



AMR GP FINANCE PLC

(incorporated with limited liability in England and Wales with registered number 13633915)

guaranteed by

AMR GP LIMITED

(incorporated with limited liability in England and Wales with registered number 11496673)

Offer of Sterling denominated bonds by AMR GP Finance PLC at a fixed interest rate of 7.00 per cent. per annum guaranteed by AMR GP Limited and with a maturity date of 8 November 2026

Lead Manager

Peel Hunt LLP

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS. POTENTIAL INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED IN THE SECTION HEADED "RISK FACTORS" OF THIS PROSPECTUS. INVESTORS SHOULD ALSO READ CAREFULLY THE SECTION HEADED "IMPORTANT LEGAL INFORMATION RELATING TO THE BONDS".

IMPORTANT NOTICES

About this document

This document (the “Prospectus”) has been prepared in accordance with the Prospectus Regulation Rules of the United Kingdom Financial Conduct Authority (the “FCA”) and relates to the offer by AMR GP Finance PLC (the “Issuer”) of its Sterling denominated 7.00 per cent. bonds due 2026 (the “Bonds”) at a price of 100 per cent. of their principal amount. The Issuer’s payment obligations under the Bonds are irrevocably and unconditionally guaranteed (the “Guarantee”) by AMR GP Limited (the “Guarantor”).

This Prospectus constitutes a prospectus for the purpose of Article 6 of the UK Prospectus Regulation and contains the necessary information which is material to an investor for making an informed assessment of: (i) the assets and liabilities, profits and losses, financial position, and prospects of the Issuer and the Guarantor; (ii) the rights attaching to the Bonds; and (iii) the reasons for the issuance and its impact on the Issuer and the Guarantor.

This Prospectus has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK Prospectus Regulation”). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the Guarantor or the quality of the Bonds that are the subject of the Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds.

The Bonds are freely transferable debt instruments and are due to be issued by the Issuer on 8 November 2021. The principal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100. The aggregate principal amount of the Bonds to be issued will be specified in the Sizing Announcement expected to be published by the Issuer via the Regulatory News Service of the London Stock Exchange plc (“RNS”) at the end of the offer period, which is expected to be 12 noon (London time) on 1 November 2021, and in any case prior to the Issue Date.

The Bonds have not been and will not be registered under the United States Securities Act of 1933. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

This Prospectus contains important information about the Issuer, the Group (as defined below), the Bonds, the Guarantee and details of how to apply for the Bonds. This Prospectus also describes certain risks relevant to the Issuer, the Guarantor and the Group and their business, and risks relating to an investment in the Bonds generally. You should read and understand fully the contents of this Prospectus before making any investment decisions relating to the Bonds.

Responsibility for the information contained in this Prospectus

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantor, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import. Where information has been sourced from a third party, this information has been accurately reproduced and as far as each of the Issuer and the Guarantor is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

Use of defined terms in this Prospectus

Certain terms or phrases in this Prospectus are defined in “Double Quotation” marks and underlined type, and subsequent references to that term are designated with initial capital letters.

In this Prospectus, references to the “Issuer” are to AMR GP Finance PLC, which is the issuer of the Bonds. References to the “Guarantor” are to AMR GP Limited which is the guarantor of the Bonds. The Issuer is a wholly-owned subsidiary of the Guarantor. All references to the “Group” are to the Guarantor and its subsidiaries taken as a whole, including the Issuer, by virtue of it being a wholly-owned subsidiary of the Guarantor. All references to the “Group members” or “member of the Group” are to the Guarantor and/or any of its subsidiaries, including the Issuer.

The Bonds are not protected by the Financial Services Compensation Scheme

Unlike many bank deposits, the Bonds are not protected by the Financial Services Compensation Scheme (the “FSCS”). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer, the Guarantor or the Group as a whole.

UK MiFIR Product Governance

Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA, eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”) and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“UK MiFIR”); and (ii) all channels for distribution of the Bonds are appropriate, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable. Any person subsequently offering, selling or recommending the Bonds (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under COBS, as applicable.

UK PRIIPs / No Key Information Document

The Bonds pay a fixed rate of return and are to be redeemed at a fixed redemption amount. Accordingly, the Issuer has not prepared a key information document (within the meaning of Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”)).

An investment in the Bonds is not an investment in the share capital of the Guarantor (and thereby, the Aston Martin Cognizant F1 Team)

Investors should note that the Bonds are debt instruments and are issued by AMR GP Finance PLC, a special purpose vehicle wholly owned by the Guarantor, and are not issued by the Guarantor itself. Accordingly, investors should note that by purchasing the Bonds, they will not be making any investment in any entity, including the Guarantor (and thereby, the Aston Martin Cognizant F1 Team), other than the Bonds as issued by the Issuer. Bondholders will have no right to vote at a meeting of shareholders of either the Issuer or the Guarantor.

How to apply

Applications to purchase Bonds cannot be made directly to the Issuer, the Guarantor or any other member of the Group. Bonds will be issued to you in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you.

Questions relating to this Prospectus and the Bonds

If you have any questions regarding the content of this Prospectus and/or the Bonds or the actions you should take, you should seek advice from your independent financial adviser or other professional adviser before making any investment decisions.

HOW DO I USE THIS PROSPECTUS?

You should read and understand fully the contents of this Prospectus before making any investment decision in respect of any Bonds. This Prospectus contains important information about the Issuer, the Guarantor, the Group, the terms of the Bonds and the terms of the Guarantee, as well as describing certain risks relating to the Issuer, the Guarantor, the Group and their businesses and also other risks relating to an investment in the Bonds generally. An overview of the various sections comprising this Prospectus is set out below.

The “*Summary*” section provides a brief summary of the key information that investors need in order to understand the nature and the risks of the Issuer, the Guarantor and the Bonds and the key terms of the offer of securities and the details of the parties involved. The Summary section is to be read together with the other parts of this Prospectus to aid prospective investors when considering whether to invest in the Bonds.

The “*Risk Factors*” section describes the principal risks and uncertainties relating to the Issuer, the Guarantor and the Group, as well as relating to the Bonds and the market generally, all of which may affect the ability of the Issuer and/or the Guarantor to fulfil their respective obligations under the Bonds and/or the Guarantee.

The “*Information About the Bonds*” section provides an overview of the Bonds in order to assist the reader.

The “*How to Apply for the Bonds*” section sets out the terms on which the Bonds will be allocated, more information about the offer of the Bonds, how applications may be made, and further details regarding the results of the offer of the Bonds.

The “*Description of the Issuer*” section provides certain information about the Issuer, as well as the nature of its business and summary financial information relating to the Issuer.

The “*Description of the Business of the Guarantor and the Group*” section provides certain information about the Guarantor and the Group structure, as well as the nature of its business and summary financial information.

The “*Terms and Conditions of the Bonds*” section sets out the terms and conditions which apply to the Bonds being issued.

The “*Summary of Provisions relating to the Bonds while in Global Form in the Clearing Systems*” provides a summary of certain terms which apply to the Bonds while they are held in global form by the clearing systems.

The “*Important Legal Information*” section sets out the applicable laws relating to the offer of the Bonds, and includes the details of the consent given by the Issuer to certain authorised offerors in respect of the terms of the public offering.

The “*Subscription and Sale*” section contains a description of the material provisions of the Subscription Agreement, which includes certain selling restrictions applicable to making offers of the Bonds.

The “*Taxation*” section provides a brief outline of certain taxation implications regarding Bonds, as well as certain other taxation considerations which may be relevant to the Bonds.

The “*Additional Information relating to the Bonds*” section sets out further information on the Issuer, the Guarantor and the Bonds which the Issuer and the Guarantor are required to include under applicable rules. This includes the availability for inspection of certain documents relating to the Bonds, confirmations from the Issuer and the Guarantor and details regarding the listing of the Bonds.

The “*Alternative Performance Measures*” section sets out the additional performance measures used by the Group’s management, as they provide relevant information in assessing the Group’s performance, position and cash flows.

The “*Financial Statements of the Guarantor*” section sets out the historical financial information for the Guarantor, required to be included in this Prospectus.

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SUMMARY

This summary includes the key information that investors need in order to understand the nature and the risks of the Issuer, the Guarantor and the Bonds, the key terms of the offer of securities and the details of the parties involved, and is to be read together with the other parts of this Prospectus to aid prospective investors when considering whether to invest in the Bonds.

Introductions and Warnings

The Bonds to be issued

This Prospectus relates to a proposed issue of Sterling denominated 7.00 per cent. bonds due 2026 (the “Bonds”) to be issued by AMR GP Finance PLC (the “Issuer”). The International Securities Identification Number (“ISIN”) for the Bonds is XS2395243970 and the Common Code is 239524397.

The Issuer and Guarantor

The Bonds will be issued by the Issuer and guaranteed by AMR GP Limited (the “Guarantor”). The Issuer’s legal entity identifier (“LEI”) number is 213800PIHUI6Q1JRA467. The Guarantor’s LEI number is 213800DB789YK8IM2R04. The registered address of the Issuer and the Guarantor is: Dadford Road, Silverstone, Northamptonshire NN12 8TJ, and their telephone number is +44 1327 850 740.

The Prospectus

This Prospectus has been approved by the United Kingdom Financial Conduct Authority (the “FCA”), as competent authority under Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK Prospectus Regulation”), on 7 October 2021. The FCA may be contacted at 12 Endeavour Square, London E20 1JN.

Warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole by prospective investors. Investors could lose all or part of their invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Bonds. The Issuer has not prepared a key information document (within the meaning of Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”).

Key information on the Issuer and the Guarantor

Who is the issuer of the securities?

The Issuer is a public limited company incorporated and registered in England and Wales under the Companies Act 2006 (the “Companies Act”) on 21 September 2021 with registered number 13633915. The Issuer’s LEI number is 213800PIHUI6Q1JRA467.

The Guarantor is a private limited company incorporated and registered in England and Wales under the Companies Act on 2 August 2018 with registered number 11496673. The Guarantor’s LEI number is 213800DB789YK8IM2R04.

Principal activities

The Group’s (as defined below) principal activity is competing in the Formula One (“F1”) World Championship for Constructors (the “Constructors’ Championship”) via the Guarantor. The “Group” means the Guarantor and its subsidiaries taken as a whole, which will include the Issuer by virtue of it being a wholly-owned subsidiary of the Guarantor.

Major shareholders

The Issuer is a wholly-owned direct subsidiary of the Guarantor. As at the date of this Prospectus, the Guarantor is 5.59 per cent. owned by AMC F1’s senior management, 37.01 per cent. owned by an investment consortium which is led by Mr L.S. Strulovitch (otherwise known as “Lawrence Stroll”), and 57.4 per cent. owned by AMR GP Holdings Limited. Lawrence Stroll is the ultimate beneficial owner of AMR GP Holdings Limited. The shareholders of the Guarantor currently subscribe to a voting pact in favour of Lawrence Stroll, which, so long as such voting pact subsists, ensures that Lawrence Stroll has ultimate control over the Group.

Key senior managers

The directors of the Issuer are Lawrence Stroll and Robert Yeowart. The company secretary of the Issuer is Anthony Indaimo.

Lawrence Stroll and Mr. S. K. F. Chou are the directors of the Guarantor.

The key management of the Guarantor comprises:

1. Lawrence Stroll (Executive Chairman of the Board);
2. Martin Whitmarsh (Group Chief Executive Officer);
3. Otmar Szafnauer (Chief Executive Officer and Team Principal);
4. Andrew Green (Chief Technical Officer);
5. Andrew Stevenson (Sporting Director);
6. Robert Yeoward (Chief Financial Officer);
7. Jefferson Slack (Managing Director (Commercial & Marketing));
8. Anthony Indaimo (Group General Counsel);
9. Heath Cade (Chief People Officer); and
10. Robert Halliwell (Chief Operating Officer).

Auditors of the Issuer and Group

The Issuer and the Guarantor have appointed BDO LLP of 55 Baker Street, London W1U 7EU, as their respective statutory auditors. BDO LLP is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.

What is the key financial information regarding the Issuer and the Guarantor?

The following historical key financial information as of, and for each of the period ended 31 August 2019, the financial year ended 31 August 2020, the four months ended 31 December 2020, as well as for the six months ended 30 June 2021 has been extracted (or, in the case of net financial (debt)/assets, derived), without any material adjustment, from the Guarantor's audited financial statements in respect of those dates and/or relevant periods, as applicable.

	For the six months ended 30 June 2021	For the four months ended 31 December 2020	For the financial year ended 31 August 2020	For the period ended 31 August 2019
Income statement	(£'000)	(£'000)	(£'000)	(£'000)
Loss for the financial period/year.....	(8,176)	(17,727)	(62,294)	(115,648)
Balance Sheet				
Net financial (debt)/assets (long term debt plus short term debt minus cash).....	(265)	(8,971)	6,633	(62,211)
Cash flow statements				
Net cash (used in) / generated from operating activities.....	(32,148)	(1,935)	14,844	(153,569)
Net cash flows (used in) / generated from financing activities.....	35,380	14,593	(7,179)	214,905
Net cash outflow from investing activities.....	(23,976)	(3,178)	(8,911)	(47,791)

Issuer's Financial Statements

As at the date of this Prospectus, the Issuer has yet to commence operations, and as such no financial statements have been prepared in respect of the Issuer.

What are the key risks that are specific to the Issuer?

- i) The function of the Issuer is to raise money by the issue of the Bonds, and thereby act as a financial vehicle for the Group and to facilitate the construction, development, operation and maintenance of the Wind Tunnel (as defined below). The Issuer does not have the benefit of sponsorship arrangements or funds, or the Prize Fund from the Constructors' Championship and is not expected to generate material revenues of its own. The Issuer's ability to make payments of interest and principal under the Bonds is dependent on the success of the business of the Guarantor.
- ii) The Issuer's development, construction and operation of the Wind Tunnel (or the procurement by the Issuer of the development, construction and operation thereof from a third party) involves risks associated with major construction projects, such as changes in scope of work causing cost overruns, delays in implementation, technical and economic

viability risks and intervening changes in market conditions. There can be no assurance that (i) the Wind Tunnel will result in overall business efficacy, when compared to hiring a third party wind tunnel, (ii) the Wind Tunnel will be free from defects once completed, (iii) the Wind Tunnel will be a source of revenue for the Issuer or (iv) the Wind Tunnel will improve the on-track performance of AMC F1.

- iii) If the Wind Tunnel is constructed by a third party (the “Wind Tunnel Operating Company” or “WTOC”) the Issuer and the Guarantor will rely on the continued cooperation of such third party for the successful construction of the Wind Tunnel within the planned time-frame. The development, construction and ongoing maintenance of the Wind Tunnel by the WTOC is also subject to risks relating to the financial performance of the WTOC. If a Permitted Loan is made, the Issuer will rely on the performance of the WTOC both in relation to the construction project, and in relation to the WTOC’s own financial performance.

See “What are the key risks that are specific to the Guarantor?” below for a description of certain of these risks.

Key information on the Securities

What are the main features of the securities?

The Bonds

The Bonds will be issued in bearer form on 8 November 2021 (the “Issue Date”) and they will mature and fall due to be repaid on 8 November 2026 (the “Maturity Date”). The currency of the Bonds is Sterling, the principal amount of each Bond (being the amount which is used to calculate payments made on each Bond) is £100 and the Bonds can be bought and sold in multiples of £100, subject to a minimum initial investment of £1,000.

The Bonds will be initially issued and sold at 100 per cent. of their principal amount (i.e. their par value) and, whether they fall due to be repaid early (as to which, see “*Events of Default*”, “*Early repayment by the Issuer for taxation reasons*” and “*Redemption upon a Change of Control Event*” below) or on the Maturity Date, the Bonds will be repayable at 100 per cent. of their principal amount (together with any interest that has accrued on the Bonds to their repayment date but has not been paid).

The ISIN for the Bonds is XS2395243970 and the Common Code is 239524397.

The total amount of Bonds to be issued and admitted to trading on the regulated market will depend on demand received for the Bonds during a period of book-building which commences on the date of this Prospectus and is expected to end at 12.00 noon (London time) on 1 November 2021 (the “Offer Period”).

The total principal amount of the Bonds to be issued will be specified in an announcement (the “Sizing Announcement”) to be published by the Issuer via the Regulatory New Service (“RNS”) operated by the London Stock Exchange plc at the end of the Offer Period. See “*Key information about the offer of securities to the public and admission to trading on a regulated market*” below for further information.

Ranking of the securities and rights attaching to the securities

Status of the Bonds and the Guarantee

The Bonds will constitute direct, unconditional obligations of the Issuer and will rank *pari passu* (i.e. equally in right of payment), without any preference between themselves in the Issuer’s capital structure in the event of insolvency.

The Issuer and the Guarantor will grant certain security for the benefit of the holders of the Bonds (the “Bondholders”). The Guarantor’s payment obligations under its guarantee (the “Guarantee”) will at all times rank at least equally with its other present and future unsecured and unsubordinated obligations.

Security

The Issuer and the Guarantor will grant security for the Issuer’s payment obligations under the Bonds, as constituted by a security deed to be entered into on or before the Issue Date (the “Security Deed”). The benefit of the security will be held on trust, by U.S. Bank Trustees Limited as security trustee (the “Security Trustee”) as appointed under the Security Deed, for and on behalf of itself, U.S. Bank Trustees Limited as bond trustee (the “Bond Trustee”), the Bondholders and the other secured creditors specified in the terms and conditions of the Bonds (the “Secured Creditors”). The Issuer will also appoint Elavon Financial Services DAC, UK Branch as account bank (the “Account Bank”) pursuant to an issuer account bank agreement to be entered into on or before the Issue Date (the “Issuer Account Bank Agreement”) to hold certain amounts in a bank account in the name of the Issuer (the “Issuer Bank Account”).

Such security includes:

1. a first ranking fixed charge over the shares of the Issuer (the “Share Charge”);
2. a first ranking fixed charge over all of the rights, title and interest in and to any sums standing to the credit of the Issuer Bank Account (the “Account Charge”) and an assignment by way of security over all the Issuer’s rights, title and interest

in and to (among other things) the Issuer Account Bank Agreement, the Issuer Bank Account and the paying agency agreement to be entered into on or before the Issue Date; and

3. if a Permitted Loan (as defined below) is made, an assignment by way of security by the Issuer of the Issuer's rights and title and interest from time to time in the Permitted Loan (as defined below) (the "Permitted Loan Assignment").

The Issuer Bank Account shall contain the sum of one year's worth of interest coupons ("Coupons"), to be deposited by the Issuer on the Issue Date. Such amount will be used to pay the Coupons of the Bonds due on each of the Interest Payment Dates (as defined below) falling 18 and 24 months after the Issue Date.

If a Permitted Loan is made by the Issuer, the Issuer shall promptly effect the Permitted Loan Assignment in favour of the Security Trustee for the benefit of the Secured Creditors. If there is an Event of Default under the terms and conditions of the Bonds, then the effect of the Permitted Loan Assignment is that the Security Trustee (acting on the instructions of the Bondholders) may enforce the terms of the Permitted Loan against the WTOC, and if any amounts are recovered under the Permitted Loan, they will be available, following payment of certain costs related to enforcement (such as the fees of the Security Trustee), for payment to the holders of the Bonds.

Further general limitations of fixed charges are set out below.

A "fixed charge" allows the chargor (i.e. the Guarantor in respect of the Share Charge and the Issuer in respect of the Account Charge) to continue to own the secured assets and/or interests during the period in which the Bonds are outstanding. However, such usage is subject to certain conditions designed to maintain the value of the secured assets or interests and prevent their disposal without the consent of the chargee (i.e. the Security Trustee). On the occurrence of any enforcement event, the Security Trustee may (if directed to do so by the relevant person(s)) and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, either require the chargor to sell the secured assets or interests, or it may take possession of the secured assets and either sell the assets or interest in it on its own or else appoint a receiver to sell the secured assets. Pursuant to the fixed charge, the Security Trustee, acting on behalf of the relevant Secured Creditors, would have a claim over the proceeds of the secured assets on trust for itself and the other relevant Secured Creditors.

Negative Pledge

The Bonds will contain negative pledge provisions with respect to the Issuer and the Group. Under the negative pledge provisions, the Guarantor will undertake that it will not, and it will procure that none of its Subsidiaries, create, permit to subsist or have outstanding at any time any security interest over the whole or any part of their present or future undertakings, assets or revenues (including any uncalled capital) to secure any financial indebtedness or to secure any guarantee or indemnity in respect of any financial indebtedness, without at the same time or prior thereto providing the same security to the Bonds, the Coupons and the Trust Deed equally. The negative pledge provisions are subject to certain customary exceptions, and in particular permit (i) the Guarantor to create, permit to subsist or have outstanding a security interest in relation to the interests granted by the Guarantor in favour of Barclays Bank PLC dated 19 May 2020 and (ii) the Issuer and Guarantor between them to create, permit to subsist or have outstanding security interests securing indebtedness of up to £10,000,000.

Covenants

The Guarantor will undertake to comply, and to procure that its subsidiaries comply, for the life of the Bonds, with certain covenants contained in the terms and conditions of the Bonds (the "Conditions") set out in this Prospectus. These covenants include (i) a debt incurrence covenant, which restricts the incurrence of indebtedness by the Guarantor and its subsidiaries unless certain financial ratios are met at the time such debt is proposed to be incurred, subject to certain limited exceptions; (ii) a non-disposal covenant, which restricts the Issuer, the Guarantor and any of the Guarantor's subsidiaries from carrying out a disposal of any asset (other than a Permitted Asset Sale (as defined below)); (iii) a no dividends covenant, which restricts the Guarantor and any other member of the Group from declaring or paying any dividends or other dividends (in the case of any member of the Group) to its wholly-owned parent or otherwise pursuant to pre-existing contractual arrangements; and (iv) a use of proceeds undertaking, that the Issuer shall use the net proceeds of the Bonds (a) for the development, construction, operation and maintenance of the Wind Tunnel (as defined below), or procuring the same from a third party with the provision by the Issuer of a Permitted Loan, (b) for the development, construction, operation and maintenance of the New Factory (as defined below), (c) to fund the Issuer Bank Account, (d) for the repayment and cancellation of the Revolving Credit Facility (as defined below) and (e) for general corporate purposes.

A "Permitted Asset Sale" any one or more of (i) an Asset Sale (as defined below) from any member of the Group to any other member of the Group; (ii) any Asset Sale of any Asset (as defined below) or revenues approved by the Bond Trustee (acting on the instructions of the holders of at least 25 per cent. in principal amount of the Bonds) or by extraordinary resolution of the Bondholders; (iii) any Asset Sale of an Asset that is certified by the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor to be (A) redundant or obsolete and (B) not required for the efficient operation of its business ((A) and (B) together being the "Relevant Asset Disposal Conditions"), provided that where the relevant Asset being disposed of has a total book value in excess of £1,000,000 (or its equivalent in any other currency or currencies) prior to the relevant disposal, the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor shall certify that the Relevant Asset Disposal Conditions are met; (iv) any Asset Sale at arm's length, on normal commercial terms; (v) any Asset Sale as may be required by the F1

Regulations to be entered into pursuant to the requirements of the regulations of the FIA from time to time; (vi) any Asset Sale in connection with a Permitted Loan or Permitted FX Indebtedness (each as defined below); and (vii) an Asset Sale of Assets or revenues not otherwise falling within the above, the book value of which when aggregated with the book value of other Asset Sales not falling within the above and made since the Issue Date does not equal or exceed an amount equal to 10 per cent. of the book value of the consolidated total assets of the Group as determined from the most recently prepared Financial Statements. Thirdly, the Guarantor may not declare or pay any dividends and the Guarantor shall procure that no other member of the Group shall declare or pay any dividends other than to its wholly-owned parent or otherwise pursuant to contractual arrangements existing prior to the Issue Date.

“Assets” means any land, asset, property, securities or other interests and “Asset Sale” means the sale, transfer or disposal of any Asset.

A “Permitted Loan” means a loan by the Issuer to the WTOC not exceeding £87,000,000, made with the purpose of procuring the development, construction and operation of the Wind Tunnel, with a maturity date on or before the Maturity Date, and secured in favour of the Issuer by way of first floating charge over all of the assets of the WTOC. An Event of Default under the Bonds will constitute an event of default under the Permitted Loan.

“Permitted FX Indebtedness” means financial indebtedness under any one or more of the following agreements that are entered into with one or more financial institutions for non-speculative purposes: foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against fluctuations in currency values.

“Revolving Credit Facility” means the revolving credit facility entered into by the Guarantor and Barclays Bank PLC on 19 May 2020.

Events of Default

An “Event of Default” is a breach by the Issuer, the Guarantor or a Material Subsidiary of certain provisions contained in the Conditions. Events of default under the Bonds include non-payment of any principal for 7 days or interest for 14 days, breach of other obligations under the Bonds (for example, any of the covenants referred to above) or the trust deed to be dated the Issue Date (the “Trust Deed”) between the Issuer, the Guarantor, the Bond Trustee and the Security Trustee (which breach is not remedied within 30 days), declaration or defaults leading to early repayment of any other borrowed money of the Issuer, the Guarantor or any of their respective Material Subsidiaries (as defined below) subject to an aggregate threshold of £10,000,000, certain events related to insolvency or winding up of the Issuer, the Guarantor, or any of their respective Material Subsidiaries or a change in direct or indirect ownership of the Issuer, non-performance of certain conditions essential for the valid execution of the transaction documents and any events under foreign laws that have a similar effect to any of the events described above. In addition, Bond Trustee certification that certain events would be materially prejudicial to the interests of Bondholders is required before certain events will be deemed to constitute Events of Default.

“Material Subsidiary” shall, at any time, mean a Subsidiary of the Guarantor:

(A) whose:

- (i) reported turnover (as shown in its most recent annual audited financial statements and consolidated in the case of any Subsidiary which ordinarily produces consolidated accounts) represent not less than 10 per cent. of the reported turnover of the Group; or
- (ii) gross assets (excluding intra-group items) (as shown in its most recent annual audited financial statements and consolidated in the case of any Subsidiary which ordinarily produces consolidated accounts) represent not less than 10 per cent. of the most recently reported gross assets of the Group on a consolidated basis, calculated respectively by reference to the most recent annual audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Guarantor and the then latest Financial Statements, *provided that* in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited financial statements of the Guarantor relate, for the purpose of applying each of the foregoing tests, the reference to the Guarantor’s latest audited financial statements shall, until consolidated accounts for the financial period in which the acquisition is made have been published, be deemed to be a reference to such financial statements as if such Subsidiary of the Guarantor had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Guarantor; or

(B) to which is transferred the whole or substantially all of the business, undertaking and assets of another Subsidiary of the Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon (x) the transferor Material Subsidiary shall immediately upon such transfer cease to be a Material Subsidiary and (y) the transferee Subsidiary of the Guarantor shall immediately upon such transfer become a Material Subsidiary; *provided that*, such transferee Subsidiary of the Guarantor shall cease to be a Material Subsidiary pursuant to this subparagraph (B) on the date on which the financial statements for the Group for the financial period current at the date of such transfer are published, but so that such transferor Subsidiary of the Guarantor or such transferee Subsidiary of the Guarantor may be a Material Subsidiary on or at any time after such date by virtue of the provisions of subparagraph (A) above.

Redemption upon a Change of Control Event

A “Change of Control Event” shall occur if Lawrence Stroll no longer has the right to control more than 50 per cent. of votes that may ordinarily be cast on a poll at a general meeting of the Guarantor or to appoint and/or remove all or a majority of the members of the board of directors of the Guarantor (whether such control is obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise).

If a Change of Control Event occurs, the Bonds shall be redeemed in whole at the principal amount plus unpaid accrued interest up to the relevant repayment date. The Issuer will give notice to the Bond Trustee in accordance with the Conditions and the Bondholders as soon as practicable following the occurrence of a Change of Control Event.

Early repayment by the Issuer for taxation reasons

In the event of certain tax changes caused by any change in, amendment to, or application or official interpretation of the laws or regulations of the United Kingdom, which change or amendment becomes effective on or after the Issue Date, the Bonds may be repaid if the Issuer chooses to do so in whole, but not in part, at any time. The redemption price in these circumstances is at the principal amount of the Bonds plus unpaid accrued interest up to the relevant repayment date.

Meetings of Bondholders

The Conditions and the Trust Deed will contain provisions for calling meetings of Bondholders to consider matters affecting the interests of the Bondholders. These provisions permit certain majorities to bind all Bondholders including Bondholders who did not vote on the relevant resolution and Bondholders who did not vote in the same way as the majority did on that resolution.

Interest rate

The Bonds will accrue interest from and including the Issue Date at the fixed rate of 7.00 per cent. per annum. The interest on the Bonds is payable twice a year at the end of the interest period to which the payment relates. It is payable in equal instalments of £7 per £100 in principal amount of the Bonds on 8 May and 8 November in each year (each, an “Interest Payment Date”). The final payment of interest will be made on the Maturity Date.

Transferability

There are no restrictions on the free transferability of the Bonds.

Where will the securities be traded?

Application will be made to the FCA for the Bonds to be admitted to its Official List and to the London Stock Exchange plc for such Bonds to be admitted to trading on its regulated market and through its order book for retail bonds (“ORB”) market. It is expected that admission to trading will occur on or about 8 November 2021.

Is there a guarantee attached to the securities?

The Bonds will be irrevocably and unconditionally guaranteed by the Guarantor and the Guarantor’s payment obligations under the Guarantee will at all times rank at least equally with its other present and future unsecured and unsubordinated obligations.

The Guarantor is a private limited company incorporated and registered in England and Wales under the Companies Act on 2 August 2018 with registered number 11496673 and LEI number 213800DB789YK8IM2R04.

Relevant key financial information for the purpose of assessing the Guarantor’s ability to fulfil its commitments under the Guarantee is set out under “*What is the key financial information regarding the Issuer and the Guarantor?*” above.

What are the key risks that are specific to the Guarantor?

The key risks that are specific to the Guarantor are:

- i) The Guarantor’s financial performance and reputation and Aston Martin Lagonda Limited (“AML”)’s brand image are linked to the Aston Martin Cognizant F1 Team (“AMC F1”)’s on-track performance in the Constructors’ Championship. Accordingly, the Guarantor’s ability to remain competitive and continue to improve on-track performance will have a direct impact on the Guarantor’s marketability, the size of its Prize Fund allocation (as defined below) (which is received in the calendar year after the relevant Constructors’ Championship season) and its financial standing more broadly. Consistent or repeated poor performance on-track could also impact the AML brand, leading to lower income from sponsorship arrangements.
- ii) The Guarantor relies on the high performance of its key personnel, including AMC F1 drivers, its management, technical, engineering and racing team staff for its continued success, and a loss of or failure to attract senior employees could affect AMC F1’s on-track performance.
- iii) The Guarantor relies on key suppliers for the operation, development and maintenance of its cars and if these suppliers fail to deliver, the Guarantor’s operations may be disrupted, or may become more costly, and the quality of the Guarantor’s racing cars could be negatively impacted.

- iv) Sponsorship is a key revenue stream for the Guarantor and there is a risk that key sponsorship agreements may not be renewed, or may be renewed on less favourable terms, leading to a decline in revenues if the Guarantor is unable to source alternative sponsorship arrangements.
- v) The cost of remaining competitive in F1 is significant, notwithstanding the Financial Regulations (as defined below) and there is no assurance that the Guarantor will be able to develop a competitive on-track proposition, particularly given the periodic evolution of the F1 Regulations and including the cost cap introduced by the Financial Regulations.
- vi) The agreement which governs the relationship between the F1 Teams, Liberty Media Corporation ("Liberty") and its subsidiaries (the "F1 Group") and the Fédération Internationale de l'Automobile (the "FIA") (the "Concorde Agreement") which is effective until 31 December 2025, may not be renewed on similar terms, or at all. Therefore, the prize fund allocation under the Concorde Agreement (the "Prize Fund") may not be assured if the agreement is not renewed or is renewed on different terms.
- vii) Due to the global nature of F1, the Guarantor is sensitive to global macro-economic conditions and events, whether related to political developments or sanctions, natural disasters or other crises, as well as the potential adverse effect of the COVID-19 pandemic on the Group's business.

What are the key risks that are specific to the securities?

The Bonds have the following key risks:

- i) Unlike many bank deposits, the Bonds are not protected by the Financial Services Compensation Scheme.
- ii) At meetings of Bondholders, defined majorities may be permitted to bind all Bondholders with respect to modifications and waivers of the Conditions, including Bondholders who did not vote and Bondholders who did not vote in the same way as the majority did.
- iii) A market for the Bonds may not develop or may not be very liquid and such illiquidity may have a material adverse effect on the market value of the Bonds and the ability of investors to trade their Bonds in the secondary market.
- iv) The Bonds will bear interest at a fixed rate until the Maturity Date and this exposes Bondholders to potential prevailing interest rate and inflation risk over the term of the Bonds.

Key information about the offer of securities to the public and the admission to trading on a regulated market

Under which conditions and timetable can I invest in these securities?

The Offer Period commences upon publication of this Prospectus and will close at 12.00 noon (London time) on 1 November 2021 or such earlier time and date as may be agreed amongst the Issuer, the Guarantor and the Lead Manager and announced via RNS. As further described under "*Who is the offeror and/or the person asking for admission to trading?*" below, the Issuer and Guarantor have consented to offers of the Bonds being made in the United Kingdom, Jersey, the Bailiwick of Guernsey and the Isle of Man during the Offer Period.

Applications to purchase Bonds cannot be made directly to the Issuer or the Guarantor. Bonds will be issued in accordance with the arrangements in place between you and your stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. You should approach your stockbroker or other financial intermediary to discuss any application arrangements that may be available to you. It is important to note that the Issuer and the Guarantor will not be party to such arrangements between you and your relevant financial intermediary. You must therefore obtain this information from your financial intermediary and the Issuer and Guarantor will have no responsibility to you for this information.

You will be notified by the relevant financial intermediary of your allocation of Bonds and instructions for delivery of and payment for the Bonds. You may not be allocated all (or any) of the Bonds for which you apply. The Bonds will be issued at the issue price (which is 100 per cent. of the principal amount of the Bonds) and the aggregate principal amount of the Bonds to be issued will be specified in the Sizing Announcement expected to be published by the Issuer via RNS after the end of the Offer Period.

The minimum subscription amount per investor is for a principal amount of £1,000 of the Bonds. Thereafter, Bonds can be bought and traded in integral multiples of £100 in excess of £1,000.

The issue of Bonds is conditional upon a subscription agreement being signed by the Issuer, the Guarantor and Peel Hunt LLP (the "Lead Manager"). The subscription agreement will include certain conditions, customary for transactions of this type, which must be satisfied (including the issue of the Bonds and the delivery of legal opinions from legal counsel and comfort letters from the independent auditors of the Guarantor, in each case satisfactory to the Lead Manager).

None of the Issuer, the Guarantor or the Lead Manager will charge you any expenses relating to an application for or purchase of any Bonds. However, expenses may be charged to you by your stockbroker or other financial intermediary. These expenses are beyond the control of the Issuer, the Guarantor and the Lead Manager, are not set by the Issuer, the Guarantor or the Lead Manager and should be disclosed to any potential investor by the relevant financial intermediary.

An estimate of the total expenses of the offer and issue of the Bonds will be disclosed, along with the final issue amount, in the Sizing Announcement.

Who is the offeror and/or the person asking for admission to trading?

The Bonds are being offered for sale by the Issuer and the Guarantor pursuant to this Prospectus. However, the Issuer and the Guarantor also consent to the use of this Prospectus in connection with public offers of the Bonds made in the United Kingdom, the Bailiwick of Guernsey and/or the Isle of Man during the Offer Period by the Lead Manager and any other financial intermediaries which are authorised to make such offers under Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA, or, in relation to the Bailiwick of Guernsey, in accordance with the requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, as modified or re-enacted (including, with effect from 1 November 2021, The Protection of Investors (Bailiwick of Guernsey) Law, 2020) or, in relation to the Isle of Man, in accordance with the requirements of the Isle of Man Financial Services Act 2008 as amended, and comply with the other conditions to consent contained in this Prospectus.

In respect of investors in Jersey, the Issuer and the Guarantor consent to the use of this Prospectus in connection with offers of the Bonds during the Offer Period in compliance with the Control of Borrowing (Jersey) Order 1958 (the "COBO Order") by a person or persons authorised to conduct the appropriate category of financial services business under the Financial Services (Jersey) Law 1998 (as amended only). To be clear, consent under the COBO Order has not been obtained for the circulation of this offer and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Bonds.

The Issuer will apply for the Bonds to be admitted to trading on the regulated market of the London Stock Exchange plc and through the ORB market upon their issue.

Why is this Prospectus being produced?

This Prospectus has been produced for the purposes of (a) offering the Bonds for sale in the United Kingdom, Jersey, the Bailiwick of Guernsey and/or the Isle of Man during the Offer Period in order to raise funds and use the net proceeds as set out below and (b) applying for such Bonds to be admitted to trading on the regulated market of the London Stock Exchange plc and through the ORB market upon their issue.

The aggregate amount of Bonds to be issued will not be known until the end of the Offer Period and will be specified in the Sizing Announcement expected to be published by the Issuer via RNS shortly after the end of the Offer Period. The Sizing Announcement will also disclose the estimated net proceeds of the Bonds (taking account of fees and commissions payable in offering and distributing the Bonds).

The net proceeds of the Bonds will be used (a) for the development, construction, operation and maintenance of the Wind Tunnel (as defined below), or procuring the same from a third party with the provision by the Issuer of a Permitted Loan, (b) for the development, construction, operation and maintenance of the New Factory (as defined below), (c) to fund the Issuer Bank Account, (d) for the repayment and cancellation of the Revolving Credit Facility (as defined above) and (e) for general corporate purposes.

"New Factory" means the new factory buildings at the Guarantor's site at Dadford Road, Silverstone that will partly replace, augment and expand on the incumbent AMC F1 factory buildings.

"Wind Tunnel" means a wind tunnel, which is a physical research and development facility that replicates the movement of air around a scale model vehicle so that the aerodynamic performance of that vehicle can be determined, together with all supporting hardware, software and infrastructure (including the rolling road, flow imaging systems, control systems and support spaces).

The offering of the Bonds will not be underwritten and, so far as the Issuer and the Guarantor are aware, there are no conflicts of interest which are material to the offering of the Bonds or to the application for admission to trading.

RISK FACTORS

You should carefully consider the risks described below and all other information contained in this document and reach your own view before making an investment decision. The factors described below represent the principal risks and uncertainties which may affect the ability of AMR GP Finance PLC (the “Issuer”) and AMR GP Limited (the “Guarantor”) to fulfil their respective obligations under the Bonds and the Guarantee. The Issuer and the Guarantor have only described the risks that they believe to be material. The Issuer and/or Guarantor may face other risks that may not be considered significant risks based upon information available at the date of this Prospectus or that the Issuer and/or Guarantor may not be able to anticipate. Factors which the Issuer and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Bonds are also described below. If any of the following risks, as well as other risks and uncertainties that are not yet identified or that the Issuer and Guarantor think are immaterial at the date of this Prospectus, actually occur, then these could have a material adverse effect on the Issuer’s and/or Guarantor’s ability to fulfil their respective obligations to pay interest, principal or other amounts in connection with the Bonds.

For risks relating to the Bonds, the Issuer and the Guarantor have classified the risks set out below into the following six categories:

1. risks relating to the Group’s business operations;
2. risks relating to investing in an Issuer whose main business activity, once its operations have commenced following the Issue Date, will be the development, construction, operation and maintenance of the Wind Tunnel (or procuring the same from a third party) and the New Factory;
3. market risks relating to the Group’s business;
4. risks relating to the Bonds; and
5. risks relating to the bond market generally.

1. **Risks relating to the Group’s business operations**

The Guarantor’s financial performance, reputation and brand image is linked to its on-track performance in the Constructors’ Championship

The Guarantor’s business and principal activity is the operation and management of the Aston Martin Cognizant F1 Team (“AMC F1”). The Guarantor’s ability to remain competitive and continue to improve on-track performance will have a direct impact on the Guarantor’s marketability, the size of its Prize Fund allocation at the conclusion of each season and its financial standing more broadly. There are several factors which could affect AMC F1’s on-track performance, such as a change in the format of competitions and challenges posed by the continued evolution of the regulations governing the F1 World Championship for Constructors (the “Constructors’ Championship”) (the “F1 Regulations”), including but not limited to, regulations related to the sport (the “Sporting Regulations”), technical aspects (the “Technical Regulations”) and financial regulations (“the Financial Regulations”) (as further explained in the risk factor “*Risks related to future regulation including F1 Regulations, polices and tax laws*”).

AMC F1’s on-track performance may impact the Aston Martin brand, as its racing performance is perceived by clients, audiences and fans as a demonstration of the Group’s technological capabilities. A sustained period without racing success, (for example, not improving on-track performance in the Constructors’ Championship over time could detract from the value and appeal and/or reputation of AMC F1 and/or the Aston Martin brand, in addition to leading to lower income from sponsorship agreements and the F1 Prize Fund (since the right to prize monies under the Concorde Agreement is variable and depends in part on AMC F1’s on-track performance) (see the risk factor entitled “*Reliance on sponsorship as a key revenue stream*”).

The Wind Tunnel to be constructed by the Issuer (or on its behalf) using the proceeds of the Bonds is intended to improve the on-track performance of AMC F1. However, if AMC F1 is not able to suitably correlate the Wind Tunnel data with the real car and therefore fail to secure a research and

development advantage, the construction of the Wind Tunnel will be of limited use for improving AMC F1's on-track performance. This in turn may mean the Group fails to increase its share of the F1 Prize Fund under the Concorde Agreement.

In addition, to be able to participate in the Constructors' Championship each year, AMC F1's annual entry must be accepted by the FIA. If AMC F1 fails to satisfy the entry criteria, which includes, but is not limited to, the payment of an entrance fee and the completion of the participation application form, or commits a material breach of the F1 Regulations, there can be no assurance that it will continue to secure entry into the Constructors' Championship. A failure to meet the entry requirements would mean that AMC F1 would likely be denied entry to the Constructors' Championship and thereby be prohibited from racing. If such denial of entry were to happen, this could have a material adverse effect on the Group's profits, its results, its balance sheet and its financial position, for example due to reductions in sponsorship revenues and revenues derived from the Concorde Agreement.

There is a risk that employees or drivers of AMC F1 may engage in conduct that causes the Guarantor to be subject to criminal, civil or sporting sanctions. If a member of AMC F1 were to be involved in a doping incident, a fraud, misconduct or a cheating incident, this could damage AMC F1 and/or the Aston Martin brand image and popularity, and could also result in the imposition of a fine, suspension or even disqualification by the FIA of AMC F1 from individual races and/or tests or further participation in the Constructors' Championship. The risk of AMC F1 being subject to such sporting-related penalties, fines or other sanctions could directly impact AMC F1's marketability and overall performance in the Constructors' Championship especially if it resulted in the race team being prevented from competing. Such reputational damage may make AMC F1 less attractive to sponsors, suppliers and fans, and could risk the termination of material contracts, as well as diluting or tainting the value and appeal of the Aston Martin brand, making it more difficult for the Guarantor to attract and retain top drivers, senior management and engineering talent. In addition, given the inherently dangerous nature of F1 racing, it is also possible that AMC F1 may be involved in an accident resulting in the serious injury or loss of life to a driver, a marshal, a spectator, or any other individual present at a race weekend. These factors could have an adverse effect on the Group's business, results of operations and financial condition.

The Guarantor relies on key personnel, including AMC F1 drivers

The Guarantor relies heavily on the quality of its people, and as the success of AMC F1 affects the Guarantor's financial performance, it is dependent on the members of its management team as well as its skilled engineers, technicians, drivers and designers. The Guarantor's success also depends on the ability of its senior executives and other members of its management to effectively manage its business as a whole and individual areas of the business. The ability of the Guarantor to attract and retain the highest quality management, technical, engineering and racing team staff is critical to the Guarantor's prospects of success in the Constructors' Championship, and is consequently linked to its financial performance.

There is therefore a risk that a loss of or failure to attract senior employees could affect AMC F1's brand image and on-track performance. This risk applies in particular to the roles of Chairman, Group Chief Executive Officer, Chief Executive Officer and Team Principal, Chief Technical Officer, Chief Operating Officer, Sporting Director, Chief Financial Officer and the drivers. Whilst the Guarantor enters into employment contracts with each of its key personnel with the aim of securing their services for the term of the contract and (where appropriate and subject to applicable law) restrictions on working for competitors thereafter, the retention of their services for the full term of the contract may not be guaranteed. If the Guarantor is unable to find adequate replacements or to attract, retain and incentivise senior executives, other key employees or new qualified personnel, its business, results of operations and financial condition may suffer.

The Guarantor is further reliant on the consistent high performance of its race drivers, namely (as at the date of this Prospectus) Sebastian Vettel and Lance Stroll, and whether both drivers extend their contracts with the Guarantor beyond the 2022 F1 season. Although Sebastian Vettel has signed for the 2022 F1 season, the loss of such a high-profile and successful driver as a four-time F1 World Champion could negatively impact the Guarantor's image and performance. A downturn in the drivers' performance or their ability to compete as a result of illness or injury or the adverse performance of the racing car could negatively affect AMC F1's brand image and on-track

performance, which in turn could have a material adverse effect on the Guarantor's business operations and financial prospects.

It is important that the Guarantor is able to employ the highest quality team management and driving personnel. As a result, the Guarantor is obliged to pay wages to its key personnel, including AMC F1's drivers, in line with its main competitors. If there is a sharp upturn in the remuneration packages being paid to key personnel and top drivers, the Guarantor may choose to follow this trend to avoid the risk of losing key personnel. Any material increase in employee costs may adversely affect the Guarantor's financial position and also its ability to adequately make provision in other areas of the business given the restrictions on expenditure imposed by the Financial Regulations. In addition, if the level of the Guarantor's income were to fall and wage costs were to remain stable (for example as a result of driver contracts providing for fixed wages over a long period), employee costs would be increased relative to income with adverse financial consequences.

The Guarantor relies on key suppliers for the operation, development and maintenance of its cars and if these suppliers fail to deliver, the Guarantor's operations may be disrupted

Daimler AG supplies the Guarantor with its powertrain (meaning the components which convert combustion from the engine into motion to propel the car) and related components (including internal combustion engine, gearbox, fuel and lubricants). The key supplier agreements for this relationship continue until 31 December 2025. However, there is a risk that the relationship with the Daimler AG group could be materially impacted by changes to the F1 Regulations or a force majeure event, in which case the supply services under the relevant contracts may be jeopardised and/or agreements may not be extended or renewed. Changes to the F1 Regulations (for example, the imposition of stricter regulatory requirements) could cause the supplier relationship with Daimler AG to become more expensive for the Guarantor to maintain or could result in the Daimler AG group being unable to fulfil its obligations under its agreements with the Guarantor. A force majeure event could result in the Daimler AG group being unable to source the components required under the contract with the Guarantor, whether as result of interrupted operations within the Daimler AG group, within the F1 sport more widely, or within the Guarantor's business operations.

The Guarantor designs and produces a new racing car model every year, and relies on a limited number of third party-suppliers, such as Formtech and Pirelli, which provide various components and parts required to operate its business, as well as the powertrain supply provided by the Daimler AG group. The Guarantor's dependence on third-party suppliers involves several risks, including the risk of parts becoming more expensive due to supplier pricing power, limited availability and delivery schedules, inability or unwillingness to produce and supply components and the risk of the quality and/or efficacy of the parts produced by that supplier declining. In addition, manufacturing or logistics on the part of the Group's third-party suppliers or transit to final destinations may be disrupted for a variety of reasons, including natural and man-made disasters, information technology systems failures, commercial disputes or political unrest. If one or more suppliers do not fulfil their delivery obligations, or they are unable to supply products of the requisite quality, there is a significant risk that the Group's ability to produce racing cars or the quality of its racing cars could be negatively impacted, which could adversely affect supply and damage the Guarantor's reputation as well as the on-track performance of the Guarantor. If any such risks were to materialise the Guarantor's financial position may be adversely affected, meaning that the Guarantor may be unable to meet its obligations under the Guarantee.

Generally, the Guarantor has limited ability to monitor the financial stability and likelihood of its suppliers meeting their delivery objectives. Although the Guarantor believes that it may be able to establish alternative supply relationships, qualifying alternate suppliers or developing its own replacements for certain highly customised components of its racing cars may involve long lead times and/or be time consuming, costly and may force the Guarantor to make expensive modifications to the designs of its cars. In particular, if the Guarantor needs to make alternative arrangements in connection with its power unit (which, on a normal road car, would be referred to as the internal combustion engine, and in F1 cars, includes technical ancillaries such as the energy recovery system, storage system, the actuation systems and the electronic control systems), then this could impact its financial position and also on-track performance. In the future, changes to race-car design and/or the Guarantor's requirements (including as prescribed by the Technical Regulations) could mean new supply relationships will need to be established, and there can be no assurance that such

relationships will be capable of being established in a timely manner or without significant additional costs being incurred, which could impact the Guarantor's financial position.

The Guarantor relies on sponsorship as a key revenue stream and there is a risk that key sponsorship agreements may not be renewed, or may be renewed on less favourable terms

The Guarantor's revenues depend principally on the income from its sponsorship agreements and Prize Fund allocation. The Guarantor has several multi-year high-value sponsorship agreements in place, most notably with Cognizant Technology Solutions U.S. Corporation (trading as Cognizant) ("Cognizant") as title sponsor. If the Guarantor is unable to renew its existing sponsorship agreements, or if it enters into new or renewed sponsorship agreements with less favourable terms, its revenues would decline.

The decision to sponsor an F1 team, and the price a sponsor will pay is determined by many factors, including the marketing objectives and budget of the sponsor, possible branding synergies with F1 and the relevant team, the historical and expected on-track performance of the team and the team's choice of drivers. In addition, the sponsors will typically measure advertising exposure, including television viewing figures, to determine future sponsorship commitments. Sponsorship agreements are signed for a specific period, and there is a risk that they may be renegotiated or not renewed if AMC F1's on-track record were to materially fluctuate or decline. The loss of key sponsorship would directly affect the financial position of the Guarantor.

Although the Guarantor's sponsorship agreement with Cognizant does not include any termination rights relating to AMC F1's on-track performance, there can be no assurance that the Guarantor will be able to renew existing sponsorship agreements or that it will be able to enter into new or renewed sponsorship agreements with similar terms, should the Cognizant sponsorship expire and not be renewed. If the Guarantor is unable to source alternative sponsorship arrangements, it could receive fewer cash or in-kind payments from sponsors, meaning the Group's business could be materially adversely affected including in relation to its financial condition and on-track performance.

The majority of the Group's operations are based at the Guarantor's site at Dadford Road, Silverstone, which concentrates the risks arising from disruptive events

A high concentration of staff and the Group's assets are based at the Guarantor's factory site in Silverstone, where the Wind Tunnel is also expected to be situated. Limited assurance can be given that the factory site will remain open and fully operational and will not be closed or affected as a result of unforeseen circumstances or disruptive events. There could be a number of reasons why operations at the factory site could be disrupted, including, but not limited to, the following:

- unauthorised access to information technology;
- flooding or other extreme weather events;
- mechanical failure or latent defects;
- power or gas shortage;
- major environmental contamination;
- fire, construction or other damage, including deliberate damage as a result of a terrorist attack or arson; and
- any other catastrophic events, including government-ordered closures or restrictions as a result of pandemics including the COVID-19 pandemic.

Any closure could be short-term, such as closure caused by the unavailability of staff, or long-term, such as closure caused by serious damage to the factory and machinery. Were such events to take place and enforce the closure of the factory site and/or an associated suspension or disruption in operations, the Guarantor's sporting and financial performance could be adversely affected, as well as resulting in reputational damage for AMC F1. The Guarantor cannot ensure that alternate means of conducting its operations would be available if a major disruption were to occur or that, if such alternate means were available, they could be obtained on favourable terms.

The cost of remaining competitive in F1 is significant notwithstanding the Financial Regulations and there is no assurance that the Guarantor will be able to develop a competitive on-track proposition, particularly given the periodic evolution of the F1 Regulations

F1 race cars are characterised by cutting-edge technology that is constantly evolving. Although the Group makes significant investment into research and development, there can be no assurance that the investments will be effective and therefore profitable or that the Guarantor's resultant racing car and associated infrastructure will remain competitive.

Developing and applying new automotive technologies is expensive and challenging. The Guarantor endeavors to upgrade and develop its cars throughout the course of a Constructors' Championship season and also between seasons, in order to increase performance. However, the Guarantor's cars may not be competitive if the Group is not able to develop and upgrade its cars and overall proposition relative to the other F1 teams.

The F1 Regulations change from year to year, introducing new and/or updated rules relating to, for example, the design of the car and restrictions on testing. A key factor in the Guarantor's continued on-track performance and therefore the Group's financial stability will be the Guarantor's ability to adapt to and deploy a competitive technical and operating structure fit to meet the challenges posed by the continued evolution of the F1 Regulations, including but not limited to the Technical Regulations (most notably the 2022 Technical Regulations which are a significant departure from the current regulations) and the Financial Regulations, which have imposed a cost cap, effectively requiring all F1 Teams to revisit their operating models. There is also a risk that the F1 Regulations may not be consistently enforced or applied to F1 Teams. See *"Description of the Business of the Guarantor and the Group: Regulations."*

If the Guarantor is not able to develop a competitive operational and racing package in compliance with the continued evolution of the F1 Regulations, or if the other F1 competitors are able to do so more effectively, it could result in a loss of on-track performance. If the Guarantor's on-track performance were to decline significantly, this could have a material adverse effect on its results, business operations and consequently its financial condition.

The Concorde Agreement may not be renewed on similar terms or at all

The Concorde Agreement governs the commercial relationship between the F1 Teams, F1 Group and the FIA and the current version was signed in August 2020 to take effect for the 2021-2025 seasons. See *"Description of the Business of the Guarantor and the Group: Concorde Agreement."* AMC F1's share of the Prize Fund makes up a significant portion of the total revenues of the Guarantor.

There can be no assurance that, at the end of 2025 F1 season, the Concorde Agreement will be renewed or replaced or that the terms of any such renewal or replacement will be similar to those of the current agreement. Failure to renew the Concorde Agreement or to procure similar arrangements could have a material adverse impact on the Guarantor and its sources of income, profits, balance sheet and financial position. There can also be no assurance that upon any renewal or replacement of the Concorde Agreement, the Prize Fund allocation will not change. If the prize monies were to materially decrease, such decrease would adversely affect the Guarantor's revenues and, as a result, have a material adverse impact on its profits, its balance sheet and its financial position. Therefore, if the Concorde Agreement is not renewed, or is renewed on less favourable terms, the proportion of the Prize Fund allocated to AMC F1 may be considerably reduced, or reduced to nothing, which would in either case have a material adverse effect on Guarantor's revenues. Accordingly, this could have an adverse effect on the Guarantor's ability to satisfy its obligations under the Guarantee.

In addition, the bankruptcy or the insolvency of one or more of the companies that comprise the F1 Group could prevent the payment of the prize monies under the Concorde Agreement, which could have a material adverse impact on the financial condition of the Guarantor and consequently the Guarantor's ability to satisfy its obligations under the Guarantee.

The size of the Prize Fund is derived from the profitability of commercial rights and varies depending on several factors, including the F1 Group's ability to commercialise its F1 rights, the contractual relations between the F1 Group and third parties such as race promoters, circuits and broadcasters which are affected by race locations, live fan attendance and TV viewing figures. A deterioration in the commercial terms achieved by the F1 Group would affect the aggregate size of the Prize Fund. Should the aggregate size of the Prize Fund materially decrease, so will the amount payable to the

F1 Teams, including to AMC F1 which would have a material adverse impact on the financial condition of the Guarantor.

A disruption in the Group's information technology could compromise confidential and sensitive information

A significant amount of the Guarantor's value is derived from its confidential business information, including car design, proprietary technology and trade secrets, and to the extent the confidentiality of such information is compromised, the Guarantor may lose its competitive advantage. The Guarantor also collects, retains and uses certain personal information, including data it gathers for product development and marketing purposes, and data it obtains from employees. As its technology continues to evolve, the Guarantor anticipates that it will collect and store even more data in the future, and that its systems will increasingly use remote communication features that could be sensitive to both wilful and unintentional security breaches.

The Guarantor depends on its information technology and data processing systems to operate its business, and a significant malfunction or disruption in the operation of its systems, human error, interruption to power supply, or a security breach that compromises the confidential and sensitive information stored in those systems, could disrupt the Guarantor's business and adversely impact its ability to compete. The Guarantor's ability to keep its business operating effectively depends on the functional and efficient operation by it and its third party service providers of its information, data processing and telecommunications systems, including its car design, manufacturing, inventory tracking and billing and payment systems. Such systems are susceptible to malfunctions and interruptions due to equipment damage, power outages, and a range of other hardware, software and network problems. Those systems are also susceptible to cybercrime, or threats of intentional disruption, with the consequence that such cyber incidents may remain undetected for long periods of time.

For any of these reasons, and notwithstanding the Guarantor's systems and processes designed to guard against these risks, the Guarantor may experience system malfunctions, interruptions or data theft, which could materially adversely affect the marketability, competitiveness and/or financial position of the Group.

The Guarantor may not be able to implement its business strategy successfully

There can be no certainty that the Guarantor will be able to implement the business strategy set out in this Prospectus successfully. No representation is or can be made as to the future performance of the Guarantor, and there can be no assurance that the Guarantor will achieve its objectives. The Guarantor's ability to implement its business strategy may be adversely affected by factors that it cannot currently foresee, such as unanticipated costs and expenses, technological change, severe economic downturn, the level of interest rates, governmental policy, inflation rates, sector conditions or other changes in economic, political, judicial, administrative, taxation, or regulatory rules (some of which are discussed in more detail in other risk factors in this Prospectus). All of these factors may necessitate changes to the business strategy described in this Prospectus, or materially adversely affect the Guarantor's business, financial condition or results of operations, both in the short and long term.

The Guarantor may not succeed in adequately protecting its intellectual property and know-how

The creation and development of intellectual property, including but not limited to confidential designs, technology, know-how and trade secrets ("Proprietary Information") by and for the Group is critical to the success of AMC F1. Proprietary Information can rarely be safeguarded through patents or other industrial property rights because the F1 industry is fast-moving (patenting information requires time and the filing of a detailed description) and does not necessarily result in the creation of Propriety Information that has broader commercial application. This means that the Guarantor generally protects its Proprietary Information through confidentiality arrangements with employees and third parties and by having sufficient systems and controls in place to protect such Proprietary Information. The Guarantor relies on confidentiality restrictions to protect certain of its Proprietary Information. Such obligations rely on individuals complying with those obligations and, if there are breaches, the Guarantor's Proprietary Information could be disclosed, either inadvertently or intentionally, to third parties including other F1 Teams.

There is no guarantee that disclosure of Proprietary Information can be prevented, particularly if the Group has disclosure obligations to third parties. Additionally, it cannot be ruled out that, independently of the Guarantor, third parties might develop the same or similar Proprietary Information or obtain access to it. Similarly, the movement of employees between the Guarantor and its competitors and the public display of the Guarantor's cars and other infrastructure at races could result in an increased risk of Proprietary Information being shared with and used by competitors. If such a leak were to occur, the Guarantor might not, or not immediately, become aware of such breach and the resulting leak, and, as a result, might not be in a position to defend its rights by, for example, seeking injunctive relief.

Even if the Guarantor became aware of a breach or leak of Proprietary Information, and was not prohibited by the F1 Regulations from seeking to prevent the use of such Proprietary Information, given that the relevant technologies are not protected by patents, the Guarantor may not be in a position to demonstrate that it created the technology or initiate court proceedings to prevent the use or copying of its technology; similarly, if certain Proprietary Information of AMC F1 has a legitimate basis in the intellectual property of another F1 Team, AMC F1 may not be able to prevent its use by others. Breaches of confidentiality undertakings usually result in an award of damages as opposed to the specific remedies available in the case of patented technologies and damages might not prove an adequate remedy in F1 where technology is key to success. This could harm the Guarantor's competitive position.

Furthermore, litigation may be necessary to enforce the Group's intellectual property rights, to protect its trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation could result in substantial costs and diversion of resources. The occurrence of any of these events may have a material adverse effect on the Guarantor's business, and financial condition.

The Group is reliant on Lawrence Stroll and its relationship with AML

Lawrence Stroll and the investment consortium which he leads (the "Investment Consortium"), have provided significant funding via share capital. Lawrence Stroll continues to provide strategic guidance to the Group, as well as solidifying the Group's relationship with Aston Martin Lagonda Limited ("AML"), with whom the Guarantor has a sponsorship and branding rights agreement pursuant to which AMC F1 bears its name. This is a key relationship and so if this were to discontinue then there could be a significant impact on the Guarantor's marketability. If the relationship between the Guarantor and Mr Stroll were to discontinue, the Guarantor may no longer benefit from Mr Stroll's experience and expertise, and the absence of Mr Stroll's strategic advice could adversely affect the Guarantor's financial position. The Guarantor's relationship with AML is also significant for the Guarantor's reputation and financial position as AML is a key sponsor for the Guarantor. If AML's sponsorship was lost, there can be no assurance that the Guarantor could source another sponsor who could provide funding on similar terms. In addition, the Group's reliance on its relationship with AML means that should AML's financial position weaken significantly, the Group would also be adversely affected. See "*Description of the Business of the Guarantor and the Group: History and Development*". The occurrence of any of these risks could adversely affect the Guarantor's financial condition and/or results of operations, and consequently, the Guarantor's ability to meet its obligations under the Guarantee.

The existence of the Guarantee may not remove all risk of non-payment

The Issuer's obligations to Bondholders in respect of payments of amounts relating to the Bonds will be supported by the Guarantee to be given by the Guarantor. The ability of the Guarantor to make payments under the Guarantee will depend upon resources being available to it to do so and may be affected by the risk factors described in this section. If such risks materialise, this could adversely affect the Guarantor, its financial condition, or results of operations, and consequently, the Guarantor's to meet its obligations under the Guarantee.

The Guarantor's right to race is not an asset that can be transferred

Under the Concorde Agreement, ten F1 Teams may take part in the Constructors' Championship each year, with a non-transferrable right to race being awarded to each team. An increase in the number of competing teams can only take place in certain limited circumstances, as further described in "*Description of the Business of the Guarantor and the Group — Overview*". The Guarantor is

currently one of these ten teams, and AMC F1's "right to race" in the Constructors' Championship is held by the Guarantor alone. Were the Guarantor to become insolvent, the right to race may not be capable of being sold or transferred either within the Group or to a third party in a way which would raise revenue for the Guarantor or its creditors (including the Bondholders). There is therefore a risk that upon an insolvent winding-up of the Guarantor, the amount realisable for the creditors may be lower than the value of the business as a going concern. If the amount realised for creditors of the Guarantor were less than anticipated, this would reduce the likelihood of the Guarantor being able to meet its obligations under the Guarantee.

2. **Risks relating to investing in an Issuer whose main business activity, once its operations have commenced following the Issue Date, will be the development, construction, operation and maintenance of the Wind Tunnel and the New Factory (or procuring the development, construction and operation of the Wind Tunnel)**

The Issuer's ability to make payments on the Bonds is dependent on the Guarantor fulfilling its obligations to make payments to the Issuer on a timely basis. As at the date of this Prospectus, the Issuer has not yet commenced operations

The function of the Issuer is to act as a special purpose company to raise money by the issue of the Bonds in order to facilitate the construction, development, operation and maintenance of the Wind Tunnel (or procure the construction, development, operation and maintenance of the same). The Issuer does not, as at the date of this Prospectus, have an operating business, and has no access to sponsorship arrangements or funds, or prize monies from the Constructors' Championship. The Issuer's only income (following the Issue Date) is expected to be from (i) the proceeds of debt issuances (such as the Bonds), (ii) any interest payable to it by either the Guarantor under intercompany loan arrangements (if any) or by a borrower under any Permitted Loan (if any) and (iii) if the Issuer constructs the Wind Tunnel, fees payable by the Guarantor to the Issuer in respect of use of the Wind Tunnel (when built). If the Issuer does not construct the Wind Tunnel, it does not expect to receive any material revenues from any third party in relation to the use of the Wind Tunnel. As the Guarantor is the primary source of the revenue and funding for the Issuer, interest payments in respect of the Bonds will therefore effectively be paid from cash flows generated from the business of the Group.

The Issuer is, therefore, subject to all risks to which the Guarantor is subject to the extent that such risks could affect the Guarantor's ability to satisfy its obligations in full and on a timely basis. See "Risks relating to the Group's business operations" for a further description of certain of these risks. *The Guarantor's plans for the Issuer to develop and construct the Wind Tunnel (or to procure the same thereof) and/or the New Factory involve execution risks and potential time delays, meaning that the construction may not be completed in time, according to specifications, or within budget*

The planned development and construction of the Wind Tunnel and/or the New Factory by the Issuer (or the procurement by the Issuer of the development and construction of the Wind Tunnel) involves risks associated with major construction projects, such as changes in scope of work causing cost overruns, delays in implementation, technical and economic viability risks and intervening changes in market conditions. In addition, there is a risk that the Issuer will have to fund project delays or cost overruns arising from changes in the scope of the construction of the Wind Tunnel and/or the New Factory.

In addition, the completion date for the Wind Tunnel and/or the New Factory may be subject to delays as a result of, for example, construction cost increases and inflation, shortages of or defects in equipment and materials, customs clearance delays, shortages of the necessary technical personnel, adverse weather conditions, third-party performance failures, bankruptcies of suppliers or contractors, environmental issues, legal disputes, changes in government or regulatory policies, including as a result of the COVID-19 pandemic, and delays in obtaining requisite approvals, permits, licences or certifications from the FIA, the F1 Commission and any other relevant authorities.

The Wind Tunnel is a highly complex facility with extremely sophisticated technology and will require significant expertise in its construction. There can be no assurance that the Wind Tunnel will result in overall business efficacy, when compared to hiring a third party wind tunnel, or that the Wind Tunnel will be free from defects once completed. Any defects may result in compensatory payments

to be made to the Issuer and claims being made by Issuer, including against suppliers, where it is not necessarily the case that full, or any, recovery would be possible or achieved in practice.

Moreover, the Issuer does not expect to generate material revenue from the Wind Tunnel or the New Factory. The primary purpose of both the Wind Tunnel and the New Factory is to improve the on-track performance of AMC F1.

Any of these risks could have a material adverse effect on the Issuer's ability to complete the Wind Tunnel and/or the New Factory to the original specifications in a timely manner, or at all, and could have a negative impact on AMC F1's on-track performance, and accordingly the Guarantor and the Group's revenues. This could result in a material adverse effect on the Issuer and Group's business, results of operations, financial condition or prospects.

The development, construction and ongoing maintenance of the Wind Tunnel and/or the New Factory is subject to risks relating to potential default by the Group's independent contractors and consultants

The Group will engage independent contractors and consultants to provide various services in relation to the development, construction, repairs and maintenance in respect of the Wind Tunnel, or will procure the same engagement by a third party. If the performance of any such contractor or consultant is unsatisfactory, it may be necessary to replace the contractor or consultant concerned or to take other action to remedy the situation. Were this to occur, it could have adverse cost and timing implications for the Group. Moreover, such independent contractors or consultants may become bankrupt or insolvent and therefore default on their contracts, which may lead to a significant operational risk for the Issuer. Any of these factors could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

The construction of the Wind Tunnel is subject to receiving planning permission from the relevant authorities

In order for the construction plans for the Wind Tunnel to be carried out successfully, the Issuer must obtain various planning permissions, or must procure that the third party obtains such planning permissions. Although initial discussions between the Guarantor (on the Issuer's behalf as it has not yet commenced operations as at the date of this Prospectus) and the relevant planning authorities have been positive, with planning permission expected in 2022, there can be no assurance that any permits, consents or approvals required from various government entities in connection with the new development will be obtained by the Issuer (or the third party) in a timely manner, or that they will be obtained at all, or that any current or future permits, consents or approvals will not be withdrawn. Delays in receiving the local authority's response to the Issuer's (or the third party)'s planning application could have a significant impact on the site development and construction. Planning regulations and permits could also be challenged within the relevant statutory period, which could eventually lead to delays in the realisation or the completion of the project. Furthermore, environmental interest groups and owners of adjoining properties may oppose land-use plans and proposed development plans, and may take various legal and other actions to partially or completely restrict the Wind Tunnel construction.

In this way, a delay in receipt of (or failure to receive altogether) any relevant planning permission could have a material adverse effect on the Group's business, financial condition and results of operations.

If the Wind Tunnel is constructed by a third party, the Issuer and the Guarantor will rely on the continued cooperation of such third party for the successful construction of the Wind Tunnel

If a Permitted Loan is made, and the Wind Tunnel is constructed by a third party (the "Wind Tunnel Operating Company" or "WTOC"), the construction will depend on the continued cooperation between the Issuer, the Guarantor and the WTOC for the successful construction of the Wind Tunnel within the planned time-frame. There can be no assurance that the relationship between the Issuer, the Guarantor and the WTOC will remain on favourable terms, either as a result of micro- or macro-economic events and conditions, the financial performance of the Guarantor, or for any other reason. Should the WTOC fail to cooperate appropriately with the Issuer and the Guarantor, or fail to perform to the satisfaction of the Issuer and/or the Guarantor, the construction of the Wind Tunnel may be

delayed or may not be completed at all, which would have an adverse effect on the financial performance of the Issuer and could affect its ability to make payments under the Bonds, and the Guarantor's ability to fulfil its obligations under the Guarantee.

The development, construction and ongoing maintenance of the Wind Tunnel by the Wind Tunnel Operating Company is subject to risks relating to the financial performance of the Wind Tunnel Operating Company

If a Permitted Loan is made, in order for the construction of the Wind Tunnel to complete successfully and on time, the Issuer will rely on the performance of the WTOC both in relation to the construction project, and in relation to the WTOC's own financial performance. If the WTOC is unable to complete the project, the Issuer may be required to source an alternative company to continue the construction of the Wind Tunnel, but the availability of an appropriate replacement cannot be guaranteed. In addition, should the Issuer be able to find a replacement for the WTOC, the Issuer might incur additional fees and costs in relation to the engagement of such replacement, as well as in relation to the delay in the construction project. Any of the foregoing could have an adverse effect on the financial performance of the Issuer and could affect its ability to make payments under the Bonds, and the Guarantor's ability to fulfil its obligations under the Guarantee.

The WTOC may fail to make repayments under the Permitted Loan

If a Permitted Loan is made, and the Issuer opts to use the WTOC for the development, construction and operation of the Wind Tunnel, the Issuer will assign by way of security its rights, title and interest in the Permitted Loan in favour of the Security Trustee for the benefit of the Bondholders and the other Secured Creditors, and if an enforcement event occurs the Security Trustee may enforce the security over the Permitted Loan including taking action against the WTOC on behalf of the Bondholders. There is a risk that the amounts lent by the Issuer under the Permitted Loan to the WTOC may not be repaid in full or at all, including as a result of risks relating to the WTOC's financial performance. Whilst the Group's revenues comes primarily from the Concorde Agreement and sponsorship agreements, and the Group is not relying on the repayment of the Permitted Loan to satisfy the repayment of interest and principal under the Bonds, if there were a default under the Permitted Loan, there could be an adverse impact on the Issuer and Guarantor's business and financial condition.

3. Market risks relating to the Group's business

Macro-economic conditions and the COVID-19 pandemic may have an adverse effect on the Group's business

Due to the global nature of F1, the Group is sensitive to global macro-economic events, whether related to political developments or sanctions, natural disasters or other crises. This also ties into the Group's reliance on the Aston Martin brand, given that the prosperity of AML is also affected by global economic conditions and changes in market behaviour (see "*The financial performance of the Group is tied to the Aston Martin brand*"). Such changes and factors could include, among other things, the growth rate of the global economy, variation in the disposable income of consumers, and changes in interest rates, freight rates and fuel prices. Uncertainties also remain regarding future trade arrangements and policies in the United Kingdom following its exit from the European Union on 31 January 2020 ("Brexit"), although the risks associated with Brexit are limited, given F1's global platform and fan base.

Deteriorating general economic conditions may affect disposable incomes and reduce consumer wealth impacting client demand, particularly given F1 is associated with luxury, which may negatively impact the Group's profitability.

The potential impact of COVID-19 on the Constructors' Championship is particularly hard to quantify given the global nature of F1, meaning local outbreaks and/or rules and restrictions could affect the Guarantor's ability to attend races, sufficiently resource the team, and impact its ability to sell merchandise. There is also the risk that one or more key employees, including but not limited to drivers, may, despite the strict COVID-19 regulations the Guarantor has put in place, not be able to perform their duties if they contract COVID-19 or are required to self-isolate in accordance with

applicable rules that may be in place from time to time. A significant decline in global macro-economic conditions, including as a result of the COVID-19 pandemic, could have a material adverse effect on the Group's business.

The financial performance of the Group is tied to the Aston Martin brand

The prestige, identity and appeal of the Aston Martin brand is largely influenced by the successful launch of luxury road cars. The Aston Martin brand could be weakened by AML's failure to produce cars that offer high performance and a desirable ownership experience. In particular, if AML fails to release high quality products and lead the way with regards to emerging trends and technologies (which will include being cognisant of its environmental and social impact) then AML's business operations, finance performance and profitability could suffer.

The overall image and reputation of the Aston Martin brand directly impacts the Guarantor's ability to attract sponsorship revenue, high quality employees (including drivers and experienced technical personnel) and generate revenue through merchandise sales. Therefore, a material adverse impact on AML's business and reputation could have a material adverse impact on the Guarantor's ability to meet its obligations under the Guarantee.

The Group's revenues from the Guarantor's F1 activities may decrease if there is a decline in the popularity of the F1 sport

F1 is currently one of the most popular sporting events in the world. See "*Description of the Business of the Guarantor and the Group: Overview*." However, the popularity of F1 in some key markets and geographies is dependent upon the success of certain drivers and the various F1 Teams, including AMC F1.

The Constructors' Championship faces competition from alternative forms of entertainment and leisure activities, the general economic climate, public tastes generally and other intangible factors, all of which could change rapidly and unpredictably. Moreover, there can be no assurance that motorsport will retain its popularity, meaning the associated levels of media coverage can also not be assured. A material decrease in the popularity of F1 could lead to decreased television viewing figures, which could adversely affect the level of funding by some of its sponsors, because sponsors will typically take viewing figures into account where determining future commitments.

There is no assurance that F1 will maintain its audience appeal either globally or in any particular country. This adverse effect may be the result of a reduction in the level of ticket sales, lower broadcasting revenue, reduced host fees, reduced sponsorship income or a combination of one or more of these. All of the above factors could have a detrimental impact on the Guarantor's business operations and financial position, which could adversely impact the Guarantor's ability to meet its obligations under the Guarantee.

The Guarantor enters into hedging arrangements which may expose it to adverse market movements, particularly in relation to currency

From time to time, the Guarantor enters into hedging arrangements during the ordinary course of its business to manage (or "hedge" itself against) financial risks in accordance with its risk management policies. Such hedging arrangements may take the form of an agreement between the Guarantor and a bank as the hedge counterparty. In particular, the Guarantor may from time to time enter into foreign exchange ("FX") hedging arrangements in connection with prize monies which it anticipates that it will receive under the Concorde Agreement (which are paid in U.S. dollars) to manage all or part of the risks associated with currency fluctuations. For example, if the Guarantor anticipates receiving a U.S. dollar amount on a given date in the future under the Concorde Agreement, the Guarantor may choose to enter into a hedging arrangement which entitles it to receive a fixed Sterling amount from its hedge counterparty in exchange for all or part of such projected U.S. dollar amount on such future date based on the applicable FX exchange rate on the date it enters into such hedging arrangement. The Guarantor does this as Sterling is the functional currency of the Group.

Such hedging arrangements themselves expose the Guarantor to financial risks. If the value of the U.S. Dollar increases relative to Sterling during the period between entering into the hedging

arrangement and the hedging arrangement being settled, the value of that hedging arrangement to Guarantor will fall and an adverse “mark-to-market” value will arise in favour of the hedge counterparty. The “mark-to-market” is the difference between the value of the relevant hedging arrangement at the time it is entered into by the Guarantor and the value ascribed to such arrangement by the market on any subsequent date on which such hedging arrangement is required to be valued under its terms. The Guarantor may be required to provide collateral in respect of such “mark-to-market” risk in favour of the hedge counterparty under the terms of the relevant hedging arrangement by making a payment or delivery of cash or other collateral as “margin” to the relevant hedge counterparty. “Collateral” generally can include payments of cash, but can also mean transfers of securities (for example, shares and bonds). If the Guarantor cannot provide the required margin, then the hedge counterparty would be entitled to terminate such hedging arrangement. There can be no assurance that the Guarantor will have sufficient funds or other property to provide such required margin.

If any hedging arrangement terminates due to a breach by the Guarantor of its contractual obligations thereunder (for example, due to a failure by the Guarantor to make a timely margin payment as described above or any other scheduled payment owing to the counterparty), the Guarantor may be obliged to make a termination payment to the counterparty at the time of such termination. There can be no assurance that the Guarantor will have sufficient funds available to make such termination payment, nor can there be any assurance that the Guarantor will be able to find a replacement counterparty to assist with the hedging of the Guarantor’s risk in the future. The obligation to pay a termination payment may reduce the funds available to the Guarantor, which may adversely affect the ability of the Guarantor to meet its obligations under the Guarantee.

Despite its risk management policies and these hedging arrangements, there can be no assurance that the Guarantor will be able to successfully hedge all of its currency risks, and sudden adverse movements in foreign currency exchange rates could nevertheless have a significant adverse effect on the Guarantor’s business, results of operations and financial condition, particularly if these conditions persist. If there is (i) a failure by the Guarantor to adequately hedge its risk, in particular FX risks arising from currency fluctuations, (ii) a failure by the Guarantor to adhere to the terms of the relevant hedging arrangement, including provision of margin, (iii) adverse market movements in relation to the relevant hedging arrangement or (iv) an insolvency or other breach by a counterparty to any of the Guarantor’s hedging arrangements (which, for example, results in a termination payment owing to the Guarantor which such counterparty is unable to pay), there could be a material adverse effect on the financial position and prospects of the Guarantor and therefore on the Guarantor’s ability to meet its payment obligations under the Guarantee.

The Group is subject to laws, regulations and policies not limited to the F1 Regulations

Any increase in the levels of taxation or levies to which the Group is subject in the United Kingdom, or the implementation of any new taxes or levies or changes in taxation law and or Her Majesty’s Revenue and Customs (“HMRC”) practice to which the Group is or becomes subject, could have a material adverse effect on the Group’s business, financial condition and results of operations. This in turn could negatively impact the Issuer’s ability to fulfil its payment obligations under the Bonds and the Guarantor’s ability to meet its obligations under the Guarantee.

Additionally, future sponsorship revenues could be affected by local policies, laws and regulations including but not limited to alcohol advertisement. A present example of this are the so-called ‘dark markets’ (such as France and Saudi Arabia) leading to ‘dark-races’ where alcohol sponsors are not permitted or there are specific rules in place limiting branding exposure and digital engagement. If sponsorship revenues decreased as a result of the change in local regulations, this could adversely affect the Guarantor’s ability to meet its obligations under the Guarantee.

4. Risks relating to the Bonds

The Bonds are not protected by the Financial Services Compensation Scheme (“FSCS”)

Unlike many bank deposits, the Bonds are not protected by the FSCS. As a result, neither the FSCS nor any anyone else will pay compensation to Bondholders upon the failure of the Issuer, the Guarantor or the Group as a whole. If the Issuer or the Guarantor were to go out of business or become insolvent, the Bondholders may lose all or part of their investment in the Bonds.

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Bondholders, including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a different manner than the majority did.

The Conditions also provide that the Bond Trustee may, without the consent of Bondholders, agree to: (a) any modification of any of the provisions of the Trust Deed that in the opinion of the Bond Trustee is of a formal, minor or technical nature or is made to correct a manifest error; or (b) any other modification of, and any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Trust Deed if, in the opinion of the Bond Trustee, it is not materially prejudicial to the interests of Bondholders.

Trustee indemnity

In certain circumstances, the Bondholders may be dependent on the Bond Trustee and/or the Security Trustee to take certain actions in respect of the Bonds, in particular if the security granted by the Guarantor and the Issuer in respect of such Bonds becomes enforceable pursuant to the Conditions. Prior to taking such action, pursuant to the Conditions the Bond Trustee and/or the Security Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If so, and the Bond Trustee and/or the Security Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction it may decide not to take such action and such inaction will not constitute a breach by it of its obligations under the Trust Deed or the security deed described in the terms and conditions of the Bonds (the "Security Deed") (as applicable). Consequently, the Bondholders would have to either provide such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Bond Trustee and/or the Security Trustee. Bondholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any potential inaction by the Bond Trustee and/or the Security Trustee. Such inaction by the Bond Trustee and/or the Security Trustee will not entitle Bondholders to take action directly against the Issuer or the Guarantor to pursue remedies for any breach by any of them of terms of the Trust Deed or the Bonds unless the Bond Trustee having become bound to act has failed within a reasonable time to do so and such failure is continuing.

Risks relating to the taking of security by fixed charge

Under the Security Deed, the Issuer will grant a fixed charge in favour of U.S. Bank Trustees Limited as security trustee (the "Security Trustee") as appointed under the Security Deed, for and on behalf of the Security Trustee, and the Bondholders and the other secured creditors referred to in the terms and conditions of the Bonds (together the "Secured Creditors") over all of the Issuer's present and future rights, title, interest and benefit in monies held in a designated bank account (the "Issuer Bank Account") and any rights, title and interest to such Issuer Bank Account, as security for the Bonds (the "Account Charge"). In addition, the Guarantor will grant a fixed charge over the shares of the Issuer in favour of the Security Trustee for and on behalf of the Secured Creditors (the "Share Charge"). A fixed charge attaches to an asset upon its creation and gives the Security Trustee a claim over the proceeds generated by such asset in priority to other creditors (if any) of the relevant company granting the security.

The sums in the Issuer Bank Account shall be used to pay the coupons of the Bonds due on each of the Interest Payment Dates (as defined in the Conditions) falling 18 and 24 months after the Issue Date. Accordingly, the Bondholders will only benefit from the Account Charge during the period between the Issue Date and the date falling 24 months after the Issue Date.

In certain circumstances a security interest which states that it is to be taken as a fixed charge may nevertheless be deemed only to take effect as a floating charge. Under English law, for a charge to be characterised as a fixed charge, among other things, the charge holder is required to exercise appropriate "control" over the relevant asset(s) being charged.

Whilst the Security Trustee will benefit from a certain level of control over the assets subject to the Account Charge and the Share Charge, there is a risk that if the Security Trustee does not in fact

exercise an appropriate level of control over such assets a court could determine that the fixed charge takes effect as a floating charge only. A floating charge 'floats' over the pool of assets subject to the charge but enables the relevant company granting the security to deal with the assets until the occurrence of certain events which cause the charge to fix (or, 'crystallise') on to the assets. A floating charge is less advantageous than a fixed charge, as a claim to the assets made by a floating charge holder ranks behind that of a fixed charge holder in such cases, and behind certain preferential creditors, as described below (but still ahead of any unsecured senior creditors and also ahead of the shareholders of the relevant company).

As a consequence, if the security over the relevant assets were to be enforced following an Event of Default under the terms and conditions of the Bonds, any such assets may first be applied in payment to "preferential" creditors of the relevant company who are deemed under the provisions of English law to have higher priority to repayment prior to payment to holders of a mere floating charge. Preferential creditors (i.e. preferential to floating charge holders) include employee salaries and also certain amounts that may at the relevant time be owing to HMRC (i.e. in respect of certain taxes (if any) due and payable at such time). In addition, a "prescribed part" of up to £800,000 is required to be set aside for the benefit of unsecured creditors and, as such, ranks ahead of the relevant floating charge. Any such payments may result in Bondholders not receiving all amounts outstanding under their Bonds if there are insufficient funds remaining available for distribution following payments to any preferential creditors on a winding-up. Bondholders may lose some or all of their investment as a result.

Priority of claims of the Bond Trustee, Security Trustee, paying agents and the account bank

Upon an enforcement of the Security by the Security Trustee pursuant to the terms and conditions of the Bonds, the Bondholders will have the right to be paid amounts due to them only after payment of, firstly, the remuneration, costs, expenses and liabilities due and payable to the Bond Trustee and/or the Security Trustee, including costs incurred by each of them (or any receiver appointed by the Security Trustee) in the enforcement of the Security and, secondly, remuneration, costs, expenses and liabilities due and payable to the, paying agents and account bank in respect of the Bonds. Any such payments may result in Bondholders not receiving all amounts outstanding under the Bonds, and Bondholders may lose some or all of their investment as a result.

Insufficiency of security

If there is an Event of Default under the Bonds, the holders of the Bonds will be secured by certain of the assets of the Issuer and Guarantor in accordance with the terms of the Security Deed. To the extent that the claims of the holders of the Bonds exceed the value of the security securing the Bonds, those claims will rank equally with the claims of the holders of all other existing and future unsecured indebtedness of the Issuer and Guarantor (as applicable). If there are insufficient assets of the Issuer and Guarantor to meet the claims of all such unsecured creditors of the Issuer and Guarantor (as applicable), then the Bondholders may lose some or all of their investment.

Holding CREST Depository Interests

Investors may hold the Bonds through Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) ("CREST"). CREST allows bondholders to hold bonds in a dematerialised form rather than holding physical bonds. Instead of issuing physical bonds, CREST issues what are known as depository interests which are held, settled and transferred through CREST ("CDIs"), representing interests in the Bonds underlying the CDIs. Holders of CDIs (the "CDI Holders") will hold, or have an interest in, a separate legal instrument and will not be the legal owners of the Bonds. The rights of CDI Holders to the Bonds are represented by the relevant entitlements against CREST Depository Limited (the "CREST Depository") through which CREST International Nominees Limited (the "CREST Nominee") holds interests in the Bonds. Accordingly, rights under the Bonds cannot be enforced by CDI Holders directly against the Issuer; instead they must be enforced indirectly through CREST and certain companies acting as intermediary depositories and custodians. The enforcement of rights under the Bonds will be subject to the local law of the relevant intermediaries. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Bonds in the event of any insolvency or liquidation of any of the relevant intermediaries, in particular where the Bonds held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the

relevant intermediaries. If such risk should materialise, Bondholders may receive reduced payments under the Bonds and may not recover their investment in full or at all, which could pose a material risk for Bondholders.

CDIs are constituted under English law and transferred through CREST and will be issued by the CREST Depository pursuant to the global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated) (the "CREST Deed Poll"). The rights of the CDI Holders will be governed by the arrangements between CREST, Euroclear, Clearstream, Luxembourg and the Issuer, including the CREST Deed Poll. Potential Investors should note that the provisions of the CREST Deed Poll, the CREST Manual issued by Euroclear UK & Ireland (including the CREST International Manual dated 14 April 2008) as amended, modified, varied or supplemented from time to time (the "CREST Manual") and the CREST Rules contained in the CREST Manual applicable to the CREST International Settlement Links Service (the "CREST Rules") contain indemnities, warranties, representations and undertakings to be given by CDI Holders, and limitations on the liability of the CREST Depository. CDI Holders are bound by such provisions and may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the amounts originally invested by them. As a result, the rights of, and returns received by, CDI Holders, may differ from those of holders of Bonds which are not represented by CDIs. This could have an adverse effect on the payments received under the Bonds by Bondholders.

In addition, CDI Holders may be required to pay fees, charges, costs and expenses to the CREST depository in connection with the use of the CREST International Settlement Links Service (the "CREST International Settlement Links Service"). These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the Bonds through the CREST International Settlement Links Service.

Potential Investors should note that none of the Issuer, the Guarantor, the Lead Manager, the Bond Trustee or the Paying Agents will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations. The CDIs are not the subject of this Prospectus.

5. Risks relating to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk:

There may not be a liquid secondary market for the Bonds and their market price may be volatile

The Bonds may have no established trading market when issued, and one may never develop. Therefore, Bondholders may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary (i.e. after the issue date) market. The Bonds are sensitive to interest rate, currency or market risks. This lack of liquidity may have a severely adverse effect on the market value of Bonds.

Peel Hunt LLP is expected to be appointed as a registered market-maker on the London Stock Exchange's main market and through the ORB market, in respect of the Bonds from the date of admission of the Bonds to trading. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours. However, Peel Hunt LLP may not continue to act as a market-maker for the life of the Bonds. If a replacement market-maker was not appointed in such circumstances, this could have an adverse impact on your ability to sell the Bonds.

Realisation from sale of the Bonds

If a Bondholder chooses to sell the Bonds at any time prior to their maturity, the price received from such sale could be less than the original investment it made. Factors that will influence the price may include, but are not limited to, market appetite, inflation, the time of redemption, prevailing interest rates and the current financial position and an assessment of the future prospects of the Issuer and/or the Guarantor.

Changes in interest or inflation rates may adversely affect the value of the Bonds


The Bonds bear interest at a fixed rate rather than by reference to an underlying index. Accordingly, Bondholders should note that if interest rates rise, then the income payable on the Bonds might become less attractive and the price that they could realise on a sale of the Bonds may fall. However, the market price of the Bonds from time to time has no effect on the total income they receive on maturity of the Bonds if they hold the Bonds until their maturity date. Further, inflation will reduce the real value of the Bonds over time, which may affect what they could buy with their investment in the future and may make the fixed rate payable on the Bonds less attractive in the future, again affecting the price that they could realise on a sale of the Bonds.

INFORMATION ABOUT THE BONDS

What are the Bonds?	<p>The Bonds are debt securities to be issued by the Issuer. The Bonds will be subject to the “<i>Terms and Conditions of the Bonds</i>” (the “<u>Conditions</u>”) which are set out in this Prospectus. The Bonds:</p> <ul style="list-style-type: none"> (a) will entitle Bondholders to receive semi-annual interest payments at a fixed rate of 7.00 per cent. per annum payable in two equal instalments of £3.50 per £100 in nominal amount of the Bonds on 8 May and 8 November in each year, with the first payment due to be made on 8 May 2022; (b) will have a principal amount of £100 per Bond; (c) will be guaranteed by the Guarantor (the “<u>Guarantee</u>”); (d) are due to be issued on 8 November 2021 (the “<u>Issue Date</u>”) and fall due to be paid back in full on 8 November 2026 (the “<u>Maturity Date</u>”); and (e) are intended to be admitted to trading on the London Stock Exchange plc’s regulated market, and through the ORB market. <p>The Issuer will not issue in excess of £250,000,000 in aggregate principal amount of the Bonds; however, this maximum principal amount of securities being offered is not intended to be indicative of how many Bonds will be issued, and the principal amount of Bonds to be issued will depend in part on the demand from investors during the Offer Period. The final principal amount of Bonds to be issued may be significantly less than this, and in any case such final principal amount will be announced by the Issuer pursuant to the Sizing Announcement, as defined and further described in response to the question “How many Bonds will be issued to investors?” in the section headed “How to Apply for the Bonds”.</p> <p>See “<i>Terms and Conditions of the Bonds</i>” for further information.</p>
Who is issuing the Bonds?	<p>The Bonds will be issued by AMR GP Finance PLC.</p>
Who is guaranteeing the Bonds?	<p>The Bonds will be guaranteed by AMR GP Limited.</p>
What is the relationship between the Issuer, the Guarantor and the Group?	<p>The Issuer is a newly incorporated company established to raise money and hold certain assets of the Group. The Issuer is a wholly-owned subsidiary of the Guarantor.</p> <p>As at the date of this Prospectus, the Guarantor is 5.59 per cent. owned by AMC F1’s senior management, 37.01 per cent. owned by an investment consortium which is led by Lawrence Stroll (the “<u>Investment Consortium</u>”), and 57.4 per cent. owned by AMR GP Holdings Limited. Lawrence Stroll is the ultimate beneficial owner of AMR GP Holdings Limited. The shareholders of the Guarantor currently subscribe to a voting pact in favour of Lawrence Stroll, which, so long as such voting pact subsists, ensures Lawrence Stroll has ultimate control over the Group.</p> <p>The “<u>Group</u>” means the Guarantor and its subsidiaries taken as a whole, which will include the Issuer by virtue of it being a wholly-owned subsidiary of the Guarantor.</p> <p>Below is a table illustrating the Group structure at the date of this Prospectus:</p>

	<pre> graph TD UBO[Ultimate Beneficial Owner Lawrence Stroll] --> IC[Investment Consortium] UBO --> AMR_GH[AMR GP Holdings Limited] UBO --> TM[Team Management] IC -- 37.01% --> AMR_GL[AMR GP Limited] AMR_GH -- 57.4% --> AMR_GL TM -- 5.59% --> AMR_GL AMR_GL -- 100% --> AMR_GFP[AMR GP Finance PLC] </pre>
<p>Will the Bonds be secured?</p>	<p>The Bonds will benefit from security over certain assets when they are issued. The Issuer and the Guarantor will grant security for the benefit for the holders of the Bonds (the “<u>Bondholders</u>”) and other secured creditors specified in the Conditions (the “<u>Secured Creditors</u>”), as constituted by a security deed dated 8 November 2021 (the “<u>Security Deed</u>”). The benefit of the security will be held on trust, by U.S. Bank Trustees Limited (the “<u>Security Trustee</u>”) as appointed under the Security Deed, for and on behalf of itself, and the other Secured Creditors. The Issuer has also appointed Elavon Financial Services DAC, UK Branch as account bank (the “<u>Account Bank</u>”) pursuant to an issuer account bank agreement dated 8 November 2021 (the “<u>Issuer Account Bank Agreement</u>”) to hold certain amounts in a bank account in the name of the Issuer (the “<u>Issuer Bank Account</u>”).</p> <p>Such security includes:</p> <ol style="list-style-type: none"> 1. a first ranking fixed charge granted by the Guarantor over the shares of the Issuer; 2. a first ranking fixed charge granted by the Issuer over all of the rights, title and interest in and to any sums standing to the credit of the Issuer Bank Account and an assignment by way of security over all the Issuer’s rights, title and interest in and to (among other things) the Issuer Account Bank Agreement, the Issuer Bank Account and the paying agency agreement to be entered into on or before the Issue Date; and 3. if a Permitted Loan is made, an assignment by way of security by the Issuer of the Issuer’s rights and title and interest from time to time in the Permitted Loan (as defined below) (the “<u>Permitted Loan Assignment</u>”). <p>The Issuer Bank Account shall contain the sum of one year’s worth of Coupons, to be deposited by the Issuer on the Issue Date. Such amount will be used to pay the interest coupons “<u>Coupons</u>”) of the Bonds due on each of the Interest Payment Dates (as defined below) falling 18 and 24 months after the Issue Date.</p> <p>As noted below next to the heading “<i>What will Bondholders receive on a winding-up of the Group?</i>”) in the event of the Guarantor’s insolvency, the security created over the charged assets of the Issuer and the Guarantor and the proceeds from the disposal of the relevant charged assets following an enforcement event may not be sufficient to cover all potential claims in respect of the Bonds.</p>
<p>What will the Bondholders receive on a</p>	<p>If the Issuer becomes insolvent or is otherwise unable to meet its payment obligations under the Bonds, the security granted by the Issuer and the Guarantor will become</p>

<p>winding-up of the Group?</p>	<p>enforceable and the Guarantor will be required to satisfy any such payments on behalf of the Issuer pursuant to the Guarantee.</p> <p>In the event of the Guarantor's insolvency, the Bondholders, acting through the Bond Trustee and the Security Trustee, will have a claim against the assets of the Issuer and the Guarantor which are at that time secured for the benefit of the Security Trustee and the Bondholders as described next to the heading "<i>Will the Bonds be secured?</i>" above. To the extent there are still amounts due and payable to the Bondholders that are outstanding following appropriation of such secured assets in the manner described below, Bondholders will also have a residual unsecured claim against the Issuer under the Bonds and the Guarantor pursuant to the Guarantee.</p> <p>The security created over the charged assets of the Issuer and the Guarantor would become enforceable by the Security Trustee on behalf of the Bondholders if so directed by the Bond Trustee following the occurrence of an Event of Default. If the security becomes enforceable (which, most notably, would happen if the Issuer defaults on certain of its obligations under the Bonds), the Security Trustee or a receiver or administrator on its behalf would typically be able to take possession of the relevant assets and/or procure their sale or appoint a receiver to do so. Any proceeds would be held on trust for the Security Trustee, the Bond Trustee and the other Secured Creditors (including the Bondholders) in priority to other creditors (if any) and shareholders of the Issuer and the Guarantor. The Guarantor has also given an irrevocable guarantee that if the Issuer does not pay any sum payable by it under the Bonds or the Coupons by the time and date required by the Conditions (whether on the original due date, on early repayment of the Bonds or otherwise) then the Guarantor will pay that sum.</p> <p>If a Permitted Loan is made by the Issuer, the Issuer shall promptly effect the Permitted Loan Assignment in favour of the Security Trustee for the benefit of the Secured Creditors. If there is an Event of Default under the terms and conditions of the Bonds, then the effect of the Permitted Loan Assignment is that the Security Trustee (acting on the instructions of the Bondholders) may enforce the terms of the Permitted Loan against the WTOC, and if any amounts are recovered under the Permitted Loan, they will be available, following payment of certain costs related to enforcement (such as the fees of the Security Trustee), for payment to the holders of the Bonds.</p> <p>However, if the proceeds from the disposal of the relevant charged assets following an enforcement event proved to be insufficient to cover all amounts due and payable to Bondholders in respect of the Bonds and the Guarantee, the Bondholders (or the Bond Trustee on their behalf) would be dependent on making a claim as unsecured creditors of the Issuer and Guarantor (as applicable), and in respect of such claims would rank <i>pari passu</i> (i.e, equally in right of payment) with other unsecured creditors for satisfaction of any outstanding amounts. In the event that the proceeds available under the Permitted Loan have been spent on the construction and development of the Wind Tunnel, the Security Trustee would enforce the terms of the first floating charge over the assets of the WTOC, which should include the proceeds of the Wind Tunnel in order to return some proceeds to the Bondholders.</p> <p>The table below illustrates the ranking in priority of payment to the creditors of the Group, including the proposed Bondholders. Any fixed charge holders would take priority over unsecured creditors and once each category of secured lender has been satisfied in full, any residual monies would be payable firstly to the unsecured creditors of the relevant entity and then finally to the shareholders of the relevant entity.</p> <p>Please see the chart below for an overview of the ranking in priority of payments to the creditors of the Guarantor (including the proposed Bondholders, in respect of the Guarantee) in the event of the insolvency of the Guarantor.</p>
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	<p>Higher ranking</p>  <p>Lowest ranking</p>	Type of obligation	Examples of obligations
		Proceeds of fixed charged assets	For example, security in favour of the Security Trustee, which is for the benefit of, among others, the Bondholders, under the Security Deed, including in relation to the shares of the Issuer.
		Expenses of the liquidation/administration	Currently none
		Unsecured obligations, including guarantees in respect of them	For example, trade creditors and unsecured obligations, for instance any banking facilities and other financings. To the extent that the proceeds of the fixed charge are not sufficient to cover all amounts due and payable to Bondholders, Bondholders would also constitute unsecured creditors in respect of any residual amounts payable to them.
		Subordinated debt	Currently none
		Shareholders	The Guarantor's shareholders: Team Management (5.59%) Investment Consortium (37.01%) AMR GP Holdings Limited (57.4%)
The position in relation to the creditors of the Issuer is substantially the same as the above, save that the shareholder of the Issuer is the Guarantor and the relevant fixed charge security granted by the Issuer is in respect of the Issuer Bank Account.			
What assets are available to the Issuer to fund its obligations under the Bonds?	<p>The Issuer expects to receive revenues from one or more of the following sources: (i) payment of interest and principal received by it pursuant to loans made by the Issuer to the Guarantor under intercompany loan arrangements (if any) or in respect of a Permitted Loan, and (ii) if the Issuer constructs the Wind Tunnel and/or the New Factory, fees payable by the Guarantor to the Issuer in relation to the use of the Wind Tunnel and/or the New Factory (once built). The Guarantor also intends to provide further financing to the Issuer (whether by way of debt or equity), to the extent necessary for the Issuer to make payments of interest and principal under the Bonds.</p> <p>However, Bondholders should note that interest payments in respect of the Bonds will effectively be paid from cash flows generated from the business of the Guarantor because the business of the Group is generally conducted through the Guarantor. The Bondholders have direct recourse to the Guarantor by virtue of the Guarantee.</p>		
How are the covenants within the Terms and Conditions of the Bonds intended to protect Bondholders?	<p>The Conditions impose certain restrictions on the Issuer, the Guarantor and (indirectly) any other subsidiaries of the Guarantor.</p> <p>Firstly, neither the Guarantor nor its subsidiaries may incur any financial indebtedness (as described in the Conditions) ("<u>Financial Indebtedness</u>") after the Issue Date, except where certain financial ratios are met at the time such Financial Indebtedness is proposed to be incurred or where such indebtedness is Permitted FX Indebtedness.</p> <p><u>"Permitted FX Indebtedness"</u> means Financial Indebtedness under any one or more of the following agreements that are entered into with one or more financial institutions for non-speculative purposes: foreign exchange contracts, currency swap</p>		

	<p>agreements or other similar agreements or arrangements designed to protect against fluctuations in currency values.</p> <p>Secondly, the Issuer, the Guarantor and the Guarantor's subsidiaries sell, transfer or dispose of any land, asset, property, securities or other interests (each, an "<u>Asset</u>") (such sale, transfer or disposal, an "<u>Asset Sale</u>") other than where such Asset Sale is a Permitted Asset Sale.</p> <p>A "<u>Permitted Asset Sale</u>" means any one or more of:</p> <ul style="list-style-type: none"> (A) an Asset Sale from any member of the Group to any other member of the Group; (B) any Asset Sale of any Asset or revenues approved by the Bond Trustee (acting on the instructions of the holders of at least 25 per cent. in principal amount of the Bonds) or by extraordinary resolution of the Bondholders); (C) any Asset Sale of an Asset that is certified by the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor to be (i) redundant or obsolete and (ii) not required for the efficient operation of its business ((i) and (ii) together being the "<u>Relevant Asset Disposal Conditions</u>"), provided that where the relevant Asset being disposed of has a total book value in excess of £1,000,000 (or its equivalent in any other currency or currencies) prior to the relevant disposal, the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor shall certify that the Relevant Asset Disposal Conditions are met; (D) any Asset Sale at arm's length, on normal commercial terms; (E) any Asset Sale as may be required by the F1 Regulations to be entered into pursuant to the requirements of the regulations of the FIA from time to time; (F) any Asset Sale in connection with a Permitted Loan or Permitted FX Indebtedness; and (G) an Asset Sale of Assets or revenues not otherwise falling within the above, the book value of which when aggregated with the book value of other Asset Sales not falling within the above and made since the Issue Date does not equal or exceed an amount equal to 10 per cent. of the book value of the consolidated total assets of the Group as determined from the most recently prepared Financial Statements. <p>A "<u>Permitted Loan</u>" means a loan by the Issuer to the WTOC not exceeding £87,000,000, made with the purpose of procuring the development, construction and operation of the Wind Tunnel, with a maturity date on or before the Maturity Date, and secured in favour of the Issuer by way of a first floating charge over all of the assets of the WTOC. An Event of Default under the Bonds will constitute an Event of Default under the Permitted Loan.</p> <p>Thirdly, the Guarantor may not declare or pay any dividends and the Guarantor shall procure that no other member of the Group shall declare or pay any dividends other than to its wholly-owned parent or otherwise pursuant to contractual arrangements existing prior to the Issue Date.</p> <p>Fourthly, the Issuer shall use the net proceeds of the Bonds only (a) for the development, construction, operation and maintenance of the Wind Tunnel (as defined below), or procuring the same from a third party with the provision by the</p>
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	<p>Issuer of a Permitted Loan, (b) for the development, construction, operation and maintenance of the New Factory, (c) to fund the Issuer Bank Account, (d) for the repayment and cancellation of the Revolving Credit Facility (as defined below) and (e) for general corporate purposes. For further information, please see Conditions 5(A), 5(B), 5(C) and 5(D) of “<i>Terms and Conditions of the Bonds – Covenants</i>”.</p> <p>“<u>Revolving Credit Facility</u>” means the revolving credit facility entered into by the Guarantor and Barclays Bank PLC on 19 May 2020.</p> <p>In addition, the Issuer and Guarantor are each subject to customary reporting obligations, as further described in Condition 5(E) and Condition 5(F).</p>
How will interest payments on the Bonds be funded?	Interest payments in respect of the Bonds will effectively be paid from cash flow generated from the business of the Guarantor and the assets held by the Issuer. In relation to the interest payments to be made on each of the Interest Payment Dates (as defined below) falling 18 and 24 months after the Issue Date it is expected that the amounts retained in the Issuer Bank Account shall be applied to make such interest payments on such Interest Payment Dates.
What is the interest rate?	The interest rate payable on the Bonds will be fixed until the Maturity Date at 7.00 per cent. per year.
Can the interest rate change?	No, the interest rate payable on the Bonds is fixed for the life of the Bonds.
When will interest payments be made?	<p>The first payment of interest in relation to the Bonds is due to be made on 8 May 2022.</p> <p>Following the first payment, interest is expected to be paid on 8 May and 8 November in each year each, an “<u>Interest Payment Date</u>”) up to and including Maturity Date.</p>
How is the amount of interest payable calculated?	The Issuer will pay a fixed rate of 7.00 per cent. interest per year in respect of the Bonds. Interest will be payable in two semi-annual instalments. Therefore, for each £100 principal amount of Bonds that you buy on 8 November 2021, for instance, you will receive £3.50 on 8 May 2022 and £3.50 on 8 November 2022, and so on every six months until and including the Maturity Date (unless you sell the Bonds or they are repaid by the Issuer before the Maturity Date).
Will I be able to trade the Bonds?	<p>The Issuer will make an application for the Bonds to be admitted to trading on the London Stock Exchange plc, on its regulated market and through the ORB market. If this application is accepted, the Bonds are expected to commence trading on 8 November 2021.</p> <p>Once admitted to trading, the Bonds may be purchased or sold through an intermediary. The market price of the Bonds may be higher or lower than their initial issue price depending on, among other things, the level of supply and demand for the Bonds, movements in interest rates and the financial performance of the Group. See the section headed “<i>Risk Factors – Risks related to the market generally – There may not be a liquid secondary market for the Bonds and their market price may be volatile</i>” for further information.</p>
Do the Bonds have a credit rating?	No, the Bonds will not when issued be rated by any credit rating agency. Neither the Issuer nor the Guarantor currently has any intention of applying for a credit rating from any credit rating agency.
When will the Bonds be repaid?	The Issuer must repay all the Bonds on the Maturity Date (unless repaid earlier), which is 8 November 2026. The repayment amount under such circumstances will be equal to the principal amount of the Bonds plus any accrued but unpaid interest.

	<p>If a Change of Control Event occurs, the Bonds shall be redeemed in whole at their principal amount plus unpaid accrued interest up to the relevant date. The Issuer will give notice to the Bond Trustee and the Bondholders in accordance with the Conditions as soon as practicable following the occurrence of a Change of Control Event.</p> <p>A “<u>Change of Control Event</u>” shall occur if Lawrence Stroll no longer has the right to control more than 50 per cent. of votes that may ordinarily be cast on a poll at a general meeting of the Guarantor or to appoint and/or remove all or a majority of the members of the board of directors of the Guarantor (whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise).</p> <p>The Issuer may repay all or any part of the Bonds prior to the Maturity Date in the event that a change in United Kingdom tax law after the Issue Date results in the Issuer (or, if the Guarantee was called, the Guarantor) becoming obliged to increase the amounts payable under the Bonds or under the Guarantee. If the Issuer repays the Bonds in such circumstances, the repayment amount will be equal to the principal amount of the Bonds plus any accrued but unpaid interest up to the relevant repayment date.</p>
Do the Bonds have voting rights?	<p>Bondholders have certain rights to vote at meetings of the Bondholders but are not entitled to vote at any meeting of shareholders of the Issuer, the Guarantor or any other member of the Group.</p> <p>The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Bondholders, including a Bondholder who did not attend and vote at the relevant meeting and a Bondholder who voted in a different manner than the majority of Bondholders.</p>
Who will represent the interests of the Bondholders?	<p>U.S. Bank Trustees Limited (the “Bond Trustee”) is appointed to act on behalf of the Bondholders as an intermediary between Bondholders and the Issuer throughout the life of the Bonds. The main obligations of the Issuer and the Guarantor (such as the obligation to pay and observe the various covenants in the Conditions) are owed to the Bond Trustee. These obligations are enforceable by the Bond Trustee only, not the Bondholders themselves. Although the entity chosen to act as Bond Trustee is chosen and appointed by the Issuer and the Guarantor, the Bond Trustee's role is to protect the interests of the Bondholders in accordance with the terms of the Trust Deed.</p>
How do I apply for Bonds?	<p>Details on how to apply for the Bonds are set out in the section headed “<i>How to Apply for the Bonds</i>”.</p>
What if I have further questions?	<p>If you are unclear in relation to any matter, or uncertain if the Bonds are a suitable investment for your circumstances, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.</p>

HOW TO APPLY FOR THE BONDS

<p>How and on what terms will Bonds be allocated to applicants?</p>	<p>Applications to purchase Bonds cannot be made directly to the Issuer or the Guarantor. Bonds will be issued to applicants in accordance with the arrangements in place between them and their stockbroker or other financial intermediary, including as to application process, allocations, payment and delivery arrangements. Applicants should approach their stockbroker or other financial intermediary to discuss any application arrangements that may be available to them.</p> <p>It is important to note that none of the Issuer, the Guarantor, the Lead Manager or the Bond Trustee are party to such arrangements between applicants and the relevant financial intermediary. Applicants must therefore obtain this information from the relevant financial intermediary. Because they are not party to the dealings they may have with any financial intermediary, the Issuer, the Guarantor, the Lead Manager and the Bond Trustee will have no responsibility to applicants for any information provided to them by their appointed financial intermediary.</p>
<p>How many Bonds will be issued to investors?</p>	<p>The total amount of the Bonds to be issued may depend on the amount of Bonds for which indicative offers to purchase Bonds are received during the Offer Period (as defined below). This total amount will be specified in an announcement which the Issuer intends to publish via Regulatory News Service ("RNS") operated by the London Stock Exchange plc (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) on or about 1 November 2021 (the "Sizing Announcement").</p>
<p>How and when must applicants pay for their allocation and when will that allocation be delivered to them?</p>	<p>Applicants will be notified by the relevant financial intermediary of their allocation of Bonds (if any) and the arrangements for the Bonds to be delivered to them in return for payment.</p>
<p>When can the Authorised Offerors offer the Bonds for sale?</p>	<p>An offer of the Bonds may be made by the Lead Manager and the other authorised distributors in the United Kingdom, the Bailiwick of Guernsey ("Guernsey"), Jersey and/or the Isle of Man during the period from the date of this Prospectus until 12.00 noon (London time) on 1 November 2021 (the "Offer Period"), or such earlier time and date as agreed between the Issuer, the Guarantor and the Lead Manager and announced via RNS during the Offer Period.</p>
<p>Is the offer of the Bonds conditional on anything else?</p>	<p>The issue of the Bonds is conditional upon the Subscription Agreement being signed by the Issuer, the Guarantor and the Lead Manager. The Subscription Agreement will include certain conditions customary for transactions of this type which must be satisfied (including the delivery of legal opinions from legal counsel and comfort letters from the independent auditors of the Issuer and the Guarantor, in each case satisfactory to the Lead Manager). If these conditions are not satisfied, the Lead Manager may be released from its obligations under the Subscription Agreement before the issue of the Bonds. For further information on the Subscription Agreement, see the section headed "Subscription and Sale".</p>
<p>Is it possible that applicants may not be issued with the number of Bonds they apply for? Will they be</p>	<p>Applicants may not be allocated all (or any) of the Bonds for which they apply. This might happen for example if the total amount of orders for the Bonds exceeds the number of Bonds that are issued. There will be no refund as they will not be required to pay for any Bonds until any application for Bonds has been accepted and the Bonds have been allocated to them.</p>

refunded for any excess amounts paid?	
Is there a minimum or maximum amount of Bonds that applicants can apply for?	The minimum application amount for each investor is £1,000. The Issuer has not specified a maximum aggregate principal amount of the Bonds that any one applicant may apply for, save that any application over £1,000 must be in integral multiples of £100.
How and when will the results of the offer of the Bonds be made public?	The results of the offer of the Bonds will be made public in the Sizing Announcement, which will be published by the Issuer via RNS prior to the Issue Date. The Sizing Announcement is currently expected to be made on or around 1 November 2021.
Who can apply for the Bonds? Have any Bonds been reserved for certain countries?	Subject to certain exceptions, Bonds may only be offered by the authorised distributors in the United Kingdom, the Bailiwick of Guernsey, Jersey and/or the Isle of Man during the Offer Period (and to the extent that the relevant authorised distributor is appropriately authorised to make offers in the relevant jurisdiction(s), in accordance with all applicable laws, rules and regulations). No Bonds have been reserved for certain countries.
When and how will applicants be told of how many Bonds have been allotted to them?	Applicants will be notified by the relevant financial intermediary of their allocation of Bonds (if any) in accordance with the arrangements in place between them and their appointed financial intermediary.
Have any steps been taken to allow dealings in the Bonds before investors are told how many Bonds have been allotted to them?	No steps have been taken to allow the Bonds to be traded before informing investors of their allocation of Bonds.
What is the amount of any expenses and taxes specifically that will be charged to applicants?	<p>None of the Issuer, the Guarantor or the Lead Manager will charge applicants any expenses relating to the issue of the Bonds.</p> <p>The Bonds will be issued at the issue price (which is 100 per cent. of the principal amount of the Bonds), and the aggregate principal amount of the Bonds to be issued will be specified in a Sizing Announcement to be published by the Issuer by RNS at the end of the Offer Period. Authorised distributors may offer the Bonds at the issue price (i.e. 100 per cent. of the principal amount of the Bonds) or, if such financial intermediary charges applicants any expenses, then it may offer them the Bonds at a corresponding amount more than the issue price. For example, if their stockbroker or financial adviser charges them total dealing expenses of, for instance, 1 per cent., then he or she would offer the Bonds to them at 101 per cent. of the principal amount of the Bonds (i.e. a price of £101 per £100 Bond). Applicants must check with their stockbroker or financial adviser what expenses he or she will charge to them, and therefore what the offer price to them will be. Any such expenses charged by their financial intermediary are beyond the control of the Issuer, the Guarantor and the Lead Manager, are not knowable by the Issuer, the Guarantor or the Lead Manager, and must be disclosed to any potential investor by the relevant financial intermediary at the relevant time.</p>
What are the names and addresses of those distributing the Bonds?	<p>As of the date of this Prospectus, the persons listed below are the persons known to the Issuer and the Guarantor who intend to offer and distribute the Bonds during the Offer Period:</p> <p><i>Lead Manager</i></p>

	<p>Peel Hunt LLP</p> <p>100 Liverpool Street London EC2M 2AT</p> <p>Each of the Issuer and the Guarantor has granted consent to the use of this Prospectus by the persons listed above and other relevant stockbrokers and financial intermediaries in the United Kingdom, Jersey, the Bailiwick of Guernsey and/or the Isle of Man during the Offer Period on the basis of and so long as they comply with the conditions described in the section headed “<i>Important Legal Information – Consent</i>”. None of the Issuer, the Guarantor or the Lead Manager has authorised, nor will they authorise, the making of any other offer of the Bonds in any other circumstances.</p>
Will a registered market-maker be appointed?	<p>Peel Hunt LLP has agreed to be appointed as a registered market-maker through the London Stock Exchange’s order book for retail bonds (“<u>ORB</u>”) market in respect of the Bonds from the date on which the Bonds are admitted to trading on the London Stock Exchange plc’s regulated market and through the ORB market. Market-making means that a person will quote prices for buying and selling the Bonds during trading hours.</p>

DESCRIPTION OF THE ISSUER

Information about the Issuer

The Issuer was incorporated and registered in England and Wales on 21 September 2021 under the Companies Act 2006 as a public limited company with registered number 13633915 under the name of AMR GP Finance PLC. The principal legislation under which the Issuer operates is the Companies Act 2006.

The Issuer's registered office and principal place of business is Dadford Road, Silverstone, Northamptonshire, United Kingdom, NN12 8TJ and its telephone number is +44 01327 850940.

As of the date of this Prospectus, the total authorised share capital of the Issuer is £50,000 and the total allotted, issued and fully paid share capital of Issuer is £50,000 divided into 50,000 ordinary shares of £1 each, all of which are held by AMR GP Limited.

The Legal Entity Identifier of the Issuer is 213800PIHUI6Q1JRA467.

The Issuer's website is <https://www.astonmartinf1.com/investor-relations>. Any information contained in any website specified in this Prospectus does not form part of this Prospectus.

Principal activities and Funding Structure

The Issuer's objects and purposes are unrestricted.

The Issuer is organised as a special purpose company. The Issuer was established to raise money and finance the construction, development, operation and maintenance of the Wind Tunnel and/or the new factory that will replace the incumbent AMC F1 factory buildings (the "New Factory"), or to procure the construction, development, operation and maintenance of the Wind Tunnel from a third party via the provision of a Permitted Loan.

Since its incorporation, the Issuer has not commenced operations and has not engaged in material activities other than those incidental to its registration as a public limited company under the Companies Act 2006 and those related to the issue of the Bonds. The Issuer has no employees and no subsidiaries.

Other than its role as the issuer of the Bonds, the Issuer does not have any external financing arrangements as at the date of this Prospectus. The Issuer's only material assets will be proceeds from issuances of debt which will be made available by the Issuer to other entities within the Group (including the Guarantor) to be used for general corporate purposes, as well as payments of interest and principal in relation to a Permitted Loan (if any). The Issuer may also charge a fee to the Guarantor for use of the Wind Tunnel, upon its construction. The Issuer is dependent on other subsidiaries within the Group (and in particular the Guarantor) to satisfy its obligations in full and on a timely basis.

The Issuer does not have any assets as at the date of this Prospectus.

Directors and Secretary

Directors

The directors of the Issuer are Lawrence Stroll and Robert Yeowart.

The Company Secretary of the Issuer is the Group General Counsel, Anthony Indaimo.

For details of the Directors' backgrounds and other principal activities, please see "*Description of the business of the Group*".

The business address of each of the above persons is Dadford Road, Silverstone, Northamptonshire, United Kingdom, NN12 8TJ. There are no potential conflicts of interest between the private interests or other duties to third parties of the directors of the Issuer and their duties to the Issuer.

Corporate Governance

The Issuer is not a company with a primary equity listing and accordingly is not required to comply with the United Kingdom's corporate governance standards. Instead, as the Issuer is a direct wholly-owned subsidiary of the Guarantor, which is subject to certain obligations under the Companies Act 2006, it adheres to the corporate governance policies applied by the Guarantor to all of its subsidiaries.

Use of Proceeds

The Issuer will use the net proceeds for (a) the development, construction, operation and maintenance of the Wind Tunnel (as defined below), or procuring the same from a third party via the provision by the Issuer of a Permitted Loan, (b) to finance the development, construction, operation and maintenance of the New Factory (c) to fund and maintain the Issuer Bank Account and (d) for general corporate purposes.

Financial Information

Since the date of its incorporation, the Issuer has not commenced operations and no financial statements of the Issuer have been prepared as at the date of this Prospectus. The Issuer intends to publish its first financial statements in respect of the period ending on 31 December 2021. The financial year of the Issuer ends on 31 December in each year.

Reports and accounts published by the Issuer will, when published, be available for inspection during normal office hours at its business address set out above and within the "*Retail Bonds*" section of the Group's website, being <https://www.astonmartinf1.com/investor-relations>.

The Issuer has appointed BDO LLP of 55 Baker Street, London W1U 7EU, as its auditors. BDO LLP is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.

Recent Developments

There have been no recent events particular to the Issuer that are, to a material extent, relevant to the evaluation of the Issuer's solvency.

DESCRIPTION OF THE BUSINESS OF THE GUARANTOR AND THE GROUP

The Bonds will be issued by the Issuer and guaranteed by the Guarantor.

Information on the Guarantor and the Group

The Guarantor was incorporated and registered in England and Wales on 2 August 2018 under the Companies Act 2006 as a private limited company with registered number 11496673 under the name of Racing Point UK Limited, before changing its name to AMR GP Limited on 6 January 2021. The principal legislation under which the Guarantor operates is the Companies Act 2006. The Guarantor's objects and purposes are unrestricted.

The Guarantor's registered office and principal place of business is Dadford Road, Silverstone, Towcester, Northamptonshire NN12 8TJ and its telephone number is +44 1327 850 740.

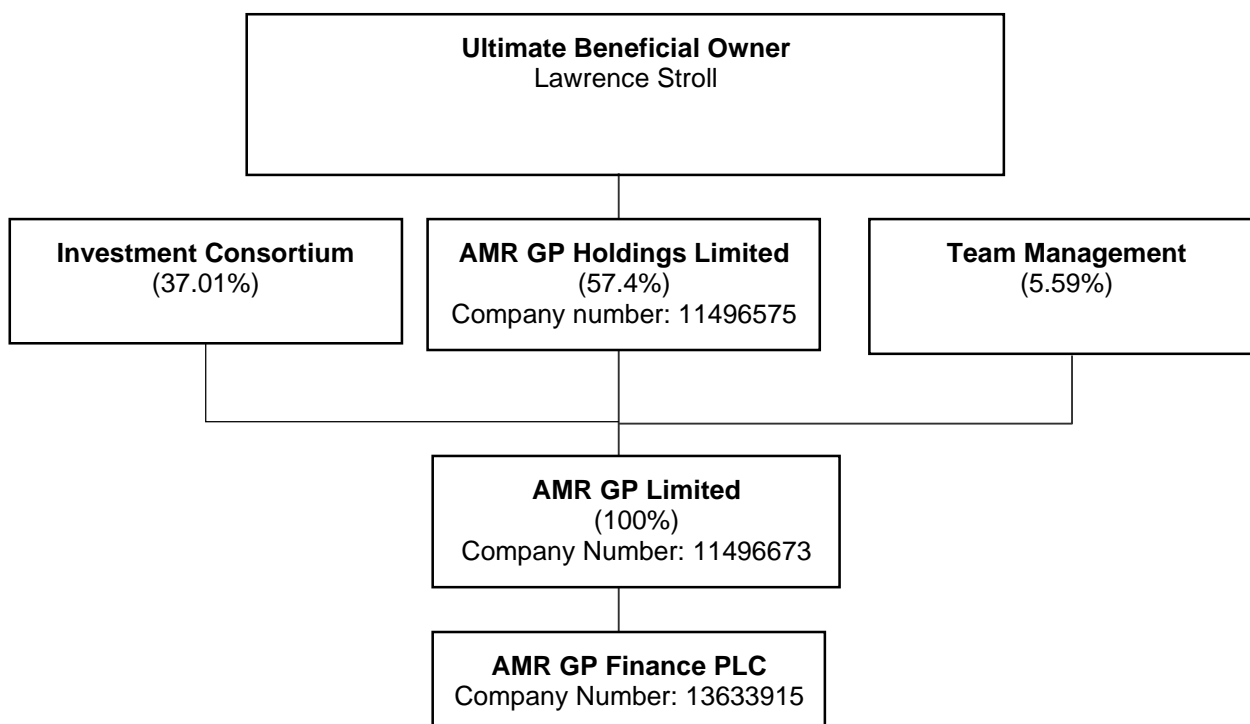
The Legal Entity Identifier of the Guarantor is 213800DB789YK8IM2R04.

The Guarantor's website is <https://www.astonmartinf1.com/investor-relations/>. Any information contained in any website specified in this Prospectus does not form part of this Prospectus.

Ownership structure

The Guarantor is the sole shareholder of the Issuer. As at the date of this Prospectus, the Guarantor is 5.59 per cent. owned by the Guarantor's senior management, 37.01 per cent. owned by an investment consortium which is led by Lawrence Stroll (the "Investment Consortium"), and 57.4 per cent. owned by AMR GP Holdings Limited, a private limited company incorporated in England and Wales with registered number 11496575. Lawrence Stroll is the ultimate beneficial owner of AMR GP Holdings Limited.

The following diagram illustrates the simplified ownership structure of the Group:



Overview

The Guarantor's business and principal activity is the operation and management of the Aston Martin Cognizant F1 Team ("AMC F1") through the design and manufacture of racing cars for participation in the Constructors' Championship.

The FIA is the sport's governing body. Liberty Media Corporation ("Liberty") and its subsidiaries (the "F1 Group") are responsible for the promotion of the Constructors' Championship and exercising the sport's commercial rights.

The first Constructors' Championship was held in 1950 and the Constructors' Championship is now the largest annual global sporting event in the world, with a cumulative television audience of 1.5 billion in 2020. There are currently ten teams taking part in the Constructors' Championship, each represented by two drivers. The F1 teams are (in the order that they (or their predecessor team) finished in the 2020 Constructors' Championship):

1. Mercedes;
2. Red Bull Racing Honda ("Red Bull");
3. McLaren Renault;
4. Racing Point BWT Mercedes (now Aston Martin Cognizant Formula 1 Team);
5. Renault (now Alpine F1 Team) ("Alpine");
6. Ferrari;
7. AlphaTauri Honda ("AlphaTauri");
8. Alfa Romeo Racing Ferrari ("Alfa Romeo");
9. Haas Ferrari Team; and
10. Williams Mercedes,

(each an "F1 Team" and together, the "F1 Teams").

The relationship between the F1 Teams, the F1 Group and the FIA is governed by the Concorde Agreement, one of the key aims of which is to govern the distribution of the prize fund allocation under the Concorde Agreement (the "Prize Fund") between the F1 Teams, based on both the F1 Teams' participation in the Constructors' Championship and the finishing position at the end of the Constructors' Championship. Each F1 Team receives a share of the Prize Fund based on the profits earned from F1 related commercial activities managed by F1 Group, including television broadcasting revenues, sponsorship, hospitality and income from race promoters. The current Concorde Agreement came into effect at the start of 2021 and differs from the previous agreement in two fundamental aspects:

1. The Prize Fund distribution is much more equitable and all F1 Teams have equal entitlement (based on their finishing position in the Constructors' Championship), with only Ferrari receiving an enhanced payment (irrespective of their finishing position) by virtue of being the only F1 Team to have participated in every Constructors' Championship since the inception of F1. This new arrangement is beneficial to teams such as AMC F1 who did not receive any fixed bonuses under the previous agreement, and so were disadvantaged as compared to the multiple teams that did receive such bonuses.
2. The limitation of the number of participants in the Constructors' Championship creating a "franchise value" for all existing entrants. The series is limited to no more than 12 teams and the F1 Teams must give approval for any new entrants. Any new F1 team must make a payment of \$200 million which is then distributed to the existing participants over the following two years to offset the dilution of their Prize Fund entitlement. There are currently ten F1 Teams.

As well as a new Concorde Agreement, 2021 saw the introduction of the F1 financial regulations (the "Financial Regulations"). These new regulations sit alongside the existing technical regulations (the "Technical Regulations") and sporting regulations (the "Sporting Regulations") and are governed by the FIA. The objectives of the Financial Regulations are:

1. to promote the competitive balance of the Constructors' Championship through financial parity;
2. to promote the sporting fairness of the Constructors' Championship; and
3. to ensure the long-term financial stability and sustainability of the F1 Teams whilst preserving the unique technology and engineering challenge of F1.

The Financial Regulations limit the amount of money that F1 Teams can spend on development of their racing cars and the operation of their teams. Whilst there are some exclusions from the cost cap (see further, “Regulations” below), the cost cap should mean that most F1 Teams spend reasonably similar amounts each year (subject to having the funds available to spend up to the cost cap), which the Guarantor expects should end the status quo of the last decade where the championship was dominated by the three teams with the highest budgets (Mercedes, Red Bull and Ferrari). The Guarantor believes that the Financial Regulations will create an environment for F1 Teams to compete based on their ability to spend their budget efficiently rather than using unlimited spending to gain a competitive advantage. The Guarantor considers that AMC F1 is in the unique position of being the only F1 Team to be able to increase its budget to strategically optimise to the Financial Regulations (i.e., because its previous spending was below the cost cap in any case).

F1 cars rely on progressive technology, advanced turbo-hybrid engines and innovative aerodynamics. Technological developments and evolving F1 Regulations require the design and production of a new racing car every year and constant developments and upgrades during the course of each year. In order to maximise the performance and safety of the F1 cars, while complying with the strict technical regulations set out by the FIA, a significant proportion of time and budget spend is dedicated to research and development, which includes aerodynamic testing carried out in wind tunnels, as well as modelling using advanced computer simulation tools including computational fluid dynamics (“CFD”). With the Wind Tunnel, experiments are made by blowing wind over a real object (i.e, a model of the F1 car) in a controlled environment and measuring the aerodynamic forces that arise. With CFD, the same experiment may be conducted in the form of a computer simulation. The goal of the Guarantor in both the use of the Wind Tunnel and of CFD is to simulate the aerodynamic behaviour of a F1 car.

Aerodynamic performance is one of the most competitive areas of car design. By constructing and operating the Wind Tunnel and the New Factory (or the procurement by the Issuer of the development, construction and operation of the Wind Tunnel), AMC F1 will be able to incorporate the most up to date and advanced technology in order to develop its car and improve the overall competitiveness and performance of the team.

Currently, AMC F1 rents time in wind tunnels belonging to another F1 Team. This limits the amount of testing time AMC F1 can have as well as limiting availability to whenever spare capacity is available, meaning that AMC F1 gets the sub-optimal times (Friday, Saturday and Sunday). This limits the team’s ability to attract the best aerodynamic talent. By having its own wind tunnel or priority access to a wind tunnel that is held by a third party and available for AMC F1’s use, AMC F1 believes it should gain the flexibility to learn from each session, stagger testing times to suit the aerodynamic concept pipeline and enable it to attract the best technical talent. In addition, by having its own wind tunnel or access to a wind tunnel that is held by a third party and available for AMC F1’s use, AMC F1 will be able to significantly reduce third party expenditure currently paid to the supplying F1 Team for rental.

These material developments in the sport are taking place at the same time as AMC F1 is seeking to improve and enhance its own structure and processes, for example by benefiting from the strategic guidance of Lawrence Stroll as well as AMC F1’s partnership with Aston Martin. Furthermore, AMC F1 believes the Wind Tunnel and New Factory utilising what AMC F1 considers to be state-of-the-art technology, will be cornerstones of the team’s aspirations to progress to the front of the grid, with the commensurate material improvements in Prize Fund and sponsorship revenues that are expected to follow.

The New Factory will be the first new facility in F1 for nearly 20 years, and will be the only facility to be constructed specifically with the Financial Regulations in mind. As a result, AMC F1 believes it will have access to improved facilities and infrastructure, including effective software and data management systems that the Guarantor believes will enable AMC F1 to develop a car capable of challenging the top teams.

AMC F1’s two drivers for the 2021 F1 season are multiple podium finisher Lance Stroll, and four-time World Champion Sebastian Vettel, who signed for AMC F1 for the 2021 season, having previously raced for both the Red Bull and Ferrari F1 Teams. Both Lance Stroll and Sebastian Vettel have also signed for AMC F1 for the 2022 F1 Season. In the event that a driver may need to be replaced, the Guarantor considers there will be a number of world-class drivers for AMC F1 to choose from as a suitable replacement, including Nico Hulkenberg, who is contracted as AMC F1’s reserve driver for the 2021 season.

History and development

The Guarantor, formerly known as Racing Point UK Limited, was established in August 2018 by Lawrence Stroll and the Investment Consortium in order to acquire the assets of the Force India F1 Team, following the

appointment on 27 July 2018 of joint administrators for that team. The team was rebranded as the BWT Racing Point F1 Team at the start of the 2019 F1 season.

Following a sponsorship and branding rights agreement with Aston Martin Lagonda Limited ("AML") in February 2020, BWT Racing Point F1 Team was rebranded as Aston Martin Cognizant F1 in January 2021, bringing the Aston Martin name back to the F1 grid for the first time since 1960. The Guarantor was consequently renamed AMR GP Limited. The application of the Aston Martin brand to the F1 team owned and operated by the Guarantor provided it with both an improved global marketing platform and a partnership with an internationally recognised luxury brand symbolising quality, innovation and performance.

Financial Overview

In the financial period ended 31 December 2020, the Guarantor's total operating costs were £32,982,000 and the Guarantor had a total net income of £17,727,000 (as compared to £69,880,000 total operating costs and £62,294,000 net loss for 31 August 2020).

In the financial period ended 31 December 2020, the Guarantor's earnings before interest, tax, depreciation and amortisation ("EBITDA") was £(17,679,000) and overall the Guarantor operated at a net loss of £17,727,000 (as compared to EBITDA of £(43,298,000) and a net loss of £62,294,000 for 31 August 2020).

For the financial period ended 30 June 2021, the Guarantor's total operating costs were £34,713,000 and the Guarantor had a total net loss of £8,176,000. For the financial period ended 30 June 2021, EBITDA was £(2,439,000).

As referred to above, in August 2018, the Guarantor acquired the assets of the Force India F1 team. Each of the predecessor teams to AMC F1 before August 2018 was owned by third parties unconnected to the current shareholders.

AMC F1 has already increased revenues generated from sponsorship agreements as compared to the previous incarnation of the team as "Force India" (for example by leveraging the relationship with Aston Martin and benefiting from the improved terms of the Concorde Agreement).

Each of (i) the Concorde Agreement, (ii) significantly improved sponsorship income and (iii) improved performance in the Constructors' Championship in 2020 contributed to significantly higher income in 2021 than in previous years. Operating costs have continued to grow in line with the strategic objectives of the team, rising from £32,982,000 as of 31 December 2020 to £34,713,000 as of 30 June 2021. AMC F1 also believes that it can benefit from the guidance of Lawrence Stroll and the Executive Committee (as described below), who have embedded and streamlined systems and processes to provide a firm foundation for greater financial and operational stability.

AMC F1's principal revenue streams can be divided into two main parts: payments received from the F1 Group under the Concorde Agreement, and income from sponsorship.

Payments received from F1 Group under the Concorde Agreement

The F1 Group distributes profit (referred to as "EBIT" in the Concorde Agreement) to the F1 Teams, which is generated through four main sources:

1. media rights sales (including television broadcasting contracts);
2. race promotion;
3. sponsorship; and
4. other sources such as hospitality, support series and travel services.

Revenues received from the F1 Group by each F1 Team are based on two main factors:

1. position in the previous year's Constructors' Championship; and
2. historic Constructors' Championship performance (for example, finishing in the top three in the last ten years; winning a Constructors' Championship; and winning multiple Constructors' Championships).

Please see the "*Concorde Agreement*" section below for further details.

Revenues under sponsorship agreements

AMC F1 recruited a new Managing Director (Commercial & Marketing) in early 2020 (Jefferson Slack). The entire marketing operation of the business was restructured with the inclusion of highly experienced individuals that are renowned in sports marketing.

This change, combined with the rebranding of the team as Aston Martin, the recruitment of Sebastian Vettel and the strong Constructors' Championship position in 2020 resulted in strong growth in AMC F1's sponsorship portfolio over the winter of 2020/21.

For the 2021 Constructors' Championship, AMC F1 has a number of high-value sponsorship agreements with its partners, and has contracts in place which are expected to generate income from sponsorship of at least £70 million per annum to year-end 2023.

AMC F1's highest revenue-generating sponsors are AML and its title partner, Cognizant. See the "*Branding and sponsorship agreements*" section below for further details.

Strategy, business and objectives of Liberty for the F1 Group

Since Liberty took over custodianship of F1 in 2017, it has changed how the F1 Group goes-to-market, with what AMC F1 believes are more open and collaborative ways of working, a solutions-focused approach to new opportunities and a commitment to have fans at the centre of every decision.¹

Liberty has set out a strategy to ensure long term sustainability for F1 based around six strategic priorities:

1. **Race:** increase competitiveness and unpredictability on track;
2. **Engage:** produce world-class spectacles for fans on and off track;
3. **Perform:** drive value for stakeholders;
4. **Sustain:** deliver sustainable and efficient operations;
5. **Collaborate:** create win-win relationships with partners; and
6. **Empower:** build an engaged, high-performing workforce.

F1 is estimated to have 500 million fans worldwide, which is more than each of the English Premier League, the US National Football League and Major League Baseball. Liberty's first stated objective is to improve the racing product that the F1 Group delivers to its fans in order to continue growing its fan base and appeal to new markets – particularly in the US and in Asia. This goes hand in hand with Liberty's expressed objective of improving the enterprise value of the F1 Teams by creating a franchise model, which AMC F1 believes will lead to significant growth potential for all stakeholders, as well as incentivise further investment.

In order to appeal to fans and create a franchise model that can be commercialised by both Liberty and other participants, including F1 Teams, the F1 Group has introduced the following measures:

1. Introduction of an anti-dilution payment of \$200m, which is payable by any new entrant and distributed between F1 Group and the F1 Teams (see "*Overview*" section above);
2. A revised revenue distribution model, which is more equitable with a greater emphasis on on-track performance (see "*Overview*" section above);

¹ Source: Liberty presentation, November 2020 <http://libertymedia.com/pdfs/Liberty-Media-Corp-Thursday-November-19-2020.pdf>

3. Expansion of the race calendar and hosting races in new territories with the USA being a particular target;
4. Updating F1 Group's commercial model to leverage all available platforms and explore synergies to develop the overall brand proposition, including in relation to broadcasting, sponsorship, licensing, live events and races, gaming and digital content; and
5. The imposition of a cost cap under the Financial Regulations, from 2021, and the new Technical Regulations, from 2022, including a reduction in aerodynamic testing on a sliding scale and the introduction of some standardised and open-source parts, all of which are designed to level the playing field, ensure financial sustainability and increase the quality of racing (see "*Regulations*" section below).

The F1 Group has also been active in engaging with communities and also in COVID-19 relief efforts. In June 2020, F1 Group launched the #WeRaceAsOne campaign, as a way for the sport to help tackle some of the biggest issues facing motor racing and the wider world addressing the challenges of racism, sustainability, global inequality and the COVID-19 pandemic.

The F1 Group has also expressed its environmental and sustainability strategy for F1. The overarching aim is for the sport to achieve net zero carbon emissions by 2030. In order to achieve this, the F1 Group intends for all F1 facilities, factories and venues to be powered by renewable energy by 2025. In 2020, Liberty succeeded in reducing the overall amount of cargo transported to races by 34 per cent. and achieved a 36 per cent. reduction in its travelling headcount. On the racing side, power unit emissions now account for less than one per cent. of F1's carbon footprint and the intention is for F1 to graduate to 100 per cent. advanced sustainable fuels, with changes to the technical regulation governing power units expected to be in place from 2026. Currently, F1 power units already deliver a higher power to fuel ratio than any road car with a thermal efficiency of over 50 per cent.. F1 power units are the most advanced in the world and power unit manufacturers often use F1 as a testing ground for new technology, focusing on energy recovery and overall efficiency, and these new technologies are often subsequently scaled for commercial use in the new generation of sustainable road cars.

The Guarantor believes the resultant effect of the F1 Group's strategy, guided by Liberty, is that F1 will increase its appeal to fans and harness its commercial potential, as well as making sure F1 continues to increase its global footprint in an environmentally responsible and sustainable manner.

Strategy, business and objectives of AML

AML, as a renowned luxury car maker with a historical connection with F1, has made its association with AMC F1 a key component of its business plan. The Guarantor believes that AML's engagement with F1 and commitment to AMC F1 elevates the AML brand and gives AML the opportunity to increase its visibility, using F1 as a global platform. The Guarantor believes the partnership between AML and AMC F1 is to the benefit of both parties and is cyclical in nature, given that AMC F1's improved on-track performance should improve the AML brand reputation and sales, which in turn should increase sponsorship income and the reputation of AMC F1 and therefore increase revenues and opportunities for both parties.

Strategy, business and objectives of the Group

Future strategy

AMC F1 has a multi-faceted strategy which is being deployed with a view to improving its on-track performance, and increasing its Prize Fund allocation, income from sponsorship and the team's overall marketability. The key objectives of AMC F1's strategy are to be strong contenders for the Constructors' Championship by 2024 and to develop the team's business strategy in order to increase the enterprise value of the Group and AMC F1.

The strategy is centred on harnessing the Aston Martin brand and utilising the direction and strategic oversight of Lawrence Stroll in order to explore synergies with partners, leverage partnerships and increase sponsorship revenues. Mr Stroll is a very well-known businessman and is consistently ranked in the Forbes annual list of billionaires. He has achieved significant success over the years by investing in and developing some of the most globally recognised brands, including Ralph Lauren, Tommy Hilfiger and Michael Kors and

Tommy Hilfiger, under Mr Stroll's direction, sponsored certain F1 teams in the 1990s. He is respected in the motorsport industry and has had an extensive and collaborative association with F1 for more than 30 years. Over that time, the Guarantor believes that he has developed a reputation for integrity and has a proven track record as sponsor of Team Lotus in the 1990s and overseeing the development of the Prema Powerteam, which has won numerous drivers' championships in the GP2 racing series, Formula 3 and Formula 4. Mr Stroll is the Executive Chairman of Aston Martin Lagonda Global Holdings plc ("AMLGH"), and is also a significant shareholder, having led an investment consortium's acquisition of a significant equity interest in AMLGH (the parent company of AML). The Guarantor therefore believes that Mr Stroll plays a fundamental role in the overall strategy and direction of the AML group. Through Mr Stroll's performance in the business and sporting world, the Guarantor believes that he has demonstrated not only his commitment to the sport, but also an understanding of the nature of operating and managing a motorsports business and the unique proposition that is F1. In parallel, AMC F1 is increasing its technical capability and capacity to create the infrastructure to develop Constructors' Championship-challenging race cars.

Since acquiring the assets of Force India F1 team (including its employees) in 2018, AMC F1 has had a strong focus on establishing a highly experienced and skilled executive leadership team. The key technical and operational leaders have been retained on long term contracts and the business leadership has been transformed with the addition of a Chief Financial Officer (September 2018), Managing Director (Commercial & Marketing) (February 2020), Chief People Officer (August 2021), Group General Counsel and Executive Director (September 2021) and Group Chief Executive Officer (October 2021).

This enhanced leadership team enabled the creation of a formal executive committee to ensure that the Group's future strategy is managed effectively (the "Executive Committee"). The Executive Committee was finalised in September 2021.

The Executive Committee consists of a team of highly experienced senior executives with a broad range of skills, experiences, perspectives and backgrounds who are responsible for managing the business with supervisory and executive mandates, including formulating, reviewing and approving the Group's strategy, budget allocation, risk management processes and corporate actions.

The Executive Committee is composed of:

1. Lawrence Stroll (Executive Chairman of the Board);
2. Martin Whitmarsh (Group Chief Executive Officer);
3. Otmar Szafnauer (Chief Executive Officer and Team Principal);
4. Andrew Green (Chief Technical Officer);
5. Andrew Stevenson (Sporting Director);
6. Robert Yeoward (Chief Financial Officer);
7. Jefferson Slack (Managing Director (Commercial & Marketing));
8. Anthony Indaimo (Group General Counsel);
9. Heath Cade (Chief People Officer); and
10. Robert Halliwell (Chief Operating Officer).

See the section "Executive Committee" below for the biographies of each member of the Executive Committee.

The Executive Committee is a fundamental enhancement in the management structure and an improvement in technical leadership in accordance with best practice and the highest standards of corporate governance.

The Executive Committee is supported by holistic updates to AMC F1's infrastructure and systems. The team has implemented a new enterprise resource planning platform and is currently undertaking an entire business process engineering exercise with the aim of obtaining access to real-time management information, which AMC F1 believes will provide better visibility over, amongst other things, inventory and work-in-progress. For example, this means that the team can control its stock position and decide when parts should be manufactured in-house or be subcontracted. AMC F1 has already seen an acceleration in production, along with improvements across production control, procurement, warehouse management, quality management and overall project management. AMC F1 believes that the full modernisation of AMC F1's systems and software means that the Executive Committee will have the information it needs, in real time, to identify trends, anomalies and to manage risk.

AMC F1's major upgrades to, and investment, in its systems and processes aligns with the changes brought about by the 2021 Financial Regulations and the 2022 Technical Regulations. For example, the team can now make informed projections and undertake a "pound for lap time" ratio analysis in order to objectively assess how much an upgrade might cost, versus another, and the resultant improvement in lap time for each option.

The Executive Committee is supported by a highly experienced workforce, including the management team who are composed of each of the relevant heads of the business units. In addition, AMC F1 is in the process of bringing on board a number of external hires, including highly-proficient technical personnel, such as: Luca Furbatto from Alfa Romeo, who will be undertaking the role of Engineering Director; Dan Fallows from Red Bull, who will be undertaking the role of Technical Director; and Mark White from Honda UK Manufacturing Ltd, who joined in August 2021 as Operations Director. AMC F1 aims to attract, engage and retain a diverse range of talented people to build on the strong foundation for the future, which AMC F1 believes is illustrative of Lawrence Stroll's commitment to AMC F1.

AMC F1 also has short and long term work streams in place for deploying clear and effective environmental, sustainability and governance ("ESG") initiatives to achieve improved sustainability, greater efficiency and, ultimately, carbon neutrality by 2030. The Wind Tunnel, for example, is designed to harness solar energy. AMC F1 is also contributing to the local community by investing in projects designed to encourage children to develop a passion for science, technology, engineering and mathematics. AMC F1 believes that ensuring the team is operating in an increasingly clean, efficient and diverse manner will not only appeal to sponsors and fans, but will ensure that AMC F1 can continue to prosper within a global sport that continues to evolve and appeal to new markets and demographics, particularly in the USA and in Asia.

New Factory

In tandem with all of the above, AMC F1 is also increasing its research and development and manufacturing capability, in particular with the construction of a new "smart" factory at its headquarters in Silverstone. The New Factory will replace the incumbent factory buildings, which AMC F1 has outgrown, and is due to be operational by August 2023.

The New Factory is the first new facility in F1 for nearly 20 years, and is the only facility to be constructed specifically with the Financial Regulations in mind. As a result, AMC F1 will have access to improved facilities and infrastructure, including effective software and data management systems that the Guarantor believes will enable AMC F1 to develop a car capable of challenging the top teams.

Wind Tunnel

In addition to the New Factory, the Wind Tunnel is a key element in AMC F1's strategy for enhancing its F1 car and so the team's overall proposition. AMC F1 believes that the Wind Tunnel will represent the latest in aerodynamic technology, and the team is working closely with industry-leading contractors in order to build (or procure the building by a third party), operate and maintain a sophisticated and effective facility. The Wind Tunnel is an atmospheric, low speed, closed return research facility featuring a steel belt rolling road system to simulate a race car moving along the track and is integrated with market leading flow imaging systems. The model motion system and the tunnel control systems allow the model to be evaluated to the limits imposed by the FIA for scale model testing in F1.

The Wind Tunnel will also result in AMC F1 not needing to incur significant cost in hiring wind tunnel time from third parties. Instead, AMC F1 can develop and customise its own facility, which the team believes has the potential to improve the correlation between testing data and real life application to the racing car, with a corresponding positive effect on AMC F1's on-track performance.

Whilst the planning permission for the Wind Tunnel is yet to be granted, AMC F1 has had positive indications from local authorities and the team believes that planning permission for the construction of the wind tunnel will be granted no later than Q1 2022 (though this cannot be guaranteed, as to which see "*Risk Factors — The construction of the Wind Tunnel is subject to receiving planning permission from the relevant authorities*").

2021 F1 Season

Constructors' Championship

AMC F1's performance in the 2021 Constructors' Championship has fallen below the team's expectations and objectives. Over the winter of 2020/21, the FIA imposed a significant aerodynamic rule change which impacted AMC F1 and Mercedes (the only two teams who develop cars with a "low-rake" aerodynamic philosophy, meaning that the angle between the front of the car and the rear is very low) more than their competition. Despite this early set back, AMC F1 has had some highlights, including Sebastian Vettel securing second place in the Azerbaijan Grand Prix, and regular point-scoring finishes for both drivers.

Despite a challenging 2021 season, the overhaul of the Technical Regulations for the 2022 season is expected to reset performance levels across the grid, and the Guarantor believes that the cost cap imposed by the Financial Regulations will be an opportunity for AMC F1 to play to its inherent strengths and break out of the "mid-field" to challenge the top four F1 Teams. AMC F1 currently operates below the cost cap and so it is anticipated that the team will be able upscale its operations to its advantage when compared to the top F1 Teams, who have historically incurred operating costs far in excess of the new cost cap, and so will have to reduce their spending.

COVID-19

2020

As a result of the reduction in the number of races on the calendar from 23 to 17 due to the COVID-19 pandemic, together with a markedly reduced fan attendance, the prize money for 2020 was reduced by over 50 per cent. All F1 Teams experienced a decrease in revenues as a result of the reduction in the Prize Fund.

Due to the delayed start to the 2020 Constructors' Championship and the uncertainty created by the COVID-19 pandemic, AMC F1's management team acted swiftly to reduce the cost base of the Group. For example, almost all of AMC F1's factory staff were furloughed as the factory closed for nine weeks. In addition, all wages were reduced by 20 per cent. for three months. This meant that AMC F1 was able to reduce costs at a time when revenues were uncertain. All furloughed staff were retained and no redundancies were made.

As the season commenced in July 2020, AMC F1 then experienced higher operating costs as a result of jurisdiction-specific COVID-19 rules and regulations, as well as COVID-19 specific regulations imposed by the FIA. Specifically, AMC F1 chartered aircraft in order to ensure the safety and welfare of its staff and was obliged to participate in a rigorous FIA testing regime in order to comply with the FIA and the UK government's strict COVID-19 protocols. AMC F1's accommodation costs were increased as a result of having to keep the team in "bubbles" (meaning that AMC F1 could not share hotels with other teams and all team members had to have their own hotel rooms). Additional costs were also incurred due to the uncertain race calendar, which meant that AMC F1 had to rely more heavily on air-freighting cars and parts to races at short notice, rather than sea-freighting.

As a result of the above factors, the overall financial impact to AMC F1 was approximately £37 million.

2021

AMC F1 continues to apply strict protocols in relation to the COVID-19 pandemic, including mandatory daily lateral flow testing of all personnel and visitors to its factory site.

Ultimately, F1 as a whole has adapted to the COVID-19 pandemic and innovated by implementing various initiatives to engage and retain fans. In the 2021 F1 season, F1 is expected to deliver 22 races, which is the highest number of races organised in a season. A testament to F1's adaptability and resilience is illustrated by the success of the British Grand Prix at Silverstone in July 2021, where over 140,000 fans attended the race. However, many of the races have been "closed" events and there has been some disruption to the calendar. This has reduced the Prize Fund by approximately 20 per cent. compared to expected pre-COVID-19 levels.

Material Contracts

Branding and sponsorship agreements

The Group achieves high brand visibility through participation in the Constructors' Championship, allowing the Group to benefit from a significant revenue stream from sponsorship.

AML

On 27 February 2020, AML and the Guarantor (then known as Racing Point UK Limited) entered into a sponsorship and branding rights agreement (the "AML Sponsorship Agreement") pursuant to which AML granted the Guarantor the worldwide royalty-free right to use the "Aston Martin" name, logo and branding (the "AML Branding") in relation to its participation in F1 for an initial ten-year term starting on 1 January 2021, with the possibility to extend for a further five years by mutual agreement between AML and the Guarantor (the "Branding Arrangements"). Under the Branding Arrangements, the Racing Point F1 team became the Aston Martin F1 team with effect from the start of the 2021 F1 season.

In addition to the Branding Arrangements, under the AML Sponsorship Agreement, AML agreed to sponsor AMC F1 for a ten year term, subject to a sponsorship valuation process and certain limited break options after five years (the "AML Sponsorship Arrangements"). During the term of the AML Sponsorship Arrangements, AML will pay sponsorship fees to the Guarantor in return for receiving certain sponsorship, hospitality and promotional benefits. If the AML Sponsorship Arrangements are not renewed or are otherwise terminated, the Guarantor would continue to use the AML Branding in respect of its participation in F1 for the remainder of the term of the Branding Arrangements.

Under the AML Sponsorship Agreement, from 1 January 2021 to 31 December 2025, AML has the right to subscribe for 5 per cent. of the share capital of the Guarantor. For so long as the Branding Arrangements remain in effect, AML has the right to appoint its Chief Executive Officer on the Guarantor's board in order to protect the use of AML Branding and have oversight of financial and racing performance. Pursuant to the AML Sponsorship Agreement, neither AML nor any of its affiliates may sponsor, supply or otherwise partner with another F1 team.

Cognizant

On 14 December 2020, the Guarantor entered into a multi-year sponsorship and branding rights agreement with Cognizant Technology Solutions U.S. Corporation (the "Cognizant Sponsorship Agreement") whereby Cognizant, a company which provides consulting and professional services in the field of information technology ("IT") was appointed as AMC F1's title sponsor for the term of the Cognizant Sponsorship Agreement. During the term of the Cognizant Sponsorship Agreement, Cognizant will pay sponsorship fees to the Guarantor in return for receiving certain sponsorship, hospitality and promotional benefits, including display of Cognizant's logo and brand name on (among other items), AMC F1's racing cars, apparel (including drivers' suits and helmets), garage and paddock suites, press materials and digital activities by granting a worldwide, non-exclusive, royalty free licence to use Cognizant's logo and brand name.

Pursuant to the Cognizant Sponsorship Agreement, Cognizant is also the 'supplier of choice' in respect of certain IT services requirements to be purchased by the Guarantor, including at the New Factory. In response to the COVID-19 pandemic, the Guarantor has sought to manage its exposure to race cancellations under the Cognizant Sponsorship Agreement. If races are cancelled as a result of the COVID-19 pandemic such that the number of races held during the relevant season is 16 or fewer, there is an agreed and controlled means of reducing the sponsorship fees payable by Cognizant in correlation with the number of races cancelled.

Concorde Agreement

In August 2020, each of the Formula 1 Group, the FIA and the F1 Teams signed the Concorde Agreement to take effect for a five-year period to 2025. The Guarantor believes that this will ensure a more competitive future for the sport, level the playing field, reduce financial disparity and maintain a competitive balance between the F1 Teams.

In order to preserve the equity value of the F1 Teams, the Concorde Agreement includes an 'anti-dilution fee' of \$200 million, which is payable by any new entrant to the F1 Group and then divided equally between the F1 Teams.

Powertrain supply contracts

On 21 June 2019, the Guarantor entered into an agreement with Daimler AG for the supply of engines, ancillary and energy recovery systems, and associated torque gearbox assembly systems (the "Powertrain") (the "Powertrain Contract"), which is in place until 31 December 2025. Pursuant to the Powertrain Contract, the lease of the Powertrain may be performed by Daimler AG, Mercedes AMG High Performance Powertrains Limited or Mercedes-Benz Grand Prix Limited ("MGP") in return for an annual rental payment made by the Guarantor. The Guarantor has entered into a number of further agreements with MGP from 2019 onwards for the supply (and servicing, where applicable) of certain products, including:

- fuels and lubricants;
- suspension components;
- software;
- power unit cooling components;
- pit equipment; and
- the use of a brake dynamometer and wind tunnel to carry out testing.

Regulations

There has been an increased regulatory focus by the FIA in recent years. In October 2019, the World Motor Sport Council ("WMSC") approved new (and, for the most part, more restrictive) sporting and technical regulations relating to testing, aerodynamics, fuel allowances, limiting ability to replace parts during the course of a Constructors' Championship season, and safety.

In May 2020, the FIA agreed with the F1 Teams to introduce further updates to the Sporting Regulations for the 2021 Constructors' Championship season, which were approved by the FIA after a vote by the WMSC in May 2021 and included an inaugural 'sliding scale' for aerodynamic testing. This new requirement means that each F1 Team's allowance of wind tunnel and CFD testing time will be adjusted depending on the teams' on-track performance, in effect allowing the smaller teams such as AMC F1 to spend more time on wind tunnel and CFD testing.

Historically, there have been no restrictions on spending for the F1 Teams, leading to extremely high annual operating expenses and expenditure, especially amongst the top three F1 Teams. For the 2021 Constructors' Championship, the FIA implemented the inaugural Financial Regulations which sit alongside the Sporting Regulations and Technical Regulations and introduced a cost cap limiting the amount of expenditure that can be incurred by each F1 Team in relation to its F1 activities in each 12-month period, from 1 January to 31 December. The Financial Regulations were introduced to promote the competitive balance and sporting fairness of the Constructors' Championship and to ensure the long-term financial stability and sustainability of the F1 Teams. The cap has been set at an initial amount of \$145 million per F1 Team for 2021 (which will reduce to \$140 million for 2022 and \$135 million for 2023), and shall exclude certain costs, including but not limited to power units, property, marketing, financial, legal, drivers' salaries, the salary costs of the three highest paid employees, and certain employee costs (within prescribed parameters). The Financial Regulations will be applied by a new body called the Cost Cap Administration. The Financial Regulations include ongoing reporting compliance obligations for each F1 Team and have increased the regulatory scrutiny within the Constructors' Championship.

There will also be a significant overhaul of the Technical Regulations for the 2022 Constructors' Championship, and a key objective of the changes is to reduce reliance on airflow over the bodywork of the cars and thus reduce aerodynamic sensitivity. The overall intention is to allow for more racing at close-quarters and consequently an increase in overtaking, which will add to the entertainment value of F1.

The creation of the Financial Regulations and the significant overhaul to the Technical Regulations also gives smaller F1 Teams, including AMC F1, an opportunity to challenge the incumbent top teams for the Constructors' Championship. Further, given the impact of the Financial Regulations will limit the amount of expenditure F1 Teams can incur, AMC F1 believes that it is well positioned for long term financial stability.

Share Capital

The Guarantor has two classes of ordinary shares (collectively, the "Shares").

As of the date of this Prospectus, the directors of the Guarantor have authority to allot shares up to a nominal amount of £200 million and the total allotted, issued and fully paid share capital of the Guarantor is £264,072 divided into 249,307 ordinary shares of £1 each and 14,765 A Ordinary Shares of £1 each.

The Shares confer on the shareholders the right to attend and vote at general meetings and on a written resolution. Dividends are applied on a non-cumulative basis between the shareholders *pro rata* according to the number of such shares held by each of them respectively. On a return of capital, any surplus assets of the company remaining after the payment of its liabilities shall be applied in paying the shareholders any balance *pro rata* according to the number of shares held by the shareholders as if the A ordinary shares and the ordinary shares were a single class of shares.

The Ordinary Shares are held by:

- AMR GP Holdings Limited (both outright and as nominee for the members of the Investment Consortium);
- 11503723 Canada Inc.;
- The Bond Trustees of the JCB Service No.1 Scheme;
- RRRR Investments LLC;
- Saint-James Invest SA;
- Poder Holdings LLC; and
- KJ Capital LLC.

The A ordinary shares are held by AMR GP Holdings Limited as nominee for the senior managers who have been awarded with equity.

All of the shareholders of the Guarantor subscribe to a voting pact in favour of Lawrence Stroll, which, so long as such voting pact subsists, ensures Mr Stroll has ultimate control over the Group.

It is anticipated that the Guarantor will create an additional share class of B ordinary shares for the purpose of incentivising the senior leadership team. If that happens, the Guarantor will, in due course, adopt amended Articles of Association to include this additional share class.

Subsidiaries

The subsidiaries of the Guarantor are:

- the Issuer;
- a dormant subsidiary named Dadford Road Ltd; and
- two dormant subsidiaries named Racing Point UK Limited and Racing Point UK Holdings Limited. These companies were incorporated to protect the intellectual property of AMC F1's predecessor F1 team, BWT Racing Point F1 Team.

As at the date of this Prospectus, the Group does not have any Material Subsidiaries (as defined in the Conditions).

Board of Directors of the Guarantor

The Directors of the Guarantor, all of whose business addresses are at Dadford Road, Silverstone, Towcester, Northamptonshire NN12 8TJ, are as follows:

Lawrence Stroll

Lawrence began his career over 30 years ago when his family acquired the Pierre Cardin children's wear licence for Canada. Shortly thereafter, he acquired the licence for Polo Ralph Lauren children's wear in Canada. Almost immediately following this he launched Polo Ralph Lauren men's, women's and children's apparel throughout Europe under the company Poloco S.A.

In 1989, Lawrence and Mr. Silas Kei Fong Chou formed Sportswear Holdings Limited ("Sportswear Holdings") to acquire Tommy Hilfiger Corporation, where Lawrence served on the board of directors from 1992 to 2002, and was the company's Co-Chairman from 1998 to 2002. Sportswear Holdings also acquired Pepe Jeans

London Corporation in 1991, of which Lawrence was Group Chief Executive Officer from 1993 through to 1998. Lawrence also served as the Co-Chairman of Hackett Ltd., a major men's clothing retailer and a subsidiary of Pepe, from 2007 until 2012.

In 2003, Sportswear Holdings acquired a majority interest in Michael Kors Holdings Limited, where Lawrence served as Co-Chairman from 2003 to 2011, when Lawrence and Mr Chou led Michael Kors' successful IPO, and continued as a director until 2014.

Lawrence has diversified into different asset classes, including the luxury automotive and motorsport sectors in which he has, for many years, been an active investor historically including the Ferrari dealership in Quebec and the Circuit Mont-Tremblant racing circuit in Quebec, Canada as well as sponsoring Team Lotus in the 1990s.

In April 2020, Lawrence became the Executive Chairman of Aston Martin Lagonda Global Holdings plc and is a major shareholder through leading the Yew Tree Investment Consortium.

Silas Kei Fong Chou

Mr Chou is a globally recognised fashion investor and business leader, having been ranked as a billionaire since the early 1990s.

Mr Chou began his career in Hong Kong in the textile industry, and first began his business relationship with Lawrence in the 1980s.

Mr Chou has worked in partnership with Lawrence for decades and together they have invested in and grown some of the most successful high street brands, as summarised above.

External Positions Held

Name	External Positions Held
Lawrence Stroll	<ul style="list-style-type: none"> • Executive Chairman of Aston Martin Lagonda Global Holdings plc; Lead member of the Investment Consortium; and • Owner of Circuit Mont-Tremblant, Canada; and • Director of: <ul style="list-style-type: none"> ○ AIHL – Pepe Limited; ○ Pepe Holdings Limited; ○ SHL Apparel Holdings Limited; ○ SHL Apparel Limited; ○ SHL Challenger Limited; ○ SHL Finance Limited; ○ SHL Global II Limited; ○ Sino Private Aviation (HK) Limited; ○ Sino Private Aviation Limited; ○ SHL Global Limited; ○ SPAL Aircraft Sales Limited; ○ Sportswear Holdings Limited; and ○ Wexford Enterprises Limited.
Silas Kei Fong Chou	<ul style="list-style-type: none"> • President and CEO of Novel Holdings Group; • Co-Chairman of Sportswear Holdings; and • Chairman of Novel Fashion Holdings

There are no potential conflicts of interest between duties to the Guarantor of its Directors and their private interests and other duties.

Executive Committee

The Executive Committee is made of up of the following people:

Lawrence Stroll (Director of the Guarantor)	See “ <i>Board of Directors of the Guarantor</i> ” above for Mr Stroll’s biography.
Silas Kei Fong Chou (Director of the Guarantor)	See “ <i>Board of Directors of the Guarantor</i> ” above for Mr Chou’s biography.
Martin Whitmarsh (Group Chief Executive Officer)	Martin Whitmarsh joined AMC F1 on 1 October 2021 as Group CEO with overall leadership responsibility in setting the new strategic direction for the Group and its subsidiaries with the aim of being Constructors’ Championship contenders. Martin worked at McLaren for 25 years from 1989-2014 in various senior positions including Group Chief Executive Officer and F1 Team Principal for six years (2008-2014).
Otmar Szafnauer (Chief Executive Officer and Team Principal)	Otmar has previously worked at Ford (including as a manager of Ford Racing in 1993), as the first Operations Director for the British American Racing Team in F1, as COO of Jaguar, and in various senior positions at Honda. Having held positions on the management board, including Vice President of Honda Racing Development, Otmar moved to Force India in 2009.
Andrew Green (Chief Technical Officer)	Andrew Green has over 30 years’ experience in F1. He began his career with the then Jordan Grand Prix team in 1990, and joined British American Racing in 1998 as Head of Mechanical Design, before later moving to Red Bull Technology as the Head of R&D in 2004. Andrew moved to Force India in 2010, and remained with the team into its Racing Point era.
Andrew Stevenson (Sporting Director)	Andrew has previously worked as Chief Mechanic at Jordan and has been a Sporting Director since 2005. Andrew leads the garage operations and the team’s interactions with the FIA, as well as representing the team’s interests in the Sporting Working Group.
Jefferson Slack (Commercial Managing Director)	Jefferson is responsible for all commercial and marketing activities. Jefferson joined the team ahead of the unveiling of AMC F1, having previously worked as CEO of the Italian Serie-A football team, Inter Milan FC. He also has prior experience in motorsport working with Dorna – the commercial rights holders of MotoGP – as a commercial adviser.
Robert Yeowart (Chief Financial Officer)	Robert Yeowart leads the Finance and IT teams. He joined the company in 2018 to help shape the team’s journey under the stewardship of Lawrence Stroll. Robert has spent 15 years in senior financial and operational leadership roles in F1, including Honda, Brawn and Mercedes. Before his time in F1, Robert worked in the semiconductor industry with Motorola in financial roles. Robert is a Fellow of the Chartered Association of Certified Accountants having qualified in 1996.
Heath Cade (Chief People Officer)	Heath has responsibility for Human Resources and future recruitment, having spent most of his career working across the Aerospace and Automotive sectors in large global engineering and manufacturing businesses, including Rolls-Royce and Magna. More recently, Heath has worked in F1 as the Human Resources Director for Red Bull Racing.
Anthony Indaimo (Group General Counsel)	Anthony provides strategic counsel with responsibility for overseeing legal matters in all areas of the Group. He has international expertise in providing strategic counsel to clients on cross-border M&A, private equity and family office issues with a particular emphasis in the sports, technology, and brands sectors.

	He advised Lawrence Stroll when the Investment Consortium acquired the assets of AMC F1's predecessor in August 2018, including the AML Sponsorship Agreement, as well as on the investment into Aston Martin Lagonda Holdings plc and on Lawrence Stroll taking on the role of Executive Chairman. Anthony previously worked as a senior corporate partner at Withers LLP, including as Global Chairman, Head of Corporate & Commercial and Head of Business Asia.
Robert Halliwell (Chief Operations Officer)	Bob oversees the Operations area of AMC F1 (including manufacturing, production and facilities). Bob has previously worked as Production Manager at Jordan and Design Office Manager of Renault F1 team. Bob joined Force India in 2009 as its Production Director, before being promoted to Chief Operating Officer in 2021.

Board practices and governance

The Guarantor has strong corporate governance practices, which have been enhanced further in September 2021 by the formalisation of the executive committee. Please see the "*Strategy*" section for more details on the structure of the executive team.

Auditors

BDO LLP whose address is 55 Baker Street, London W1U 7EU, are the auditors of the Guarantor and audited the financial statements of the Guarantor for the six months ended 30 June 2021, the four months ended 31 December 2020, the financial year ended 31 August 2020 and the financial period ended 31 August 2019. Their reports in respect of the financial statements for each of the foregoing years and periods were unqualified. BDO LLP is registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales.

Borrowings and funding structure

The Guarantor has an unsecured and interest free credit line of up to £17 million available to it from an indirect parent company, Racing Point Limited, which is ultimately controlled by Lawrence Stroll. As at the date of this Prospectus, no funds have been drawn under this credit line, and it is in place in order to provide funding to the Guarantor or indirectly to the Issuer if needed and at short notice.

As at the date of the Prospectus, the Guarantor has a revolving credit facility in place with Barclays Bank PLC, with approximately £15 million drawn thereunder, and in respect of which certain security has been granted. The Guarantor will use part of the proceeds of the Bonds to repay and cancel such revolving credit facility and the security created thereunder will be discharged.

The Guarantor entered into an ISDA Master Agreement with Barclays Bank PLC (the "FX Facility") with effect from March 2021, which enables the Guarantor to enter into derivative contracts. The Guarantor uses this arrangement to manage its exposure to foreign exchange risks. This facility is used to manage risk and the Guarantor does not take speculative positions in the market, meaning that it only carries out FX hedges to take into account a known or expected amount of US dollars that the Guarantor expects to receive on a given date. "Speculative hedging", on the other hand, would mean the Guarantor entering into hedging arrangements because it believes the market may move generally in a particular direction (and not to limit exposure to a particular risk). In order to secure its obligations under the hedging agreement, the Guarantor may in the future pledge cash collateral or a charge over an account to Barclays Bank PLC and any such pledge or other security interest will constitute a "Permitted Security Interest" (as defined in the Conditions). Moreover, the Guarantor is not prohibited from incurring "Financial Indebtedness" in relation to the FX Facility, pursuant to the debt incurrence covenant at Condition 5.

Recent Developments

There have been no recent events particular to the Guarantor or the Group that are, to a material extent, relevant to the evaluation of the Guarantor's or the Group's solvency.

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions substantially in the form to be endorsed on the Bonds in definitive form (if issued):

The issue of the sterling denominated 7.00 per cent. guaranteed bonds due 8 November 2026 (the “Bonds”) was authorised by a resolution of the Board of Directors of AMR GP Finance PLC (the “Issuer”) passed on 4 October 2021. The guarantee of the Bonds was authorised by a resolution of the Board of Directors of AMR GP Limited (the “Guarantor”) passed on 4 October 2021.

The Bonds are constituted by a Trust Deed (the “Trust Deed”) dated 8 November 2021 (the “Issue Date”) between the Issuer, the Guarantor and U.S. Bank Trustees Limited (acting in its capacities as “Bond Trustee” and “Security Trustee” and which expressions shall include all persons for the time being the Bond Trustee or trustees, or the security trustee or security trustees, under the Trust Deed or the Security Deed, as applicable) as trustee for the holders of the Bonds (the “Bondholders”) and as security trustee in relation to the Secured Liabilities (as defined below). These terms and conditions (the “Conditions”) include summaries of, and are subject to, the detailed provisions of (a) the Trust Deed, which includes the form of the Bonds and the coupons relating to them (the “Coupons”) and (b) the form of Security Deed (as defined below).

Security for the Bonds will, in accordance with Condition 3, be created by the Security Deed expected to be dated on or around 8 November 2021 between the Issuer, the Guarantor and the Security Trustee (the “Security Deed”).

The Issuer and the Guarantor have entered into an issuer account bank agreement in relation to the Bonds (the “Issuer Account Bank Agreement”) dated 8 November 2021 with the Security Trustee and Elavon Financial Services DAC, UK Branch (the “Account Bank”, which expression shall include any successor as account bank under the Issuer Account Bank Agreement) whereby the Account Bank has been appointed to hold certain amounts in a bank account in the name of the Issuer (the “Issuer Bank Account”).

Copies of the Trust Deed, the Issuer Account Bank Agreement, the Security Deed and of the Paying Agency Agreement dated on or around the Issue Date relating to the Bonds between the Issuer, the Guarantor, the Bond Trustee and the initial principal paying agent named in it (the “Paying Agency Agreement”), are available for inspection during usual business hours by appointment at the specified office of the Bond Trustee (presently at Fifth Floor, 125 Old Broad Street, London EC2N 1AR) and at the specified offices of the principal paying agent for the time being (the “Principal Paying Agent”) and the other paying agents (if any) for the time being (the “Paying Agents”, which expression shall include the Principal Paying Agent).

The Bondholders and the holders of the Coupons (whether or not attached to the relevant Bonds) (the “Couponholders”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Issuer Account Bank Agreement and the Security Deed and are deemed to have notice of those provisions applicable to them of the Paying Agency Agreement.

Capitalised terms used in these Conditions are defined in Condition 20.

1. Form, Denomination and Title

- (A) Form and denomination: The Bonds are serially numbered and in bearer form in the denomination of £100 each, with Coupons attached on issue.
- (B) Title: Title to the Bonds and Coupons passes by delivery. The holder of any Bond or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

2. Guarantee, Status and Application of Moneys

- (A) Guarantee: The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Coupons. The Guarantor's obligations (the “Guarantee”) are contained in the Trust Deed.

- (B) Status of the Bonds: The Bonds and Coupons constitute direct and unconditional obligations of the Issuer, secured in the manner provided in Condition 3, and shall at all times rank *pari passu* and without any preference among themselves.
- (C) Status of the Guarantee: The payment obligations of the Guarantor under the Guarantee constitute direct, unconditional and unsubordinated obligations of the Guarantor and shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all its other present and future unsubordinated obligations. The payment obligations of the Guarantor under the Guarantee are secured in the manner set out in Condition 3.
- (D) Application of Moneys (Post-Enforcement Priority of Payments): All moneys recovered by the Security Trustee or any Receiver following the enforcement of the Security, despite any appropriation of all or part of any such moneys by the Issuer or the Guarantor (including any moneys which represent principal or interest in respect of Bonds or Coupons which have become void under the Conditions) shall be held by the Security Trustee on trust to apply them in the following order of priority pursuant to the terms of the Security Deed:
- (1) *first*, in or towards satisfaction of (i) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts incurred by or payable to the Bond Trustee and/or the Security Trustee in preparing and executing the trusts under the Transaction Documents and (ii) the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable to any Receiver, including in either case the costs of enforcing and/or realising any security;
 - (2) *second*, in or towards satisfaction of the costs, expenses, fees or other remuneration and indemnity payments (if any) and any other amounts payable to the Paying Agents and the Account Bank under the Transaction Documents;
 - (3) *third*, in or towards payment of all arrears of interest remaining unpaid in respect of the Bonds or Coupons (including Further Issues) and all principal moneys due on or in respect of the Bonds (including Further Issues); and
 - (4) *fourth*, the balance (if any) in payment to the Guarantor or Issuer (as the case may be) (where recovered from the Guarantor) or the Issuer (where recovered from the Issuer).

3. **Security**

- (A) Charge over Shares of the Issuer: The obligations of the Guarantor under, or in connection with, the Guarantee and the Transaction Documents are secured by a first ranking fixed charge over the shares of the Issuer (the “Charge over Shares”) granted under the Security Deed in favour of the Security Trustee, on trust for and on behalf of itself, the Bond Trustee, the Bondholders and the other Secured Creditors.
- (B) Issuer Bank Account: The obligations of the Issuer under, or in connection with, the Bonds and the Transaction Documents are secured pursuant to the Security Deed in favour of the Security Trustee, on trust for and on behalf of itself, the Bond Trustee, the Bondholders and the other Secured Creditors, as follows:
- (1) by a first ranking fixed charge over the Issuer Bank Account; and
 - (2) by an assignment by way of security of each of the following:
 - (a) all the Issuer’s rights, title and interest in and to the Issuer Account Bank Agreement, the Issuer Bank Account and all amounts (if any) standing to the credit of the Issuer Bank Account; and
 - (b) all the Issuer’s rights, title and interest in and to any sums held by the Paying Agents under or pursuant to the Paying Agency Agreement, including in respect of all moneys held by the Paying Agents to meet payments of principal and interest and any other amounts due in respect of the Bonds.

The security created pursuant to this Condition 3(B) is referred to as the “Account Security”.

On the Issue Date, the Issuer shall transfer to the Issuer Bank Account the sum of an amount equal to one year's worth of interest payments, being the aggregate amount of interest payable on the Bonds on the Interest Payment Dates falling on 8 May 2022 and on 8 November 2022 (the “One Year Coupon Payment”).

The Transaction Documents contain provision for the release from the Account Security of the following, in each case, prior to the Account Security becoming enforceable:

- (1) on the Interest Payment Dates falling on 8 May 2023 and 8 November 2023, an amount equal to the interest payable on each such Interest Payment Date, provided that such amounts so released are applied in payment of the relevant interest payable on such Interest Payment Date;
- (2) where Bonds are redeemed pursuant to Condition 7(B) or 7(D), or are purchased and cancelled pursuant to Conditions 7(E) and 7(F), in any such case prior to 8 November 2023, then (provided that the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor certify in writing to the Security Trustee and the Bond Trustee that an Event of Default shall not have occurred and be continuing) there shall be released to the Issuer from the Account Security an amount equal to the interest that would otherwise have been paid in respect of the relevant Bonds on all Interest Payment Dates falling on or after the relevant redemption date (less any accrued interest paid in respect of such redemption) or relevant date of purchase and cancellation, as the case may be;
- (3) any interest accrued on amounts standing to the credit of the Issuer Bank Account pursuant to arrangements between the Issuer and the Account Bank will, provided that the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor certify in writing to the Security Trustee and the Bond Trustee that an Event of Default shall not have occurred and be continuing, be released to the Issuer for its own account; and
- (4) if, at any time, no Bonds remain outstanding (as defined in the Trust Deed) and all payments of interest and any other amounts in respect thereof have been duly paid, and there is any amount standing to the credit of the Issuer Bank Account, then there shall be released to the Issuer for its own account from the Account Security all amounts standing to the credit of the Issuer Bank Account whereupon the Account Security shall cease to have effect.

For the avoidance of doubt, none of the Security Trustee, the Bond Trustee or the Account Bank shall have any duty to monitor whether any withdrawal or release from the Issuer Bank Account is in accordance with this Condition 3(B) and each of the Security Trustee, the Bond Trustee and the Account Bank shall be entitled to rely on any certificate provided to it by the Issuer pursuant to paragraphs (2) and (3) above and any certificate or confirmation provided to the Account Bank under the Issuer Bank Account without liability to any person and without further enquiry.

The Account Bank is entitled to rely on all instructions validly given to it pursuant to the terms of the Issuer Account Bank Agreement and shall have no liability to Bondholders or any other person for acting on such instructions.

- (C) Permitted Loan: to the extent that a Permitted Loan is made, an assignment of rights by way of security in favour of the Security Trustee shall be granted promptly by way of security in respect of the Issuer's rights and title and interest from time to time in the Permitted Loan, to be held on trust for and on behalf of the Security Trustee, the Bond Trustee, the Bondholders and the other Secured Creditors.
- (D) Security Enforceable: The Security shall become enforceable upon the delivery of an Acceleration Notice by the Bond Trustee. If the Security becomes enforceable, the Security Trustee may at its

discretion and without further notice or formality and shall (if so requested by Bondholders holding at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction)) enforce all or any of the Security. To do this, the Security Trustee may (at its discretion) take possession of and/or realise the Secured Property and/or take action or proceedings against any person liable in respect of the Issuer Account Bank Agreement or the Paying Agency Agreement and/or any rights in relation to the Issuer Account Bank Agreement and/or the Issuer Bank Account and take any action or proceedings provided for in or pursuant, and/or subject, to the Transaction Documents, but without any liability to any person as to the consequences of such action or proceedings and without having regard to the effect of such action or proceedings on the Issuer and/or individual Bondholders, and provided that the Security Trustee shall not be required to take any action, step or proceedings that would involve any personal liability or exposure without first being indemnified and/or secured and/or pre-funded to its satisfaction.

- (E) Bond Trustee and Security Trustee not liable for Security: Neither the Bond Trustee nor the Security Trustee will be liable for any failure to make any investigations in relation to the undertaking, property, assets, rights or revenues which are the subject of the Security, and they shall not be bound to enquire into or be liable for any defect or failure in the right or title of the Guarantor to the Secured Property, whether such defect or failure was known to the Bond Trustee or the Security Trustee or might have been discovered upon examination or enquiry or whether capable of remedy or not, nor will they have any liability for the limitation on the Bond Trustee's or the Security Trustee's ability to enforce or for any other restrictions or limitations or for the validity, sufficiency, priority or enforceability of the Security whether as a result of any failure, omission or defect in registering or filing or otherwise protecting or perfecting such Security or otherwise.

4. Negative Pledge

So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed), the Guarantor undertakes that it will not, and it will procure that none of its Subsidiaries, create, permit to subsist or have outstanding any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Financial Indebtedness or to secure any guarantee or indemnity in respect of any Financial Indebtedness, without at the same time or prior thereto according to the Bonds, the Coupons and the Trust Deed the same security as is created or subsisting to secure any such Financial Indebtedness, guarantee or indemnity or such other security as either (i) the Bond Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution of the Bondholders.

For the purposes of this Condition 4(A), "Permitted Security Interest" means:

- (1) any Security Interest arising by operation of mandatory provisions of law;
- (2) any Security Interest in existence prior to the Issue Date;
- (3) any Security Interest securing indebtedness represented by the Bonds and the other Secured Liabilities;
- (4) any cash management, netting or set off arrangement entered into by the Issuer or Guarantor (as applicable) in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (5) the Security Interests granted by the Guarantor in favour of Barclays Bank PLC dated 19 May 2020, provided that such Security Interests shall cease to be Permitted Security Interests on the London Business Day following the Issue Date;
- (6) any Security Interest created in respect of, and securing, a bank account (other than the Issuer Bank Account), where such security is granted in connection with Permitted FX Indebtedness; and

- (7) any Security Interest securing any other indebtedness having a maximum aggregate amount at any time not exceeding in aggregate £10,000,000 (or its equivalent).

5. **Covenants**

- (A) **Incurrence Covenant:** So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed), the Guarantor undertakes that it will not, and it will procure that none of its Subsidiaries will, incur any Financial Indebtedness (other than Permitted FX Indebtedness) if, immediately after the incurrence of such additional Financial Indebtedness, Financial Indebtedness (other than Permitted FX Indebtedness) would exceed 80 per cent. of Gross Assets, in each case as at the most recent Reporting Date and as adjusted (if applicable) pursuant to the immediately following sentence.

For the purposes of this Condition 5(A), the Guarantor shall take into account the following adjustments (in each case where relevant and determined by the Guarantor acting in good faith and a commercially reasonable manner):

- (1) any reduction in Financial Indebtedness or increase in Financial Indebtedness (including, as described above, the proposed incurrence of such additional Financial Indebtedness) since the most recent Reporting Date; and
 - (2) any purchases or sales of assets since the most recent Reporting Date which would be included or cease to be included (as applicable) in Gross Assets were accounts of the Guarantor to be drawn up as at the date of the proposed incurrence of such additional Financial Indebtedness.
- (B) **Restrictions on Asset Sales:** Neither the Issuer nor the Guarantor shall, and the Guarantor shall procure that none of its Subsidiaries shall, enter into any Asset Sale except where such Asset Sale is a Permitted Asset Sale.
- (C) **No Dividends:** So long as any Bond or Coupon remains outstanding (as defined in the Trust Deed), the Guarantor shall not declare or pay any Dividends and the Guarantor shall procure that no other member of the Group shall declare or pay any Dividends other than to its wholly-owned parent (which, in the case of the Issuer is the Guarantor) or otherwise pursuant to contractual arrangements existing prior to the Issue Date.
- (D) **Use of Proceeds:** The Issuer undertakes that it shall use the net proceeds of the Bonds only (1) for the development, construction, operation and maintenance of the Wind Tunnel (as defined below), or procuring the same from a third party with the provision by the Issuer of a Permitted Loan, (2) for the development, construction, operation and maintenance of the New Factory (as defined below), (3) to fund the Issuer Bank Account, (4) for the repayment and cancellation of the Revolving Credit Facility and (5) for general corporate purposes.
- (E) **Financial Reporting:** Within (i) six months of the end of each financial year, each of the Issuer and the Guarantor shall send to the Bond Trustee, and at the same time procure publication on the Group's website of, a copy of its audited annual Financial Statements for such financial year, together with the report thereon of the relevant independent auditors; and (ii) three months of the end of the first half of each financial year, the Issuer and the Guarantor shall send to the Bond Trustee, and at the same time procure publication on the Group's website of, a copy of its semi-annual Financial Statements as at, and for the period ending on, the end of such period.
- (F) **Compliance Certificate:** The Guarantor shall, concurrently with the delivery of each of its annual and interim Financial Statements referred to in Condition 5(E), provide to the Bond Trustee a certificate or certificates signed by the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor confirming compliance with each of the covenants contained in this Condition 5 as at (or in respect of the relevant period ended, as applicable) the most recent Reporting Date or, if not compliant with such conditions, setting out the details of such non-compliance and any proposed action to be taken in connection therewith; upon which certificate the Bond Trustee may rely absolutely without any liability to any person for so doing or further enquiry being required.

6. **Interest**

The Bonds bear interest from and including the Issue Date at the rate of 7.00 per cent. per annum, payable semi-annually in arrear in equal instalments of £3.50 per £100 in nominal amount of the Bonds on 8 May and 8 November in each year (each an "Interest Payment Date"). Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of: (A) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (B) the day seven days after the Bond Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (1) the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (2) two.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "Interest Period".

Interest in respect of any Bond shall be calculated per £100 in nominal amount of the Bonds. The amount of interest payable per £100 for any period shall, save as provided above in relation to equal instalments, be equal to the product of 7.00 per cent., £100 and the day-count fraction for the relevant period as described above, rounding the resulting figure to the nearest penny (half a penny being rounded upwards).

7. Redemption and Purchase

- (A) Final redemption: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their nominal amount on the Maturity Date. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 7.
- (B) Redemption for taxation reasons: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 17 (which notice shall be irrevocable), at their nominal amount, (together with interest accrued to but excluding the date fixed for redemption), if:

- (1) the Issuer satisfies the Bond Trustee immediately prior to the giving of such notice that it (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of the United Kingdom, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and
- (2) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 7(B), the Issuer shall deliver to the Bond Trustee (i) a certificate signed by two Directors of the Issuer (or the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor, as the case may be) stating that the obligation referred to in (1) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it; and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts, and the Bond Trustee shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (1) and (2) above, in which event it shall be conclusive and binding on the Bondholders and the Couponholders.

- (C) Notice of redemption: All Bonds in respect of which any notice of redemption is given under Condition 7(B) shall be redeemed on the date specified in such notice in accordance with this Condition 7.
- (D) Redemption upon Change of Control Event: If, at any time, LS no longer has Control of the Guarantor (a “Change of Control Event”), all of the Bonds shall, on the Change of Control Date (as defined below), be redeemed in cash at their principal amount, together with accrued and unpaid interest, up to (but excluding) the Change of Control Redemption Date (as defined below).

The Issuer will give notice to the Bond Trustee and (in accordance with Condition 17) the Bondholders as soon as practicable following the occurrence of a Change of Control Event (such notice, a “Change of Control Event Notice”). A Change of Control Event Notice shall specify the redemption date for the Bonds pursuant to this Condition 7(D) (the “Change of Control Redemption Date”) (which shall be not less than 10 nor more than 30 London Business Days following the date of the Change of Control Event Notice) and any other information relating to the Change of Control Event as the Bond Trustee may reasonably require.

On the Change of Control Redemption Date the Issuer shall redeem the Bonds in accordance with Condition 8.

In this Condition 7(D), “Control” means the right to control more than 50 per cent. of the votes that may ordinarily be cast on a poll at a general meeting of the Guarantor or to appoint and/or remove all or a majority of the members of the board of directors of the Guarantor (whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise).

Neither the Bond Trustee nor the Security Trustee shall be required to monitor or take any steps to ascertain whether a Change of Control Event or any event which could lead to a Change of Control Event or the giving of a Change of Control Event Notice has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

- (E) Purchase: Each of the Issuer, the Guarantor and their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price (provided that, if they are to be cancelled pursuant to Condition 7(F) below, they are purchased together with all unmatured Coupons relating to them). The Bonds so purchased, while held by or on behalf of the Issuer, the Guarantor or any

such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of these Conditions.

- (F) Cancellation: All Bonds which are purchased by the Issuer, the Guarantor or any of their respective Subsidiaries may be held and/or subsequently resold or surrendered to the Principal Paying Agent for cancellation. Any Bonds which are redeemed or otherwise surrendered to the Principal Paying Agent for cancellation shall forthwith be cancelled together with all unmatured Coupons attached thereto or surrendered therewith, and accordingly cannot be held, reissued or sold.

8. Payments

- (A) Method of Payment: Payments of principal and interest will be made against presentation and surrender (or, in the case of a partial payment, endorsement) of Bonds or the appropriate Coupons (as the case may be) at the specified office of any Paying Agent by transfer to a sterling account maintained by the payee with a bank in the United Kingdom. Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.
- (B) Payments subject to Laws: Payments under the Bonds will be subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 9). No commissions or expenses shall be charged to the Bondholders or Couponholders in respect of such payments.
- (C) Surrender of unmatured Coupons: Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total nominal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 20) for the relevant payment of principal.
- (D) Payments on business days: A Bond or Coupon may only be presented for payment on a day which is a business day in the place of presentation (and, in the case of payment by transfer to a sterling account, a London Business Day). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this Condition 8 falling after the due date.
- (E) Paying Agents: The initial Paying Agent(s) and their initial specified offices are listed below. The Issuer and the Guarantor reserve the right at any time with the approval in writing of the Bond Trustee to vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that they will maintain (i) a Principal Paying Agent and (ii) a Paying Agent having a specified office in London. Notice of any change in the Paying Agents or their specified offices will promptly be given to the Bondholders in accordance with Condition 17.

9. Taxation

All payments of principal and interest made by or on behalf of the Issuer or the Guarantor in respect of the Bonds and the Coupons or payments made under the Guarantee, as applicable, shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed, levied, collected, withheld or assessed by or within the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in receipt by the Bondholders and/or the Couponholders of such amounts as would have been received by them had

no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

- (A) Other connection: by or on behalf of a holder who is liable to Taxes in respect of such Bond or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of the Bond or Coupon; or
- (B) Presentation more than 30 days after the Relevant Date: more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to payment of such additional amounts on presenting such Bond or Coupon for payment on the last day of such period of 30 days.

Any reference in these Conditions to payments and/or principal and/or interest shall be deemed to include any additional amounts which may be payable under this Condition 9 or any undertaking given in addition to or substitution for it under the Trust Deed.

10. **Events of Default**

If any of the following events, each an “Event of Default”) occurs the Bond Trustee at its discretion may, and (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) if so requested by holders of at least one-quarter in nominal amount of the Bonds then outstanding (as defined in the Trust Deed) or if so directed by an Extraordinary Resolution shall, give notice (an “Acceleration Notice”) to the Issuer that the Bonds are, and they shall immediately become, due and payable at their nominal amount together (if applicable) with accrued interest:

- (A) Non-Payment: any default is made in the payment of any principal of or interest on any of the Bonds and such default continues for a period of 7 days in respect of principal or 14 days in respect of interest due on any of the Bonds, or
- (B) Breach of Other Obligations: the Issuer or the Guarantor does not perform or comply with any one or more of its other obligations in the Bonds, the Trust Deed or the Security Deed which default is in the opinion of the Bond Trustee incapable of remedy or, if in the opinion of the Bond Trustee capable of remedy, is not in the opinion of the Bond Trustee remedied within 30 days after notice of such default shall have been given by the Issuer or the Guarantor to the Bond Trustee, or
- (C) Cross-Acceleration: (i) any other present or future Financial Indebtedness of the Issuer, the Guarantor or any Material Subsidiary for or in respect of moneys borrowed or raised is declared to be or otherwise becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, the Guarantor or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(C) have occurred equals or exceeds £10,000,000, or
- (D) Enforcement Proceedings: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, the Guarantor or any Material Subsidiary and is not discharged or stayed within 30 days. For the avoidance of doubt, this does not apply to racing-related proceedings including but not limited to proceedings brought by the FIA and/or the Cost Cap Administration pursuant to the F1 Regulations, or
- (E) Insolvency: the Issuer, the Guarantor or any Material Subsidiary is (or is, or could be (other than where a demand is made for less than £1,000,000 under Section 123(1)(a) of the Insolvency Act 1986), deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Bond Trustee) a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, the Guarantor or any Material Subsidiary, or

- (F) Winding-up: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, the Guarantor or any Material Subsidiary, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by the Bond Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and, assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or the Guarantor (as the case may be) or another of their respective Subsidiaries, or
- (G) Ownership: the Issuer ceases to be directly owned and controlled by the Guarantor, or
- (H) Authorisation and Consents: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds and the Transaction Documents, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Transaction Documents admissible in evidence in the courts of England and Wales is not taken, fulfilled or done, or
- (I) Illegality: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its respective obligations under any of the Bonds or the Transaction Documents, or
- (J) Security: the Security Deed is not in full force and effect or does not create the Security which it is expressed to create with the ranking and priority that it is expressed to have, or
- (K) Guarantee: the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect, or
- (L) Analogous Events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs of this Condition 10,

provided that, in the case of paragraphs (B), (H) and (I) and so far as it relates to any of the paragraphs specifically mentioned in this *proviso*, paragraph (L) and, in respect of Material Subsidiaries only, paragraphs (D), (E) and (F), the Bond Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of Bondholders.

The Security shall become enforceable upon the delivery of an Acceleration Notice by the Bond Trustee.

11. **Prescription**

Claims in respect of principal and interest will become void unless presentation for payment is made as required by Condition 8 within a period of 10 years in the case of principal and five years in the case of interest from the appropriate Relevant Date.

12. **Replacement of Bonds and Coupons**

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Paying Agent in London subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Guarantor may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

13. **Meetings of Bondholders, Modification, Waiver and Substitution**

- (A) Meetings of Bondholders: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary

Resolution of a modification of any of these Conditions or any provisions of the Transaction Documents. Such a meeting may be convened by the Issuer, the Guarantor, the Bond Trustee or by Bondholders holding not less than 10 per cent. in nominal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in nominal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the nominal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the nominal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, (v) to modify or cancel the Guarantee or (vi) to modify, amend, waive or release any part of, or altering the priority of, the Security (other than as provided for in the Conditions), in which case the necessary quorum will be two or more persons holding or representing not less than 66⅔ per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (B) Modification and Waiver: The Bond Trustee may agree, without the consent of the Bondholders or Couponholders, to (i) any modification of any of the provisions of the Transaction Documents that is in the opinion of the Bond Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Transaction Documents that is in the opinion of the Bond Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and the Couponholders and, if the Bond Trustee so requires, such modification shall be notified to the Bondholders as soon as practicable in accordance with Condition 17.
- (C) Substitution: The Trust Deed contains provisions permitting the Bond Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Bond Trustee may require, but without the consent of the Bondholders or the Couponholders, to the substitution of certain other entities in place of the Issuer or the Guarantor, or of any previous substituted company, as principal debtor or guarantor under the Trust Deed and the Bonds if requested in writing to do so by the Issuer or the Guarantor (or any previously substituted company). In the case of such a substitution the Bond Trustee may agree, without the consent of the Bondholders or Couponholders, to a change of the law governing the Bonds, the Coupons and/or the Trust Deed provided that such change would not in the opinion of the Bond Trustee be materially prejudicial to the interests of the Bondholders.
- (D) Entitlement of the Bond Trustee: In connection with the exercise of its functions (including but not limited to those referred to in this Condition 13) the Bond Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders or Couponholders and the Bond Trustee shall not be entitled to require the Issuer or the Guarantor, nor shall any Bondholder or Couponholder be entitled to claim, from the Issuer, the Guarantor or the Bond Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders or Couponholders.

14. Enforcement

- (A) At any time after the Bonds become due and payable, the Bond Trustee may, at its discretion and without further notice, institute such proceedings or take such steps or actions against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Transaction Documents, the Bonds and the Coupons and, at any time after the Security has become enforceable the Security Trustee, may in its discretion and without further notice, take such steps, actions and proceedings as it may see fit to enforce the Security, but neither the Bond Trustee nor the Security Trustee need take any

such steps, actions and proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in nominal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder or Couponholder may proceed directly against the Issuer or the Guarantor (including without limitation enforcing the Security) unless the Bond Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

- (B) Only the Security Trustee may enforce the Security, in accordance with and subject to the terms of the Security Deed and the Trust Deed.

15. **Indemnification of the Bond Trustee and the Security Trustee**

The Trust Deed and Security Deed contains provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility. Each of the Bond Trustee and the Security Trustee is entitled to enter into business transactions with the Issuer and the Guarantor and any entity related to the Issuer or the Guarantor without accounting for any profit.

Each of the Bond Trustee and the Security Trustee may rely without liability on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Bond Trustee or the Security Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. Each of the Bond Trustee and the Security Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Bond Trustee, the Security Trustee, the Bondholders and the Couponholders.

16. **Further Issues**

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities (any such issue, a "Further Issue") guaranteed by the Guarantor and secured by the Security and having the same terms and conditions as the Bonds in all respects (or in all respects except for the date of issue and the first payment of interest on them), and so that such Further Issue shall be consolidated and form a single series with the outstanding Bonds. The Issuer's and Guarantor's obligations in respect of such Further Issue or Further Issues shall be secured by, share in and rank *pari passu* with the Security.

References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds. Any further securities forming a single series with the Bonds shall be constituted by a deed supplemental to the Trust Deed.

17. **Notices**

Notices required to be given to Bondholders pursuant to the Conditions will be valid if published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if the Bond Trustee is satisfied that such publication shall not be practicable, in an English language newspaper of general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Bondholders in accordance with this Condition 17.

18. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

19. **Governing Law**

The Trust Deed, the Security Deed, the Bonds and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.

20. **Definitions**

"Assets" means any land, asset, property, securities or other interests.

"Asset Sale" means the sale, transfer or disposal of any Asset.

"Capital Stock" of any person means any and all shares, interests, participations or other equivalents of or interests (including partnership interests) in (however designated) equity of such person, including any Preferred Stock, and all rights to purchase, warrants, options or other equivalents with respect to any of the foregoing, but excluding any debt securities convertible into or exchangeable for such equity.

"Chief Financial Officer" means, on the date of these Conditions, Robert Yeowart, or such other person as is notified in writing by the Guarantor to the Bond Trustee as being the Chief Financial Officer from time to time.

"Control" has the meaning given to it in Condition 7(D).

"Cost Cap Administration" means the staff designated by the FIA from time to time to administer and monitor the operation of the F1 Financial Regulations, as amended from time to time.

"Dividend" means any dividend or distribution to shareholders whether of cash, assets or other property, and however described and whether payable out of a share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital.

"Extraordinary Resolution" has the meaning given to it in the Trust Deed.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"FIA" means the *Fédération Internationale de l'Automobile*, the governing body of F1.

"Financial Indebtedness" means any indebtedness for or in respect of:

- (A) moneys borrowed;
- (B) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (C) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (D) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with UK GAAP, be treated as a finance or capital lease;
- (E) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (F) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (G) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction,

only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

- (H) any amount raised by the issue of shares which are expressed to be redeemable (other than at the option of the issuer thereof) before the Maturity Date or are otherwise classified as borrowings under UK GAAP;
- (I) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (J) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (A) to (I) above.

"Financial Statements" means the Guarantor's audited annual financial statements or its half-year financial statements (which may be unaudited), as the case may be, including the relevant accounting policies and notes to the accounts and in each case prepared in accordance with UK GAAP, consistently applied (and, if there has been a change in accounting practices since the Issue Date, the relevant Financial Statements shall be accompanied by a description of any change necessary in order to enable calculations contained or referred to in Condition 5 to be made as if UK GAAP as at the Issue Date remained applicable).

"F1 Regulations" means collectively the regulations governing the Constructors' Championship including but not limited to the F1 Sporting Regulations, the F1 Technical Regulations and the F1 Financial Regulations, each as may be in place from time to time.

"F1" means Formula One.

"FX Facility" means the ISDA Master Agreement between the Guarantor and Barclays Bank PLC dated 5 March 2021.

"Further Issue" has the meaning given in Condition 16.

"Gross Assets" means, at any time, the gross assets of the Guarantor and its Subsidiaries as set out in the most recently prepared Financial Statements.

"Group" means the Guarantor and its Subsidiaries taken as a whole.

"Group Chief Executive Officer" means, on the Issue Date, Martin Whitmarsh, or such other person as is notified in writing by the Guarantor to the Bond Trustee as being the Group Chief Executive Officer of the Group from time to time.

"Group Website" means the website at the following URL: <https://www.astonmartinf1.com/investor-relations>.

"London Business Day" means a day on which commercial banks and foreign exchange markets are open for business in London.

"LS" means Lawrence Sheldon Strulovitch, also known as Lawrence Stroll.

"Material Subsidiary" shall, at any time, mean a Subsidiary of the Guarantor:

- (A) whose:
 - (i) reported turnover (as shown in its most recent annual audited financial statements and consolidated in the case of any Subsidiary which ordinarily produces consolidated accounts) represent not less than 10 per cent. of the reported turnover of the Group; or

- (ii) gross assets (excluding intra-group items) (as shown in its most recent annual audited financial statements and consolidated in the case of any Subsidiary which ordinarily produces consolidated accounts) represent not less than 10 per cent. of the most recently reported gross assets of the Group on a consolidated basis,

calculated respectively by reference to the most recent annual audited financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary of the Guarantor and the then latest Financial Statements,

provided that in the case of a Subsidiary of the Guarantor acquired after the end of the financial period to which the then latest audited financial statements of the Guarantor relate, for the purpose of applying each of the foregoing tests, the reference to the Guarantor's latest audited financial statements shall, until accounts for the financial period in which the acquisition is made have been published, be deemed to be a reference to such financial statements as if such Subsidiary of the Guarantor had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the Guarantor; or

- (B) to which is transferred the whole or substantially all of the business, undertaking and assets of another Subsidiary of the Guarantor which immediately prior to such transfer is a Material Subsidiary, whereupon (x) the transferor Material Subsidiary shall immediately upon such transfer cease to be a Material Subsidiary and (y) the transferee Subsidiary of the Guarantor shall immediately upon such transfer become a Material Subsidiary; *provided that*, such transferee Subsidiary of the Guarantor shall cease to be a Material Subsidiary pursuant to this subparagraph (B) on the date on which the financial statements for the Group for the financial period current at the date of such transfer are published, but so that such transferor Subsidiary of the Guarantor or such transferee Subsidiary of the Guarantor may be a Material Subsidiary on or at any time after such date by virtue of the provisions of subparagraph (A) above.

The Bond Trustee shall be entitled to rely upon a certificate signed by the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor that in their opinion a Subsidiary of the Guarantor is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary without liability to any person and without further enquiry or evidence and, if relied upon by the Bond Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

"Maturity Date" means 8 November 2026.

"New Factory" means the new factory buildings at the Guarantor's site at Dadford Road, Silverstone that will partly replace, augment and expand on the incumbent AMC F1 factory buildings.

"person" means an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, government, or any agency or subdivision thereof or any other entity.

"Permitted Asset Sale" means any one or more of:

- (A) an Asset Sale from any member of the Group to any other member of the Group;
- (B) any Asset Sale of any Asset or revenues approved by the Bond Trustee (acting on the instructions of the holders of at least 25 per cent. in principal amount of the Bonds) or by Extraordinary Resolution);
- (C) any Asset Sale of an Asset that is certified by the Group Chief Executive Officer and the Chief Financial Officer of the Guarantor to be (i) redundant or obsolete and (ii) not required for the efficient operation of its business ((i) and (ii) together being the "Relevant Asset Disposal Conditions"), provided that where the relevant Asset being disposed of has a total book value in excess of £1,000,000 (or its equivalent in any other currency or currencies) prior to the relevant disposal, the Group Chief Executive Officer and the Chief Financial

Officer of the Guarantor shall certify that the Relevant Asset Disposal Conditions are met; the certification requirement in this paragraph (C) shall be satisfied by the delivery to the Bond Trustee of the relevant certificate;

- (D) any Asset Sale at arm's length, on normal commercial terms;
- (E) any Asset Sale as may be required by the F1 Regulations to be entered into pursuant to the requirements of the regulations of the FIA from time to time;
- (F) any Asset Sale in connection with a Permitted Loan; and
- (G) an Asset Sale of Assets or revenues not otherwise falling within the above, the book value of which when aggregated with the book value of other Asset Sales not falling within the above and made since the Issue Date does not equal or exceed an amount equal to 10 per cent. of the book value of the consolidated total assets of the Group as determined from the most recently prepared Financial Statements.

"Permitted FX Indebtedness" means Financial Indebtedness under any one or more of the following agreements that are entered into with one or more financial institutions for non-speculative purposes: foreign exchange contracts, currency swap agreements or other similar agreements or arrangements designed to protect against fluctuations in currency values, and as at the Issue Date, includes the FX hedging transactions entered into under the FX Facility.

"Permitted Loan" means a loan with the following characteristics:

- (A): it is made by the Issuer as lender to the WTOC as borrower;
- (B) it may not exceed £87,000,000, in principal amount;
- (C) the purpose of the loan shall be to procure the development, construction and operation of the Wind Tunnel;
- (D) the maturity date of the loan shall be on or before the Maturity Date;
- (E) it shall be secured in favour of the Issuer by way of first floating charge over all of the assets of the WTOC; and
- (F) an Event of Default under the Bonds will constitute an Event of Default under the Permitted Loan.

"Preferred Stock", as applied to the Capital Stock of any person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such person, over shares of ordinary Capital Stock of any other class of such person.

"Receiver" means a receiver and manager or other receiver appointed under the Security Deed by the Security Trustee in respect of all or part of any Secured Property and shall, if allowed by law, include an administrative receiver.

"Related Rights" means, in relation to any asset:

- (A) all rights under any licence, agreement for sale or agreement for lease or other use in respect of all or any part of that asset;
- (B) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any part of that asset;
- (C) the proceeds of sale, transfer or other disposal, lease, licence, or agreement for sale, transfer or other disposal, lease or licence of all or any part of that asset;

- (D) any other moneys paid or payable in respect of that asset;
- (E) any awards or judgments in favour of the Issuer or the Guarantor in relation to that asset; and
- (F) any right against any clearance system and any right under any custodian or other agreement.

"Relevant Date" means whichever is the later of (i) the date on which the relevant payment first becomes due and payable; and (ii) if the full amount payable has not been received in London by the Principal Paying Agent or the Bond Trustee on or prior to such due date, the first date on which the full amount has been so received, and notice to that effect has been given to the Bondholders in accordance with Condition 17.

"Reporting Date" means 30 June and 31 December in each year or such other dates as at which the Guarantor for the time being prepares its annual audited Financial Statements or semi-annual Financial Statements, as the case may be.

"Revolving Credit Facility" means the revolving credit facility entered into by the Guarantor and Barclays Bank PLC on 19 May 2020.

"Secured Creditors" means each of (a) the Bondholders, (b) the Couponholders, (c) the Security Trustee, (d) the Bond Trustee, (e) any Receiver appointed by the Security Trustee, (f) the Paying Agents, (g) the Account Bank, and (h) the holders of any Further Issue (including any bond, coupon or talon).

"Secured Liabilities" means all present and future moneys, debts and liabilities due, owing or incurred by the Issuer and/or the Guarantor, to the Secured Creditors under or in connection with the Bonds, the Coupons, any Transaction Document and any Further Issue (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently and whether as principal, guarantor, surety or otherwise).

"Secured Property" means the undertaking, property, assets, rights and revenues from time to time subject, or expressed to be subject, to the Security or any part of those undertaking, assets or revenues and any Related Rights.

"Security" means the security created pursuant to Condition 3 and the Security Deed.

"Security Interest" means any mortgage, lien, charge, assignment, hypothecation or security interest or any other arrangement having a similar effect under the laws of any applicable jurisdiction.

"Subsidiary" means a subsidiary or a subsidiary undertaking within the respective meanings of section 1159 and 1162 of the Companies Act 2006.

"Transaction Documents" means the Trust Deed, the Security Deed, the Issuer Account Bank Agreement and the Paying Agency Agreement.

"UK GAAP" means the generally accepted accounting practice and principles in the United Kingdom applicable to the business that the Group conducts.

"Wind Tunnel" means the wind tunnel, which is a physical research and development facility that replicates the movement of air around a scale model vehicle so that the aerodynamic performance of that vehicle can be determined, together with all supporting hardware, software and infrastructure (including the rolling road, flow imaging systems, control systems and support spaces).

"WTOC" or "Wind Tunnel Operating Company" means the third party company engaged by the Issuer for the construction and development of the Wind Tunnel.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM IN THE CLEARING SYSTEMS

Temporary Global Bond and Permanent Global Bond: Exchange of Permanent Global Bond for Definitive Bonds in limited circumstances

On issue, the Bonds will be represented by a temporary global bond (the "Temporary Global Bond"), interests in which will be exchangeable for a permanent global bond (the "Permanent Global Bond" and, together with the Permanent Global Bond, the "Global Bonds" and each, a "Global Bond") in the circumstances specified in it. The Permanent Global Bond is exchangeable in whole but not in part (free of charge to the holder) for the Definitive Bonds described below if the Permanent Global Bond is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. Thereupon, the holder may give notice to the Principal Paying Agent of its intention to exchange the Permanent Global Bond for Definitive Bonds on or after the Exchange Date (as defined below) specified in the notice.

On or after the Exchange Date the holder of the Permanent Global Bond may surrender the Permanent Global Bond to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Bond, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Trust Deed. On exchange of the Permanent Global Bond, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Bonds.

"Exchange Date" means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in the cities in which the relevant clearing system is located.

CREST Depository Interests

Following their delivery into a clearing system, interests in Bonds may be delivered, held and settled in CREST by means of the creation of CDIs representing the interests in the relevant Bonds. The CDIs will be issued by the CREST Depository to CDI Holders and will be governed by English law.

The CDIs will represent indirect interests in the interest of the CREST Nominee in the Bonds. Pursuant to the CREST Manual, Bonds held in global form may be settled through CREST, and the CREST Depository will issue CDIs. The CDIs will be independent securities, constituted under English law which may be held and transferred through CREST.

Interests in the Underlying Bonds will be credited to the CREST Nominee's account with Euroclear and the CREST Nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated by the CREST Depository as if it were one Bond, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to CDI Holders any interest or other amounts received by it as holder of the Underlying Bonds on trust for such CDI Holder. CDI Holders will also be able to receive from the CREST Depository notices of meetings of holders of Bonds and other relevant notices issued by the Issuer.

Transfers of interests in Bonds by a CREST participant to a participant of Euroclear and/or Clearstream, Luxembourg will be effected by cancellation of the CDIs and transfer of an interest in such Underlying Bonds to the account of the relevant participant with Euroclear or Clearstream, Luxembourg.

The CDIs will have the same International Securities Identification Number ("ISIN") as the ISIN of the Underlying Bonds and will not require a separate listing on the Official List.

Prospective subscribers for Bonds represented by CDIs are referred to Chapter 3 of the CREST Manual which contains the form of the CREST Deed Poll entered into by the CREST Depository. The rights of the

CDI Holders will be governed by the arrangements between CREST, Euroclear and/or Clearstream, Luxembourg and the Issuer including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual (which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Bonds which are not represented by CDIs.

If issued, CDIs will be delivered, held and settled in CREST, by means of the CREST International Settlement Links Service. The settlement of the CDIs by means of the CREST International Settlement Links Service has the following consequences for CDI Holders:

1. CDI Holders will not be the legal owners of the Bonds. The CDIs are separate legal instruments from the Underlying Bonds to which they relate and represent an indirect interest in such Underlying Bonds.
2. The Underlying Bonds themselves (as distinct from the CDIs representing indirect interests in such Underlying Bonds) will be held in an account with a custodian. The custodian will hold the Underlying Bonds through a clearing system. Rights in the Underlying Bonds will be held through custodial and depository links through the appropriate clearing systems. The legal title to the Underlying Bonds or to interests in the Underlying Bonds will depend on the rules of the clearing system in or through which the Underlying Bonds are held.
3. Rights under the Underlying Bonds cannot be enforced by CDI Holders except indirectly through the intermediary depositaries and custodians described above. The enforcement of rights under the Underlying Bonds will therefore be subject to the local law of the relevant intermediary. The rights of CDI Holders to the Underlying Bonds are represented by the entitlements against the CREST Depository which (through the CREST Nominee) holds interests in the Underlying Bonds. This could result in an elimination or reduction in the payments that otherwise would have been made in respect of the Underlying Bonds in the event of any insolvency or liquidation of a relevant intermediary, in particular where the Underlying Bonds held in clearing systems are not held in special purpose accounts and are fungible with other securities held in the same accounts on behalf of other customers of the relevant intermediaries.
4. The CDIs issued to CDI Holders will be constituted and issued pursuant to the CREST Deed Poll. CDI Holders will be bound by all provisions of the CREST Deed Poll and by all provisions of or prescribed pursuant to the CREST Manual and the CREST Rules and CDI Holders must comply in full with all obligations imposed on them by such provisions.
5. Potential investors should note that the provisions of the CREST Deed Poll, the CREST Manual and the CREST Rules contain indemnities, warranties, representations and undertakings to be given by CDI Holders and limitations on the liability of the issuer of the CDIs, the CREST Depository.
6. CDI Holders may incur liabilities resulting from a breach of any such indemnities, warranties, representations and undertakings in excess of the money invested by them. The attention of potential investors is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from CREST at 33 Cannon Street, London EC4M 5SB or by calling +44 (0) 207 849 0000 or from the CREST website.
7. Potential investors should note CDI Holders may be required to pay fees, charges, costs and expenses to the CREST Depository in connection with the use of the CREST International Settlement Links Service. These will include the fees and expenses charged by the CREST Depository in respect of the provision of services by it under the CREST Deed Poll and any taxes, duties, charges, costs or expenses which may be or become payable in connection with the holding of the CDIs through the CREST International Settlement Links Service.
8. Potential investors should note that none of the Issuer, the Guarantor, the Lead Manager, the Bond Trustee, the Principal Paying Agent or their respective advisers will have any responsibility for the performance by any intermediaries or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.
9. Potential investors should note that Bonds issued in Temporary Global Bond form exchangeable for a Permanent Global Bond will not be eligible for CREST settlement as CDIs. As such, investors

investing in the Underlying Bonds through CDIs will only receive the CDIs after such Temporary Global Bond is exchanged for a Permanent Global Bond, which could take up to 40 days after the issue of the Underlying Bonds. It is anticipated that Bonds eligible for CREST settlement as CDIs will be issued directly in permanent global form.

Payments of principal and interest

Payments of principal and interest in respect of Bonds represented by a Global Bond will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the relevant Global Bond to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Global Bond, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Bonds. For the purpose of any payments made in respect of a Global Bond, Condition 8(D) shall not apply, and all such payments shall be made on a day on which commercial banks and foreign exchange markets are open in London.

In the case of Bonds which are represented by a Global Bond, interest shall be calculated in respect of any period by applying the rate of interest to the aggregate outstanding principal amount of the Bonds represented by the relevant Global Bond, and rounding the resultant figure to the nearest penny, half a penny being rounded upwards or otherwise in accordance with applicable market convention. When interest is required to be calculated in respect of a Global Bond for a period of less than a full half-year, it shall be calculated in accordance with Condition 6.

Notices to Bondholders

So long as the Bonds are represented by a Global Bond and the relevant Global Bond is held on behalf of a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by Condition 17. Any such notice shall be deemed to have been given to Bondholders on the day after the day on which such notice is delivered to the relevant clearing system.

Prescription periods for claims against the Issuer

Claims against the Issuer and the Guarantor in respect of principal and interest on the Bonds while the Bonds are represented by a Global Bond will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate "Relevant Date" (as defined in Condition 20).

Meetings of Bondholders

The holder of a Global Bond shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each £100 in principal amount of Bonds at any meeting of the Bondholders.

Purchase and cancellation of the Bonds

Cancellation of any Bond at the option of the Issuer following its purchase will be effected by reduction in the principal amount of the relevant Global Bond by endorsement on the relevant part of the Schedule thereto.

Trustee's powers

Notwithstanding anything in the Trust Deed, in considering the interests of Bondholders while a Global Bond is held on behalf of a clearing system, the Bond Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the relevant Global Bond and may consider such interests, and treat such accountholders, as if such accountholders were the holder of the relevant Global Bond.

IMPORTANT LEGAL INFORMATION

Authorised Offerors

If, in the context of a Public Offer (as defined below), you are offered Bonds by any person, you must check that such person has been given consent to use this Prospectus for the purposes of making such offer before agreeing to purchase any Bonds. The following persons have consent to use this Prospectus in connection with a Public Offer:

- Peel Hunt LLP (the “Lead Manager”); and
- any other financial intermediary authorised to make such offers under Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“UK MiFIR”) who has satisfied the Authorised Offeror Terms (as defined below) and accordingly publishes the Acceptance Statement (set out below under the heading, “*Consent*”) on its website.

The persons referred to above have only been given consent to use this Prospectus during the Offer Period and only in the United Kingdom, Jersey, the Bailiwick of Guernsey and/or the Isle of Man. Other than as set out above, neither the Issuer nor the Guarantor has authorised the making of any Public Offer by any person and neither the Issuer nor the Guarantor has consented to the use of this Prospectus by any other person in connection with any Public Offer.

This Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”) (“Public Offers”) in the United Kingdom. Any person making or intending to make a Public Offer of Bonds on the basis of this Prospectus must do so only with the Issuer's and the Guarantor's consent – see “*Consent given in accordance with Article 5(1) of the UK Prospectus Regulation*” below.

Consent given in accordance with Article 5(1) of the UK Prospectus Regulation

In the context of any Public Offer of Bonds in the United Kingdom, Jersey (subject to the conditions and requirements set out in the section titled “*Who is the offeror and/or the person asking for admission to trading?*”), the Bailiwick of Guernsey and/or the Isle of Man, each of the Issuer and the Guarantor accepts responsibility for the content of this Prospectus with respect to the resale or final placement of the Bonds in relation to any person (an “Investor”) who purchases any Bonds in a Public Offer made by the Lead Manager or an Authorised Offeror (as defined below) during the Offer Period (as defined below).

Except in the circumstances described below, none of the Issuer, the Guarantor or the Lead Manager has authorised the making of any offer by any offeror and neither the Issuer nor the Guarantor has consented to the use of this Prospectus by any other person in connection with any offer of the Bonds in any jurisdiction. Any offer made without the consent of the Issuer and the Guarantor is unauthorised and none of the Issuer, the Guarantor or, for the avoidance of doubt, the Lead Manager accepts any responsibility or liability in relation to any such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, an Investor is offered Bonds by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Prospectus for the purpose of the relevant Public Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

Consent

Each of the Issuer and the Guarantor consents, and (in connection with sub-paragraph (iii) below) offers to grant its consent, to the use of this Prospectus in connection with any Public Offer of Bonds in the United Kingdom, Jersey (subject to the conditions and requirements set out in the section titled “*Who is the offeror and/or the person asking for admission to trading?*”), the Bailiwick of Guernsey and/or the Isle of Man during the period commencing on the date of this Prospectus to 12.00 noon (London time) on 1 November 2021 (the “Offer Period”) by:

- (i) the Lead Manager; and
- (ii) any other financial intermediary which (a) is authorised to make such offers under UK MiFIR and (b) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) during the Offer Period (the “Acceptance Statement”):

“We, [insert legal name of financial intermediary], refer to the offer of 7.00 per cent. Bonds due 2026 (the “Bonds”) described in the Prospectus dated 7 October 2021 (the “Prospectus”) published by AMR GP Finance PLC (the “Issuer”). In consideration of the Issuer and the Guarantor named in the Prospectus offering to grant their consent to our use of the Prospectus in connection with the offer of the Bonds in the United Kingdom, Jersey, the Bailiwick of Guernsey, and/or the Isle of Man during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Prospectus), we hereby accept the offer by the Issuer and the Guarantor. We confirm that we are authorised under UK MiFIR to make, and are using the Prospectus in connection with, the Public Offer accordingly. Terms used in this paragraph and otherwise not defined shall have the same meaning as given to such terms in the Prospectus.”

The financial intermediaries referred to in paragraph (ii) above are together referred to herein as the “Authorised Offerors”.

The “Authorised Offeror Terms”, being the terms to which the relevant financial intermediary agrees in connection with using this Prospectus, are that the relevant financial intermediary:

- (a) is authorised to make such offers under UK MiFIR (in which regard, Investors should consult the register of authorised entities maintained by the FCA at <https://www.fca.org.uk/firms/financial-services-register>). UK MiFIR governs the organisation and conduct of the business of investment firms and the operation of regulated markets in the United Kingdom in order to seek to promote market transparency and the protection of investors;
- (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “Rules”), including the Rules published by the FCA (including, but not limited to, its guidance for distributors in “*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*” and its sourcebook for “*Product Intervention and Product Governance*”) from time to time including, without limitation and in each case, Rules relating to both the target market for the Bonds and the appropriateness or suitability of any investment in the Bonds by an Investor and disclosure to any potential Investor;
- (c) complies with the restrictions set out under the section headed “*Subscription and Sale*” in this Prospectus which would apply as if the relevant financial intermediary were a Lead Manager;
- (d) acknowledges the relevant manufacturer’s target market assessment and distribution channels identified under the “UK MiFIR Product Governance” legend set out in this Prospectus;
- (e) ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Bonds does not violate the Rules and is fully and clearly disclosed to Investors and potential Investors;
- (f) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Bonds under the Rules, including authorisation under FSMA and/or the Financial Services Act 2012;
- (g) complies with, and takes appropriate steps in relation to, all applicable anti-money laundering, anti-bribery, prevention of corruption and “know your client” Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to the initial investment in any Bonds

by the Investor), and does not permit any application for Bonds in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

- (h) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Lead Manager, the Issuer and the Guarantor or directly to the appropriate authorities with jurisdiction over the Issuer, the Guarantor and/or the Lead Manager in order to enable the Issuer, the Guarantor and/or the Lead Manager to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer, the Guarantor and/or the Lead Manager;
- (i) does not, directly or indirectly, cause the Issuer, the Guarantor or the Lead Manager to breach any Rule or subject the Issuer, the Guarantor or the Lead Manager to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (j) agrees and undertakes to indemnify each of the Issuer, the Guarantor and the Lead Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel’s fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer, the Guarantor or the Lead Manager, as applicable;
- (k) immediately gives notice to the Issuer, the Guarantor and the Lead Manager if at any time such Authorised Offeror becomes aware or suspects that it is or may be in violation of any Rules or these Authorised Offeror Terms, and takes all appropriate steps to remedy such violation and comply with such Rules and these Authorised Offeror Terms in all respects;
- (l) make available to each potential Investor in the Bonds this Prospectus (as supplemented as at the relevant time, if applicable) and any information booklet provided by the Issuer or the Guarantor for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Prospectus;
- (m) if it conveys or publishes any communication (other than this document or any other materials provided to such financial intermediary by or on behalf of the Issuer or the Guarantor for the purposes of the Public Offer) in connection with the Public Offer, it will ensure that such communication is consistent with the Prospectus and (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer and the Guarantor, that such financial intermediary is solely responsible for such communication and that none of the Issuer, the Guarantor or, for the avoidance of doubt, the Lead Manager accepts any responsibility or liability for such communication and (C) does not, without the prior written consent of the Issuer, the Guarantor or the Lead Manager (as applicable), use the legal or publicity names of the Issuer, Guarantor or Lead Manager or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the Bonds and the Guarantor as guarantor of the Bonds on the basis set out in this document;
- (n) ensure that no holder of Bonds or potential Investor in Bonds shall become an indirect or direct client of the Issuer, the Guarantor or the Lead Manager for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

- (o) co-operate with the Issuer, the Guarantor and the Lead Manager in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (h) above) upon written request from the Issuer, the Guarantor or the Lead Manager as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer, the Guarantor or the Lead Manager:
 - (A) in connection with any request or investigation by the FCA or any other regulator in relation to the Bonds, the Issuer, the Guarantor or the Lead Manager; and/or
 - (B) in connection with any complaints received by the Issuer, the Guarantor and/or the Lead Manager relating to the any of them or another Authorised Offeror including, without limitation, complaints as defined in rules published by the FCA and/or any other regulator of competent jurisdiction from time to time; and/or
 - (C) which the Issuer, Guarantor or the Lead Manager may reasonably require from time to time in relation to the Bonds and/or as to allow the Issuer, the Guarantor and/or the Lead Manager fully to comply with its or their own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- (p) either (i) obtain from each potential Investor an executed application for the Bonds, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Bonds on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules; and
- (q) agrees and accepts that:
 - (i) the contract between the Issuer, the Guarantor and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's and the Guarantor's offer to use this Prospectus with its consent in connection with the relevant Public Offer (the "Authorised Offeror Contract"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
 - (ii) subject to (iv) below, the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the English courts;
 - (iii) for the purposes of (i) and (ii) above, the financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute;
 - (iv) to the extent allowed by law, the Lead Manager may, in respect of any Dispute or Disputes, take (x) proceedings in any other court with jurisdiction; and (y) concurrent proceedings in any number of jurisdictions; and
 - (v) the Lead Manager will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for its benefit, including the agreements, representations, undertakings and indemnity given by each financial intermediary pursuant to the Authorised Offeror Terms.

Investors should note that any financial intermediary who wishes to use this Prospectus in connection with a Public Offer as set out above is required, for the duration of the Offer Period, to

publish on its website the Acceptance Statement as defined above and to confirm on its website that its use of this Prospectus is in accordance with the consent and conditions described above.

Other than as set out above, none of the Issuer, the Guarantor or the Lead Manager has authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use this Prospectus in connection with any offer of Bonds. Any such offers are not made on behalf of the Issuer, the Guarantor or by the Lead Manager or any Authorised Offeror and none of the Issuer, the Guarantor, the Lead Manager or any Authorised Offerors has any responsibility or liability for the actions of any person making such offers.

Arrangements between investors and the financial intermediaries who will distribute the Bonds

In the event of any public offer being made by a financial intermediary, the financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

None of the Issuer, the Guarantor or, for the avoidance of doubt, the Lead Manager has any responsibility or liability for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

An Investor intending to acquire or acquiring any Bonds from an Authorised Offeror will do so, and offers and sales of the Bonds to such Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements. Neither the Issuer nor the Guarantor will be a party to any such arrangements with any Investor in connection with the offer or sale of the Bonds and, accordingly, this Prospectus does not contain such information. The information relating to the procedure for making applications will be provided by the relevant Authorised Offeror to the relevant Investor(s) at the relevant time. None of the Issuer, the Guarantor, the Lead Manager or any other Authorised Offerors has any responsibility or liability for such information.

Notice to Investors

The Bonds may not be a suitable investment for all Investors. Potential Investors must determine the suitability of any investment in light of its own circumstances. In particular, Investors may wish to consider, either on their own or with the help of their financial and other professional advisers, whether they:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Prospectus (and any applicable supplement to this Prospectus);
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on the Investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments (Sterling) is different from the currency which the Investor usually uses;
- (d) understand thoroughly the terms of the Bonds and are familiar with the behaviour of the financial markets; and
- (e) are able to evaluate possible scenarios for economic, interest rate and other factors that may affect the Investor's investment and your ability to bear the applicable risks.

No person is or has been authorised by the Issuer, the Guarantor, the Lead Manager or the Bond Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Lead Manager or the Bond Trustee.

Neither the publication of this Prospectus nor the offering, sale or delivery of the Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date of this Prospectus or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date of this Prospectus or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Lead Manager nor the Bond Trustee undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Bonds or to advise any Investor in the Bonds of any information coming to their attention.

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds should be considered as a recommendation by the Issuer, the Guarantor, the Lead Manager or the Bond Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and any purchase of Bonds should be based upon such investigation as it deems necessary.

The Lead Manager and the Bond Trustee

Neither the Lead Manager nor the Bond Trustee has independently confirmed the information contained in this Prospectus. No representation, warranty or undertaking, express or implied, is made by the Lead Manager or the Bond Trustee as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Bonds. Neither the Lead Manager nor the Bond Trustee accepts liability in relation to the information contained in this Prospectus or any other information provided by the Issuer or the Guarantor in connection with the offering of the Bonds or their distribution.

The Lead Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantor and their respective affiliates in the ordinary course of business.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking expressions, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or similar expressions, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuer, the Guarantor and the Group concerning, amongst other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which the Group operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Group's operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. These and other factors are discussed in more detail under the sections headed "*Risk Factors*" and "*Description of the Business of the Guarantor and the Group*". Many of these factors are beyond the control of the Issuer, the Guarantor and the Group. Should one or more of these risks or uncertainties materialise or should underlying assumptions on which the forward-looking statements are based prove incorrect, actual results may vary materially from those described in this Prospectus as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuer and the Guarantor do not intend, and do not assume any obligation, to update any forward-looking statements set out in this Prospectus.

This Prospectus is based on English law in effect as of the date of issue of this Prospectus. Except to the extent required by laws and regulations, the Issuer and the Guarantor do not intend, and do not assume any

obligation, to update this Prospectus in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Prospectus.

CREST depository interests

In certain circumstances, investors may also hold interests in the Bonds through CREST through the issue of CDIs representing interests in the Underlying Bonds. CDIs are independent securities constituted under English law and transferred through CREST and will be issued by CREST Depository Limited pursuant to the CREST Deed Poll. Neither the Bonds nor any rights attached to the Bonds will be issued, settled, held or transferred within the CREST system other than through the issue, settlement, holding or transfer of CDIs. CDI Holders will not be entitled to deal directly in the Bonds and, accordingly, all dealings in the Bonds will be effected through CREST in relation to the holding of CDIs. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus.

UK MiFIR Product Governance

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA, eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Bonds are appropriate, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.

SUBSCRIPTION AND SALE

Under a subscription agreement expected to be dated on or about 3 November 2021 (the “Subscription Agreement”), the Lead Manager is expected to agree to use reasonable endeavours to procure subscribers for the Bonds at the issue price of 100 per cent. of the principal amount of the Bonds, less arrangement and management fees. The Lead Manager will receive fees of 1.5 per cent. of the principal amount of the Bonds issued. In addition, certain authorised distributors may be eligible to receive a fee as follows: each Authorised Offeror may be eligible to receive a distribution fee of 0.375 per cent. of the principal amount of the Bonds allotted to and paid for by it.

The Issuer (failing whom the Guarantor) will also reimburse the Lead Manager in respect of certain of its expenses incurred in connection with the offer and issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to the issue of the Bonds. The issue of the Bonds will not be underwritten by the Lead Manager, the Authorised Offerors or any other person.

Selling restrictions

Under the terms of the Subscription Agreement, the Issuer, the Guarantor and the Lead Manager will agree to comply with the selling restrictions set out below. The Authorised Offerors will also be required to comply with these restrictions during the Offer Period under the Authorised Offeror Terms. See the section headed “*Important Legal Information – Consent*”.

United States

The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933 the (“Securities Act”) and the Bonds (which are in bearer form) are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds and the Guarantee may not be offered, sold or delivered within the United States. The Lead Manager will agree that it will not offer, sell or deliver any Bonds or the Guarantee within the United States.

In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee, an offer or sale of the Bonds or the Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Public offer selling restriction under the UK Prospectus Regulation

The Lead Manager will represent, warrant and agree that it has not made and will not make an offer of Bonds which is the subject of the offering contemplated by this Prospectus to the public in the UK other than the offer contemplated in this Prospectus from the time this Prospectus has been approved by the FCA and published in accordance with the UK Prospectus Regulation until the Issue Date, except that it may make an offer of Bonds to the public:

- (a) to any legal entity which is a qualified investor as defined in the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of Bonds referred to above shall require the Issuer, the Guarantor or the Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of bonds to the public” in relation to any Bonds in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other UK Regulatory Restrictions

The Lead Manager will also represent, warrant and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of FSMA would not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the United Kingdom.

Prohibition of Sales to European Economic Area Retail Investors

The Lead Manager will represent, warrant and agree that it has not offered, sold or otherwise make available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”);
- (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (c) not a qualified investor as defined in the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to any Bonds in the European Economic Area means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Jersey

The Lead Manager will represent and agree that there will be no circulation in Jersey of any offer for subscription, sale or exchange of the Bonds unless such offer is circulated in Jersey by a person or persons authorised to conduct the appropriate category of financial services business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958 (the “COBO Order”), as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the United Kingdom without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom. Consent under the COBO Order has not been obtained for the circulation of this offer and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Bonds. By accepting this offer each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

Guernsey

The Lead Manager will represent and agree that:

- (a) the Bonds cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the requirements of the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, as modified or re-enacted (including, with effect from 1 November 2021, The Protection of Investors (Bailiwick of Guernsey) Law, 2020) (the "POI Law"), and the regulations enacted thereunder, or any exemption therefrom;
- (b) this Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey; and
- (c) this Prospectus may not be distributed or circulated, directly or indirectly, to any persons in the Bailiwick of Guernsey other than:
 - (i) by a person licensed to do so under the terms of the POI Law; or
 - (ii) by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of, certain designated countries or territories which, in the opinion of Guernsey Financial Services Commission, afford adequate protection to investors and (b) meet the criteria specified in section 29(1)(c) (prior to 1 November 2021) or section 44(1)(c) (from 1 November 2021 onwards) of the POI Law; or
 - (iii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law 1994, (or, with effect from 1 November 2021, The Banking Supervision (Bailiwick of Guernsey) Law, 2020), the Insurance Business (Bailiwick of Guernsey) Law 2002, as amended), the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002, as amended, or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law 2000 (or, with effect from 1 November 2021, The Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2020) by non-Guernsey bodies who (a) carry on such promotion in a manner in which they are permitted to carry on promotion in or from within, and under the law of certain designated countries or territories which, in the opinion of the Guernsey Financial Services Commission, afford adequate protection to investors and (b) meet the criteria specified in section 29(1)(cc) (prior to 1 November 2021) or 44(1)(d) (from 1 November 2021 onwards) of the POI Law; or
 - (iv) as otherwise permitted by the Guernsey Financial Services Commission.

Isle of Man

The Lead Manager will represent and agree that any offer for subscription, sale or exchange of the Bonds in or from within the Isle of Man shall be made by (i) a person licensed under Section 7 of the Financial Services Act 2008 to do so or (ii) in accordance with any relevant exclusion contained within the Regulated Activities Order 2011, as amended, or exemption contained in the Financial Services (Exemptions) Regulations 2011, as amended.

General

No action has been or will be taken by the Issuer, the Guarantor, or the Lead Manager in any jurisdiction other than the United Kingdom that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Lead Manager will agree, to the best of its knowledge and belief, to comply in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus or any amendment or supplement thereto or any other offering material, in all cases at its own expense.

TAXATION

General

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer or the Guarantor further issues of securities that will form a single series with the Bonds, and do not address the consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the Bonds). Any Bondholders who are in doubt as to their own tax position should consult their professional advisers. In particular, Bondholders should be aware that the tax legislation of any jurisdiction where a Bondholder is resident or otherwise subject to taxation (as well as the United Kingdom as discussed below) may have an impact on the tax consequences of an investment in the Bonds including in respect of any income received from the Bonds.

United Kingdom

The summary set out below is a general description of certain taxation matters of the United Kingdom based on the Issuer's and the Guarantor's understanding of current United Kingdom tax law and HMRC practice (which may not be binding on HMRC), in each case as at the date of this Prospectus, both of which are subject to change, possibly with retrospective effect. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. It does not necessarily apply where the income is deemed for tax purposes to be the income of any other person. The summary is intended as a general guide only and is not intended to be, nor should it be construed to be, legal or tax advice.

The summary set out below applies only to persons who are the absolute beneficial owners of Bonds who hold their Bonds as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Bonds are attributable). In particular, Bondholders holding their Bonds *via* a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof. Some aspects do not apply to certain classes of person (such as dealers, certain professional investors and persons connected with the Issuer and the Guarantor) to whom special rules may apply. The United Kingdom tax treatment of prospective Bondholders depends on their individual circumstances and may therefore differ to that set out below or may be subject to change in the future (possibly with retrospective effect).

If you may be subject to tax in a jurisdiction other than the United Kingdom or are unsure as to your tax position, you should seek your own professional advice. This summary only deals with the matters expressly set out below.

Interest on the Bonds

Withholding tax on the Bonds

Payments of interest on the Bonds may be made without deduction or withholding for or on account of United Kingdom income tax provided that the Bonds are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "ITA") as it applies for the purposes of section 987 of the ITA, or admitted to trading on a multilateral trading facility operated by a regulated recognised stock exchange within the meaning of section 987 of the ITA, and therefore constitute "quoted Eurobonds" within the meaning of section 987 of the ITA.

The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if (and only if) they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of FSMA) and admitted to trading on the London Stock Exchange.

The main market of the London Stock Exchange (the "Main Market") is a regulated market and hence a recognised stock exchange for these purposes and the ORB market is a platform within the Main Market. Provided, therefore, that the Bonds are and continue to be included in the United Kingdom official list and admitted to trading on the ORB market, the Issuer is entitled to make payments of interest on the Bonds without withholding or deduction for or on account of United Kingdom income tax.

If the Bonds cease to be so listed, the Issuer must generally withhold an amount from payments of interest on the Bonds for or on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to any direction to the contrary by HMRC under an applicable double taxation treaty, and except that the withholding obligation is disapplied in respect of payments to Bondholders which the Issuer reasonably believes are either a United Kingdom resident company or a non-United Kingdom resident company carrying on a trade in the United Kingdom through a permanent establishment which brings into account the interest in computing its United Kingdom taxable profits, or fall within various categories enjoying a special tax status (including charities and pension funds), or are partnerships consisting of such persons (unless HMRC direct otherwise). If interest were paid under deduction of United Kingdom income tax, Bondholders may be able to recover all or part of the tax deducted if relief is available pursuant to an appropriate provision in an applicable double taxation treaty (in the case of Bondholders who are not resident in the United Kingdom) or if any other exemption applies.

Further United Kingdom tax issues

Interest on the Bonds constitutes United Kingdom source income for tax purposes and, as such, may be subject to United Kingdom income tax by direct assessment even where paid without withholding, irrespective of the residence of the Bondholder.

However, interest with a United Kingdom source properly received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom income tax in the hands of a Bondholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Bondholder carries on a trade, profession or vocation in the United Kingdom, and will not be chargeable to United Kingdom corporation tax in the hands of a corporate Bondholder, unless that Bondholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Bonds are attributable. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Bondholders.

Bondholders should note that the provisions relating to the payment of additional amounts referred to in “*Terms and Conditions of the Bonds – Taxation*” Condition 9 above would not apply if HMRC sought to assess the person entitled to the relevant interest or (where applicable) profit on any Bond directly to United Kingdom tax on interest as described above. However, exemption from, or reduction of, such United Kingdom tax liability (or recovery of all or part of any tax deducted from any payment) might be available under an applicable double taxation treaty.

Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee in respect of interest on the Bonds (or other amounts due under the Bonds other than the repayment of amounts subscribed for the Bonds) is uncertain. Depending on the correct legal analysis of payments made by the Guarantor as a matter of United Kingdom tax law, it is possible that payments by the Guarantor under the terms of the Guarantee would be subject to withholding on account of United Kingdom tax, subject to any applicable exemptions or reliefs (and noting that not all of the exemptions and reliefs set out above would necessarily be applicable). In particular, such payments by the Guarantor may not be eligible for the exemption from withholding on account of United Kingdom income tax in respect of bonds listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.).

United Kingdom corporation tax payers

In general, Bondholders which are within the charge to United Kingdom corporation tax (other than investment trusts, venture capital trusts, authorised unit trusts and open-ended investment companies) in respect of a Bond (including non-resident Bondholders whose Bonds are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will be subject to United Kingdom corporation tax as income on all interest, returns, profits or gains on, and fluctuations in value of, the Bonds (whether attributable to currency fluctuations or otherwise) (and be entitled to obtain relief for permitted losses) broadly in accordance with their statutory accounting treatment so long as the accounting treatment is in accordance with generally accepted accounting practice as that term is defined for tax purposes. Such interest, returns, profits, gains and losses (or where the Bondholder’s functional currency is not Sterling, then

the Sterling equivalent of such interest, returns, profits, gains and losses as computed in the Bondholder's functional currency) will be taken into account in computing taxable income for corporation tax purposes. For such Bondholders, the "accrued income scheme" (described below) will not apply to such Bonds. Bondholders that are investment trusts, venture capital trusts, authorised unit trusts or open ended investment companies will be subject to the same taxation treatment in respect of the Bonds as other Bondholders that are within the charge to United Kingdom corporation tax, other than with respect to capital profits, gains or losses as defined.

Other United Kingdom tax payers

Interest

Bondholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom will generally be liable to United Kingdom income tax on the amount of any interest received in respect of the Bonds.

Transfer (including redemption)

The Bonds will constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992. Accordingly, a disposal or redemption by a Bondholder of a Bond will not give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains.

Accrued income scheme

The provisions of the accrued income scheme (the "Scheme") may apply to certain Bondholders who are not subject to corporation tax, in relation to a transfer of the Bonds. On a transfer of securities with accrued interest, the Scheme usually applies to deem the transferor to receive an amount of income equal to the accrued interest and to treat the deemed or actual interest subsequently received by the transferee as reduced by a corresponding amount. Generally, persons who are not resident in the United Kingdom and who do not carry on a trade in the United Kingdom through a branch or agency to which the Bonds are attributable will not be subject to the provisions of these rules.

Individual Savings Accounts

The Bonds will be qualifying investments for the stocks and shares component of an account (an "ISA") under the Individual Savings Account Regulations 1998 (the "ISA Regulations") provided that the Bonds are listed on the official list of a recognised stock exchange within the meaning of section 1005 of the ITA. The London Stock Exchange is a recognised stock exchange for these purposes and the ORB market is a platform within the Main Market of the London Stock Exchange for these purposes. Individual Bondholders who acquire or hold their Bonds through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations will not be subject to United Kingdom tax on interest or other amounts received in respect of the Bonds.

The opportunity to invest in Bonds through an ISA is restricted to individuals. Individuals wishing to purchase the Bonds through an ISA should contact their professional advisers regarding their eligibility.

Stamp duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue or transfer by delivery of a Bond or on its redemption.

The Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes.

A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way

in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register and Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Bonds (as described under “*Terms and Conditions – Further Issues*”) that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Bonds, including those Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate.

Prospective holders of Bonds are advised to seek their own professional advice in relation to the FTT.

ADDITIONAL INFORMATION RELATING TO THE BONDS

Listing and admission to trading of the Bonds

It is expected that the admission of the Bonds to the Official List of the UK Financial Conduct Authority and to trading on the London Stock Exchange plc's regulated market and through the ORB market will occur on or about 8 November 2021, after the publication of the Sizing Announcement relating to the Bonds.

The estimated amount of expenses related to the admission to trading of the Bonds will be specified in the Sizing Announcement.

The London Stock Exchange plc's regulated market is a UK regulated market for the purposes of UK MiFIR. UK MiFIR governs the organisation and conduct of the business of investment firms and the operation of regulated markets in the United Kingdom in order to seek to promote market transparency and the protection of investors.

The legal entity identifier ("LEI") number of the Issuer is 213800PIHUI6Q1JRA467 and the LEI number of the Guarantor is 213800DB789YK8IM2R04.

Authorisation

The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 4 October 2021. The Guarantor authorised the giving of a guarantee in respect of the Bonds pursuant to a resolution of the Board of Directors of the Guarantor dated 4 October 2021.

The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in England and Wales in connection with the issue and performance of the Bonds, the giving of the Guarantee and the granting of the relevant security relating to the Issuer's and Guarantor's obligations under the Bonds and Guarantee, respectively.

Significant or material change statement

There has been no significant change in the financial performance or the financial position of the Guarantor and the Group since 30 June 2021 (which is the end of the last financial period covered by the available financial information of the Guarantor) and there has been no material adverse change in the prospects of the Guarantor and the Group since 30 June 2021 (being the date of the last audited financial statements of the Guarantor).

The Issuer was incorporated on 21 September 2021. There has been no significant change in the financial performance or financial position of the Issuer, and there has been no material adverse change in the prospects of the Issuer, in either case since its date of incorporation.

Litigation statement

There are no, and there have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the 12 month period preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's, the Guarantor's and/or the Group's financial position or profitability.

Clearing systems information

The Bonds will initially be represented by a temporary global bond (the "Temporary Global Bond"), which will be deposited with a common depository on behalf of Clearstream Banking S.A. ("Clearstream, Luxembourg") and Euroclear Bank SA/NV ("Euroclear") on or about the Issue Date. The Temporary Global Bond will be exchangeable for interests in a permanent global bond (the "Permanent Global Bond"), without interest coupons, attached, on or after the date falling 41 days after the Issue Date, upon certification of non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable for definitive Bonds ("Definitive Bonds") in bearer form in the denomination of £100 in the limited circumstances set out in it. See the section

headed “*Summary of Provisions Relating to the Bonds while in Global Form in the Clearing Systems*” of this Prospectus.

The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Bonds will be accepted for settlement in Euroclear UK & Ireland Limited (formerly known as CREST Co Limited) (“CREST”) via the CDI mechanism. Interests in the Bonds may also be held through CREST through the issuance of CDIs representing the Underlying Bonds. You should note that the CDIs are the result of the CREST settlement mechanics and are not the subject of this Prospectus. The ISIN for the Bonds is XS2395243970 and the Common Code is 239524397.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London EC4M 5SB.

Documents available for inspection

For so long as any Bond remains outstanding, copies of the following documents will, when published, be available for inspection on the Group’s website (<https://www.astonmartinf1.com/investor-relations>):

- (a) the memorandum and articles of association of the Issuer and the Guarantor;
- (b) the Trust Deed (which includes the forms of Global Bond and Definitive Bonds) and the Paying Agency Agreement;
- (c) the Security Deed;
- (d) the Issuer Account Bank Agreement;
- (e) a copy of this Prospectus; and
- (f) any future prospectuses and supplements to this Prospectus and any other documents incorporated therein by reference.

This Prospectus will be published on the website of the Regulatory News Service (RNS) operated by the London Stock Exchange plc at: <https://www.londonstockexchange.com/news?tab=today-s-news>.

Auditors

The financial statements of the Guarantor for the four-month period ended 31 December 2020, the financial year ended 31 August 2020 and the financial period ended 31 August 2019 have been audited without qualification in accordance with International Standards on Auditing (UK) by BDO LLP. BDO LLP has also audited the financial statements of the Guarantor for the six-month period ended 30 June 2021. BDO LLP is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.

Financial year

In order to align with the Financial Regulations, which base the ‘full year reporting period’ on a calendar year, on 17 December 2020, the Guarantor changed its financial year end from 31 August to 31 December and prepared accounts for a short period of four months from 31 August 2020 to 31 December 2020.

Cash Flows

In prior periods, the Guarantor took the exemption available not to prepare a cashflow statement. In order to provide additional information for users of the financial statements, the Guarantor has decided to provide proforma cashflow information in statutory format for the last four reporting periods, namely the six-month period ended 30 June 2021, the four-month period ended 31 December 2020, the financial year ended 31

August 2020 and the financial period ended 31 August 2019. The cash flow statements are available in the section titled “*Financial Statements of the Guarantor*” in this Prospectus.

Material and conflicts of interest

So far as the Issuer and the Guarantor are aware, no person involved in the offer of the Bonds has an interest material to the offer. There are no conflicts of interest which are material to the offer of the Bonds.

Material Contracts

Save for the material contracts included in “*Description of the business of the Guarantor and the Group — Material Contracts*”, there are no material contracts entered into other than in the ordinary course of the Group’s business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer’s, or the Guarantor’s, as the case may be, ability to meet its respective obligations to Bondholders in respect of the Bonds being issued.

Yield

The yield of the Bonds is 7.00 per cent. on an annual basis. This yield is calculated as at the date the Bonds are issued on the basis of the issue price (being 100 per cent. of the principal amount of the Bonds). It is not an indication of future yield.

Websites

The website of the Issuer and the Guarantor is: <https://www.astonmartinf1.com/investor-relations>.

The Information on this website and any other website specified in this Prospectus does not form part of this Prospectus.

Maximum Amount of Securities to be Offered

The Issuer will not issue in excess of £250,000,000 in aggregate principal amount of the Bonds; however, this maximum principal amount of securities being offered is not intended to be indicative of how many Bonds will be issued, and the principal amount of Bonds to be issued will depend in part on the demand from investors during the Offer Period. The final principal amount of Bonds to be issued may be significantly less than this.

ALTERNATIVE PERFORMANCE MEASURES

The Group uses adjusted figures which are not defined by generally accepted accounting principles in the United Kingdom ("UK GAAP"). The figures below are presented as additional performance measures used by management, as they provide relevant information in assessing the Group's performance, position and cash flows. The Group believes that these measures enable investors to more clearly track the core operational performance of the Group, while providing investors with a clear basis for assessing the Group's ability to raise debt and continue to trade. The Group's management uses these financial measures, along with UK GAAP financial measures, in evaluating its operating performance as a whole and the individual business segments. Adjusted and underlying financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with UK GAAP. The measures may not be directly comparable to similarly reported measures by other companies. The adjusted financial measures used are:

- **EBITDA** (earnings before interest, tax, depreciation and amortisation): this is calculated by subtracting administrative expenses, amortisation, depreciation and other operating income from the gross profit or gross loss figure for the financial period. This is a key measure used by the Group to determine its profit or loss after accounting for certain financial and capital expenditures.

	Note in Accounts	For the six months ended 30 June 2021 (£'000)	For the four months ended 31 December 2020 (£'000)
Turnover		71,073	18,146
Cost of Sales		(53,956)	(35,875)
Gross profit/(loss)		17,117	(17,729)
Admin expenses		(34,713)	(32,982)
Less Amortisation	Note 13	839	-
Less Depreciation	Note 14	2,418	2,316
Other operating income		11,900	30,716
EBITDA		(2,439)	(17,679)

	Note in Accounts	For the financial year ended 31 August 2020 (£'000)	Note in Accounts	For the financial year ended 31 August 2019 (£'000)
Turnover		60,703		45,687
Cost of Sales		(76,205)		(83,873)
Gross profit/(loss)		(15,502)		(38,186)
Admin expenses		(69,880)		(77,332)
Less Amortisation	Note 12	10,298	Note 11	11,194
Less Depreciation	Note 13	7,495	Note 12	5,650
Other operating income		24,291		-
EBITDA		(43,298)		(98,674)

- **Net financial debt:** this is calculated as long term debt plus short term debt minus cash and helps the Group determine its leverage position (in other words, the ratio of its debt to equity) and ability to pay its obligations by comparing its total debt with its liquid assets.

	Note in Accounts	For the six months ended 30 June 2021 (£'000)	For the four months ended 31 December 2020 (£'000)
Long-term debt (plus)			
Net obligations under finance leases and hire purchase contracts	Note 19	90	157
Amounts owed to related undertakings	Note 19	-	10,402
		90	10,559
Short term debt (plus)			
Bank loan	Note 18	-	20,000
Amounts owed to parent undertaking	Note 18	1,075	25
Amounts owed to related undertakings	Note 18	-	-
Obligations under finance lease and hire purchase contracts	Note 18	135	166
Financial derivative liability	Note 18	-	-
		1,210	20,191
Cash at bank and in hand	Note 17	1,035	21,779
Net financial debt		265	8,971

	Note in Accounts	For the financial year ended 31 August 2020 (£'000)	Note in Accounts	For the financial year ended 31 August 2019 (£'000)
Long-term debt (plus)				
Net obligations under finance leases and hire purchase contracts	Note 18	201	Note 17	44
Amounts owed to related undertakings	Note 18	-	Note 17	-
		201		44
Short term debt (plus)				
Bank loan	Note 17	5,000	Note 16	55,000
Amounts owed to parent undertaking	Note 17	275	Note 16	1,400
Amounts owed to related undertakings	Note 17	-	Note 16	15,035
Obligations under finance lease and hire purchase contracts	Note 17	190	Note 16	123
Financial derivative liability	Note 17	-	Note 16	4,154
		5,465		75,712
Cash at bank and in hand	Note 16	12,299	Note 15	13,545
Net financial debt/(assets)		(6,633)		62,211

FINANCIAL STATEMENTS OF THE GUARANTOR

1. Audited financial statements of the Guarantor (including BDO LLP's audit report thereon) for the financial period ended 31 August 2019.
2. Audited financial statements of the Guarantor (including BDO LLP's audit report thereon) for the financial year ended 31 August 2020.
3. Audited financial statements of the Guarantor (including BDO LLP's audit report thereon) for the four months ended 31 December 2020.
4. Audited financial statements of the Guarantor (including BDO LLP's audit report thereon) for the six months ended 30 June 2021.

Racing Point UK Limited

Annual Report and Financial Statements

Period Ended

31 August 2019

Company Number 11496673

Racing Point UK Limited

Company Information

Directors	L S Strulovitch S K F Chou
Company secretary	L A Ross
Registered number	11496673
Registered office	Dadford Road Silverstone Northamptonshire United Kingdom NN12 8TJ
Independent auditors	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London United Kingdom W1U 7EU

Racing Point UK Limited

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Racing Point UK Limited

Strategic Report For the Period Ended 31 August 2019

Principal activities and business review

The principal activity of the Company is to operate and manage a Formula One racing team.

The Company carries out this activity through the design and manufacture of racing cars for participation in the FIA Formula One World Championship. The Company acquired the assets of Force India Formula One Team on 16 August 2018 after it was placed into administration.

The Company's success is measured by its performance in the Championships and by reference to the financial parameters defined by its shareholders. The Company's principal objective is to outperform its direct competition and to achieve at least 4th place in the Constructors Championship.

The team scored strongly in the remaining races of the 2018 season, finishing the season in 7th position despite entering the Championship in August. The 2019 season is extremely competitive in the midfield and the team is currently placed 7th after the Japanese Grand Prix but is within 5 points of the 6th placed team. Notable performances have included 4th place in the 2019 German Grand Prix for Lance Stroll, double points finishes in the Belgian Grand Prix (2018 & 2019), in the 2018 Italian Grand Prix and in the 2019 Azerbaijan Grand Prix as well as 7th place for Sergio Perez in the Italian and Russian Grand Prix in 2019.

The team is continuing to build its development capability and has delivered significant in-season performance to the car from the middle of the 2019 season.

Turnover for the period was £45 million and the Company made a loss after taxation of £117 million.

These accounts, spread across two racing seasons, reflect a unique period of activity which included the accelerated acquisition of the assets of Force India in an exceptionally short timeframe. Racing Point took responsibility for the significant debts owed to its supplier base and over the last 12 months has begun investing in major infrastructure projects, including a complete overhaul of its IT systems, with plans progressing for the creation of a new factory by 2021. The Company will continue with its principal activities to operate and manage a Formula One racing team, including the design, development, manufacture, testing and racing of Formula One racing cars.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks, which are reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks are as follows:

Competitive Risks

The Company's principal risk is the revenue it generates from its performance and towards its racing programme. This is directly attributable to the race results it achieves. The Company performs regular financial reviews.

Racing Point UK Limited

Strategic Report (continued) For the Period Ended 31 August 2019

Legislative Risks

Participation in the FIA Formula One World Championship is subject to the International Sporting Code, the current Technical and Sporting Regulations and the provisions of the 2009 Concorde Agreement or such similar agreements. The Company works with its employees, agents and advisors, as well as the FIA to ensure its compliance.

Financial Risks

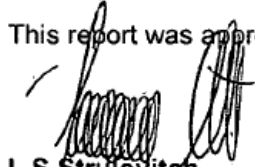
The Company has issued the necessary amount of Share Capital to meet its projected financial obligations. The funding requirements of the team are closely monitored during regular financial reviews.

The Company has placed forward contracts to minimize its foreign exchange risk.

Brexit

The Company continues to monitor Brexit developments and is developing plans to manage the potential risks and impact caused by the current uncertainty around the ultimate form and timing of Brexit.

This report was approved by the board and signed on its behalf.



L S Strulovitch
Director

Date: 10 January 2020

Racing Point UK Limited

Directors' Report For the Period Ended 31 August 2019

The directors present their report and the financial statements for the period ended 31 August 2019.

Dividends

The Company paid no dividends during the period.

Directors

The directors who served during the period were:

L S Strulovitch (appointed 9 August 2018)

S K F Chou (appointed 9 August 2018)

E M T Den Besten (appointed 2 August 2018, resigned 8 August 2018)

E W Porter (appointed 2 August 2018, resigned 9 August 2018)

Future developments

The Company will continue with its principal activities to operate and manage a Formula One racing team, including the design, development, manufacture, testing and racing of Formula One motor racing cars.

Employees

The Company is committed to ensuring its employees are fully engaged in the ongoing management and performance of the business. Regular formal and informal briefings are conducted with all employees.

The Company takes reasonable steps to ensure that all employees, existing and prospective, are given fair and equal opportunity regardless of sex, race, ethnicity, religion or disability.

Research and development activities

The activities of the Company are all dedicated towards the design and development of a car to compete successfully in the FIA Formula One World Championship. The directors consider the investment in research and development to be integral to the continued success of the Company.

Disabled employees

The Company's policy is to give all applications for employment from disabled persons full consideration in relation to the vacancy concerned and their own aptitude and abilities. In the event of existing staff members becoming disabled, every effort is made to enable them to maintain their present position or to provide appropriate training and employ them in suitable work within another department.

Training, career development and promotion of disabled persons employed by the Company is considered and administered in the same manner as for other employees, taking into account any additional support requirements of those persons.

Going concern

During the first period of operation the Company has received significant cash investment from its shareholders. The Company is dependent on the continued financial support from its shareholders in order to manage its ongoing working capital, renegotiating existing finance facilities and receiving outstanding share capital in order to remain as a going concern. The Company's shareholders have committed to provide financial support to the Company for at least 12 months from the date of the signing of the Company's financial statements, in order for the Company to be able to meet its liabilities as they fall due and to realise the full value of its assets. The Directors have considered the Company's financial position, having reviewed budgets and forecast cash flows and the availability of financial support from its shareholders and consider that it is appropriate to prepare the financial statements on a going concern basis.

Racing Point UK Limited

Directors' Report (continued) For the Period Ended 31 August 2019

Qualifying third party indemnity provisions

The Company maintains directors' and officers' liability insurance providing appropriate cover for any legal action brought against its directors.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the period end.

Auditors

The auditors, BDO LLP, were appointed during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


L S Strulovitch
Director

Date: 10 January 2020

Racing Point UK Limited

Directors' Responsibilities Statement For the Period Ended 31 August 2019

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Racing Point UK Limited

Independent Auditors' Report to the Members of Racing Point UK Limited

Opinion

We have audited the financial statements of Racing Point UK Limited ("the Company") for the period ended 31 August 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Racing Point UK Limited

Independent Auditors' Report to the Members of Racing Point UK Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Racing Point UK Limited

Independent Auditors' Report to the Members of Racing Point UK Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Gareth Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

United Kingdom

14 January 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Racing Point UK Limited

Statement of Comprehensive Income For the Period Ended 31 August 2019

	Note	Period from 2 August 2018 to 31 August 2019 £000
Turnover	4	45,687
Cost of sales		(83,873)
Gross loss		(38,186)
Administrative expenses		(77,332)
Operating loss	5	(115,518)
Interest payable and expenses	9	(130)
Loss before tax		(115,648)
Tax on loss	10	-
Loss for the financial period		(115,648)

There was no other comprehensive income for the period ending 31 August 2019.

The notes on pages 14 to 33 form part of these financial statements.

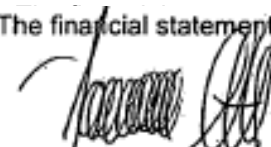
Racing Point UK Limited

Registered number: 11496673

Statement of Financial Position As at 31 August 2019

	Note	2019 £000
Fixed assets		
Intangible assets	11	10,298
Tangible assets	12	20,804
		<u>31,102</u>
Current assets		
Stocks	13	813
Debtors: amounts falling due within one year	14	134,029
Cash at bank and in hand	15	13,545
		<u>148,387</u>
Creditors: amounts falling due within one year	16	(95,017)
		<u>53,370</u>
Net current assets		
		<u>84,472</u>
Total assets less current liabilities		
Creditors: amounts falling due after more than one year	17	(44)
Provisions for liabilities		
Other provisions	20	(61)
		<u>(61)</u>
Net assets		<u>84,367</u>
Capital and reserves		
Called up share capital	21	215
Share premium account	21,22	199,800
Profit and loss account	22	(115,648)
		<u>84,367</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



L S Strulovitch
Director

Date: 10 January 2020

The notes on pages 14 to 33 form part of these financial statements.

Racing Point UK Limited

Statement of Changes in Equity For the Period Ended 31 August 2019

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 2 August 2018	-	-	-	-
Loss for the period	-	-	(115,648)	(115,648)
Shares issued during the period	215	199,800	-	200,015
At 31 August 2019	215	199,800	(115,648)	84,367

The notes on pages 14 to 33 form part of these financial statements.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

1. General information

The Company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is Dadford Road, Silverstone, Northamptonshire, United Kingdom, NN12 8TJ.

These are the Company's first set of financial statements and are presented for the period from incorporation on 2 August 2018 to 31 August 2019.

The Company has determined that GBP is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates. These financial statements are presented in Pounds Sterling (GBP), and are presented to the nearest thousand pound.

The principal activity of the Company during the period was to manage a Formula One racing team.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Racing Point UK Holdings Limited as at 31 August 2019 and these financial statements may be obtained from 5 St James's Square, London, SW1Y 4JU.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

2. Accounting policies (continued)

2.3 Going concern

During the first period of operation the Company has received significant cash investment from its shareholders. The Company is dependent on the continued financial support from its shareholders in order to manage its ongoing working capital, renegotiating existing finance facilities and receiving outstanding share capital in order to remain as a going concern. The Company's shareholders have committed to provide financial support to the Company for at least 12 months from the date of the signing of the Company's financial statements, in order for the Company to be able to meet its liabilities as they fall due and to realise the full value of its assets. The Directors have considered the Company's financial position, having reviewed budgets and forecast cash flows and the availability of financial support from its shareholders and consider that it is appropriate to prepare the financial statements on a going concern basis.

2.4 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

2.5 Turnover

Turnover, which excludes value added tax and trade discounts, represents sponsorship income, prize money and other income relating to the Company's principal activity and is recognised in the year to which it relates once collectability is reasonably assured.

Sponsorship income is recognised as and when it arises in relation to specific timing and events for which sponsorship relates to.

Prize money is recognised on an accruals basis over the period for which it relates to.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

2. Accounting policies (continued)

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	2	years
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2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold buildings	- between 4% and 50% straight line
Assets under construction	- not depreciated
Plant and machinery	- between 4% and 50% straight line
Motor vehicles	- between 25% and 50% straight line
Cars and memorabilia	- between 20% and 50% straight line
Office equipment	- between 20% and 50% straight line
Computer equipment	- between 20% and 50% straight line

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

2. Accounting policies (continued)

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

Provisions

Provisions have been made for dilapidations. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events and market conditions. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The carrying amount of provisions will be impacted by changes in the discount rate.

4. Turnover

Turnover represents sponsorships, prize money and other income relating to the Company's principal activity. All turnover is attributable to one continuing activity, being the management of a Formula One team.

5. Operating loss

The operating loss is stated after charging:

	Period from 2 August 2018 to 31 August 2019 £000
Exchange differences	(95)
Other operating lease rentals	164
Depreciation	5,650
Amortisation	11,194

During the period the Company incurred £65.2m of costs associated to research and development.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

6. Auditors' remuneration

	Period from 2 August 2018 to 31 August 2019 £000
Fees payable to the Company's auditor	
Audit of the Company's annual financial statements	45
Taxation services	10
Statutory accounts preparation	10
Research and development	150
Other taxation services	25
	<hr/>
	240
	<hr/> <hr/>

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

7. Employees

Staff costs were as follows:

	Period from 2 August 2018 to 31 August 2019 £000
Wages and salaries	32,862
Social security costs	3,751
Cost of defined contribution scheme	1,199
	<u>37,812</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Period from 2 August 2018 to 31 August 2019 No.
Directors	2
Administration	22
Design, production and technical	401
	<u>425</u>

8. Directors' remuneration

The directors received no remuneration from the Company in the period ended 31 August 2019.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

9. Interest payable and similar expenses

	Period from 2 August 2018 to 31 August 2019 £000
Bank loan interest payable	110
Finance leases and hire purchase contracts	20
	<hr/>
	130
	<hr/>

10. Taxation

	Period from 2 August 2018 to 31 August 2019 £000
Taxation on profit on ordinary activities	<hr/>
	-
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Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

10. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period from 2 August 2018 to 31 August 2019 £000
Loss on ordinary activities before tax	(115,648)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(21,973)
Effects of:	
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	394
Capital allowances for period in excess of depreciation	338
Unrelieved tax losses carried forward	19,068
Adjust closing deferred tax to average rate of 19%	2,173
Total tax charge for the period	-

The Company had trading losses carried forward of £111,612,571 at 31 August 2019. A deferred tax asset has not been recognised in respect of these losses, as it is not probable that it will be recoverable against future trading profits in the next twelve months.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

11. Intangible assets

	Intellectual property £000
Cost	
Acquisition of trade (note 23)	21,492
At 31 August 2019	<u>21,492</u>
Amortisation	
Charge for the period	11,194
At 31 August 2019	<u>11,194</u>
Net book value	
At 31 August 2019	<u><u>10,298</u></u>

The amortisation charge for the period has been charged to administrative expenses. The remaining useful economic life of the assets at the year end is 11.5 months.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

12. Tangible fixed assets

	Freehold land and buildings £000	Assets under construction £000	Plant and machinery £000	Motor vehicles £000	Cars and memorabilia £000	Computer equipment £000	Total £000
Cost or valuation							
Acquisition of trade (note 23)	6,326	-	4,278	822	370	2,301	14,097
Additions	18	10,014	1,285	623	-	434	12,374
Disposals	-	-	-	-	-	(107)	(107)
Transfers between classes	1,495	(7,768)	1,714	4,310	-	249	-
At 31 August 2019	7,839	2,246	7,277	5,755	370	2,877	26,364
Depreciation							
Charge for the period on owned assets	1,782	-	2,095	689	-	1,084	5,650
Disposals	-	-	-	-	-	(98)	(98)
Impairment charge	-	-	-	-	-	8	8
At 31 August 2019	1,782	-	2,095	689	-	994	5,560
Net book value							
At 31 August 2019	6,057	2,246	5,182	5,066	370	1,883	20,804

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

13. Stocks

	2019 £000
Raw materials and consumables	813

14. Debtors

	2019 £000
Trade debtors	4,334
Other debtors	77,083
Called up share capital not paid	40,000
Prepayments and accrued income	12,612
	<u>134,029</u>

Called up share capital not paid represents the unpaid 40,000 of the 200,000 Ordinary shares which were issued for £1,000 each during the period (note 21). Payment is expected from the entity's existing shareholders by 31 December 2019.

15. Cash and cash equivalents

	2019 £000
Cash at bank and in hand	6,191
Cash secured on forward contracts	7,354
	<u>13,545</u>

The cash secured on forward contracts relates to the forward contracts detailed in note 19.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

16. Creditors: Amounts falling due within one year

	2019 £000
Bank loan	55,000
Trade creditors	8,432
Amounts owed to parent undertaking	1,400
Amounts owed to related undertakings	15,035
Other taxation and social security	1,032
Obligations under finance lease and hire purchase contracts	123
Other creditors	101
Accruals and deferred income	9,740
Financial derivative liability	4,154
	<u>95,017</u>

The bank loan is repayable on 23 January 2020, and attracts interest at 1.845% per annum.

Amounts owed to parent undertaking are interest free, unsecured and repayable on demand.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

17. Creditors: Amounts falling due after more than one year

	2019 £000
Net obligations under finance leases and hire purchase contracts	<u>44</u>

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £000
Within one year	123
Between 1-5 years	44
	<u>167</u>

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

19. Financial instruments

	2019 £000
Financial assets	
Financial assets measured at fair value through profit or loss	13,545
Financial assets that are debt instruments measured at amortised cost	82,972
	<u>96,517</u>
Financial liabilities	
Derivative financial instruments measured at fair value through profit or loss	(4,154)
Financial liabilities measured at amortised cost	(85,611)
	<u>(89,765)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Derivative financial instruments measured at fair value through profit or loss comprise forward contracts under which the Company is contracted to sell US\$65,951,000 at a range of rates over the next 15 months to December 2020.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

20. Provisions

	Dilapidation provision £000
Charged to profit or loss	61
At 31 August 2019	<u>61</u>

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

21. Share capital

	2019 £000
Allotted, called up and fully paid	
200,001 Ordinary shares of £1.00 each	200
14,765 A Ordinary shares of £1.00 each	15
	<hr/>
	215 <hr/>

On incorporation, 1 Ordinary share, with a nominal value of £1, was issued at par for cash. During the period, a further 200,000 Ordinary shares, with a nominal value of £1 each, were issued for £1,000 each, creating a share premium reserve of £199,800,000.

14,765 A Ordinary shares were issued on 27 August 2019 at par, and have full voting and dividend rights attached. The capital rights of this share class is restricted such that any capital value in excess of nominal value may be distributed to the A Ordinary share holders only once surplus capital following an asset sale or winding up exceeds a threshold.

22. Reserves

Share premium account

Share premium account represents amounts received on the issue of ordinary share capital in excess of the nominal value.

Profit and loss account

Profit and loss account represents retained earnings and accumulated losses of the Company.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

23. Business combinations

On 16 August 2018, the Company acquired the trade and assets of Force India Formula One Team Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value £000
Fixed assets		
Intangible (note 11)	21,492	21,492
Tangible (note 12)	14,097	14,097
	<u>35,589</u>	<u>35,589</u>
Current assets		
Stocks	715	715
Consumables	7,130	7,130
Debtors	46,566	46,566
	<u>90,000</u>	<u>90,000</u>
Total assets	<u>90,000</u>	<u>90,000</u>
Total identifiable net assets	<u>90,000</u>	<u>90,000</u>
Total purchase consideration		<u>90,000</u>
Consideration		
		£000
Cash		90,000
		<u>90,000</u>
Total purchase consideration		<u>90,000</u>
Cash outflow on acquisition		
		£000
Purchase consideration settled in cash, as above		90,000
		<u>90,000</u>
Net cash outflow on acquisition		<u>90,000</u>

Acquired debtors represents amounts receivable under income agreements relating to the Company's principal activities.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

24. Contingent assets

As is the norm within the sector (and in line with prior claims made by the former business), the Company is in the process of making a claim for authorised Government Innovation Incentives. In accordance with usual processes, this could take a while to materialise, although it is not expected to be lower than previous claims which were circa £10m - £12m pa.

In future years, having established a precedent in finalising its claim, the Company will have a basis on which to formulate a reliable estimate and recognise the asset in its accounts. As this is not currently the case, no provision has been made in these accounts for the current claim.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,199k. Contributions totalling £138k were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 31 August 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000
Not later than 1 year	242
Later than 1 year and not later than 5 years	480
Later than 5 years	-
	<hr/>
	722
	<hr/>

27. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

During the period the Company entered into a contract with Falcon Racing Inc, a company which Mr Lance Stroll, the son of a director of the Company, has significant influence over, to provide racing services. For the current period a total of US\$155,000 is due to Falcon Racing Inc in respect of the provision of these services.

As at 31 August 2019 a total of US\$155,000 was owed to Falcon Racing Inc.

Racing Point UK Limited

Notes to the Financial Statements For the Period Ended 31 August 2019

28. Ultimate parent and controlling party

The immediate parent company is Racing Point UK Holdings Limited, a company incorporated in England and Wales.

The smallest and largest group for which consolidated financial statements are drawn up is Racing Point UK Holdings Limited. These group accounts are available from the ultimate parent undertaking at 5 St James's Square, London, SW1Y 4JU.

Racing Point UK Limited

Annual Report and Financial Statements

Year Ended

31 August 2020

Company Number 11496673

Racing Point UK Limited

Company Information

Directors	L S Strulovitch S K F Chou
Company secretary	L A Ross
Registered number	11496673
Registered office	Dadford Road Silverstone Northamptonshire United Kingdom NN12 8TJ
Independent auditors	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London United Kingdom W1U 7EU

Racing Point UK Limited

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Racing Point UK Limited

Strategic Report For the Year Ended 31 August 2020

Principal activities and business review

The principal activity of the Company is to operate and manage a Formula One racing team.

The Company carries out this activity through the design and manufacture of racing cars for participation in the FIA Formula One World Championship.

The Company's success is measured by its performance in the Championships and by reference to the financial parameters defined by its shareholders. The Company's principal objective is to outperform its direct competition and to achieve at least 4th place in the Constructors Championship.

The team scored strongly in the second half of the 2019 season but finished 7th overall for the season. The start of the 2020 season was severely disrupted due to the global COVID-19 pandemic. This required significant action from the team to reduce costs whilst there were no races to offset the impact to income from reduced races and lack of fan attendance.

However, the season commenced on 5th July 2020 and is scheduled to comprise 17 races (having originally been scheduled for 22 races). The team is performing above expectations and is currently placed 3rd in the Championship after 12 races.

The team has entered into a long term agreement with Aston Martin as chassis partner and will be fully rebranded as the Aston Martin works team from the start of 2021.

The team, along with the other 9 teams in Formula One entered into a new commercial agreement with the Commercial Rights Holder for 2021-2025 which provides the commercial framework for the sport and includes a more equitable distribution of revenue across the teams. In conjunction with the new FIA Financial Regulations, which will limit the amount of expenditure teams can incur, the team is well positioned for long term financial sustainability.

Turnover for the period was £61 million (2019 - £46 million) and the Company made a loss after taxation of £62 million (2019 - loss of £116 million).

Racing Point UK Limited

Strategic Report (continued) For the Year Ended 31 August 2020

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks, which are reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks are as follows:

Competitive Risks

The Company's principal risk is the revenue it generates towards its racing programme and this is affected by the race results it achieves. The Company performs regular financial reviews.

Legislative risks

Participation in the FIA Formula One World Championship is subject to the International Sporting Code, the current Technical and Sporting Regulations and the provisions of the 2009 Concorde Agreement or such similar agreements. The Company works with its employees, agents and advisors, as well as the FIA to ensure its compliance.

Financial risks

In addition to issuing a significant amount of additional share capital, the company has access to new financing facilities from Barclays Bank plc and support from its shareholders in order to meet its projected financial obligations. The funding requirements of the team are closely monitored during regular financial reviews.

The Company has placed forward contracts to minimize its foreign exchange risk.

Brexit

The Company continues to monitor Brexit developments and is developing plans to manage the potential risks and impact caused by the current uncertainty around the ultimate form and timing of Brexit.

Racing Point UK Limited

Strategic Report (continued) For the Year Ended 31 August 2020

Directors' statement of compliance with duty to promote the success of the Company

Summary of how the Board engages with our stakeholders:


Stakeholder group	Why we engage	How we engage	What matters to the group
Shareholders and potential shareholders	<ul style="list-style-type: none"> Continued access to capital is important for the long-term success of our business We work to ensure that our shareholders have a good understanding of our strategy, business model and culture We aim to create value for our shareholders by generating a team that can deliver sustainable on-track and financial performance 	<ul style="list-style-type: none"> Annual Report and Financial Statements Regular and effective communications 	<ul style="list-style-type: none"> Long-term value creation On-track performance Financial stability Culture Transparency Ethics and sustainability
Employees	<ul style="list-style-type: none"> The Company's long-term success is predicated on the commitment of our workforce to the Group's values We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and that best supports their wellbeing We believe Racing Point is a great place to work and we can only achieve our objectives through the hard work and commitment of our workforce 	<ul style="list-style-type: none"> Group Intranet Regular staff communications Apprenticeship programme Staff events Whistleblowing Policy 	<ul style="list-style-type: none"> Fair employment Fair pay and benefits Diversity and inclusion Training, development and career opportunities Health and safety Ethics and sustainability

Racing Point UK Limited

Strategic Report (continued) For the Year Ended 31 August 2020

Stakeholder group	Why we engage	How we engage	What matters to the group
Sponsors	<ul style="list-style-type: none"> We aim to build long-term lasting relationships with our sponsors 	<ul style="list-style-type: none"> Racing Point works with our sponsors to understand their objectives of our relationships and then deploys the necessary resources and structure to deliver against these objectives. 	<ul style="list-style-type: none"> Renewal of agreements Attracting new partners to our team Creating value for our partners
Suppliers	<ul style="list-style-type: none"> Our suppliers are fundamental to the rate of our development, the reliability of our racing car and to ensuring we maintain the high standard of work we set ourselves Suppliers must demonstrate that they operate in accordance with recognised standards that uphold human rights and safety, prohibit modern slavery and promote sustainable sourcing 	<ul style="list-style-type: none"> Regular performance reviews of all key supply chain partners for total reliability in product delivery 	<ul style="list-style-type: none"> Fair trading and payment terms Anti-bribery Ethics and slavery Environment and sustainable sourcing
Community and environment	<ul style="list-style-type: none"> We aspire to be responsible members of our community We are committed to minimising the impact of our business operations on the environment The community and environment are also important to our workforce, customers and shareholders 	<ul style="list-style-type: none"> Racing Point is proactive in its corporate responsibility to the local and wider community in which we work We encourage employee involvement in community projects and programmes 	<ul style="list-style-type: none"> Charitable donations and sponsorships Energy usage Recycling Waste management

This report was approved by the board and signed on its behalf.


L S Strulovitch
Director

Date: 26 October 2020

Racing Point UK Limited

Directors' Report For the Year Ended 31 August 2020

The directors present their report and the financial statements for the year ended 31 August 2020.

Dividends

The Company paid no dividends during the period (2019: £nil).

Directors

The directors who served during the year were:

L S Strulovitch

S K F Chou

Employees

The Company is committed to ensuring its employees are fully engaged in the ongoing management and performance of the business. Regular formal and informal briefings are conducted with all employees.

The Company takes reasonable steps to ensure that all employees, existing and prospective, are given fair and equal opportunity regardless of sex, race, ethnicity, religion or disability.

Research and development activities

The activities of the Company are all dedicated towards the design and development of a car to compete successfully in the FIA Formula One World Championship. The directors consider the investment in research and development to be integral to the continued success of the Company.

Disabled employees

The Company's policy is to give all applications for employment from disabled persons full consideration in relation to the vacancy concerned and their own aptitude and abilities. In the event of existing staff members becoming disabled, every effort is made to enable them to maintain their present position or to provide appropriate training and employ them in suitable work within another department.

Training, career development and promotion of disabled persons employed by the Company is considered and administered in the same manner as for other employees, taking into account any additional support requirements of those persons.

Racing Point UK Limited

Directors' Report (continued) For the Year Ended 31 August 2020

Going concern

During the year the business has recovered a significant debtor balance, repaid its £55m bank loan and received additional funding in respect of £4m of new investment. This has led to the Company having cash reserves of £12m as at the 31 August 2020. In addition to the current cash position the Company has also secured a £20m Revolving Credit Facility with Barclays Bank plc on a 4 year term of which only £5m being drawn down as at 31 August 2020. Furthermore the 2020 race season is now well underway with twelve of seventeen races being successfully completed, albeit with limited or no spectators in attendance.

After making enquiries of management and reviewing the latest available budgets and forecasts (which have also been stress tested for worst case scenarios) for the 14 month period to 31 December 2021, the Directors have formed a judgement that in conjunction with the Company's existing cash balances and banking facilities, as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

They do so as the majority shareholder of the parent company has confirmed by way of a legally approved deed of support, that he will make sufficient funds available, in accordance with these latest available budgets and forecasts so as to ensure that the Company can continue to trade and meets its liabilities as they fall due, for a period of at least 12 months from the date of signing these accounts. In addition they have also obtained confirmation, again by way of a deed of support that the related companies that are owed monies will not seek repayment on any of the monies owed, if in doing so, it would jeopardise the ongoing financial viability of the Company.

For these reasons, the directors have adopted the going concern basis in preparing the Financial Statements.

Qualifying third party indemnity provisions

The Company maintains directors' and officers' liability insurance providing appropriate cover for any legal action brought against its directors.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Racing Point UK Limited

Directors' Report (continued) For the Year Ended 31 August 2020

Post balance sheet events

During the year, an outbreak of a corona virus, now classified as COVID 19, was detected in China's Hubei province. During the following months, COVID 19 has spread steadily throughout the World and on 11 March 2020, The World Health Organisation ("WHO") declared the outbreak a global pandemic. In order to stem the spread of the virus, Governments around the World took drastic steps which include compulsory closure of various businesses, shops and schools and are also heavily restricting of movement of people with lock down. The situation looked to be improving, but recently the speed of spread of the virus has increased significantly and the Government is taking new action to halt the speed of the virus spreading through society. The financial impact of the spread of COVID 19, the degree of uncertainty it creates and the unprecedented nature of the challenges posed by the ongoing coronavirus situation, has forced the directors to model various financial scenarios to prepare for uncertain outcomes.

COVID 19 continues to impact the Company, and the Board has been quick to take action to mitigate detrimental effects on the business, our staff, as well as our business partners and the wider public. The Directors have continued to assess not just the operations on site, but the welfare areas and the means of travel to and from site to reduce the risk of spread as much as possible. This has been reinforced with frequent communications to all our workforce and staff on any updated guidance and recommendations. Within management and administration, we have enabled staff to work from home, and our investment in IT has enabled this to be carried out quickly and successfully. Communication internally and externally has continued to be of significant help in ensuring safer working practices due to COVID 19 and a better understanding of safe working more generally among our various teams and departments. Our investment in well trained and experienced staff has paid off in dealing with this pandemic and its undoubted impact on our industry.

The COVID 19 crisis has had a significant impact on the F1 season with many races cancelled. The reduced calendar comprises 17 events, many with limited or no fans attending thereby impacting the revenue generated by the Commercial Rights Holder which in turn impacts the Prize Fund distributed to the teams. However, the COVID protocols implemented by the FIA have to date proven to be very effective in early detection and isolation of cases and should enable a 2021 race calendar to be established in line with pre-COVID expectations.

The Directors are confident that the experience they gained and the policies and procedures and working practices they put in place as outlined above, during the first period of lockdown will bear them in good stead should the UK go into another period of lockdown.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



L S Strulovici
Director

Date: 26 October 2020

Racing Point UK Limited

Directors' Responsibilities Statement For the Year Ended 31 August 2020

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Racing Point UK Limited

Independent Auditors' Report to the Members of Racing Point UK Limited

Opinion

We have audited the financial statements of Racing Point UK Limited ("the Company") for the year ended 31 August 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Racing Point UK Limited

Independent Auditors' Report to the Members of Racing Point UK Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Racing Point UK Limited

Independent Auditors' Report to the Members of Racing Point UK Limited (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Gareth Jones FCA (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

United Kingdom

26 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Racing Point UK Limited

Statement of Comprehensive Income For the Year Ended 31 August 2020

		Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
	Note		
Turnover	4	60,703	45,687
Cost of sales		(76,205)	(83,873)
Gross loss		(15,502)	(38,186)
Administrative expenses		(69,880)	(77,332)
Other operating income	5	24,291	-
Operating loss	6	(61,091)	(115,518)
Interest payable and expenses	10	(1,203)	(130)
Loss before tax		(62,294)	(115,648)
Tax on loss	11	-	-
Loss for the financial period		(62,294)	(115,648)

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 15 to 34 form part of these financial statements.

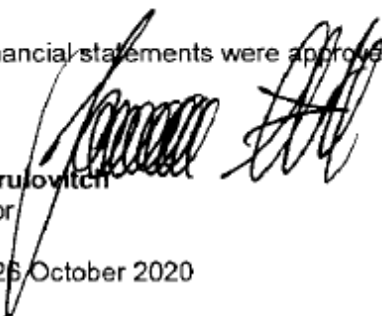
Racing Point UK Limited

Registered number:11496673

Statement of Financial Position As at 31 August 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	12	-	10,298
Tangible assets	13	22,415	20,804
		<u>22,415</u>	<u>31,102</u>
Current assets			
Stocks	14	775	813
Debtors: amounts falling due within one year	15	25,822	134,029
Cash at bank and in hand	16	12,299	13,545
		<u>38,896</u>	<u>148,387</u>
Creditors: amounts falling due within one year	17	(34,895)	(95,017)
Net current assets		<u>4,001</u>	<u>53,370</u>
Total assets less current liabilities		<u>26,416</u>	<u>84,472</u>
Creditors: amounts falling due after more than one year	18	(201)	(44)
Provisions for liabilities			
Other provisions	21	(142)	(61)
		<u>(142)</u>	<u>(61)</u>
Net assets		<u>26,073</u>	<u>84,367</u>
Capital and reserves			
Called up share capital	22	219	215
Share premium account	23	203,796	199,800
Profit and loss account	23	(177,942)	(115,648)
		<u>26,073</u>	<u>84,367</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


L S Strulovitch
Director

Date: 26 October 2020

The notes on pages 15 to 34 form part of these financial statements.

Racing Point UK Limited

Statement of Changes in Equity For the Year Ended 31 August 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 2 August 2018	-	-	-	-
Loss for the period	-	-	(115,648)	(115,648)
Shares issued during the period	215	199,800	-	200,015
At 1 September 2019	215	199,800	(115,648)	84,367
Loss for the year	-	-	(62,294)	(62,294)
Shares issued during the year	4	3,996	-	4,000
At 31 August 2020	219	203,796	(177,942)	26,073

The notes on pages 15 to 34 form part of these financial statements.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

1. General information

The Company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is Dadford Road, Silverstone, Northamptonshire, United Kingdom, NN12 8TJ.

These financial statements are presented for the year ended 31 August 2020. The comparative figures are presented for the period from incorporation on 2 August 2018 to 31 August 2019.

The Company has determined that Pounds Sterling (GBP) is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates. These financial statements are presented in GBP, and are presented to the nearest thousand pound

The principal activity of the Company during the year was to manage a Formula One racing team.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Racing Point UK Holdings Limited as at 31 August 2020 and these financial statements may be obtained from 5 St James's Square, London, SW1Y 4JU.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.3 Going concern

During the year the business has recovered a significant debtor balance, repaid its £55m bank loan and received additional funding in respect of £4m of new investment. This has led to the Company having cash reserves of £12m as at the 31 August 2020. In addition to the current cash position the Company has also secured a £20m Revolving Credit Facility with Barclays Bank plc on a 4 year term of which only £5m being drawn down as at 31 August 2020. Furthermore the 2020 race season is now well underway with twelve of seventeen races being successfully completed, albeit with limited or no spectators in attendance.

After making enquiries of management and reviewing the latest available budgets and forecasts (which have also been stress tested for worst case scenarios) for the 14 month period to 31 December 2021, the Directors have formed a judgement that in conjunction with the Company's existing cash balances and banking facilities, as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

They do so as the majority shareholder of the parent company has confirmed by way of a legally approved deed of support, that he will make sufficient funds available, in accordance with these latest available budgets and forecasts so as to ensure that the Company can continue to trade and meets its liabilities as they fall due, for a period of at least 12 months from the date of signing these accounts. In addition they have also obtained confirmation, again by way of a deed of support that the related companies that are owed monies will not seek repayment on any of the monies owed, if in doing so, it would jeopardise the ongoing financial viability of the Company.

For these reasons, the directors have adopted the going concern basis in preparing the Financial Statements.

2.4 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.5 Turnover

Turnover, which excludes value added tax and trade discounts, represents sponsorship income, prize money and other income relating to the Company's principal activity and is recognised in the year to which it relates once collectability is reasonably assured.

Both sponsorship and prize money are recognised on an accruals basis across the period in which it relates to, however where the sponsorship income relates to specific timing or events, it is recognised as the specific time or events pass.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

EU State Aid Grants are non-taxable income that are accounted for on a receipts basis or if there is reasonable assurance that the Grants will be received.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	2	years
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Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold buildings	- between 4% and 50% straight line
Assets under construction	- not depreciated
Plant and machinery	- between 4% and 50% straight line
Motor vehicles	- between 25% and 50% straight line or over the length of the lease
Cars and memorabilia	- between 0% and 50% straight line
Computer equipment	- between 20% and 50% straight line

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.20 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance. The net book value of intellectual property within intangible assets at the period end was £Nil (2019 - £10,298k).

Provisions

These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events and market conditions. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The carrying amount of provisions will be impacted by changes in the discount rate. The value of the dilapidation provision at the period end was £142k (2019 - 61k).

Government Grants

EU State Aid Grants are non-taxable income that are accounted for on a receipts basis or if there is reasonable assurance that the Grants will be received.

Recognition of Sponsorship Income

The Company considers the expected value of sponsorship income is recognised based on the level of completion of the service under each sponsorship agreement

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

4. Turnover

Turnover represents sponsorships, prize money and other income relating to the Company's principal activity. All turnover is attributable to one continuing activity, being the management of a Formula One team.

All turnover arose within the United Kingdom and from the provision of F1 services.

5. Other operating income

	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Other operating income	24,291	-

Included with other operating income are EU State Aid Grants, UK Government COVID and property related grants.

6. Operating loss

The operating loss is stated after charging:

	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Exchange differences	5,285	(95)
Other operating lease rentals	434	164
Depreciation	7,495	5,650
Amortisation	10,298	11,194

During the year the Company incurred £68.9m (2019 - 65.2m) of costs associated to research and development.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

7. Auditors' remuneration

	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Fees payable to the Company's auditor		
Audit of the Company's annual financial statements	50	45
Taxation services	10	10
Statutory accounts preparation	10	10
Tax consultancy	500	150
Other taxation services	-	25
Other advisory services	60	-
	<u>630</u>	<u>240</u>

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

8. Employees

Staff costs were as follows:

	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Wages and salaries	30,750	32,862
Social security costs	3,425	3,751
Cost of defined contribution scheme	1,265	1,199
	<u>35,440</u>	<u>37,812</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 August 2020 No.	Period from 2 August 2018 to 31 August 2019 No.
Administration	26	22
Design, production and technical	381	401
	<u>407</u>	<u>423</u>

9. Directors' remuneration

The directors received no remuneration from the Company in the year ended 31 August 2020 (2019 - £Nil).

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

10. Interest payable and similar expenses

	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Bank loan interest payable	1,179	110
Finance leases and hire purchase contracts	24	20
	<u>1,203</u>	<u>130</u>

11. Taxation

	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Current tax	-	-
Deferred tax	-	-
Taxation on loss on ordinary activities	<u>-</u>	<u>-</u>

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

11. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Loss on ordinary activities before tax	(62,294)	(115,648)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(11,836)	(21,973)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	176	394
Capital allowances for year/period in excess of depreciation	539	338
Non-taxable income	(4,122)	-
Deferred tax not recognised	15,243	21,241
Total tax charge for the year/period	-	-

The Company had trading losses carried forward of £116,685,297 at 31 August 2020. A deferred tax asset has not been recognised in respect of these losses, as it is not probable that it will be recoverable against future trading profits in the next twelve months.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

12. Intangible assets

	Intellectual property £000
Cost	
At 1 September 2019	21,492
At 31 August 2020	21,492
Amortisation	
At 1 September 2019	11,194
Charge for the year	10,298
At 31 August 2020	21,492
Net book value	
At 31 August 2020	-
At 31 August 2019	10,298

The amortisation charge for the period has been charged to administrative expenses. The assets are not deemed to have any future useful economic life.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

13. Tangible fixed assets

	Freehold land and buildings £000	Assets under construction £000	Plant and machinery £000	Motor vehicles £000	Cars and memorabilia £000	Computer equipment £000	Total £000
Cost or valuation							
At 1 September 2019	7,839	2,246	7,277	5,755	370	2,877	26,364
Additions	102	5,516	2,905	629	-	259	9,411
Disposals	-	(275)	(1,338)	-	-	(598)	(2,211)
Transfers between classes	-	(1,068)	870	-	-	198	-
At 31 August 2020	<u>7,941</u>	<u>6,419</u>	<u>9,714</u>	<u>6,384</u>	<u>370</u>	<u>2,736</u>	<u>33,564</u>
Depreciation							
At 1 September 2019	1,782	-	2,095	689	-	994	5,560
Charge for the year on owned assets	2,791	-	2,305	1,227	-	1,172	7,495
Disposals	-	-	(1,330)	-	-	(576)	(1,906)
At 31 August 2020	<u>4,573</u>	<u>-</u>	<u>3,070</u>	<u>1,916</u>	<u>-</u>	<u>1,590</u>	<u>11,149</u>
Net book value							
At 31 August 2020	<u>3,368</u>	<u>6,419</u>	<u>6,644</u>	<u>4,468</u>	<u>370</u>	<u>1,146</u>	<u>22,415</u>
At 31 August 2019	<u>6,057</u>	<u>2,246</u>	<u>5,182</u>	<u>5,066</u>	<u>370</u>	<u>1,883</u>	<u>20,804</u>

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

14. Stocks

	2020 £000	2019 £000
Raw materials and consumables	775	813

15. Debtors

	2020 £000	2019 £000
Trade debtors	677	4,334
Other debtors	6,005	77,083
Called up share capital not paid	-	40,000
Prepayments and accrued income	19,140	12,612
	25,822	134,029

Called up share capital not paid represents the unpaid 40,000 of the 200,000 Ordinary shares which were issued for £1,000 each during the prior period (note 22). This was paid in full in the year.

16. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	12,299	6,191
Cash secured on forward contracts	-	7,354
	12,299	13,545

The cash secured on forward contracts relates to the forward contracts detailed in note 20.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

17. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Bank loan	5,000	55,000
Trade creditors	11,915	8,432
Amounts owed to parent undertaking	275	1,400
Amounts owed to related undertakings	-	15,035
Other taxation and social security	5,730	1,032
Obligations under finance lease and hire purchase contracts	190	123
Other creditors	452	101
Accruals and deferred income	11,333	9,740
Financial derivative liability	-	4,154
	34,895	95,017

The £55 million bank loan was repaid in April 2020. A new revolving £20m credit facility has been agreed in the period which is repayable in 4 years. At the year-end £5 million had been drawn down. This facility is secured on the Freehold property registered under Racing Point UK Limited.

Amounts owed to parent and related undertakings are interest free, unsecured and repayable on demand.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

18. Creditors: Amounts falling due after more than one year

	2020 £000	2019 £000
Net obligations under finance leases and hire purchase contracts	201	44

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £000	2019 £000
Within one year	190	123
Between 1-5 years	201	44
	391	167

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

20. Financial instruments

	2020 £000	2019 £000
Financial assets		
Financial assets measured at fair value through profit or loss	12,299	13,545
Financial assets that are debt instruments measured at amortised cost	13,214	82,972
	<u>25,513</u>	<u>96,517</u>
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss	-	(4,154)
Financial liabilities measured at amortised cost	(25,026)	(85,611)
	<u>(25,026)</u>	<u>(89,765)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Derivative financial instruments measured at fair value through profit or loss in 2019 comprise forward contracts under which the Company was contracted to sell US\$65,951,000 at a range of rates.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

21. Provisions

	Dilapidation provision £000
At 1 September 2019	61
Charged to profit or loss	81
At 31 August 2020	<u>142</u>

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

22. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
204,001 (2019 - 200,001) Ordinary shares of £1.00 each	204	200
14,765 (2019 - 14,765) A Ordinary shares of £1.00 each	15	15
	<u>219</u>	<u>215</u>

During the year, 4,000 Ordinary shares, with a nominal value of £1 each, were issued for £1,000 each. The related premium on issue of £3,996,000 was transferred to the share premium account.

In the event the Company is wound up, or there is a significant asset sale, the Ordinary shareholders get the distributions first until distributions exceed £100m, then it's split evenly across both classes of shares. The Ordinary Shares and A Ordinary shares are the same in all other terms and rights.

23. Reserves

Share premium account

Share premium account represents amounts received on the issue of ordinary share capital in excess of the nominal value.

Profit and loss account

Profit and loss account represents retained earnings and accumulated losses of the Company.

24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,265k (2019 - £1,199k). Contributions totalling £293k (2019 - £138k) were payable to the fund at the reporting date and are included in creditors.

25. Commitments under operating leases

At 31 August 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	211	242
Later than 1 year and not later than 5 years	362	480
	<u>573</u>	<u>722</u>

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

26. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

During the prior year the Company entered into contracts with Falcon Racing Inc, a company which Mr Lance Stroll, the son of a director, has significant influence over, to provide racing services. For the current period a net expense of US\$800,814 (2019 - US\$155,000) was incurred with Falcon Racing Inc in respect of the provision of these services.

In addition the Company recognised sponsorship income of US\$500,000 from Falcon Racing Inc during the year.

At 31 August 2020, a net balance of \$232,941 was owed by Racing Point to Falcon Racing Inc.

27. Post balance sheet events

During the year, an outbreak of a corona virus, now classified as COVID 19, was detected in China's Hubei province. During the following months, COVID 19 has spread steadily throughout the World and on 11 March 2020, The World Health Organisation ("WHO") declared the outbreak a global pandemic. In order to stem the spread of the virus, Governments around the World took drastic steps which include compulsory closure of various businesses, shops and schools and are also heavily restricting of movement of people with lock down. The situation looked to be improving, but recently the speed of spread of the virus has increased significantly and the Government is taking new action to halt the speed of the virus spreading through society. The financial impact of the spread of COVID 19, the degree of uncertainty it creates and the unprecedented nature of the challenges posed by the ongoing coronavirus situation, has forced the directors to model various financial scenarios to prepare for uncertain outcomes.

COVID 19 continues to impact the Company, and the Board has been quick to take action to mitigate detrimental effects on the business, our staff, as well as our business partners and the wider public. The Directors have continued to assess not just the operations on site, but the welfare areas and the means of travel to and from site to reduce the risk of spread as much as possible. This has been reinforced with frequent communications to all our workforce and staff on any updated guidance and recommendations. Within management and administration, we have enabled staff to work from home, and our investment in IT has enabled this to be carried out quickly and successfully. Communication internally and externally has continued to be of significant help in ensuring safer working practices due to COVID 19 and a better understanding of safe working more generally among our various teams and departments. Our investment in well trained and experienced staff has paid off in dealing with this pandemic and its undoubted impact on our industry.

The COVID 19 crisis has had a significant impact on the F1 season with many races cancelled. The reduced calendar comprises 17 events, many with limited or no fans attending thereby impacting the revenue generated by the Commercial Rights Holder which in turn impacts the Prize Fund distributed to the teams. However, the COVID protocols implemented by the FIA have to date proven to be very effective in early detection and isolation of cases and should enable a 2021 race calendar to be established in line with pre-COVID expectations.

The Directors are confident that the experience they gained and the policies and procedures and working practices they put in place as outlined above, during the first period of lockdown will bear them in good stead should the UK go into another period of lockdown.

Racing Point UK Limited

Notes to the Financial Statements For the Year Ended 31 August 2020

28. Ultimate parent and controlling party

The immediate parent company is Racing Point UK Holdings Limited, a company incorporated in England and Wales.

The smallest and largest group for which consolidated financial statements are drawn up is Racing Point UK Holdings Limited. These group accounts are available from the ultimate parent undertaking at 5 St James's Square, London, SW1Y 4JU.

**AMR GP Limited (formerly Racing
Point UK Limited)**

Annual Report and Financial Statements

Period Ended

31 December 2020

Company Number 11496673

AMR GP Limited (formerly Racing Point UK Limited)

Company Information

Directors	S K F Chou L S Strulovitch
Company secretary	L A Ross
Registered number	11496673
Registered office	Dadford Road Silverstone Northamptonshire United Kingdom NN12 8TJ
Independent auditors	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London United Kingdom W1U 7EU

AMR GP Limited (formerly Racing Point UK Limited)

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AMR GP Limited (formerly Racing Point UK Limited)

Strategic Report For the Period Ended 31 December 2020

Principal activities and business review

The principal activity of the Company is to operate and manage a Formula One racing team.

The Company carries out this activity through the design and manufacture of racing cars for participation in the FIA Formula One World Championship.

The Company's success is measured by its performance in the Championships and by reference to the financial parameters defined by its shareholders. The Company's principal objective is to outperform its direct competition and to achieve at least 4th place in the Constructors Championship.

The 2020 season was severely disrupted due to the global COVID-19 pandemic. This required significant action from the team to reduce costs whilst there were no races to offset the impact to income from reduced races and lack of fan attendance.

However, the season commenced on 5th July and comprised 17 races (having originally been scheduled for 22 races). The team met its' principal objective and finished 4th in the Championship having secured a race win, a second place, two third places and a pole position.

The team enters the 2021 Championship as the Aston Martin works team, marking a return to the sport after more than 60 years and welcomes four time World Champion driver, Sebastian Vettel to line up alongside Lance Stroll.

The team has made significant progress on its acquisition of new commercial partners having entered into agreements with ten exciting new partners. Foremost of these is a Title Partnership agreement with US based IT consulting giant Cognizant.

The team, along with the other 9 teams in Formula One entered into a new commercial agreement with the Commercial Rights Holder for 2021-2025 which provides the commercial framework for the sport and includes a more equitable distribution of revenue across the teams. In conjunction with the new FIA Financial Regulations, which will limit the amount of expenditure teams can incur, the team is well positioned for long term financial sustainability.

Turnover for the period was £18 million (year ended 31 August 2020 - £61 million) and the Company made a loss after taxation of £18 million (year ended 31 August 2020 - loss of £62 million).

The Company will continue with its principal activities to operate and manage a Formula One racing team, including the design, development, manufacture, testing and racing of Formula One motor racing cars.

AMR GP Limited (formerly Racing Point UK Limited)

Strategic Report (continued) For the Period Ended 31 December 2020

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks, which are reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks are as follows:

Competitive Risks

The Company's principal risk is the revenue it generates towards its racing programme and this is affected by the race results it achieves. The Company performs regular financial reviews.

Legislative risks

Participation in the FIA Formula One World Championship is subject to the International Sporting Code, the current Technical and Sporting Regulations and the provisions of the 2009 Concorde Agreement or such similar agreements. The Company works with its employees, agents and advisors, as well as the FIA to ensure its compliance.

Financial risks

The Company has issued the necessary amount of Equity Capital to meet its projected financial obligations. The funding requirements of the team are closely monitored during regular financial reviews.

The Company has placed forward contracts to minimize its foreign exchange risk.

Brexit

The Company continues to monitor Brexit developments and is developing plans to manage the potential risks and impact caused by the current uncertainty around the ultimate form and timing of Brexit.

AMR GP Limited (formerly Racing Point UK Limited)

Strategic Report (continued) For the Period Ended 31 December 2020

Directors' statement of compliance with duty to promote the success of the Company

Summary of how the Board engages with our stakeholders:

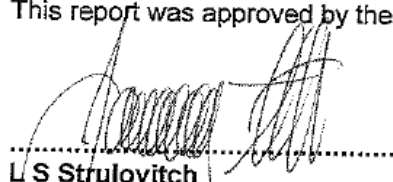
Stakeholder group	Why we engage	How we engage	What matters to the company
Shareholders and potential shareholders	<ul style="list-style-type: none"> Continued access to equity capital is important for the long-term success of our business We work to ensure that our shareholders have a good understanding of our strategy, business model and culture We aim to create value for our shareholders through a team that can deliver sustainable on-track and financial performance 	<ul style="list-style-type: none"> Annual Report and Financial Statements Regular and effective communications 	<ul style="list-style-type: none"> Long-term value creation On-track performance Financial stability Culture Transparency Ethics and sustainability
Employees	<ul style="list-style-type: none"> The Company's long-term success is predicated on the commitment of our workforce to the Company's values We engage with our workforce to ensure that we are fostering an environment that they are happy to work in and that best supports their wellbeing We believe AMR GP Limited is a great place to work and we can only achieve our objectives through the hard work and commitment of our workforce 	<ul style="list-style-type: none"> Company Intranet Regular staff communications Apprenticeship programme Staff events Whistle blowing Policy 	<ul style="list-style-type: none"> Fair employment Fair pay and benefits Diversity and inclusion Training, development and career opportunities Health and safety Ethics and sustainability

AMR GP Limited (formerly Racing Point UK Limited)

Strategic Report (continued) For the Period Ended 31 December 2020

Stakeholder group	Why we engage	How we engage	What matters to the company
Sponsors	<ul style="list-style-type: none"> We aim to build long-term lasting relationships with our sponsors 	<ul style="list-style-type: none"> We work with our sponsors to understand their objectives of our relationships and then deploys the necessary resources and structure to deliver against these objectives. 	<ul style="list-style-type: none"> Renewal of agreements Attracting new partners to our team Creating value for our partners
Suppliers	<ul style="list-style-type: none"> Our suppliers are fundamental to the rate of our development, the reliability of our racing car and to ensuring we maintain the high standard of work we set ourselves Suppliers must demonstrate that they operate in accordance with recognised standards that uphold human rights and safety, prohibit modern slavery and promote sustainable sourcing 	<ul style="list-style-type: none"> Regular performance reviews of all key supply chain partners for total reliability in product delivery 	<ul style="list-style-type: none"> Fair trading and payment terms Anti-bribery Ethics and slavery Environment and sustainable sourcing
Community and environment	<ul style="list-style-type: none"> We aspire to be responsible members of our community We are committed to minimising the impact of our business operations on the environment The community and environment are also important to our workforce, customers and shareholders 	<ul style="list-style-type: none"> We are proactive in our corporate responsibility to the local and wider community in which we work We encourage employee involvement in community projects and programmes 	<ul style="list-style-type: none"> Charitable donations and sponsorships Energy usage Recycling Waste management

This report was approved by the board and signed on its behalf.


L S Strulovitch
Director

Date:

AMR GP Limited (formerly Racing Point UK Limited)

Directors' Report For the Period Ended 31 December 2020

The directors present their report and the financial statements for the period ended 31 December 2020.

The Company changed its accounting period from 31 August 2021 to 31 December 2020 and as such, the financial statements represent a 4 month period to 31 December 2020 and the prior year comparative is a 12 month period to 31 August 2020.

Dividends

The Company paid no dividends during the period (year ended 31 August 2020: £nil).

Directors

The directors who served during the period were:

S K F Chou
L S Strulovitch

Employees

The Company is committed to ensuring its employees are fully engaged in the ongoing management and performance of the business. Regular formal and informal briefings are conducted with all employees.

The Company takes reasonable steps to ensure that all employees, existing and prospective, are given fair and equal opportunity regardless of sex, race, ethnicity, religion or disability.

Research and development activities

The activities of the Company are all dedicated towards the design and development of a car to compete successfully in the FIA Formula One World Championship. The directors consider the investment in research and development to be integral to the continued success of the Company.

Disabled employees

The Company's policy is to give all applications for employment from disabled persons full consideration in relation to the vacancy concerned and their own aptitude and abilities. In the event of existing staff members becoming disabled, every effort is made to enable them to maintain their present position or to provide appropriate training and employ them in suitable work within another department.

Training, career development and promotion of disabled persons employed by the Company is considered and administered in the same manner as for other employees, taking into account any additional support requirements of those persons.

Going concern

After making enquiries and preparing forecasts for 12 months from the date the financial statements are signed, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Qualifying third party indemnity provisions

The Company maintains directors' and officers' liability insurance providing appropriate cover for any legal action brought against its directors.

AMR GP Limited (formerly Racing Point UK Limited)

Directors' Report (continued) For the Period Ended 31 December 2020

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events


After the period end, there was an issue of a further 45,306 Ordinary Shares with a nominal value of £1 per share. These were issued at £1,225 per share, with the related premium transferred to the share premium account.

Since the period end, the Company has entered into numerous commercial contracts which will result in net income of circa £28.8m over the next 3 years.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
L S Strulovitch
Director

Date:

AMR GP Limited (formerly Racing Point UK Limited)

Directors' Responsibilities Statement For the Period Ended 31 December 2020

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AMR GP Limited (formerly Racing Point UK Limited)

Independent Auditors' Report to the Members of AMR GP Limited (formerly Racing Point UK Limited)

Opinion

We have audited the financial statements of AMR GP Limited ("the Company") for the period ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report, Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AMR GP Limited (formerly Racing Point UK Limited)

Independent Auditors' Report to the Members of AMR GP Limited (formerly Racing Point UK Limited) (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

AMR GP Limited (formerly Racing Point UK Limited)

Independent Auditors' Report to the Members of AMR GP Limited (formerly Racing Point UK Limited) (continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Gareth M Jones FCA (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

Date: 26/03/2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AMR GP Limited (formerly Racing Point UK Limited)

Statement of Comprehensive Income For the Period Ended 31 December 2020

	Note	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Turnover	4	18,146	60,703
Cost of sales		(35,875)	(76,205)
Gross loss		(17,729)	(15,502)
Administrative expenses		(32,982)	(69,880)
Other operating income	5	30,716	24,291
Operating loss	6	(19,995)	(61,091)
Interest receivable and similar income		2,685	-
Interest payable and similar expenses	11	(417)	(1,203)
Loss before tax		(17,727)	(62,294)
Tax on loss	12	-	-
Loss for the financial period/year		(17,727)	(62,294)

There was no other comprehensive income for the period ended 31 December 2020 (year ended 31 August 2020 - £Nil).

The notes on pages 14 to 31 form part of these financial statements.

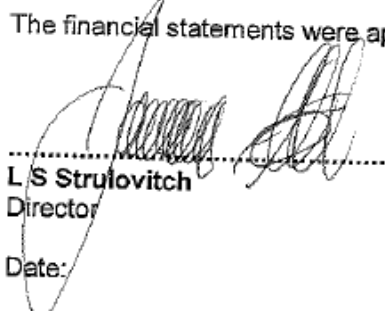
AMR GP Limited (formerly Racing Point UK Limited)

Registered number: 11496673

Statement of Financial Position As at 31 December 2020

	Note	31 December 2020 £000	31 August 2020 £000
Fixed assets			
Tangible assets	14	23,187	22,415
Current assets			
Stocks	15	3,984	775
Debtors: amounts falling due within one year	16	20,788	25,822
Cash at bank and in hand		21,779	12,299
		<u>46,551</u>	<u>38,896</u>
Creditors: amounts falling due within one year	18	(50,669)	(34,895)
Net current (liabilities)/assets		<u>(4,118)</u>	<u>4,001</u>
Total assets less current liabilities		<u>19,069</u>	<u>26,416</u>
Creditors: amounts falling due after more than one year	19	(10,559)	(201)
Provisions for liabilities			
Other provisions	22	(164)	(142)
		<u>(164)</u>	<u>(142)</u>
Net assets		<u>8,346</u>	<u>26,073</u>
Capital and reserves			
Called up share capital	23	219	219
Share premium account	24	203,796	203,796
Profit and loss account	24	(195,669)	(177,942)
		<u>8,346</u>	<u>26,073</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


L. S. Strulovitch
Director

Date:

The notes on pages 14 to 31 form part of these financial statements.

AMR GP Limited (formerly Racing Point UK Limited)

Statement of Changes in Equity for the Period Ended 31 December 2020

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 September 2019	215	199,800	(115,648)	84,367
Loss for the year	-	-	(62,294)	(62,294)
Shares issued during the year	4	3,996	-	4,000
At 1 September 2020	219	203,796	(177,942)	26,073
Loss for the period	-	-	(17,727)	(17,727)
At 31 December 2020	219	203,796	(195,669)	8,346

The notes on pages 14 to 31 form part of these financial statements.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

1. General information

The Company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is Dadford Road, Silverstone, Northamptonshire, United Kingdom, NN12 8TJ.

These financial statements are presented for the period ended 31 December 2020.

The Company has determined that Pounds Sterling (GBP) is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates. These financial statements are presented in GBP, and are presented to the nearest thousand pound.

The principal activity of the Company during the period was to manage a Formula One racing team.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AMR GP Holdings Limited (formerly Racing Point UK Holdings Limited) as at 31 December 2020 and these financial statements may be obtained from 5 St James's Square, London, SW1Y 4JU.

2.3 Going concern

After making enquiries and preparing forecasts for 12 months from the date the financial statements are signed, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

2. Accounting policies (continued)

2.4 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

2.5 Turnover

Turnover, which excludes value added tax and trade discounts, represents sponsorship income, prize money and other income relating to the Company's principal activity and is recognised in the period to which it relates once collectability is reasonably assured.

Both sponsorship and prize money are recognised on an accruals basis across the period in which it relates to, however where the sponsorship income relates to specific timing or events, it is recognised as the specific time or events pass.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

EU State Aid Grants are non-taxable income that are accounted for on a receipts basis or if there is reasonable assurance that the Grants will be received.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

2. Accounting policies (continued)

2.13 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	2	years
-----------------------	---	---	-------

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold buildings	- between 4% and 50% straight line
Assets under construction	- not depreciated
Plant and machinery	- between 4% and 50% straight line
Motor vehicles	- between 25% and 50% straight line or over the length of the lease
Cars and memorabilia	- between 0% and 50% straight line
Computer equipment	- between 20% and 50% straight line

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

2. Accounting policies (continued)

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

2. Accounting policies (continued)

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.21 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance. The net book value of intellectual property within intangible assets at the period end was £Nil (year ended 31 August 2020 - £Nil).

Provisions

These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events and market conditions. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The carrying amount of provisions will be impacted by changes in the discount rate. The value of the dilapidation provision at the period end was £164k (year ended 31 August 2020 - £142k).

Government Grants

EU State Aid Grants are non-taxable income that are accounted for on a receipts basis or if there is reasonable assurance that the Grants will be received.

Recognition of Sponsorship Income

The Company considers the expected value of sponsorship income is recognised based on the level of completion of the service under each sponsorship agreement

4. Turnover

Turnover represents sponsorships, prize money and other income relating to the Company's principal activity. All turnover is attributable to one continuing activity, being the management of a Formula One team.

All turnover arose within the United Kingdom and from the provision of F1 services.

5. Other operating income

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Other operating income	30,716	24,291

Included within other operating income are EU State Aid Grants, UK Government COVID and property related grants.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

6. Operating loss

The operating loss is stated after charging:

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Exchange differences	598	5,285
Other operating lease rentals	154	434
Depreciation	2,316	7,495
Amortisation	-	10,298
	<u> </u>	<u> </u>

During the period the Company incurred £24.4m (year ended 31 August 2020 - £68.9m) of costs associated to research and development.

7. Auditors' remuneration

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Fees payable to the Company's auditor		
Audit of the Company's annual financial statements	50	50
Taxation services	10	10
Statutory accounts preparation	10	10
Tax consultancy	200	500
Other advisory services	-	60
	<u> </u>	<u> </u>
	<u>270</u>	<u>630</u>

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

8. Employees

Staff costs were as follows:

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Wages and salaries	16,271	30,750
Social security costs	1,932	3,425
Cost of defined contribution scheme	521	1,265
	18,724	35,440

The average monthly number of employees, including the directors, during the period was as follows:

	Period ended 31 December 2020 No.	Year ended 31 August 2020 No.
Administration	27	26
Design, production and technical	452	381
	479	407

9. Directors' remuneration

The directors received no remuneration from the Company in the period ended 31 December 2020 (year ended 31 August 2020 - £Nil).

10. Interest receivable

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Unwinding of discount on loan	2,685	-
	2,685	-

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

11. Interest payable and similar expenses

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Bank loan interest payable	407	1,179
Finance leases and hire purchase contracts	10	24
	<u>417</u>	<u>1,203</u>

12. Taxation

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>-</u>	<u>-</u>

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

12. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (year ended 31 August 2020 - lower than) the standard rate of corporation tax in the UK of 19% (year ended 31 August 2020 - 19%). The differences are explained below:

	Period ended 31 December 2020 £000	Year ended 31 August 2020 £000
Loss on ordinary activities before tax	(17,727)	(62,294)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(3,368)	(11,836)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	102	176
Capital allowances for period/year in excess of depreciation	158	539
Non-taxable income	(5,870)	(4,122)
Deferred tax not recognised	8,978	15,243
Total tax charge for the period/year	-	-

The Company had trading losses carried forward of £71,144,521 at 31 December 2020 (year ended 31 August 2020 - £116,685,297). A deferred tax asset has not been recognised in respect of these losses, as it is not probable that it will be recoverable against future trading profits in the next twelve months.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

13. Intangible assets

	Intellectual property £000
Cost	
At 1 September 2020	21,492
At 31 December 2020	<u>21,492</u>
Amortisation	
At 1 September 2020	21,492
At 31 December 2020	<u>21,492</u>
Net book value	
At 31 December 2020	<u><u>-</u></u>
At 31 August 2020	<u><u>-</u></u>

The amortisation charge for the period has been charged to administrative expenses. The assets are not deemed to have any future useful economic life.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

14. Tangible fixed assets

	Freehold land and buildings £000	Assets under construction £000	Plant and machinery £000	Motor vehicles £000	Cars and memorabilia £000	Computer equipment £000	Total £000
Cost or valuation							
At 1 September 2020	7,941	6,419	9,714	6,384	370	2,736	33,564
Additions	62	2,468	473	5	-	92	3,100
Disposals	-	-	(21)	-	-	-	(21)
Transfers between classes	40	(6,367)	1,157	6	-	5,164	-
At 31 December 2020	<u>8,043</u>	<u>2,520</u>	<u>11,323</u>	<u>6,395</u>	<u>370</u>	<u>7,992</u>	<u>36,643</u>
Depreciation							
At 1 September 2020	4,573	-	3,070	1,916	-	1,590	11,149
Charge for the period on owned assets	13	-	1,019	296	-	988	2,316
Disposals	-	-	(9)	-	-	-	(9)
At 31 December 2020	<u>4,586</u>	<u>-</u>	<u>4,080</u>	<u>2,212</u>	<u>-</u>	<u>2,578</u>	<u>13,456</u>
Net book value							
At 31 December 2020	<u>3,457</u>	<u>2,520</u>	<u>7,243</u>	<u>4,183</u>	<u>370</u>	<u>5,414</u>	<u>23,187</u>
At 31 August 2020	<u>3,368</u>	<u>6,419</u>	<u>6,644</u>	<u>4,468</u>	<u>370</u>	<u>1,146</u>	<u>22,415</u>

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

15. Stocks

	31 December 2020 £000	31 August 2020 £000
Raw materials and consumables	3,984	775

16. Debtors

	31 December 2020 £000	31 August 2020 £000
Trade debtors	5,798	677
Other debtors	10,205	6,005
Prepayments and accrued income	4,785	19,140
	<u>20,788</u>	<u>25,822</u>

17. Cash and cash equivalents

	31 December 2020 £000	31 August 2020 £000
Cash at bank and in hand	21,779	12,299

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

18. Creditors: Amounts falling due within one year

	31 December 2020 £000	31 August 2020 £000
Bank loan	20,000	5,000
Trade creditors	4,964	11,915
Amounts owed to parent undertaking	25	275
Other taxation and social security	1,156	5,730
Obligations under finance lease and hire purchase contracts	166	190
Other creditors	1,758	452
Accruals and deferred income	22,600	11,333
	50,669	34,895

A revolving £20m credit facility was agreed in the prior period which is repayable in 4 years from that date. At the period-end £20 million (31 August 2020 - £5 million) had been drawn down. This facility is secured on the Freehold property registered under AMR GP Limited (Formerly Racing Point UK Limited).

Amounts owed to parent undertakings are interest free, unsecured and repayable on demand.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

19. Creditors: Amounts falling due after more than one year

	31 December 2020 £000	31 August 2020 £000
Net obligations under finance leases and hire purchase contracts	157	201
Amounts owed to related undertakings	10,402	-
	10,559	201

Amounts owed to related undertakings have been discounted at a market rate of interest of 5.09% per annum, are interest free, unsecured and repayable in May 2025.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 December 2020 £000	31 August 2020 £000
Within one year	166	190
Between 1-5 years	157	201
	<u>323</u>	<u>391</u>

21. Financial instruments

	31 December 2020 £000	31 August 2020 £000
Financial assets		
Financial assets measured at fair value through profit or loss	21,779	12,299
Financial assets that are debt instruments measured at amortised cost	7,881	10,733
	<u>29,660</u>	<u>23,032</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>(51,199)</u>	<u>(25,301)</u>
--------------------------------------------------	-----------------	-----------------

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

22. Provisions

	Dilapidation provision £000
At 1 September 2020	142
Charged to profit or loss	22
At 31 December 2020	164

23. Share capital

	31 December 2020 £000	31 August 2020 £000
Allotted, called up and fully paid		
204,001 (31 August 2020 - 204,001) Ordinary shares of £1.00 each	204	204
14,765 (31 August 2020 - 14,765) A Ordinary shares of £1.00 each	15	15
	219	219

24. Reserves

Share premium account

Share premium account represents amounts received on the issue of ordinary share capital in excess of the nominal value.

Profit and loss account

Profit and loss account represents retained earnings and accumulated losses of the Company.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £521k (year ended 31 August 2020 - £1,265k). Contributions totalling £293k (year ended 31 August 2020 - £293k) were payable to the fund at the reporting date and are included in creditors.

AMR GP Limited (formerly Racing Point UK Limited)

Notes to the Financial Statements For the Period Ended 31 December 2020

26. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2020 £000	31 August 2020 £000
Not later than 1 year	186	211
Later than 1 year and not later than 5 years	322	362
	<u>508</u>	<u>573</u>

27. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

During the prior year the Company entered into contracts with Falcon Racing Inc, a company which Mr Lance Stroll, the son of a director, has significant influence over, to provide racing services. For the current period a net expense of US \$1,342,058 (year ended 31 August 2020 - US\$800,814) was incurred with Falcon Racing Inc in respect of the provision of these services.

In addition the Company recognised sponsorship income of US \$233,333 (year ended 31 August 2020 US\$500,000) from Falcon Racing Inc during the period.

At 31 December 2020, a net balance of \$1,575,000 was owed by Racing Point to Falcon Racing Inc.

28. Post balance sheet events

After the period end, there was an issue of a further 45,306 Ordinary Shares with a nominal value of £1 per share. These were issued at £1,225 per share, with the related premium transferred to the share premium account.

Since the period end, the Company has entered into numerous commercial contracts which will result in net income of circa £28.8m over the next 3 years.

29. Ultimate parent and controlling party

The immediate parent company is AMR GP Holdings Limited (formerly Racing Point Holdings Limited), a company incorporated in England and Wales.

The smallest and largest group for which consolidated financial statements are drawn up is AMR GP Holdings Limited. These group accounts are available from the ultimate parent undertaking at 5 St James's Square, London, SW1Y 4JU.

**AMR GP Limited (formerly Racing
Point UK Limited)**

Directors' Report and Financial Statements

6 month Period Ended

30 June 2021

Company Number 11496673

AMR GP Limited

Company Information

Directors	S K F Chou L S Strulovitch
Company secretary	L A Ross
Registered number	11496673
Registered office	Dadford Road Silverstone Northamptonshire United Kingdom NN12 8TJ
Independent auditors	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London United Kingdom W1U 7EU

AMR GP Limited

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AMR GP Limited

Directors' Report For the 6 months Period Ended 30 June 2021

The directors present their report and the financial statements for the period ended 30 June 2021.

The financial statements represent a 6 month period to 30 June 2021 and the prior period comparative is a 4 month period to 31 December 2020.

Dividends

The Company paid no dividends during the period (4 month period ended 31 December 2020: £nil).

Directors

The directors who served during the period were:

S K F Chou
L S Strulovitch

Disclosure of information to auditors

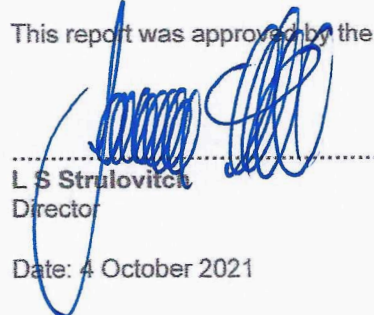
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
L S Strulovitch
Director

Date: 4 October 2021

AMR GP Limited

Directors' Responsibilities Statement For the 6 months Period Ended 30 June 2021

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AMR GP Limited

Independent Auditors' Report to the Members of AMR GP Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of AMR GP Limited ("the Company") for the six month period ended 30 June 2021 which comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AMR GP Limited

Independent Auditors' Report to the Members of AMR GP Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Company that were contrary to these laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the Board of Directors meetings and correspondence between the Company and its solicitors. Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

AMR GP Limited

Independent Auditors' Report to the Members of AMR GP Limited (continued)

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with the terms of our engagement letter dated 16 September 2019. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Gareth M Jones FCA (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, United Kingdom

Date: 04 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AMR GP Limited

Statement of Comprehensive Income For the 6 month Period Ended 30 June 2021

		6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
	Note		
Turnover	4	71,073	18,146
Cost of sales		(53,956)	(35,875)
Gross profit/(loss)		17,117	(17,729)
Administrative expenses		(34,713)	(32,982)
Other operating income	5	11,900	30,716
Operating loss	6	(5,696)	(19,995)
Interest receivable and similar income	10	251	2,685
Interest payable	11	(2,731)	(417)
Loss before tax		(8,176)	(17,727)
Tax on loss	12	-	-
Loss for the financial period		(8,176)	(17,727)

There was no other comprehensive income for the 6 month period ended 30 June 2021 (4 month period ended 31 December 2020 - £Nil).

EBITDA for the 6 month period ended 30 June 2021 was a loss of £2,439,000 (4 month period ended 31 December 2020 - a loss of £17,679,000).

The notes on pages 12 to 32 form part of these financial statements.

AMR GP Limited
Registered number: 11496673

Statement of Financial Position
As at 30 June 2021

		30 June 2021 £000	31 December 2020 £000
	Note		
Fixed assets			
Intangible assets	13	9,315	-
Tangible assets	14	35,093	23,187
		<u>44,408</u>	<u>23,187</u>
Current assets			
Stocks	15	2,990	3,984
Debtors: amounts falling due within one year	16	56,882	20,788
Cash at bank and in hand	29,17	1,035	21,779
		<u>60,907</u>	<u>46,551</u>
Creditors: amounts falling due within one year	18	(49,379)	(50,669)
Net current assets/(liabilities)		<u>11,528</u>	<u>(4,118)</u>
Total assets less current liabilities		<u>55,936</u>	<u>19,069</u>
Creditors: amounts falling due after more than one year	19	(90)	(10,559)
Provisions for liabilities			
Other provisions	22	(176)	(164)
		<u>(176)</u>	<u>(164)</u>
Net assets		<u><u>55,670</u></u>	<u><u>8,346</u></u>


AMR GP Limited
Registered number: 11496673

Statement of Financial Position (continued)
As at 30 June 2021

		30 June 2021 £000	31 December 2020 £000
	Note		
Capital and reserves			
Called up share capital	23	264	219
Share premium account	24	259,251	203,796
Profit and loss account	24	(203,845)	(195,669)
		<u>55,670</u>	<u>8,346</u>

Net financial debt (long term debt plus short term debt minus cash) at 30 June 2021 was £265,000 (31 December 2020 - £8,971,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
L S Strulovitch
Director

Date: 4 October 2021

The notes on pages 12 to 32 form part of these financial statements.

AMR GP Limited

Statement of Changes in Equity for the 6 month Period Ended 30 June 2021

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 September 2020	219	203,796	(177,942)	26,073
Loss for the period	-	-	(17,727)	(17,727)
At 30 December 2020	219	203,796	(195,669)	8,346
Loss for the period	-	-	(8,176)	(8,176)
Shares issued during the period	45	55,455	-	55,500
At 30 June 2021	264	259,251	(203,845)	55,670

The notes on pages 12 to 32 form part of these financial statements.

AMR GP Limited

Statement of Cash Flows For the 6 month Period Ended 30 June 2021

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Cash flows from operating activities		
Loss for the financial period	(8,176)	(17,727)
Adjustments for:		
Amortisation of intangible assets	839	-
Depreciation of tangible assets	2,418	2,316
(Gain)/loss on disposal of tangible assets	(362)	12
Interest paid	2,731	417
Interest received	(251)	(2,685)
Decrease/(increase) in stocks	994	(3,209)
(Increase)/decrease in debtors	(36,094)	5,034
Increase in creditors	8,339	11,200
Increase in provisions	12	22
Non-cash items	(2,598)	2,685
Net cash used in operating activities	(32,148)	(1,935)
Cash flows from investing activities		
Purchase of intangible fixed assets	(10,154)	-
Purchase of tangible fixed assets	(14,539)	(3,168)
Sale of tangible fixed assets	479	-
Interest received	251	-
HP interest paid	(13)	(10)
Net cash outflow from investing activities	(23,976)	(3,178)

AMR GP Limited

Statement of Cash Flows (continued) For the 6 months Period Ended 30 June 2021

	30 June 2021 £000	31 December 2020 £000
Cash flows from financing activities		
Issue of ordinary shares	55,500	-
New secured loans	-	15,000
Repayment of secured loans	(20,000)	-
Interest paid	(120)	(407)
Net cash generated from financing activities	35,380	14,593
Net (decrease)/increase in cash and cash equivalents	(20,744)	9,480
Cash and cash equivalents at beginning of period	21,779	12,299
Cash and cash equivalents at the end of period	1,035	21,779
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	1,035	21,779

The notes on pages 12 to 32 form part of these financial statements.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

1. General information

The Company is a United Kingdom private company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is Dadford Road, Silverstone, Northamptonshire, United Kingdom, NN12 8TJ.

On 6 January 2021, the Company changed its name from Racing Point UK Limited to AMR GP Limited.

These financial statements are presented for the 6 month period ended 30 June 2021.

The Company has determined that Pounds Sterling (GBP) is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates. These financial statements are presented in GBP, and are presented to the nearest thousand pound.

The principal activity of the Company during the period was to manage a Formula One racing team.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of AMR GP Holdings Limited (formerly Racing Point UK Holdings Limited) as at 30 June 2021 and these financial statements may be obtained from 5 St James's Square, London, SW1Y 4JU.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

2. Accounting policies (continued)

2.3 Going concern

After making enquiries and preparing forecasts for 12 months from the date the financial statements are signed, the directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

They do so as the majority shareholder of the parent company has confirmed by way of a legally approved deed of support, that he will make sufficient funds available, in accordance with these latest available budgets and forecasts so as to ensure that the Company can continue to trade and meets its liabilities as they fall due, for a period of at least 12 months from the date of signing these accounts. In addition they have also obtained confirmation, again by way of a deed of support that the related companies that are owed monies will not seek repayment on any of the monies owed, if in doing so, it would jeopardise the ongoing financial viability of the Company.

For these reasons, the directors have adopted the going concern basis in preparing the Financial Statements.

2.4 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

2. Accounting policies (continued)

2.5 Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for good supplied or services rendered, net of returns, discounts and rebated allowed by the company and value added taxes.

The majority of sponsorship revenue is recognised evenly over the course of the year. Where sponsors make payment other than in cash, revenue is recognised based on the fair value of the goods or services received or the fair value of the services provided. Where these amounts cannot be reliably estimated, no revenue is recognised.

In certain cases, the Company enters into agreements with suppliers whereby goods and services are received in exchange for various sponsorship and marketing activities. In such cases revenue is recorded at the fair value of the good or services rendered.

Commercial rights revenues in relation to performance in the Constructors' Championship are based on performance in the preceding season. This revenue is recognised across the period of the Constructors' Championship. Other commercial rights revenue as recognised as the respective rights are delivered to the customer.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Research expenditure is recognised to the profit and loss account in the period it incurred.

Research and development tax credit is treated as grant income and recognise as other income in the Profit and loss account. Any withheld portion to be treated as Deferred tax asset and to be offset against future taxable profit.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

2. Accounting policies (continued)

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Intellectual property	-	2	years
Computer software	-	10	years

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold buildings	- between 4% and 50% straight line
Assets under construction	- not depreciated
Plant and machinery	- between 4% and 50% straight line
Motor vehicles	- between 25% and 50% straight line or over the length of the lease
Cars and memorabilia	- between 0% and 50% straight line
Computer equipment	- between 20% and 50% straight line

Freehold land is not depreciated.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

2. Accounting policies (continued)

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Racing cars have an expected life of one year and all expenditure on the production and maintenance of such cars is charged to profit and loss account during the racing season in which the racing car is used.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management have considered the areas of judgement and estimation and do not believe there are any that hold significant risks of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

Impairment of assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance. The net book value of intellectual property within intangible assets at the period end was £Nil (period ended 31 December 2020 - £Nil), and the net book value of computer software within intangible assets at the period end was £9,315,000 (period ended 31 December 2020 - £Nil).

Provisions (note 22)

These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events and market conditions. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made. The carrying amount of provisions will be impacted by changes in the discount rate. The value of the dilapidation provision at the period end was £176k (period ended 31 December 2020 - £164k).

Government Grants

EU State Aid Grants are non-taxable income that are accounted for on a receipts basis or if there is reasonable assurance that the Grants will be received.

Recognition of Sponsorship Income

The Company considers the expected value of sponsorship income is recognised based on the level of completion of the service under each sponsorship agreement

4. Turnover

Turnover represents sponsorships, prize money and other income relating to the Company's principal activity. All turnover is attributable to one continuing activity, being the management of a Formula One team.

All turnover arose within the United Kingdom and from the provision of F1 services.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

5. Other operating income

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Other operating income	<u>11,900</u>	<u>30,716</u>

Included within other operating income are EU State Aid Grants, UK Government COVID and property related grants.

6. Operating loss

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

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Exchange differences	(263)	598
Operating lease rentals	361	154
Depreciation	2,418	2,316
Amortisation	839	-
(Gain)/loss on disposal of tangible assets	<u>(362)</u>	<u>12</u>

During the period the Company incurred £49.1m (4 month period ended 31 December 2020 - £24.4m) of costs associated to research and development.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

7. Auditors' remuneration

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Fees payable to the Company's auditor		
Audit of the Company's annual financial statements	60	60
Taxation services	10	10
Statutory accounts preparation	10	10
Tax consultancy	175	175
	<u>255</u>	<u>255</u>

8. Employees

Staff costs were as follows:

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Wages and salaries	17,904	16,271
Social security costs	2,875	1,932
Cost of defined contribution scheme	847	521
	<u>21,626</u>	<u>18,724</u>

The average monthly number of employees, including the directors, during the period was as follows:

	6 month period ended 30 June 2021 No.	4 month period ended 31 December 2020 No.
Administration	29	27
Design, production and technical	480	452
	<u>509</u>	<u>479</u>

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

9. Directors' remuneration

The directors received no remuneration from the Company in the 6 month period ended 30 June 2021 (4 month period ended 31 December 2020 - £Nil).

10. Interest receivable

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Interest receivable from group companies	251	-
Unwinding of discount on loan	-	2,685
	<u>251</u>	<u>2,685</u>

11. Interest payable and similar expenses

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Bank loan interest payable	120	407
Hire purchase interest payable	13	10
Reversal of unwinding of discount on loan	2,598	-
	<u>2,731</u>	<u>417</u>

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

12. Taxation

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Current tax	-	-
Deferred tax	-	-
Taxation on loss on ordinary activities	-	-

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000
Loss on ordinary activities before tax	(8,176)	(17,727)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,553)	(3,368)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	128	102
Capital allowances for period in excess of depreciation	307	158
Non-taxable income	(2,209)	(5,870)
Deferred tax not recognised	3,327	8,978
Total tax charge for the period	-	-

The Company had trading losses carried forward of £88,655,047 at 30 June 2021 (31 December 2020 - £71,144,521). A deferred tax asset has not been recognised in respect of these losses, as it is not probable that it will be recoverable against future trading profits in the next twelve months.

On 3 March 2021, it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023, which was enacted in May 2021.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

13. Intangible assets

	Intellectual property £000	Computer software £000	Total £000
Cost			
At 1 January 2021	21,492	-	21,492
Additions	-	10,154	10,154
At 30 June 2021	21,492	10,154	31,646
Amortisation			
At 1 January 2021	21,492	-	21,492
Charge for the period on owned assets	-	839	839
At 30 June 2021	21,492	839	22,331
Net book value			
At 30 June 2021	-	9,315	9,315
At 31 December 2020	-	-	-

The amortisation charge for the period has been charged to administrative expenses.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

14. Tangible fixed assets

	Freehold land and buildings £000	Assets under construction £000	Plant and machinery £000	Motor vehicles £000	Cars and memorabilia £000	Computer equipment £000	Total £000
Cost or valuation							
At 1 January 2021	8,043	2,520	11,323	6,395	370	7,992	36,643
Additions	-	13,124	1,159	-	-	158	14,441
Disposals	-	-	(199)	-	-	(832)	(1,031)
At 30 June 2021	8,043	15,644	12,283	6,395	370	7,318	50,053
Depreciation							
At 1 January 2021	4,586	-	4,080	2,212	-	2,578	13,456
Charge for the period on owned assets	14	-	1,683	400	-	260	2,357
Charge for the period on financed assets	-	-	11	47	-	3	61
Disposals	-	-	(82)	-	-	(832)	(914)
At 30 June 2021	4,600	-	5,692	2,659	-	2,009	14,960
Net book value							
At 30 June 2021	3,443	15,644	6,591	3,736	370	5,309	35,093
At 31 December 2020	3,457	2,520	7,243	4,183	370	5,414	23,187

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	30 June 2021 £000	31 December 2020 £000
Plant and machinery	83	94
Motor vehicles	341	388
Computer equipment	2	5
	<u>426</u>	<u>487</u>

15. Stocks

	30 June 2021 £000	31 December 2020 £000
Raw materials and consumables	2,990	3,984
	<u>2,990</u>	<u>3,984</u>

16. Debtors

	30 June 2021 £000	31 December 2020 £000
Trade debtors	11,172	5,798
Other debtors	21,983	10,205
Prepayments and accrued income	23,727	4,785
	<u>56,882</u>	<u>20,788</u>

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

17. Cash and cash equivalents

	30 June 2021 £000	31 December 2020 £000
Cash at bank and in hand	1,035	21,779
	<u>1,035</u>	<u>21,779</u>

18. Creditors: Amounts falling due within one year

	30 June 2021 £000	31 December 2020 £000
Bank loan	-	20,000
Trade creditors	10,917	4,964
Amounts owed to parent undertaking	1,075	25
Other taxation and social security	1,587	1,156
Obligations under finance lease and hire purchase contracts	135	166
Other creditors	347	1,758
Accruals and deferred income	35,318	22,600
	<u>49,379</u>	<u>50,669</u>

A revolving £20m credit facility was agreed in the prior period which was repayable in 4 years from that date. At the period-end £Nil (31 December 2020 - £20 million) had been drawn down. This facility is secured on the Freehold property registered in AMR GP Limited (Formerly Racing Point UK Limited). The outstanding balance of £20,000,000 was repaid on 15 January 2021.

Amounts owed to parent undertakings are interest free, unsecured and repayable on demand.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

19. Creditors: Amounts falling due after more than one year

	30 June 2021 £000	31 December 2020 £000
Obligations under finance leases and hire purchase contracts	90	157
Amounts owed to related undertakings	-	10,402
	<u>90</u>	<u>10,559</u>

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

Amounts owed to related undertakings have been discounted at a market rate of interest of 5.09% per annum, are interest free, unsecured and repayable in May 2025. This balance was repaid during the 6 month period ended 30 June 2021.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	30 June 2021 £000	31 December 2020 £000
Within one year	135	166
Between 1-5 years	90	157
	<u>225</u>	<u>323</u>

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

21. Financial instruments

	30 June 2021 £000	31 December 2020 £000
Financial assets		
Financial assets measured at fair value through profit or loss	1,035	21,779
Financial assets that are debt instruments measured at amortised cost	18,159	7,881
	<u>19,194</u>	<u>29,660</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(26,132)	(51,199)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

22. Provisions

	Dilapidation provision £000
At 1 January 2021	164
Charged to profit or loss	12
At 30 June 2021	<u>176</u>

23. Share capital

	30 June 2021 £000	31 December 2020 £000
Allotted, called up and fully paid		
249,307 (31 December 2020 - 204,001) Ordinary shares of £1.00 each	249	204
14,765 (31 December 2020 - 14,765) A Ordinary shares of £1.00 each	15	15
	<u>264</u>	<u>219</u>

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

23. Share capital (continued)

During the period, there was an issue of 45,306 Ordinary Shares with a nominal value of £1 per share. These were issued at £1,225 per share, with the related premium transferred to the share premium account.

In the event the Company is wound up, or there is a significant asset sale, the Ordinary shareholders get the distributions first until distributions exceed £100m, then it's split evenly across both classes of shares. The Ordinary Shares and A Ordinary shares are the same in all other terms and rights.

24. Reserves

Share premium account

Share premium account represents amounts received on the issue of ordinary share capital in excess of the nominal value.

Profit and loss account

Profit and loss account represents retained earnings and accumulated losses of the Company.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £847k (4 month period ended 31 December 2020 - £521k). Contributions totalling £337k (31 December 2020 - £293k) were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 30 June 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	30 June 2021 £000	31 December 2020 £000
Not later than 1 year	180	186
Later than 1 year and not later than 5 years	244	322
	<u>424</u>	<u>508</u>

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

27. Related party transactions

The Company has taken exemption under FRS 102 section 33.1A from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

During the period the Company entered into contracts with Falcon Racing Inc, a company which Mr Lance Stroll, the son of a director, has significant influence over, to provide racing services. For the current period a net expense of US \$499,130 (4 month period ended 31 December 2020 - US \$1,342,058) was incurred with Falcon Racing Inc in respect of the provision of these services.

In addition the Company recognised sponsorship income of US \$nil (4 month period ended 31 December 2020 US \$233,333) from Falcon Racing Inc during the period.

At 30 June 2021, a net balance of \$203,043 was owed to AMR GP Limited by Falcon Racing Inc.

28. Ultimate parent and controlling party

The immediate parent company is AMR GP Holdings Limited (formerly Racing Point Holdings Limited), a company incorporated in England and Wales.

The smallest and largest group for which consolidated financial statements are drawn up is AMR GP Holdings Limited. These group accounts are available from the ultimate parent undertaking at 5 St James's Square, London, SW1Y 4JU.

29. Proforma statement of cash flows

In prior periods, the Company took the exemption available not to prepare a Cashflow statement. In order to provide additional information for users of the financial statements, the Company has decided to provide Proforma Cashflow information in statutory format for the last four reporting periods.

AMR GP Limited

Notes to the Financial Statements For the 6 months Period Ended 30 June 2021

29. Proforma statement of cash flows (continued)

	6 month period ended 30 June 2021 £000	4 month period ended 31 December 2020 £000	Year ended 31 August 2020 £000	Period from 2 August 2018 to 31 August 2019 £000
Cash flows from operating activities				
Loss for the financial period	(8,176)	(17,727)	(62,294)	(115,648)
Adjustment for:				
Amortisation of intangible assets	839	-	10,298	11,194
Depreciation of tangible assets	2,418	2,316	7,495	5,650
(Gain)/loss on disposal of tangible assets	(362)	12	5	(16)
Impairment charge	-	-	-	8
Interest paid	2,731	417	1,203	130
Interest received	(251)	(2,685)	-	-
Decrease/(increase) in stocks	994	(3,209)	38	(813)
(Increase)/decrease in debtors	(36,094)	5,034	68,207	(94,029)
Increase in creditors	8,339	11,200	(10,189)	39,894
Increase in provisions	12	22	81	61
Non-cash items	(2,598)	2,685	-	-
Net cash (used in)/generated from operating activities	(32,148)	(1,935)	14,844	(153,569)
Cash flows from investing activities				
Purchase of intangible fixed assets	(10,154)	-	-	(21,492)
Purchase of tangible fixed assets	(14,539)	(3,168)	(9,187)	(26,304)
Sale of tangible fixed assets	479	-	300	25
Interest received	251	-	-	-
HP interest paid	(13)	(10)	(24)	(20)
Net cash outflow from investing activities	(23,976)	(3,178)	(8,911)	(47,791)
Cash flows from financing activities				
Issue of ordinary shares	55,500	-	44,000	160,015
(Repayment of)/proceeds from secured loans	(20,000)	15,000	(50,000)	55,000
Interest paid	(120)	(407)	(1,179)	(110)
Net cash generated from/(used in) financing activities	35,380	14,593	(7,179)	214,905
Net (decrease)/increase in cash and cash equivalents	(20,744)	9,480	(1,246)	13,545
Cash and cash equivalents at beginning of period	21,779	12,299	13,545	-
Cash and cash equivalents at the end of the period	1,035	21,779	12,299	13,545

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