users understanding of the movement in the basic and diluted earnings per ordinary share presented for the comparative period, the following table reconciles the numbers presented in the 2021 Annual Report and Accounts to those presented above

Continuing and total operations – 12 months ended 31 December 2021	As presented 2021 Annual Report	Bonus element of rights issue (note 11)	As presented above
Basic earnings per ordinary share			
Loss available for equity holders (£m)	(191.6)	–	(191.6)
Basic weighted average number of ordinary shares (million)	115.5	211.6	327.1
Basic loss per ordinary share (pence)	(165.9p)	107.3p	(58.6p)
Diluted earnings per ordinary share			
Loss available for equity holders (£m)	(191.6)	–	(191.6)
Diluted weighted average number of ordinary shares (million)	115.5	211.6	327.1
Diluted loss per ordinary share (pence)	(165.9p)	107.3p	(58.6p)

Diluted earnings per ordinary share is calculated by adjusting basic earnings per ordinary share to reflect the notional exercise of the weighted average number of dilutive ordinary share awards outstanding during the year including the future technology shares and warrants detailed above. The weighted average number of dilutive ordinary share awards outstanding during the year are excluded when including them would be anti-dilutive to the earnings per share value.

	2022 Number	2021 Number *Restated**
Diluted weighted average number of ordinary shares is calculated as:		
Basic weighted average number of ordinary shares (million)	**424.7**	327.1
Adjustments for calculation of diluted earnings per share:[1]		
Long term incentive plans	**–**	–
Issue of unexercised ordinary share warrants	**–**	–
Issue of tranche 2 shares	**–**	–
Weighted average number of diluted ordinary shares (million)	**424.7**	327.1

The number of ordinary shares issued as part of the long term incentive plans, the potential number of ordinary shares issued as part of the 2020 issue of share warrants and the future issuance of shares for access to MBAG technology have been excluded from the weighted average number of diluted ordinary shares as including them is anti-dilutive to diluted earnings per share

As part of the Strategic Cooperation Agreement entered into in December 2020 with MBAG, shares were issued for access to tranche 1 technology. The Agreement includes an obligation to issue further shares for access to further technology in a future period. Warrants to acquire shares in the Company were issued alongside the Second Lien SSNs in December 2020 which can be exercised from 1 July 2021 through to 7 December 2027. As a consequence of the rights issue during the period (note 11) the number of ordinary shares issuable via the options was increased by a multiple of 6 to ensure the warrant holders' interests were not diluted. As at 31 December 2022 96,129,252 options, each entitled to 0.3 ordinary shares, remain unexercised. Both the future MBAG tranches and the future issuance of warrants may have a dilutive effect in future periods if the Group generates a profit.

Adjusted earnings per share is disclosed in note 12 to show performance undistorted by adjusting items to assist in providing useful information on the underlying performance of the Group and enhance the comparability of information between reporting periods.

10 NET DEBT

The Group defines net debt as current and non-current borrowings in addition to inventory repurchase arrangements and lease liabilities, less cash and cash equivalents including cash held not available for short term use.

	2022 £m	2021 £m
Cash and cash equivalents	**583.3**	418.9
Cash held not available for short term use	**0.3**	1.8
Inventory repurchase arrangement	**(38.2)**	(19.7)
Lease liabilities – current	**(7.4)**	(9.7)
Lease liabilities – non-current	**(92.4)**	(93.7)
Loans and other borrowings – current	**(107.1)**	(114.3)
Loans and other borrowings – non-current	**(1,104.0)**	(1,074.9)
Net debt	**(765.5)**	(891.6)
Movement in net debt		
Net increase/(decrease) in cash and cash equivalents	**164.4**	(70.5)
Add back cash flows in respect of other components of net debt:		
New borrowings	**–**	(108.5)
Proceeds from inventory repurchase arrangement	**(75.7)**	(19.0)
Repayment of existing borrowings	**172.7**	37.3
Repayment of inventory repurchase arrangement	**60.0**	40.0
Lease liability payments	**10.0**	9.9
Movement in cash held not available for short term use	**(1.5)**	(8.1)
Transaction fees	**–**	1.9
Decrease/(increase) in net debt arising from cash flows	**329.9**	(117.0)
Non-cash movements:		
Foreign exchange loss on secured loan	**(156.2)**	(12.4)
Interest added to debt	**(15.7)**	(13.4)
Borrowing fee amortisation	**(25.4)**	(7.5)
Lease liability interest charge	**(4.5)**	(3.9)
Lease modifications	**(3.8)**	0.4
New leases	**(2.2)**	(11.5)
Foreign exchange gain and other movements	**4.0**	0.4
Decrease/(increase) in net debt	**126.1**	(164.9)
Net debt at beginning of the year	**(891.6)**	(726.7)
Net debt at the end of the year	**(765.5)**	(891.6)

11 SHARE CAPITAL AND OTHER RESERVES

Allotted, called up and fully paid	Number of shares	Nominal value £	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m
Opening balance at 1 January 2021	**114,933,587**	**0.1**	**11.5**	**1,108.2**	**144.0**	**9.3**
Exercise of warrant options[1]	1,525,926	0.1	0.1	15.1	–	–
Transfer between reserves	–	–	–	0.1	(0.1)	–
Balance as at 31 December 2021 and 1 January 2022	**116,459,513**	**0.1**	**11.6**	**1,123.4**	**143.9**	**9.3**
Private placing[2]	23,291,902	0.1	2.4	75.7	–	–
Rights issue[3]	559,005,660	0.1	55.9	498.3	–	–
Closing balance at 31 December 2022	**698,757,075**	**0.1**	**69.9**	**1,697.4**	**143.9**	**9.3**

1. On 15 July 2021 945,131 ordinary shares in the Company were issued to satisfy the redemption of 18,902,665 warrant options. £9.5m of cash was received for the shares. On 22 July 2021 330,795 ordinary shares in the Company were issued to satisfy the redemption of 6,615,932 warrant options. £3.3m of cash was received for the shares. On 11 December 2021 250,000 ordinary shares in the Company were issued to satisfy the redemption of 5,000,003 warrant options. £2.5m of cash was received for the shares. Upon issuance of the shares the corresponding derivative option liability is extinguished resulting in a total credit to retained earnings during the year ended 31 December 2021 of £14.8m.
2. On 9 September 2022 the Company issued 23.2m ordinary shares by way of a private placing. The shares were issued at 335p raising gross proceeds of £78.1m, with £2.4m recognised as share capital and the remaining £75.7m recognised as share premium.
3. On 28 September 2022 the Company issued 559.0m ordinary shares by way of a rights issue. The shares were issued at 103p raising gross proceeds of £575.8m, with £55.9m recognised as share capital and the remaining £519.9m recognised as share premium. Share premium is reduced by £21.6m reflecting transaction fees paid of which £3.0m are accrued as at 31 December 2022. Due to the shares being issued at substantially below market price, a bonus issue is deemed to have taken place. A total of 211.6m shares issued were considered bonus shares. The weighted average shares used to calculate earnings per share (see note 9) has been adjusted accordingly.

12 ALTERNATIVE PERFORMANCE MEASURES

In the reporting of financial information, the Directors have adopted various Alternative Performance Measures ("APMs"). APMs should be considered in addition to IFRS measurements. The Directors believe that these APMs assist in providing useful information on the underlying performance of the Group enhance the comparability of information between reporting periods, and are used internally by the Directors to measure the Group's performance.

The key APMs that the Group focuses on are as follows:

i) Adjusted EBT is the loss before tax and adjusting items as shown in the Consolidated Income Statement.
ii) Adjusted EBIT is operating (loss)/profit before adjusting items.
iii) Adjusted EBITDA removes depreciation, loss on sale of fixed assets and amortisation from adjusted EBIT.
iv) Adjusted operating margin is adjusted EBIT divided by revenue.
v) Adjusted EBITDA margin is Adjusted EBITDA (as defined above) divided by revenue.
vi) Adjusted earnings per share is loss after tax before adjusting items as shown in the Consolidated Income Statement, divided by the weighted average number of ordinary shares in issue during the reporting period.
vii) Net debt is current and non-current borrowings in addition to inventory repurchase arrangements and lease liabilities, less cash and cash equivalents and cash held not available for short term use as shown in the Consolidated Statement of Financial Position.
viii) Adjusted leverage is represented by the ratio of net debt to the last 12 months (LTM) Adjusted EBITDA.
ix) Free cash flow is represented by cash (outflow)/inflow from operating activities less the cash used in investing activities (excluding interest received) plus interest paid in the year less interest received.

INCOME STATEMENT

	2022 £m	2021 £m
Loss before tax	**(495.0)**	(213.8)
Adjusting operating expenses (note 5)	**23.9**	2.2
Adjusting finance income (notes 5, 6)	**(12.5)**	(34.1)
Adjusting finance expense (notes 5, 7)	**32.6**	–
Adjusted loss before tax (EBT)	**(451.0)**	(245.7)
Adjusted finance income (note 6)	**(3.0)**	(2.3)
Adjusted finance expense (note 7)	**336.1**	173.7
Adjusted operating loss (EBIT)	**(117.9)**	(74.3)
Adjusted operating margin	**(8.5%)**	(6.8%)
Reported depreciation	**88.8**	74.6
Reported amortization	**219.3**	137.6
Adjusted EBITDA	**190.2**	137.9
Adjusted EBITDA margin	**13.8%**	12.6%

EARNINGS PER SHARE

	2022 £m	2021 Restated* £m
Adjusted earnings per ordinary share		
Loss available for equity holders (£m)	**(528.6)**	(191.6)
Adjusting items (note 5)		
Adjusting items before tax (£m)	**44.0**	(31.9)
Tax on adjusting items (£m)	**–**	(8.3)
Adjusted loss (£m)	**(484.6)**	(231.8)
Basic weighted average number of ordinary shares (million)[1]	**424.7**	327.1
Adjusted loss per ordinary share (pence)	**(114.1p)**	(70.9p)
Adjusted diluted earnings per ordinary share		
Adjusted loss (£m)	**(484.6)**	(231.8)
Diluted weighted average number of ordinary shares (million)	**424.7**	327.1
Adjusted diluted loss per ordinary share (pence)	**(114.1p)**	(70.9p)

* Earnings per ordinary share has been adjusted to reflect the bonus element of the rights issue undertaken in September 2022.

NET DEBT

	2022 £m	2021 £m
Opening cash and cash equivalents	**418.9**	489.4
Cash inflow from operating activities	**127.1**	178.9
Cash outflow from investing activities	**(284.7)**	(184.1)
Cash inflow/(outflow) from financing activities	**315.0**	(66.5)
Effect of exchange rates on cash and cash equivalents	**7.0**	1.2
Cash and cash equivalents at 31 December	**583.3**	418.9
Cash held not available for short term use	**0.3**	1.8
Borrowings	**(1,211.1)**	(1,189.2)
Lease liabilities	**(99.8)**	(103.4)
Inventory repurchase arrangement	**(38.2)**	(19.7)
Net debt	**(765.5)**	(891.6)
Adjusted EBITDA	**190.2**	137.9
Adjusted leverage	**4.0x**	6.5x

FREE CASH FLOW

	2022 £m	2021 £m
Net cash inflow from operating activities	**127.1**	178.9
Cash used in investing activities (excluding interest received)	**(286.9)**	(185.2)
Interest paid less interest received	**(139.0)**	(116.9)
Free cash flow	**(298.8)**	(123.2)