23 February 2022

Aston Martin Lagonda Global Holdings plc

Preliminary results for the 12 months to 31 December 2021

- **Retail sales well ahead of wholesales; >6,000 core vehicles wholesaled**
- **Significant growth in Americas and record sales in China, driven by strong DBX demand**
- **Targeting Net-Zero manufacturing facilities by 2030**
- **2024/25 medium-term targets confirmed**

£m	31-Dec-21	31-Dec-20	*% change*	Q4-21	Q4-20	*% change*
Total wholesales[1]	**6,178**	**3,394**	*82%*	**1,928**	**1,839**	*5%*
Revenue	1,095.3	611.8	*79%*	358.9	341.8	*5%*
Adjusted EBITDA[2]	**137.9**	**(70.1)**	*n.m.*	**65.6**	**47.5**	*38%*
Adjusted operating loss [2]	**(74.3)**	**(224.9)**	*67%*	**(9.2)**	**(9.7)**	*5%*
Operating loss	**(76.5)**	**(322.9)**	*76%*	**(8.3)**	**(93.8)**	*91%*
Loss before tax	(213.8)	(466.0)	*54%*	(25.2)	(158.1)	*84%*
Net debt[2]	(891.6)	(726.7)		(891.6)	(726.7)	

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

Financial Highlights

- Wholesales increased 82% as more normal operations were resumed following COVID-19 restrictions in 2020 and completed rebalance of dealer inventory in Q1
  - Achieved core targets and delivered over 3,000 DBXs in first full year
  - Transition to ultra-luxury operating model successfully completed with retails well ahead of wholesales
- Revenue increased to £1.1bn largely due to substantial volume growth, driven by customer demand, and strong pricing dynamics; represents 12% growth on 2019 revenues of £981m pre-COVID and strategic shift to ultra-luxury
  - Core ASP of £150k up from £136k in 2020 and a 14% improvement versus 2019 (£132k)
- Adjusted EBITDA of £138m (consistent with January 2022 trading update) an improvement of more than £200m versus 2020 and £19m on 2019, with a 13% margin; Q4 adjusted EBITDA margin of 18% reflecting strength of trading, Specials deliveries and Project Horizon efficiencies
  - Reduced operating loss of £77m despite increased investment in brand and marketing activities, higher depreciation and amortisation and non-repeat of 2020 £13m furlough credit
- Positive cash inflow from operations of £179m; Free cash outflow of £123m, a £416m improvement on the prior year (£215m improvement on 2019), with rephased capital expenditure aligned to business plan deliverables
- Strong liquidity, year-end cash of £419m (2020: £489m); Net debt of £892m (2020: £727m)

Transformation continues at pace

- Delivering exciting products
  - DBX achieved an estimated 20% market share; DBX707, the most powerful luxury SUV on the market, unveiled 1 February 2022 with deliveries expected from Q2
  - Core electrification journey started with mild-hybrid DBX Straight-Six launched in China in Q4
    - First plug-in hybrid electric vehicle (PHEV) planned for early 2024 deliveries
    - First battery electric vehicle (BEV) targeted for launch in 2025 and all new car lines to have the option of an electrified powertrain by 2026 (PHEV or BEV); fully electrified Sport/GT and SUV portfolio by 2030
  - Deliveries of era-defining Aston Martin Valkyrie programme started in Q4 at a slower pace than originally expected due to following a quality-focused approach

        - All Aston Martin Valkyrie Coupes are sold out with a waiting list running; the Spider version was two-times over-subscribed at launch
    - V12 Vantage attracting excellent customer demand ahead of deliveries scheduled for Q3 2022
- Focusing on customer & brand
    - Optimal front-engine dealer inventory levels achieved with healthy orderbook for all core vehicles
    - Attracted a large number of new customers as DBX broadens addressable market - 50% new to brand
    - Class-leading configurator led to a trebling of leads to our dealers; significant increase in reported third-party dealer profitability with >75% growth in new dealership enquiries
    - Sponsorship of Aston Martin Cognizant F1™ Team which reached c.2.8bn people driving a strong uplift to website traffic on race weekends
- Delivering operational excellence, agility and efficiency
    - Manufacturing consolidation has led to a c.20% reduction in manufacturing costs
    - New launches will be targeting contribution margins of over 40%
    - Creation of Engineering Centres of Excellence with a global footprint
    - Almost 20% of employees new to the business; commercial, technical, and operational teams substantially strengthened with new talent whilst delivering efficiencies in manufacturing
- Integrating ESG with new sustainability goals
    - Committed to the Science Based Targets initiative (SBTi) Net-Zero Standard, showing our commitment to target net-zero manufacturing facilities and a 30% reduction in supply chain emissions by 2030
    - Aiming to achieve zero plastic packaging waste, in addition to reducing water consumption by 15% by 2025
    - Targeting 25% female leadership within the next five years, tailoring leadership development and a number of wider initiatives to create a more inclusive culture
- Governance
    - Comprehensive Board renewal added extensive automotive and luxury experience; almost 30% of Board are women
        - Product Strategy Committee formed, leveraging industry experience
        - Sustainability Committee formed to oversee implementation of new sustainability strategy

Lawrence Stroll, Aston Martin Lagonda Executive Chairman commented:

“My second year as Executive Chairman of this iconic and great company has been another of significant progress. We have successfully transitioned our operating model to that of an ultra-luxury performance brand, with customer demand well ahead of supply. Our core business is strong and delivered to plan, with substantially improved profitability.

We have strengthened our teams, adding more luxury and automotive experience to the Board, broadening relevant experience at the executive level and substantially bolstering our operational and development teams. The return of the Aston Martin name to the Formula One™ grid has dramatically increased our brand exposure, desirability and global awareness, in line with our growth ambitions.

The Aston Martin Valkyrie programme pushes the boundaries of what is possible to bring to market outside an F1™ racing environment. We inherited a challenging programme, and while it was disappointing that some deliveries were rescheduled from late 2021, following an in-depth review and now under a dedicated team we are confident of continuing to deliver these truly extraordinary vehicles to our customers with no compromises.

We have a strong pipeline of extraordinary products to come with both DBX707 and V12 Vantage this year and a new generation of front-engine cars for 2023. This high-performance new portfolio will command stronger pricing and profitability compared with the past, driving delivery of our financial targets. Our path to electrification is clear with three of our product launches in 2021 featuring hybrid technology, our first plug-in hybrid coming in 2024, our first battery electric vehicle targeted for launch in 2025 and all new car lines will have an electrified powertrain option by 2026.

When I invested, I knew this transformation would take four to five years to recreate Aston Martin as the world’s most desirable, ultra-luxury British performance brand. We have made very strong progress already and are well on plan to achieve our ambitious goal.”

Tobias Moers, Aston Martin Lagonda Chief Executive Officer commented:

"The operating environment remained challenging throughout 2021. Despite this, we grew our core business to plan, with a demand-led delivery of our volume targets and enhanced core profitability. We achieved strong pricing and closed the year with dealer stock at optimum levels. We also started delivery of the once-in-a-generation Aston Martin Valkyrie hypercars. This was achieved despite the technical ambition of the product, supply chain constraints and with no compromise on quality, resulting in fewer cars than originally planned shipping in 2021.

Brand desirability is strong as evidenced by retails outpacing wholesales and the demand we see for our products, with the Aston Martin Valkyrie Spider, two-times oversubscribed following its launch in the summer and the order book filling up for our plug-in hybrid supercar Valhalla, which with a small timing shift is now due to start deliveries in early 2024.

We are expanding our offer in the growing luxury SUV segment. We launched the Straight-Six mild hybrid in China in November 2021 and earlier this month unveiled the highest performing luxury SUV on the market, DBX707. These products, coupled with the benefits of the efficiency actions undertaken through Project Horizon and alongside our Specials programme give us confidence in delivering meaningful growth in 2022.

Beyond 2022 we are confident in the medium and long-term potential for the business with our exciting product plans and a defined path to electrification."

Outlook

We are well on our way to achieving our medium-term targets of c.10,000 wholesales, c.£2bn revenue and c.£500m adjusted EBITDA by 2024/25.

For 2022, we expect to deliver significant growth with a c.8% increase in core volumes expected to deliver a c.50% improvement in adjusted EBITDA from the core business. We will deliver the first two vehicles from the new management team, DBX707 and the V12 Vantage, with improved profitability compared with prior models as well as price adjustments across the full portfolio, given the pricing power of the brand.

In addition, 75-90 Aston Martin Valkyrie programme vehicles are planned for shipment.

Supply chains globally continue to experience disruption and our teams remain focused on mitigating any impact on production. Q1 is expected to be the smallest quarter of the year, given the timing of product launches (DBX707 in Q2 and V12 Vantage in Q3) and as we focus on refining the production process for Aston Martin Valkyrie programme vehicles with a focus on quality.

2022 guidance:

- Wholesales: growth to > 6,600 units
- Adjusted EBITDA margin: c.350-450bps expansion
- Capex and R&D: c.£300m
- Depreciation and amortisation: c.£315m-£330m

  Reflecting Aston Martin Valkyrie programme shipments and a full year of accelerated depreciation of capitalised development costs ahead of next generation GT/sports vehicles in 2023
- Interest costs: c.£170m (P&L)/ c.£125m (cash) assuming current exchange rates prevail for 2022

Pension scheme closure

The Company successfully negotiated the closure to future accrual of its defined benefit pension scheme in January 2022. This is expected to deliver annual savings of c.£4.5m per year with an associated one-off adjusting item of c.£14m expected to be booked in 2022 (not included within adjusted EBITDA). In cash terms, with transition payments to scheme members in 2022-2024, the net cash impact is c.£1m benefit in each of those years and a c.£4.5m benefit thereafter.

Strategic technology agreement

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 until early 2023.

Enquiries

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- Recorded presentations accompanying this release from Lawrence Stroll, Tobias Moers and Kenneth Gregor 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

2021 presented both new and old challenges as Aston Martin navigated a difficult operating environment both due to supply chain constraints and the ongoing COVID-19 pandemic. Despite this, the Company built on the foundational work in 2020 to deliver on its core portfolio as planned and successfully completed an extensive and challenging development and testing schedule for the era-defining Aston Martin Valkyrie, with shipments started in December.

In their first full year, the management team focused on delivery while redefining the Vision and Strategy, driving change throughout every area of the business and executing on Project Horizon.

The Company built on the strong executive management appointments in 2021 by also strengthening the Board, appointing world-class leaders in both the luxury and automotive sectors, adding relevant expertise and experience to support Aston Martin's journey to become the world's most desirable ultra-luxury British performance brand.

As the Company focuses on the upcoming portfolio of exciting new products and embarks on its electrification journey, engineering and procurement has been a key point of emphasis alongside upskilling operational and commercial functions. The business has recruited over 350 new employees, to lead the Company into a new era of ultra-luxury performance vehicles.

Project Horizon transformation – delivering operational excellence, agility & efficiency

The Project Horizon journey started in late 2020 and the Company has made substantial progress throughout 2021 in becoming more agile and efficient.

Delivering exciting products

In Q1, the Company successfully achieved the rebalance of front-engine supply to demand, which was earlier than originally planned. Retails outpaced wholesales by a significant margin, driving strong pricing dynamics and demonstrating the strength of the brand and demand for front-engine vehicles. The Vantage F1™ edition, the first F1™ branded Aston Martin road car, was well received by customers generating strong sales.

Aston Martin's first SUV, DBX, successfully delivered over 3,000 units in its first full year of production, achieving an estimated 20% share of the luxury SUV market, while maintaining a healthy orderbook throughout the year. The first derivative of this, a Straight-Six mild-hybrid, was released exclusively for China in Q4. Initial demand is strong and is expected to continue to build. The second derivative, DBX707, the most powerful luxury SUV on the market, was unveiled on 1 February 2022, adding another dimension to the Aston Martin SUV offer and is expected to deliver strong growth in the segment from Q2 2022 onwards.

The first true F1™ car for the road, Aston Martin Valkyrie, started deliveries of road and track versions to customers in December. This pioneering hypercar programme has pushed new boundaries in British automotive engineering and comprises the revolutionary Aston Martin Valkyrie road car, the track evolution AMR Pro, as well as the open-top Aston Martin Valkyrie Spider, which was two-times oversubscribed following its launch in August.

Three of the models launched this year featured hybrid technology as the Company sets out on its path to electrification. The Aston Martin Valkyrie programme serves as a halo to our mid-engine vehicles, with the mid-engine supercar Valhalla, planned to be the Company's first PHEV on the market in 2024. The expectation is for all new car lines to have an electrified powertrain option by 2026 and for the Sport/GT and SUV portfolio to be fully electrified by 2030.

Focusing on customer & brand

Returning to the grid after over 60 years, the Aston Martin Cognizant Formula One™ Team has connected the brand with a highly engaged worldwide audience, with c.2.8bn social media impressions since March, during the most thrilling F1™ season for decades. Brand equity research shows improved perception and increased buying intent among luxury car buyers, particularly in China and the US, linked to the presence of the Aston Martin brand in F1™. Furthermore, the role of the Vantage F1™ Edition and DBX as Official Safety and Medical Cars of Formula 1™ for half of the season's race weekends has brought heightened global exposure, resulting in increased web traffic, up 25% on those weekends, and increased buying interest.

The Company has also reinvested in fixed marketing to support the brand and the expansion of the portfolio. In July, the business leveraged the Goodwood Festival of Speed to re-launch the plug-in hybrid supercar Valhalla, and in August unveiled the Aston Martin Valkyrie Spider at the Pebble Beach Concours d'Elegance. Aston Martins also took a leading role in the latest James Bond film, *No Time To Die*, with four of the brand's cars featuring.

In July the Company launched a class-leading configurator, enhancing the customer journey to create a truly unique and luxurious experience. Leads to dealers have increased significantly since launch and option uptake has increased throughout the portfolio.

Reported third-party dealer profitability in all regions has significantly improved, supported by the improved pricing dynamics, increasing residual values and strength in the pre-owned market alongside the expansion of the product offer. This transformation has contributed to a >75% increase in new dealer inquiries.

Delivering on operational excellence, agility and efficiency

In Q2, the Company transformed the manufacturing process at Gaydon into a centre of excellence for GT/sports cars, converting from two production lines to one, improving efficiencies and consolidating Specials assembly into the one plant. During Q3, the Company refined the manufacturing process at St Athan and consolidated its paint application operations. Bespoke paints are now only applied in Gaydon allowing the new St Athan paint shop to run more efficiently and effectively for all other colours, resulting in net savings of over £1,000 per vehicle. Combined, these initiatives reduced manufacturing costs per vehicle by c.20%.

The business navigated the challenging supply chain environment throughout the year and implemented measures to mitigate disruption, identify suppliers at risk and work with them proactively to resolve any pending situations. The Company has also worked on developing stronger, longer-term strategic partnerships with Tier 1 suppliers.

Becoming a world-leading sustainable ultra-luxury automotive business

Tackling climate change

A key issue of global awareness is climate change and as a responsible business, the Company recognises that it is now time to accelerate action and escalate our ambition on tackling climate change. Through investment and adapting the production processes, the business plans to work closely with the SBTi to set and verify targets to deliver net-zero emission manufacturing facilities by 2030, a 30% reduction in supply chain emissions by 2030, and net-zero supply chain emissions by 2039.

Creating a better environment

By 2025, the Company is aiming to generate zero plastic packaging waste and waste for landfill, as well as reduce water consumption by 15%. The business is also aiming to continue to maximise the use of sustainable materials and boost biodiversity across all sites.

Investing in people and opportunities

Investing in people and opportunity will continue to shape the Company's future. The Company relies on the skills and dedication of a brilliant team; a team that must be kept safe, a team that must be supported, and a team that must be sustained for the long-term. This demands a relentless focus on targeting zero accidents, supporting employees to realise their potential, and creating a more diverse and inclusive environment that promotes, attracts and develops the very best talent.

As part of the new ESG Strategy, the Company is targeting 25% of female leadership within the next five years, compared with the current level of 14%.

Take-off into a new era for Aston Martin

The next stage of our journey encompasses a new vision and refined strategy to accelerate growth and drive profitability.

Our vision is to be the world's most desirable ultra-luxury British performance brand – creating vehicles with the ultimate technology, precision and craftsmanship that deliver thrilling performance and a bespoke, class-leading customer experience.

The refined strategy advances the work completed through Project Horizon and builds on the inherent strengths of the business, focusing on four strategic pillars:

- *Brand*: Iconic brand with 109 years of deep, rich history;
- *Product innovation*: Pushing the limits of ultra-luxury, technology and performance;
- *Sustainability*: Driving new standards in the ultra-luxury segment;
- *Team*: World-class leadership team and brand attracting and developing top talent globally.

Leveraging the progress made through Project Horizon, in combination with the refined strategy, will position the Company to accelerate growth and drive increased profitability.

FINANCIAL REVIEW

Sales and revenue analysis

Number of vehicles	FY-21	FY-20	% change	Q4-21	Q4-20	% change
Wholesale	**6,178**	**3,394**	*82%*	**1,928**	**1,839**	*5%*
Core (excluding Specials)	6,080	3,351	*81%*	1,886	1,807	*4%*
By region:						
UK	1,109	820	*35%*	381	350	*9%*
Americas	1,984	923	*115%*	546	581	*(6%)*
EMEA ex. UK	1,270	865	*47%*	372	425	*(12%)*
APAC	1,815	786	*131%*	629	483	*30%*
By model:						
Sports	1,479	691	*114%*	520	322	*61%*
GT	1,589	1,116	*42%*	546	307	*78%*
SUV	3,001	1,516	*98%*	815	1,171	*(30%)*
Other	11	28	*(61%)*	5	7	*(29%)*
Specials	98	43	*128%*	42	32	*31%*

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

Total wholesales grew 82% to 6,178 units, driven by strong demand across the portfolio and a return to a more normal operating environment post COVID-19 restrictions on manufacturing in 2020 and a successfully completed rebalancing of dealer inventory. Q4 was the largest quarter and skewed towards December given supply chain constraints. Signifying the start of our core electrification journey, deliveries of the mild-hybrid DBX Straight-Six launched seamlessly in China in Q4.

Geographically, both APAC and the Americas delivered triple-digit growth over the prior year, up 131% and 115% respectively, as SUV demand skewed towards these regions as expected. Combined they now represent c.60% of total volumes.

The 98 Specials included10 Aston Martin Valkyrie programme vehicles.

Revenue by Category

£m	FY-21	FY-20	% change
Sale of vehicles	1,005.4	535.1	*88%*
Sale of parts	65.5	56.6	*16%*
Servicing of vehicles	10.6	6.6	*61%*
Brand and motorsport	13.8	13.5	*2%*
Total	**1,095.3**	**611.8**	***79%***

Revenue grew to £1.1bn (2020: £612m), driven mainly by increased wholesales along with strong pricing dynamics. Sales of parts and servicing increased as dealers returned to more normal operations in most markets for the majority of the year – with the prior year significantly impacted by COVID-related restrictions on operations.

Pricing dynamics were strong, following the successful rebalancing of dealer inventory completed in Q1, reflecting significantly reduced customer and retail financing support. With demand ahead of supply and positive geographic and product mix, core ASP increased to £150k (2020: £136k). Total ASP of £162k reflected the 98 Specials in the year compared with 43 in the prior year (2020: £157k).

Summary income statement and analysis

£m	FY-21	FY-20	Q4-21	Q4-20
Revenue	**1,095.3**	**611.8**	**358.9**	**341.8**
Cost of sales	(751.6)	(500.7)	(237.1)	(244.8)
Gross profit	**343.7**	**111.1**	**121.8**	**97.0**
Gross margin %	*31.4%*	*18.2%*	*33.9%*	*28.4%*
Operating expenses[1]	(418.0)	(336.0)	(131.0)	(106.7)
of which depreciation & amortisation	*212.2*	*154.8*	*74.8*	*57.2*
Adjusted operating loss[2]	**(74.3)**	**(224.9)**	**(9.2)**	**(9.7)**
Adjusting operating items	(2.2)	(98.0)	0.9	(84.1)
Operating loss	**(76.5)**	**(322.9)**	**(8.3)**	**(93.8)**
Net financing expense	(137.3)	(143.1)	(16.9)	(64.3)
of which adjusting financing items	*34.1*	*(68.6)*	*21.2*	*(68.6)*
Loss before tax	**(213.8)**	**(466.0)**	**(25.2)**	**(158.1)**
Taxation	24.5	55.5	(7.5)	15.5
Loss for the period	**(189.3)**	**(410.5)**	**(32.7)**	**(142.6)**
Adjusted EBITDA[1,2]	**137.9**	**(70.1)**	**65.6**	**47.5**
Adjusted EBITDA margin	*12.6%*	*n.m.*	*18.3%*	*13.9%*
Adjusted loss before tax[1]	**(245.7)**	**(299.4)**	**(47.3)**	**(5.4)**
EPS (pence)	(165.9)	(543.0)		
Adjusted EPS (pence)[2]	**(200.8)**	**(369.9)**		

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

Adjusted EBITDA was £138m, an improvement of £208m over the prior year, with a margin of 13%. This included a £5m trade debtor write down in Q2 related to legal action as announced on 22 June. The improved trading performance led to a significantly reduced operating loss of £77m (2020: £323m loss) and reflected:

- The flow through of revenue growth, a higher number of Specials and manufacturing efficiency actions contributing to a gross margin of 31% (up from 18% in 2020), offsetting the non-repeat of c.£13m of furlough credits received in the prior year;
- Increased brand investment as events such as Goodwood Festival of Speed and Pebble Beach Concours d'Elegance resumed post-pandemic, as well as events associated with F1™ and the release of the James Bond film *No Time To Die*;
- Higher depreciation and amortisation (D&A) charges of £212m, up £57m on the prior year, principally due to a full year of DBX, the start of Aston Martin Valkyrie programme deliveries and in Q4, accelerated depreciation of capitalised development costs ahead of next generation sports cars in 2023. 2021 D&A was lower than previously guided (£225m-£235m) due to re-timing of some Aston Martin Valkyrie programme cars; and
- A £14m benefit from exchange rate movements.

Adjusting operating items of £2m predominantly related to ERP implementation costs (2020: £98m – predominantly impairment of capitalised development costs).

Net adjusted financing costs of £171m were up from £75m in the prior year reflecting a full year of the £1.1bn equivalent US$ notes issued in October 2020 and the £70m equivalent notes issued in February 2021. The charge also includes a

£12m adverse FX charge given the US$ denomination of the notes (2020 included a £31m FX benefit). Adjusted loss before tax was £246m (2020: £299m loss). The adjusting net finance credit of £34m related to fair value movements of outstanding warrants (2020: adjusting net finance charge of £69m), leading to a reduced loss before tax of £214m (2020: £466m).

The tax credit on the adjusted loss before tax is £16m. The effective tax rate at 6.6% is lower than the 19% standard UK tax rate mainly due to movements in unprovided deferred tax related to losses and a restriction on the amount of interest that can be deducted for tax purposes. Tax on adjusting items was recognised as appropriate and resulted in a net tax credit of £8m, giving an overall tax credit of £25m.

The total share count at 31 December 2021 was 116 million following the exercise of 1.5 million warrants linked to the second lien notes. The weighted average number of shares in 2021 was 116 million. 4.8 million 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 until early 2023.

Cash flow and net debt

£m	FY-21	FY-20	Q4-21	Q4-20
Cash generated/(used) from operating activities	178.9	(198.6)	27.5	73.5
Cash used in investing activities (excl. interest)	(185.2)	(260.7)	(49.0)	(56.6)
Net cash interest paid	(116.9)	(80.0)	(62.6)	(42.6)
Free Cash outflow	**(123.2)**	**(539.3)**	**(84.1)**	**(25.7)**
Cash inflow from financing activities (excl. interest)	51.5	922.5	7.5	204.9
(Decrease)/increase in net cash	**(71.7)**	**383.2**	**(76.6)**	**179.2**
Effect of exchange rates on cash and cash equivalents	1.2	(1.7)	0.3	2.9
Cash balance	**418.9**	**489.4**	**418.9**	**489.4**

Net cash inflow from operating activities was £179m (2020: £199m outflow) including a net working capital inflow of £56m. The largest movement was receivables, a £75m increase, given the phasing of Q4 deliveries due to supply chain constraints in the quarter; this has substantially unwound in the first eight weeks of 2022. There was an offsetting £71m deposit inflow highlighting strong demand for Aston Martin Valkyrie Spider and Valhalla and a £53m payables inflow principally associated with future product rollout plans. Inventories reflected the working capital benefits of the manufacturing consolidations completed during the year, £8m lower despite the step up for Aston Martin Valkyrie build and the expanded product portfolio.

Capital expenditure was £185m, lower than the c.£215m-£230m previously guided, as product development plans mature, aligned to medium-term business plan objectives. Investment was focused on DBX derivatives, the next generation of front-engine vehicles due to launch in 2023 and Aston Martin Valkyrie programme vehicles.

Free cashflow of £(123)m was significantly improved on the prior year (2020: £(539)m) reflecting the improved trading performance, demand for Specials, tight working capital control and planned capital expenditure phasing.

Cash inflow from financing (excluding interest) of £52m included gross proceeds from note issuance of £77m in February. The net cash outflow of £72m resulted in a closing cash balance of £419m at 31 December 2021 (31 December 2020: £489m).

£m	**31 Dec-21**	**31 Dec-20**
Loan Notes[1]	(1,074.9)	(965.0)
Inventory financing	(19.7)	(38.2)
Bank loans and overdrafts	(114.3)	(119.8)
Lease liabilities (IFRS 16)	(103.4)	(103.0)
Gross debt	**(1,312.3)**	**(1,226.0)**
Cash balance	418.9	489.4
Cash not available for short-term use	1.8	9.9
Net debt	**(891.6)**	**(726.7)**

1 US$ notes of £1.1bn equivalent (First lien of £840m at 10.5% interest maturing in November 2025; Second lien of £259m 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 three years for the second lien and four years for the first lien.

Cash at 31 December 2021 of £419m included £77m gross proceeds from the note issuance completed in February. Net debt at 31 December 2021 was £892m (31 December 2020: £727m) reflecting the free cash outflow. With the exercise of some of the warrants attached to the second lien notes, the Company received cash of £15m in the year.

Gross debt includes £80m drawn down on the RCF, broadly unchanged year-on-year (2020: £79m), reduced inventory financing of £20m (2020: £38m) as the Company tightly managed working capital requirements, and a £12m FX revaluation of the US$ denominated notes.

APPENDICES

Dealerships

	31 Dec-21	31 Dec-20
UK	22	22
Americas	44	43
EMEA ex. UK	53	52
APAC	49	50
Total	**168**	**167**
Number of countries	**56**	**54**

Alternative Performance Measure

£m	FY-21	FY-20
Loss before tax	**(213.8)**	**(466.0)**
Adjusting operating expense	2.2	98.0
Adjusting finance income	(34.1)	(6.9)
Adjusting finance expense	-	75.5
Adjusted EBT	**(245.7)**	**(299.4)**
Adjusted finance (income)	(2.3)	(33.1)
Adjusted finance expense	173.7	107.6
Adjusted operating loss	**(74.3)**	**(224.9)**
Reported depreciation	74.6	55.7
Reported amortisation	137.6	99.1
Adjusted EBITDA	**137.9**	**(70.1)**

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.

	Notes	2021 Adjusted £m	2021 Adjusting items* £m	2021 Total £m	2020 Adjusted £m	2020 Adjusting items* £m	2020 Total £m
Revenue	3	**1,095.3**	**–**	**1,095.3**	611.8	–	611.8
Cost of sales		**(751.6)**	**–**	**(751.6)**	(500.7)	–	(500.7)
Gross profit		**343.7**	**–**	**343.7**	111.1	–	111.1
Selling and distribution expenses		**(84.8)**	**–**	**(84.8)**	(79.6)	–	(79.6)
Administrative and other operating expenses		**(333.2)**	**(2.2)**	**(335.4)**	(256.4)	(98.0)	(354.4)
Operating loss	4	**(74.3)**	**(2.2)**	**(76.5)**	(224.9)	(98.0)	(322.9)
Finance income	6	**2.3**	**34.1**	**36.4**	33.1	6.9	40.0
Finance expense	7	**(173.7)**	**–**	**(173.7)**	(107.6)	(75.5)	(183.1)
Loss before tax		**(245.7)**	**31.9**	**(213.8)**	(299.4)	(166.6)	(466.0)
Income tax credit	8	**16.2**	**8.3**	**24.5**	22.6	32.9	55.5
Loss for the year		**(229.5)**	**40.2**	**(189.3)**	(276.8)	(133.7)	(410.5)
(Loss)/profit attributable to:							
Owners of the Group				**(191.6)**			(419.3)
Non-controlling interests				**2.3**			8.8
				(189.3)			(410.5)
Other comprehensive income							
Items that will never be reclassified to the Income Statement							
Remeasurement of Defined Benefit liability				**3.8**			(59.1)
Taxation on items that will never be reclassified to the Income Statement	8			**(1.0)**			12.3
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				**2.3**			0.8
Fair value adjustment – cash flow hedges				**(0.3)**			6.6
Amounts reclassified to the Income Statement – cash flow hedges				**(4.3)**			9.7
Taxation on items that may be reclassified to the Income Statement	8			**1.2**			(3.1)
Other comprehensive income/(loss) for the year, net of income tax				**7.7**			(32.8)
Total comprehensive loss for the year				**(181.6)**			(443.3)
Total comprehensive (loss)/income for the year attributable to:							
Owners of the Group				**(183.9)**			(452.1)
Non-controlling interests				**2.3**			8.8
				(181.6)			(443.3)
Earnings per ordinary share							
Basic loss per share	9			**(165.9p)**			(543.0p)
Diluted loss per share	9			**(165.9p)**			(543.0p)

All operations of the Group are continuing.

* Adjusting items are defined in note 2 with further detail shown in note 5.

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**

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 2020	2.1	352.3	–	–	6.6	(0.4)	(2.3)	(42.8)	14.1	329.6
Total comprehensive loss for the year										
(Loss)/profit for the year	–	–	–	–	–	–	–	(419.3)	8.8	(410.5)
Other comprehensive income										
Foreign currency translation differences	–	–	–	–	–	0.8	–	–	–	0.8
Fair value movement – cash flow hedges	–	–	–	–	–	–	6.6	–	–	6.6
Amounts reclassified to the Income Statement – cash flow hedges	–	–	–	–	–	–	9.7	–	–	9.7
Remeasurement of Defined Benefit liability	–	–	–	–	–	–	–	(59.1)	–	(59.1)
Tax on other comprehensive income	–	–	–	–	–	–	(3.1)	12.3	–	9.2
Total other comprehensive income/(loss)	–	–	–	–	–	0.8	13.2	(46.8)	–	(32.8)
Total comprehensive income/(loss) for the year	–	–	–	–	–	0.8	13.2	(466.1)	8.8	(443.3)
Transactions with owners, recorded directly in equity										
Issue of ordinary shares (note 11)	18.7	755.9	144.0	–	–	–	–	–	–	918.6
Capital reduction	(9.3)	–	–	9.3	–	–	–	–	–	–
Credit for the year under equity settled share-based payments	–	–	–	–	–	–	–	4.2	–	4.2
Dividend paid to non-controlling interest	–	–	–	–	–	–	–	–	(6.6)	(6.6)
Tax on items credited to equity (note 8)	–	–	–	–	–	–	–	1.6	–	1.6
Total transactions with owners	9.4	755.9	144.0	9.3	–	–	–	5.8	(6.6)	917.8
At 31 December 2020	11.5	1,108.2	144.0	9.3	6.6	0.4	10.9	(503.1)	16.3	804.1

	Notes	31 December 2021 £m	31 December 2020 £m
Non-current assets			
Intangible assets		**1,384.1**	1,336.8
Property, plant and equipment		**355.5**	389.6
Right-of-use lease assets		**76.0**	71.4
Trade and other receivables		**2.1**	0.9
Other financial assets		**0.5**	0.1
Deferred tax asset		**156.4**	106.5
		1,974.6	1,905.3
Current assets			
Inventories		**196.8**	207.4
Trade and other receivables		**243.4**	177.9
Income tax receivable		**1.5**	0.2
Other financial assets		**7.3**	14.6
Cash and cash equivalents		**418.9**	489.4
		867.9	889.5
Total assets		**2,842.5**	2,794.8
Current liabilities			
Borrowings		**114.3**	113.5
Trade and other payables		**721.0**	578.9
Income tax payable		**5.5**	1.2
Other financial liabilities		**34.8**	83.3
Lease liabilities		**9.7**	9.3
Provisions		**19.9**	22.1
		905.2	808.3
Non-current liabilities			
Borrowings		**1,074.9**	971.3
Trade and other payables		**9.8**	7.5
Lease liabilities		**93.7**	93.7
Provisions		**19.0**	16.8
Employee benefits		**78.7**	92.5
Deferred tax liabilities		**0.8**	0.6
		1,276.9	1,182.4
Total liabilities		**2,182.1**	1,990.7
Net assets		**660.4**	804.1
Capital and reserves			
Share capital	11	**11.6**	11.5
Share premium		**1,123.4**	1,108.2
Merger reserve		**143.9**	144.0
Capital redemption reserve		**9.3**	9.3
Capital reserve		**6.6**	6.6
Translation reserve		**2.7**	0.4
Hedge reserves		**6.7**	10.9
Retained earnings		**(662.4)**	(503.1)
Equity attributable to owners of the group		**641.8**	787.8
Non-controlling interests		**18.6**	16.3
Total shareholders' equity		**660.4**	804.1

The Financial Statements were approved by the Board of Directors on 22 February 2022 and were signed on its behalf by

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER
COMPANY NUMBER: 11488166

KENNETH GREGOR
CHIEF FINANCIAL OFFICER

	Notes	2021 £m	2020 £m
Operating activities			
Loss for the year		**(189.3)**	(410.5)
Adjustments to reconcile loss for the year to net cash inflow from operating activities			
Tax credit on operations	8	**(24.5)**	(55.5)
Net finance costs		**137.3**	143.1
Other non-cash movements		**(0.1)**	2.2
Depreciation and impairment of property, plant and equipment	4	**65.3**	50.8
Depreciation and impairment of right-of-use lease assets	4	**9.3**	14.8
Amortisation and impairment of intangible assets	4	**137.6**	168.5
Difference between pension contributions paid and amounts recognised in Income Statement		**(11.4)**	(4.1)
Decrease/(increase) in inventories		**7.7**	(4.8)
(Increase)/decrease in trade and other receivables		**(75.4)**	67.4
Increase/(decrease) in trade and other payables		**52.8**	(118.6)
Increase/(decrease) in advances and customer deposits		**70.7**	(52.8)
Movement in provisions		**(0.2)**	11.0
Cash generated from/(used in) operations		**179.8**	(188.5)
Decrease/(increase) in cash held not available for short term use		**8.1**	(0.9)
Income taxes paid	8	**(9.0)**	(9.2)
Net cash inflow/(outflow) from operating activities		**178.9**	(198.6)
Cash flows from investing activities			
Interest received	6	**1.1**	2.3
Increase in loan assets		**(1.4)**	–
Decrease in loan assets		**0.9**	–
Payments to acquire property, plant and equipment		**(40.7)**	(81.0)
Payments to acquire intangible assets		**(144.0)**	(179.7)
Net cash used in investing activities		**(184.1)**	(258.4)
Cash flows from financing activities			
Interest paid		**(118.0)**	(82.3)
Proceeds from equity share issue		**–**	812.8
Proceeds from issue of equity warrants		**15.3**	34.6
Proceeds from financial instrument utilised as part of refinancing transactions		**–**	6.9
Principal element of lease payments		**(9.9)**	(12.2)
Repayment of existing borrowings		**(37.3)**	(1,092.3)
Proceeds from inventory repurchase arrangement		**19.0**	76.8
Repayment of inventory repurchase arrangement		**(40.0)**	(80.0)
Proceeds from new borrowings		**108.5**	1,252.7
Transaction fees paid on issuance of shares		**(1.3)**	(34.9)
Transaction fees paid on financing activities		**(2.8)**	(41.9)
Net cash (outflow)/inflow from financing activities		**(66.5)**	840.2
Net (decrease)/increase in cash and cash equivalents		**(71.7)**	383.2
Cash and cash equivalents at the beginning of the year		**489.4**	107.9
Effect of exchange rates on cash and cash equivalents		**1.2**	(1.7)
Cash and cash equivalents at the end of the year		**418.9**	489.4

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 2021 or 2020 but is derived from those financial statements. Financial statements for 2020 have been delivered to the registrar of companies, and those for 2021 will be delivered in due course. The auditors have reported on those accounts. Their reports for both years ended 31 December 2021 and 31 December 2020 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. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to June 2023 nor the viability of the Group over the next five years. The following specific points were considered:

- The Group has a Strategic co-operation 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, in particular, powertrain architecture for conventional, hybrid and electric vehicles as well as future electric/electronic architecture.
- The Group continues to invest in onsite renewable energy generation solutions for our facilities and the 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.
- Management has considered the impact of climate change on a number of key estimates within the financial statements, including the estimates of future cash flows used in impairment assessments of the carrying value of non-current assets (such as capitalised development cost intangible assets) and the estimates of future profitability used in our assessment of the recoverability of deferred tax assets in the UK.

GOING CONCERN

The Group meets its day-to-day working capital requirements and medium term funding requirements through a mixture of $1,184.0m of First Lien notes at 10.5% which mature in November 2025, $335.0m 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 thereafter tested quarterly from June 2022.

The Directors have developed trading and cash flow forecasts for the period from the date of approval of these Financial Statements through 30 June 2023 (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 strategy of rebalancing supply and demand and the decisive actions taken to improve cost efficiency, in alignment with the ultra-luxury performance-oriented strategy. 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 from forecast levels and operating costs higher than the base plan.

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.

1 BASIS OF ACCOUNTING

GOING CONCERN CONTINUED

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 40% 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	**2021 £m**	2020 £m
Analysis by category		
Sale of vehicles	**1,005.4**	535.1
Sale of parts	**65.5**	56.6
Servicing of vehicles	**10.6**	6.6
Brands and motorsport	**13.8**	13.5
	1,095.3	611.8

Revenue	**2021 £m**	2020 £m
Analysis by geographic location		
United Kingdom	**231.3**	106.0
The Americas	**302.7**	162.5
Rest of Europe, Middle East and Africa	**233.8**	184.9
Asia Pacific	**327.5**	158.4
	1,095.3	611.8

4 OPERATING LOSS

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

		2021 £m	2020 £m
Depreciation and impairment of property, plant and equipment		**65.0**	52.5
Depreciation released from/(absorbed into) inventory under standard costing		**0.3**	(1.7)
Depreciation and impairment of right-of-use lease assets		**9.3**	14.8
Amortisation and impairment of intangible assets		**135.0**	168.8
Amortisation released from/(absorbed into) inventory under standard costing		**2.6**	(0.3)
Depreciation, amortisation and impairment charges included in administrative and other operating expenses		**212.2**	234.1
Increase in trade receivable loss allowance – administrative and other operating expenses		**3.1**	1.5
Net foreign currency differences		**11.2**	(15.9)
Cost of inventories recognised as an expense		**641.4**	372.7
Write-down of inventories to net realisable value		**0.2**	13.5
(Decrease)/increase in fair value of other derivative contracts		**(0.7)**	1.1
Expenditure-related grant income*		**–**	(12.5)
Lease payments (gross of sub-lease receipts)			
	Plant, machinery and IT equipment**	**0.3**	0.6
Sub-lease receipts	Land and buildings	**(0.6)**	(0.7)
Auditor's remuneration:			
	Audit of these Financial Statements	**0.3**	0.3
	Audit of Financial Statements of subsidiaries pursuant to legislation	**0.3**	0.3
	Audit-related assurance	**0.1**	0.1
	Services related to corporate finance transactions	**0.1**	0.4
	Other non-audit services	**–**	1.0
Research and development expenditure recognised as an expense		**13.0**	4.5

* Government grant income has been offset against the qualifying employee expenditure within the Consolidated Income Statement. Grant income in 2020 represents government wage subsidies paid through the Job Retention Scheme. There are no unfulfilled conditions outstanding and the grant has been recognised in full.

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

	2021 £m	2020 £m
Total research and development expenditure	**191.2**	182.1
Capitalised research and development expenditure	**(178.2)**	(177.6)
Research and development expenditure recognised as an expense	**13.0**	4.5

5 ADJUSTING ITEMS

	2021 £m	2020 £m
Adjusting operating expenses:		
Impairment of assets:		
Development costs[6]	–	(69.4)
Plant, machinery, fixtures and fittings[7]	–	(3.8)
Tooling[6]	–	(3.3)
Right-of-use lease assets[7]	–	(2.8)
	–	(79.3)
Restructuring:		
Employee restructuring costs[1]	**2.4**	(12.4)
Motorsport exit costs[8]	–	(6.2)
Director settlement arrangements and incentive payments[9]	–	(2.7)
Lease early exit costs[2]	**(0.6)**	–
ERP implementation costs[3]	**(4.0)**	–
Initial Public Offering costs:		
Staff incentives[10]	–	2.6
	(2.2)	(98.0)
Adjusting finance income:		
Foreign exchange gain on financial instrument utilised during refinance transactions[11]	–	6.9
Gain on financial instruments recognised at fair value through Income Statement[4]	**34.1**	
Adjusting finance expenses:		
Premium paid on the early redemption of Senior Secured Notes[11]	–	(21.4)
Write-off of capitalised borrowing fees upon early settlement of Senior Secured Notes[11]	–	(7.6)
Loss on financial instruments recognised at fair value through Income Statement[4]	–	(45.3)
Professional fees incurred on refinancing expensed directly to the Income Statement[12]	–	(1.2)
	34.1	(68.6)
Total adjusting items before tax	**31.9**	(166.6)
Tax (charge)/credit on adjusting items[5]	**(8.1)**	32.9
Tax credit due to remeasurement of deferred tax on previously classified adjusting items[5]	**16.4**	–
Adjusting items after tax	**40.2**	(133.7)

Summary of 2021 adjusting items

1. 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 has 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 has no cash impact.
2. 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 consistent 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.
3. During the year ended 31 December 2021 the Group commenced a digital transformation strategy project which includes the implementation of a cloud-based ERP for which the Group will not own any Intellectual Property. This project will continue into 2022. £4.0m of costs have been incurred in the period under the service contract and expensed to the Income Statement. 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.
4. The Group issued second lien Senior Secured Notes ("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 derivative option liability from initial pricing during October 2020 when the SSNs were marketed to the 31 December 2020 resulted in a loss of £45.3m being recognised in the Income Statement. The movement in fair value of the liability in the year ended 31 December 2021 resulted in a gain of £34.1m being recognised in the Income Statement. There is no cash impact of this adjustment.
5. In 2021, a total tax credit of £8.3m has been recognised as an adjusting item. The effective tax rate associated with the tax credit on adjusting items in the period is not in line with the standard rate of income tax for the Group at 19% (2020: 19%). This is 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 2020 adjusting items

6. On 27 October the Group announced an expanded and enhanced technology agreement with Mercedes-Benz AG, giving access to powertrain architecture (for conventional, hybrid and electric vehicles) and future oriented electric/electronic architecture for all product launches through to 2027. Following incorporation of the benefits of this enhanced partnership on the Group's business plan, and other cycle plan updates following the strategic review of the business plan, the carrying value of capitalised tooling and intangible development costs have been impaired by £72.7m to reflect the change in future vehicle powertrains and electronic architecture. There was no cash impact of this item.
7. In 2020 the Group commenced a rationalisation exercise to reduce its geographical footprint. This resulted in a £2.8m right-of-use lease asset and £3.8m plant and machinery impairment charge triggered by the conclusion of activity at a number of the Group's leased sites. There was no cash impact of this item.
8. In December 2020 Aston Martin announced that, following conclusion of the 2020 FIA World Endurance Championship, it would cease operation of a factory GTE team into 2021 incurring termination costs of £6.2m. The cash outflow associated with this item is realised during 2022-2024 in line with termination agreement.

5 ADJUSTING ITEMS CONTINUED

Summary of 2020 adjusting items continued

9. It was announced on 27 February 2020 that Mark Wilson would step down as CFO and as an Executive Director of the Group on 30 April 2020. Subsequent to this, on 25 May 2020, Dr Andrew Palmer stepped down as CEO and as an Executive Director of the Group. Tobias Moers joined the Group as CEO and Executive Director on 1 August 2020. Amounts due as a result of these changes were £2.7m. The associated cash outflow took place during 2020 and 2021 in line with the relevant individuals' agreement.

10. In the year ended 31 December 2020 a Legacy Long term Incentive Plan ("LTIP") charge of £3.8m was recognised within 'Staff incentives'. As an offset to this due to the reduced performance of the Group, the remaining Initial Public Offering ("IPO") bonus held for management was no longer forecast to be paid. This resulted in £6.4m being credited back to the Consolidated Income Statement.
11. On 27 October the Group announced the successful arrangement of a new financing package including the issuance of $1,085.5m of US dollar First Lien notes and $335m of US dollar Second Lien split coupon notes. Proceeds from this financing package were used to redeem the existing Senior Secured Notes ("SSNs") in full ahead of their April 2022 maturity date. In redeeming the existing SSNs early the Group incurred an early redemption premium of £21.4m. Professional fees capitalised against the existing SSNs of £7.6m were written off to the Income Statement upon redemption.
    Upon the successful arrangement of the new finance package, the Group entered into a conditional forward currency contract to hedge the net US dollar cash receipt into sterling upon completion of the transaction. Movement in the US dollar to sterling exchange rate between the arrangement date and transaction date resulted in the recognition of a £6.9m currency gain in the Income Statement. The cash effect of these items was realised at the point in time of the transaction.
12. Fees incurred on raising the second lien loan notes in December 2020 were allocated between the debt and warrant elements on a proportional basis. The fees allocated to the warrants have been written off in the period they were incurred. The cash impact of this item was realised at the transaction date upon payment of the fees.

6 FINANCE INCOME

	2021 £m	2020 £m
Bank deposit and other interest income	**2.3**	2.3
Foreign exchange gain on borrowings not designated as part of a hedging relationship	**–**	30.8
Finance income before adjusting items	**2.3**	33.1
Adjusting finance income items:		
Foreign exchange gain on financial instrument utilised during refinance transactions	**–**	6.9
Gain on financial instruments recognised at fair value through Income Statement	**34.1**	–
Total Adjusting finance income	**34.1**	6.9
Total finance income	**36.4**	40.0

7 FINANCE EXPENSE

	2021 £m	2020 £m
Bank loans, overdrafts and secured notes	**151.3**	98.4
Foreign exchange loss on borrowings not designated as part of a hedging relationship	**12.4**	–
Interest on lease liabilities	**3.9**	4.1
Net interest expense on the net Defined Benefit liability	**1.3**	0.7
Hedge ineffectiveness	**–**	2.5
Interest on contract liabilities held	**4.8**	1.9
Finance expense before adjusting items	**173.7**	107.6
Adjusting finance expense items:		
Premium paid on the early redemption of Senior Secured Notes	**–**	21.4
Write-off of capitalised borrowing fees upon early settlement of Senior Secured Notes	**–**	7.6
Loss on financial instruments recognised at fair value through Income Statement	**–**	45.3
Professional fees incurred on refinancing expensed directly to the Income Statement	**–**	1.2
Total Adjusting finance expense	**–**	75.5
Total finance expense	**173.7**	183.1

8 TAXATION

	2021 £m	2020 £m
UK corporation tax on profits	**0.5**	(0.6)
Overseas tax	**10.8**	4.7
Prior period movement	**–**	(5.0)
Total current income tax charge/(credit)	**11.3**	(0.9)
Deferred tax credit		
Origination and reversal of temporary differences	**(16.1)**	(64.4)
Prior period movement	**(2.4)**	8.5
Effect of change in deferred tax rate	**(17.3)**	1.3
Total deferred tax credit	**(35.8)**	(54.6)
Total income tax credit in the Income Statement	**(24.5)**	(55.5)
Tax relating to items credited to other comprehensive income		
Deferred tax		
Actuarial movement on Defined Benefit pension plan	**1.0**	(11.2)
Fair value adjustment on cash flow hedges	**(1.2)**	0.9
Effect of change in deferred tax rate	**(6.0)**	(1.1)
Current tax		
Fair value adjustment on cash flow hedges	**–**	2.2
	(6.2)	(9.2)
Tax relating to items charged in equity – deferred tax		
Effect of change in deferred tax rate	**(4.8)**	(1.6)

(A) RECONCILIATION OF THE TOTAL INCOME TAX CREDIT

The tax credit in the Consolidated Statement of Comprehensive Income for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%). The differences are reconciled below:

	2021 £m	2020 £m
Loss from operations before taxation	**(213.8)**	(466.0)
Loss on operations before taxation multiplied by standard rate of corporation tax in the UK of 19.0% (2020: 19.0%)	**(40.6)**	(88.5)
Difference to total income tax credit due to effects of:		
Expenses not deductible for tax purposes	**0.5**	0.2
Movement in unprovided deferred tax	**15.0**	26.1
Derecognition of deferred tax assets	**17.7**	–
Irrecoverable overseas withholding taxes	**1.4**	0.3
Adjustments in respect of prior periods	**(2.4)**	3.5
Effect of change in deferred tax rate	**(17.3)**	1.3
Difference in UK tax rates	**(4.8)**	–
Difference in overseas tax rates	**2.9**	0.6
Other	**3.1**	1.0
Total income tax credit	**(24.5)**	(55.5)

(B) TAX PAID

Total net tax paid during the year of £9.0m (2020: £9.2m).

(C) FACTORS AFFECTING FUTURE TAX CHARGES

The tax rate applied to UK profits is impacted by the UK Budget 2021 announcement to increase the UK's main rate of corporation tax 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. As part of the Strategic Cooperation Agreement entered into in December 2020 with Mercedes-Benz AG, 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 in December 2020 as part of the refinancing of the Group. A total of 6,332,393 ordinary shares could be issued to warrantholders who can exercise their rights from 1 July 2021 through to 7 December 2027. During the period a total of 1,525,926 ordinary shares were issued (note 11) resulting in 4,806,467 unexercised options. 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.

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.

Continuing and total operations	2021	2020
Basic earnings per ordinary share		
Loss available for equity holders (£m)	**(191.6)**	(419.3)
Basic weighted average number of ordinary shares (million)[1]	**115.5**	77.2
Basic loss per ordinary share (pence)	**(165.9p)**	(543.0p)
Diluted earnings per ordinary share		
Loss available for equity holders (£m)	**(191.6)**	(419.3)
Diluted weighted average number of ordinary shares (million)[1]	**115.5**	77.2
Diluted loss per ordinary share (pence)	**(165.9p)**	(543.0p)

	2021 Number	2020 Number
Diluted weighted average number of ordinary shares is calculated as:		
Basic weighted average number of ordinary shares (million)	**115.5**	77.2
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)	**115.5**	77.2

1. The number of ordinary shares issued as part of the long term incentive plans, and 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 Mercedes-Benz AG technology have been excluded from the weighted average number of diluted ordinary shares as including them is anti-dilutive to diluted earnings per share.

Adjusted earnings per share is disclosed in note 13 to show performance undistorted by adjusting items and to give a more meaningful comparison of the Group's performance.

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.

	2021 £m	2020 £m
Cash and cash equivalents	**418.9**	489.4
Cash held not available for short term use	**1.8**	9.9
Inventory repurchase arrangement	**(19.7)**	(38.2)
Lease liabilities – current	**(9.7)**	(9.3)
Lease liabilities – non-current	**(93.7)**	(93.7)
Loans and other borrowings – current	**(114.3)**	(113.5)
Loans and other borrowings – non-current	**(1,074.9)**	(971.3)
Net debt	**(891.6)**	(726.7)
Movement in net debt		
Net (decrease)/increase in cash and cash equivalents	**(70.5)**	381.5
Add back cash flows in respect of other components of net debt:		
New borrowings	**(108.5)**	(1,252.7)
Proceeds from inventory repurchase arrangement	**(19.0)**	(76.8)
Repayment of existing borrowings	**37.3**	1,092.3
Repayment of inventory repurchase arrangement	**40.0**	80.0
Lease liability payments	**9.9**	12.2
Movement in cash held not available for short term use	**(8.1)**	0.9
Transaction fees	**1.9**	41.9
(Increase)/decrease in net debt arising from cash flows	**(117.0)**	279.3
Non-cash movements:		
Foreign exchange (loss)/gain on secured loan	**(12.4)**	30.8
Interest added to debt	**(13.4)**	(8.6)
Premium on the early redemption of SSNs	**–**	(21.4)
Borrowing fee amortisation	**(7.5)**	(13.0)
Lease liability interest charge	**(3.9)**	(4.1)
Lease modifications	**0.4**	(1.7)
New leases	**(11.5)**	2.6
Unpaid transaction fees	**–**	0.8
Foreign exchange gain and other movements	**0.4**	(3.8)
(Increase)/decrease in net debt	**(164.9)**	260.9
Net debt at beginning of the year	**(726.7)**	(987.6)
Net debt at the end of the year	**(891.6)**	(726.7)

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 2020	**228,002,890**	**0.009039687**	**2.1**	**352.3**	**–**	**–**
Private placing[1]	76,000,000	0.009039687	0.7	170.3	–	–
Rights issue[2]	1,216,011,560	0.009039687	11.0	353.7	–	–
Non-pre-emptive placing and retail offer[3]	304,000,000	0.009039687	2.7	–	149.4	–
Placing Shares[4]	250,000,000	0.009039687	2.3	122.7	–	–
Tranche 1 Consideration Shares[5]	224,657,287	0.009039687	2.0	140.3	–	–
Issue of new shares[6]	3	0.009039687	–	–	–	–
Transaction costs arising on the issuance of ordinary shares	–	–	–	(31.1)	(5.4)	–
	2,298,671,740	**0.009039687**	**20.8**	**1,108.2**	**144.0**	**–**
Share split – original shares[7]	2,298,671,740	0.005000000	11.5	–	–	–
Share split – deferred shares[7]	2,298,671,740	0.004039687	9.3	–	–	–
Cancellation of deferred shares[7]	(2,298,671,740)	(0.004039687)	(9.3)	–	–	9.3
	2,298,671,740	0.005000000	11.5	1,108.2	144.0	9.3
Consolidation of shares[7]	(2,183,738,153)	–	–	–	–	–
Balance as at 31 December 2020 and 1 January 2021	**114,933,587**	**0.100000000**	**11.5**	**1,108.2**	**144.0**	**9.3**
Exercise of warrant options[8]	1,525,926	0.100000000	0.1	15.1	–	–
Transfer between reserves	–	–	–	0.1	(0.1)	–
Closing balance at 31 December 2021	**116,459,513**	**0.100000000**	**11.6**	**1,123.4**	**143.9**	**9.3**

1. On 31 March 2020 the Company issued 76.0m ordinary shares by way of a private placing. The shares were issued at 225p raising gross proceeds of £171.0m, with £0.7m recognised as share capital and the remaining £170.3m recognised as share premium.
2. On 1 April 2020 the Company issued 1,216.0m ordinary shares by way of a rights issue. The shares were issued at 30p raising gross proceeds of £364.7m, with £11.0m recognised as share capital and the remaining £353.7m recognised as share premium. Due to the shares being issued at substantially below market price, a bonus issue is deemed to have taken place. A total of 642.4m shares issued were considered bonus shares. The weighted average shares used to calculate Earnings Per Share (see note 9) has been adjusted accordingly.
3. On 26 June 2020 the Company issued 304.0m ordinary shares through a non-pre-emptive placing and retail offer. The shares were issued at 50p raising gross proceeds of £152.1m, with £2.7m recognised as share capital and the remaining £149.4m recognised as merger reserve. The merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006.
4. On 7 December 2020 the Company issued 250.0m ordinary shares by way of a placing. The shares were issued at 50p raising gross proceeds of £125.0m, with £2.3m recognised as share capital and the remaining £122.7m recognised as share premium.
5. On 7 December 2020 the Company issued 224.7m ordinary shares by way of Tranche 1 Consideration shares. The shares were issued at 63.34p in reflection of the fair value of access to technology assets acquired, with £2.0m recognised as share capital and the remaining £140.3m recognised as share premium.
6. On 14 December 2020 the Company issued 3 ordinary shares. The shares were issued at 81.65p raising gross proceeds of £2.45. The shares were issued to facilitate the share consolidation in sub-note 7 below.
7. On 14 December 2020 the Company underwent a capital reorganisation. Each ordinary 0.9p share was split into one ordinary 0.5p share and one deferred 0.4p share. The deferred shares were repurchased by the Company for consideration of £1. The deferred shares were subsequently cancelled by the Company resulting in a movement from share capital into the Capital Redemption Reserve of £9.3m. Each holder of ordinary shares was entitled to 1 new ordinary share of 10p in respect of 20 ordinary 0.5p shares held.
8. 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.

12 POST BALANCE SHEET EVENTS

On 31 January 2022, the Defined Benefit pension scheme operated by the Group was closed to future accrual. All active scheme participants have become deferred members. A curtailment loss of c.£3m and other associated closure costs of c.£11m are expected to be recognised by the Group during 2022.

13 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 operating (loss)/profit 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 twelve 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

	2021 £m	2020 £m
Loss before tax	**(213.8)**	(466.0)
Adjusting operating expenses (note 5)	**2.2**	98.0
Adjusting finance expense (note 7)	**–**	75.5
Adjusting finance income (note 6)	**(34.1)**	(6.9)
Adjusted loss before tax (EBT)	**(245.7)**	(299.4)
Adjusted finance income	**(2.3)**	(33.1)
Adjusted finance expense	**173.7**	107.6
Adjusted Operating Loss (EBIT)	**(74.3)**	(224.9)
Adjusted Operating Margin	**(6.8%)**	(36.8%)
Reported depreciation	**74.6**	55.7
Reported amortisation	**137.6**	99.1
Adjusted EBITDA	**137.9**	(70.1)
Adjusted EBITDA Margin	**12.6%**	(11.5%)

EARNINGS PER SHARE

	2021 £m	2020 £m
Adjusted earnings per ordinary share		
Loss available for equity holders (£m)	**(191.6)**	(419.3)
Adjusting items (note 5)		
Adjusting items before tax (£m)	**(31.9)**	166.6
Tax on adjusting items (£m)	**(8.3)**	(32.9)
Adjusted loss (£m)	**(231.8)**	(285.6)
Basic weighted average number of ordinary shares (million)[1]	**115.5**	77.2
Adjusted loss per ordinary share (pence)	**(200.8p)**	(369.9p)
Adjusted diluted earnings per ordinary share		
Adjusted loss (£m)	**(231.8)**	(285.6)
Diluted weighted average number of ordinary shares (million)	**115.5**	77.2

Adjusted diluted loss per ordinary share (pence)	**(200.8p)**	(369.9p)

1. Average number of ordinary shares has been reduced by a ratio of 20:1 reflecting the share consolidation undertaken in December 2020.

13 ALTERNATIVE PERFORMANCE MEASURES CONTINUED

NET DEBT

	2021 **£m**	2020 £m
Opening cash and cash equivalents	**489.4**	107.9
Cash inflow/(outflow) from operating activities	**178.9**	(198.6)
Cash outflow from investing activities	**(184.1)**	(258.4)
Cash (outflow)/inflow from financing activities	**(66.5)**	840.2
Effect of exchange rates on cash and cash equivalents	**1.2**	(1.7)
Cash and cash equivalents at 31 December	**418.9**	489.4
Cash held not available for short term use	**1.8**	9.9
Borrowings	**(1,189.2)**	(1,084.8)
Lease liabilities	**(103.4)**	(103.0)
Inventory repurchase arrangement	**(19.7)**	(38.2)
Net Debt	**(891.6)**	(726.7)
Adjusted EBITDA	**137.9**	(70.1)
Adjusted leverage	**6.5x**	n.m

FREE CASH FLOW

	2021 **£m**	2020 £m
Net cash inflow/(outflow) from operating activities	**178.9**	(198.6)
Cash used in investing activities (excluding interest received)	**(185.2)**	(260.7)
Interest paid less interest received	**(116.9)**	(80.0)
Free cash flow	**(123.2)**	(539.3)