

PRESS RELEASE



24 February 2022 at 6.30 a.m.

2021 Annual Results:

**In an extraordinary year, Getlink is controlling its costs,
innovating and preparing for the recovery**

- **Revenues of €774 million (-6%¹)**
- **EBITDA of €297 million (-11%)**
- **Positive Free Cash Flow² (€21 million)**
- **Net available cash at 31/12/2021 of €718 million (+14%)**

Yann Leriche, Group Chief Executive Officer said: *"In 2021, in the difficult context of the health crisis, we managed to preserve our fundamental values through strong financial discipline, allowing us once again to protect our cash flow. The development of new digital services for all our freight and passenger customers has allowed us to strengthen our leadership position while preparing for the future. In 2022, we shall continue this momentum as well as our concrete actions in terms of CSR. With the IGC approval obtained on 17 February, we are approaching the entry into service of ElecLink which will mark the start of a new activity for the Group."*

- **2022 financial outlook**

- The Group will communicate objectives for its financial performance in 2022 when the trends in the evolution of the pandemic – which are currently positive – are confirmed.
- The gradual lifting of travel restrictions and the effective management of the re-establishment of EU to UK customs controls have led to a significant recovery in traffic during the first weeks of 2022 compared to the same period in 2021, with a notable return of passenger customers in line with the trends expected by the European short-haul airline market.

- **Dividend**

- Payment of a dividend of €0.10 per share subject to approval at the AGM on 27 April 2022.

¹ All comparisons with the 2020 income statement are based on the average exchange rate for 2021 of £1 = €1.167.

² Defined as: cash flow from operating activities of current activities less capital expenditure (excluding ElecLink) and debt service.

ANNUAL HIGHLIGHTS

➤ Environment Plan

- Trajectory of greenhouse gas emission reduction by 30% in 2025, validated by the SBTi initiative and supplemented by an ultimate ambition to contribute to carbon neutrality in 2050.
- Reduction of greenhouse gas emissions by 6% in 2021 compared to 2020 on a like-for-like basis.
- Alignment of 86% of the Group's revenue under the European Taxonomy.

➤ Group

- Reduction in operating costs of €66 million in 2021 compared to 2019 on a like-for-like basis, a performance better than the operational objective of €55 million at end of June.
- Consolidated cash at €718 million at the end of December, reflecting the Group's ability to continue to generate positive Free Cash Flow.
- Successful placement of the additional “green” bond issue for an amount of €150 million which complements the Green Bonds maturing in 2025.

➤ Eurotunnel

- A year marked by travel restrictions (no unrestricted days in 2021) and the implementation of the Brexit agreement.
- Optimisation of Shuttle yield (+8.5%), linked for Le Shuttle passenger activity to last-minute reservations and flexible and premium tickets and the implementation of a new pricing policy, “Next Gen Pricing”.
- The Le Shuttle and Le Shuttle Freight services confirmed their leadership in the Short Straits market with market shares of 74% for cars and 39.1% for trucks.
 - Nearly 1.4 million trucks travelled on board Le Shuttle Freight.
 - More than 960,000 passenger vehicles crossed the Channel aboard Passenger Shuttles, a remarkable performance compared to our competitors.
- Great success for the Eurotunnel Border Pass (62% uptake³) and Passenger Wallet applications (more than 80% uptake) designed for customers and optimising their travel experience.
- Signature of several partnerships to facilitate customs formalities for the truck business, such as the SGS TransitNet solution, the ICS partnerships, and the launch of additional services including a truck maintenance service in the Le Truck Village car park.
- Launch of an innovative unaccompanied freight service.
- Launch of a voluntary departure programme in the form of a collective contractual termination (RCC) procedure in France and an Expression of Interest in the United Kingdom.

³ Rate observed from 10 January 2022 to 9 February 2022 on trucks carrying goods from the UK to the EU.

➤ **Europorte**

- Increase in Europorte's annual revenues (+6%) to €130.2 million, in particular due to the launch of the Flex Express service and strong commercial momentum to increase traffic flows.
- Continuation of the profitable growth strategy with an EBITDA of €27.9 million, up €0.6 million compared to 2020.

➤ **ElecLink**

- Works in the Tunnel completed and electromagnetic compatibility tests in the Tunnel carried out successfully.
- Validation of the safety file by the IGC on 17 February 2022 guaranteeing the compatibility of the interconnector with the rail system which allows the final phase of the electricity transfer tests between national networks and which confirms the schedule for entry into commercial service expected mid-2022.

FINANCIAL RESULTS

The Group's consolidated revenue for the 2021 financial year amounts to €774 million.

Consolidated EBITDA amounts to €297 million, impacted by the Covid pandemic, down €38 million compared to 2020 at a constant exchange rate.

Trading profit was €108 million, down 28% compared to 2020.

The Group's consolidated net result for the 2021 financial year is a loss of €229 million.

The Group is now considering options for the refinancing of the C2a tranche of Eurotunnel's Term Loan (equivalent to the CLEF A7 notes).

€718 million of cash held at 31 December 2021, up €89 million compared to 31 December 2020.

FINANCIAL OUTLOOK

The lack of short-term visibility does not undermine the Group's confidence in the strength of its various activities, their growth potential in the medium and long term, and its ability to improve its operational and environmental performance. The Group will communicate objectives for its financial performance in 2022 when the trends in the evolution of the pandemic – which are currently positive – are confirmed.

Dates for 2022:

21 April 2022: 2022 first quarter traffic and revenue

27 April 2022: Getlink SE's AGM

21 July 2022: 2022 half-year results

Additional information:

At its meeting on Wednesday 23 February 2022, the Board of Directors, under the chairmanship of Jacques Gounon, approved the financial statements for the year ending 31 December 2021.

The financial analysis of the consolidated financial statements is available on the Group's website: www.getlinkgroup.com.

Getlink SE's consolidated and parent company accounts for 2021 have been audited and certified by the statutory auditors.

REVIEW OF THE CONSOLIDATED RESULTS AND FINANCIAL SITUATION FOR THE YEAR ENDED 31 DECEMBER 2021

The following information relating to Getlink SE's financial situation and consolidated results must be read in conjunction with the consolidated financial statements set out in section 2.2.1 of the 2021 Universal Registration Document.

Accounting standards applied¹ and presentation of the consolidated results

Pursuant to EC Regulation 297/2008 of 11 March 2008 on the application of international accounting standards, the consolidated financial statements of Getlink SE for the financial year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2021.

Preparation of the consolidated annual financial statements in the context of the Covid-19 pandemic

The Covid-19 pandemic led to the introduction of numerous restrictive measures in various countries during 2020 and this situation has continued throughout 2021.

As indicated in this section and in notes A.1 and D.10 to the consolidated financial statements for the year ended 31 December 2021 in section 2.2.1 of the 2021 Universal Registration Document, the health crisis and its consequences continue to have a significant impact on the Group's traffic and revenues.

The general containment measures imposed in France and the UK, as well as the border crossing and quarantine restrictions for international travellers, have had a significant effect on Passenger Shuttle and Eurostar activities throughout 2021. The emergence of the Omicron variant at the end of 2021 led to a further tightening of border crossing restrictions.

The Truck Shuttle business, affected to a lesser extent by the health crisis, was nevertheless impacted in 2021, and in particular in the first few months of the year, by the implementation of Brexit on 1 January 2021 and the need for its customers to adapt to the new administrative rules for crossing the border for flows entering the European Union.

In contrast to the Group's cross-Channel activities, the Europorte segment's activity returned to its pre-crisis level in 2021.

Against this backdrop, the Group continued during 2021 the measures designed to protect the health and safety of its customers and staff, while ensuring the continued movement of goods and people and to protect its profitability and liquidity. In particular, the Group has continued to take action to protect its cash flow by maintaining short-time working arrangements for some of its staff in France and the United Kingdom, as well as its cost reduction plan aimed at limiting its expenses to the strict minimum. The Group continues to adjust its Shuttle capacity and operating plans to adapt to changes in traffic levels while implementing specific measures to ensure the health and safety of its customers and maintain the quality of its service. As in 2020, it postponed a significant part of its projects and capital expenditure that had been planned for 2021, while ensuring that it maintains the expenditure necessary for safety and continuity of operations. The UK government terminated the partial activity furlough scheme in the UK as of 30 September 2021. Since 1 September 2021, the Group has implemented a long-term partial activity agreement for Eurotunnel's French employees. On 19 October 2021, the Group also launched voluntary departure programmes for all employees of the Eurotunnel segment in the UK and France.

The reduced activity since the beginning of the pandemic has significantly impacted the Group's results and cash flow. Nevertheless, the Group has significant liquidity with cash available at 31 December 2021 of €718 million enabling it to cover its debt service in 2022 and 2023 and to finance its activities.

¹ The Group has applied IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to its maritime segment since the cessation of MyFerryLink's operations in the second half of 2015. Accordingly, the net result of this segment for the current and previous financial years is presented as a single line in the income statement called "Net profit from discontinued operations". More information is given in note C.2 to the consolidated financial statements in section 2.2.1 of the 2021 Universal Registration Document.

1 ANALYSIS OF CONSOLIDATED INCOME STATEMENT

In order to enable a better comparison between the two years, the 2020 consolidated income statement presented in this section has been recalculated at the exchange rate used for the 2021 income statement of £1=€1.167.

Summary

The Group's consolidated revenue continues to be severely impacted by the effects of the pandemic, with the whole year being affected in 2021 compared to only nine months in 2020. The Group's consolidated revenue amounted to €774 million in 2021, a decrease of €53 million (-6%) compared to 2020. Faced with the reduction in traffic from mid-March 2020, the Group implemented measures to limit the impact on its profitability and its cash flow, such as partial activity in France and a furlough scheme in the UK, adapting capacity to traffic levels and the postponement of some projects. Most of these measures are still in force and have had full effect in 2021: operating costs, which totalled €481 million, were down by €11 million (-2%) compared to 2020. EBITDA decreased by €38 million (-11%), to €297 million and the trading profit decreased by €41 million to €108 million. After taking into account a provision of €29 million in respect of the UK and French voluntary departure schemes, the operating profit for 2021 was down by €80 million compared to 2020, to €61 million. Net finance costs (including net other financial income and charges) increased by €38 million compared to the previous year due to the impact of higher inflation rates on the index-linked tranche of the debt. The pre-tax result for the Group's continuing operations was a loss of €237 million for the 2021 financial year, up by €118 million compared to 2020.

After taking into account a net tax income of €8 million, the Group's net consolidated result for the 2021 financial year was a loss of €229 million, up by €119 million compared to the loss of €110 million (restated) in 2020.

€ million	2021	2020	Change		2020
Improvement/(deterioration) of result		restated*	€M	%	published
Exchange rate €/£	1.167	1.167			1.126
Eurotunnel	644	704	(60)	-9%	693
Europorte	130	123	7	+6%	123
Revenue	774	827	(53)	-6%	816
Other income	4	–	4	–	–
Total turnover	778	827	(49)	-6%	816
Eurotunnel	(378)	(396)	18	+5%	(392)
Europorte	(102)	(95)	(7)	-7%	(95)
ElecLink	(1)	(1)	–	–	(1)
Operating costs	(481)	(492)	11	+2%	(488)
Operating margin (EBITDA)	297	335	(38)	-11%	328
Depreciation	(189)	(186)	(3)	-2%	(186)
Trading profit	108	149	(41)	-28%	142
Other operating charges (net)	(47)	(8)	(39)		(8)
Operating profit (EBIT)	61	141	(80)	-57%	134
Net finance costs	(308)	(245)	(63)	-26%	(240)
Other net financial income/(charges)	10	(15)	25		(15)
Pre-tax loss from continuing operations	(237)	(119)	(118)		(121)
Income tax income	8	–	8		–
Net loss from continuing operations	(229)	(119)	(110)		(121)
Net profit from discontinued operations	–	9	(9)		8
Net consolidated loss for the year	(229)	(110)	(119)		(113)
<i>EBITDA (excluding other income) / revenue</i>	<i>37.9%</i>	<i>40.5%</i>	<i>-3pts</i>		<i>40.2%</i>

* Restated at the rate of exchange used for the 2021 income statement (£1=€1.167).

a) Eurotunnel segment

This segment groups Eurotunnel's activities as well as those of the Group's holding company Getlink SE and its direct subsidiaries. Eurotunnel, which represents the Group's core business, operates and directly markets its Shuttle Services and also provides access, on payment of a toll, for the circulation of the Railway Companies' High-Speed Passenger Trains (Eurostar) and Rail Freight Services through its Railway Network.

€ million				Change
	2021	* 2020	M€	%
Improvement/(deterioration) of result				
Exchange rate €/£	1.167	1.167		
Shuttle Services	477	530	(53)	-10%
Railway Network	155	165	(10)	-6%
Other revenue	12	9	3	+33%
Revenue	644	704	(60)	-9%
External operating costs	(193)	(211)	18	+9%
Employee benefits expense	(185)	(185)	–	–
Operating costs	(378)	(396)	18	+5%
Operating margin (EBITDA)	266	308	(42)	-14%
EBITDA (excluding other income)/revenue	42%	44%	-2pts	
Other income **	4	–	4	
EBITDA Eurotunnel	270	308	(38)	-12%

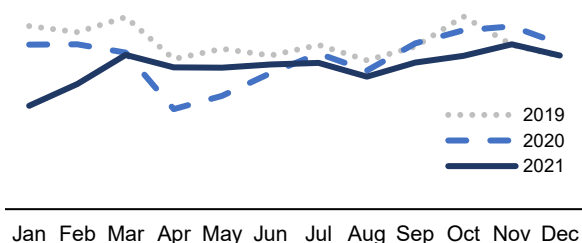
* Restated at the rate of exchange used for the 2021 income statement (£1=€1.167).

** Other income of €4 million received in 2021 relating to the 2019 financial year.

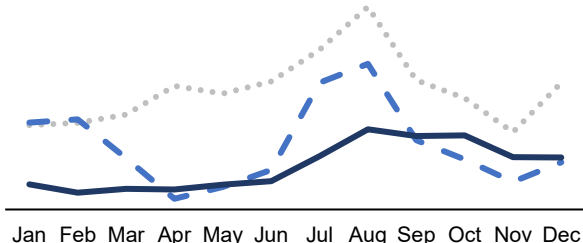
The health crisis and the strict lockdown measures taken by governments have heavily impacted traffic and the organisation of Eurotunnel's activities since mid-March 2020. Passenger Shuttle and Eurostar traffic continued to be severely affected by the effects of the pandemic throughout 2021. Truck Shuttle and rail freight traffic were also impacted especially in the first months of 2021 by the consequences of Brexit which occurred on 1 January 2021.

The following graphs illustrate the monthly evolution in traffic volumes over the period January 2019 to the end of 2021:

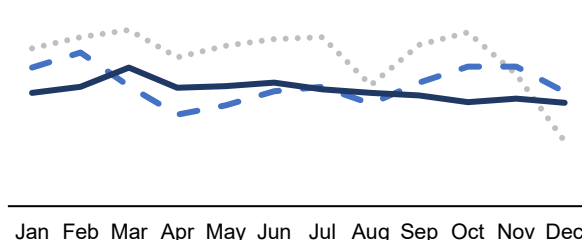
Truck Shuttle volumes



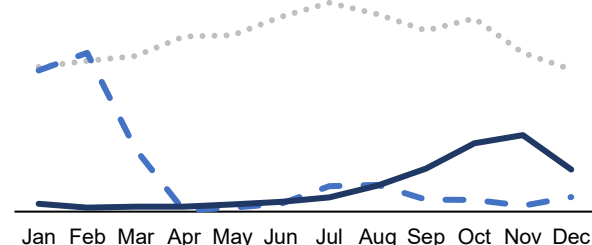
Passenger Shuttle car and coach volumes



Railfreight trains



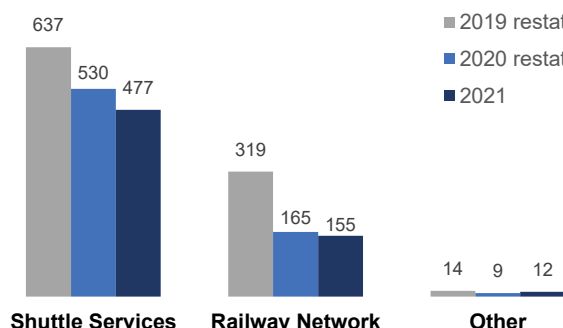
Eurostar passengers



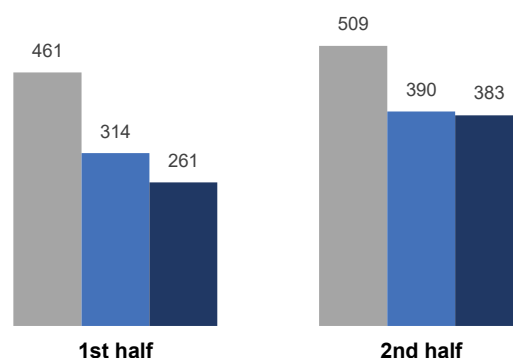
i) Eurotunnel revenue

Revenue generated by this segment, which in 2021 represented 83% of the Group's total revenue, is down by 9% compared to 2020, to €644 million.

Eurotunnel revenue by activity (€m)



Eurotunnel revenue by period (€m)



* Restated at the rate of exchange used for the 2021 income statement (£1=€1.167).

Shuttle Services

Traffic (number of vehicles)	2021	2020	Change
Truck Shuttle	1,361,529	1,451,556	-6%
Passenger Shuttle:			
Cars *	953,143	1,399,051	-32%
Coaches	7,062	14,382	-51%

* Includes motorcycles, vehicles with trailers, caravans and motor homes.

Increased ticket yields, due mainly to the type of tickets booked (flexible, last-minute), has continued to partially mitigate the effect of the significant decline in cross-Channel markets resulting from the pandemic and its impact on traffic volumes and on Shuttle Services' revenue which at €477 million for 2021, was down by 10% compared to the previous year.

Truck Shuttle

For the Short Straits market and cross-Channel logistics chains, 2021 was marked by the need to adapt to the new post-Brexit administrative rules and the reorganisation of supply chains as well as by Covid restrictions and a shortage of truck drivers particularly in the UK. Traffic towards the end of 2021 once again reached 2019 pre-pandemic levels. However, this traffic was below November and December 2020 as this period of 2020 had benefited from the significant stockpiling in the approach to the end of the Brexit Transition Period on 31 December 2020. In a Short Straits truck market that contracted by 5.2% in 2021, the Truck Shuttle Service's share of the market was at 39.1% for the year. In 2021, the number of trucks transported by Eurotunnel decreased by 6% compared to 2020, to 1,361,529.

Passenger Shuttle

Measures put in place by governments to limit the spread of the pandemic since mid-March 2020 have included closing international borders for non-essential travel and as a consequence, the level of tourist traffic on the Passenger Shuttle Service has dropped dramatically since that date. The temporary easing of restrictions during the fourth quarter of 2021 saw growth for Passenger Shuttle traffic of 43% compared to the same period in 2020.

Whilst the Short Straits car market declined by 35.8% in 2021, Eurotunnel's car market share, which benefits from the health safety advantages recognised by customers who travel in their own vehicle throughout the journey with minimal contact with other people, improved by 4 points compared to the previous year to 74%. Eurotunnel's Passenger Shuttle car activity carried 953,143 vehicles in 2021, down by 32%.

The Short Straits coach market contracted by 57.8% in 2021 but the Passenger Shuttle's coach market share increased compared to the previous year, to 63.8% (2020: 54.9%).

Railway Network

Traffic	2021	2020	Change
High-Speed Passenger Trains (Eurostar)			
Passengers *	1,637,687	2,503,419	-35%
Rail Freight Services **:			
Number of tonnes	1,041,140	1,138,213	-9%
Number of trains	1,654	1,736	-5%

* Only passengers travelling through the Channel Tunnel are included in this table, excluding those who travel between continental stations (such as Brussels-Calais, Brussels-Lille, Brussels-Amsterdam, etc).

** Rail freight services by train operators (DB Cargo for BRB, SNCF and its subsidiaries, GB Railfreight, Rail Operations Group, RailAdventure and Europorte) using the Tunnel.

The Group earned revenues of €155 million in 2021 from the use of its Railway Network by Eurostar's High-Speed Passenger Trains and by Rail Freight Services, down by 6% compared to 2020 as a result of the health crisis.

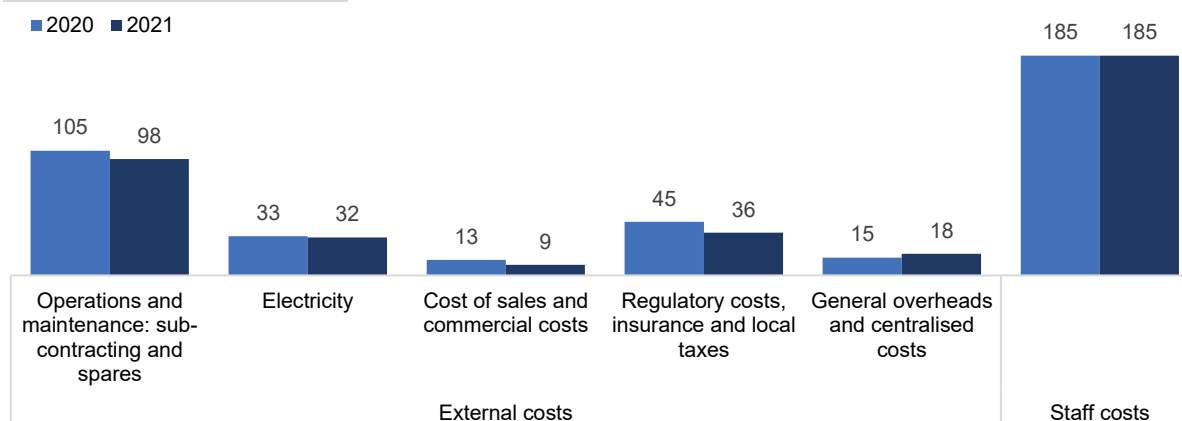
The significant impact of the pandemic on Eurostar traffic, which began in March 2020, continued throughout 2020 and 2021. However, as for Passenger Shuttle traffic, the temporary easing of restrictions during the fourth quarter of 2021 resulted in a surge in passenger numbers which increased more than five-fold compared to the same period in 2020. 1,637,687 Eurostar passengers used the Tunnel in 2021, down by 35% compared to 2020.

Cross-Channel rail freight was affected by the loss of steel flows as well as the weakness in automobile flows. The number of trains decreased by 5% in 2021 compared to 2020.

ii) Eurotunnel operating costs

In 2021, the Eurotunnel segment's operating charges decreased by a net 5% compared to 2020 to €378 million. Despite additional costs related to the implementation of Brexit and the management of health-protection measures at the border amounting to €7 million, Eurotunnel's operating costs are down by a net €18 million thanks mainly to the favourable impact of the continuation of the cost saving measures launched in 2020 in order to protect the Group's cash flow. In 2020, these measures were progressively implemented during the second quarter of the year. These measures included partial activity in France and the furlough scheme in the UK as well as other measures to adjust expenditure to lower traffic levels and to review the phasing of some projects.

Eurotunnel operating costs (€m)



b) Europorte segment

The Europorte segment, which covers the entire rail freight transport logistics chain in France as well as cross-border flows to Belgium and Germany, includes most notably Europorte France and Socorail.

€ million			Change	
Improvement/(deterioration) of result	2021	2020	€M	%
Revenue	130	123	7	+6%
External operating costs	(51)	(44)	(7)	-16%
Employee benefits expense	(51)	(51)	–	–
Operating costs	(102)	(95)	(7)	-7%
Operating margin (EBITDA)	28	28	–	–

In 2021, Europorte saw a return to normal order volume after a first half of 2020 impacted by the health crisis, as well as an acceleration in the development of cross-border flows with Belgium and Germany with the launch of the Flex Express service. In 2021, Europorte recorded EBITDA of €27.9 million, a slight improvement compared to 2020 (€27.4 million).

c) ElecLink segment

ElecLink's activity is the construction and operation of a 1GW electricity interconnector between the United Kingdom and France. Construction works began in the second half of 2016 and the interconnector is expected to be in commercial operation mid-2022.

Costs directly attributable to the project are capitalised as assets under construction. Investment in the project during 2021 amounted to €90 million.

d) Other income

In the first half of 2021, the Group recognised income of €4 million relating to compensation for disruptions caused by industrial action by French Customs officers in 2019, as part of an agreement with the French State (see note A.5 of the consolidated financial statements at 31 December 2021 contained in section 2.2.1 of the 2021 Universal Registration Document).

e) Operating margin (EBITDA)

EBITDA by business segment evolved as follows:

€ million	Eurotunnel	Europorte	ElecLink	Total Group
EBITDA 2020 restated *	308	28	(1)	335
Improvement/(deterioration):				
Revenue	(60)	7	–	(53)
Other income	4	–	–	4
Operating costs	18	(7)	–	11
Total changes	(38)	–	–	(38)
EBITDA 2021	270	28	(1)	297

* Restated at the rate of exchange used for the 2021 income statement (£1=€1.167).

Despite the continuation of the measures put in place to limit its effects, the decline in traffic since March 2020 due to the pandemic continues to have a very significant impact on the Group's consolidated operating margin (EBITDA), which at €297 million in 2021 was down by €38 million compared to 2020.

f) Trading profit and operating profit (EBIT)

Depreciation charges increased by €3 million compared to 2020 to €189 million as a result of the capital investment projects completed in 2020 and 2021.

The trading profit in 2021 decreased by €41 million (-28%) compared to 2020, to €108 million.

In 2021, net other operating charges of €47 million include a provision of €29 million in respect of the voluntary departure plans for Eurotunnel staff in France and the United Kingdom. The impact of these plans, launched at the end of 2021, will be mainly spread over the 2022 financial year.

The operating result for the 2021 financial year was a profit of €61 million, down by €80 million (-57%) compared to 2020.

g) Net financial charges

At €308 million for 2021, net finance costs increased by €63 million compared to 2020 at a constant exchange rate. This increase was mainly due to the impact of higher inflation rates in the United Kingdom and France on the cost of the indexed tranche of the debt (€64 million).

In 2021, other net financial income of €10 million (2020: net charges of €15 million) consist mainly of interest earned and indexation on the G2 notes held by the Group amounting to €16 million (up by €11 million compared to 2020 due to higher UK inflation rates), partially compensated for by fees in respect of financial operations (costs of €2 million in 2021 compared to €24 million in 2020) and net exchange losses of €4 million in 2021 compared to net exchange gains of €2 million in 2020.

h) Net consolidated results

The Group's pre-tax result for continuing operations for the 2021 financial year was a loss of €237 million, up by €118 million compared to 2020 at a constant exchange rate. The evolution of the pre-tax result from continuing operations by segment compared to 2020 is presented below:

€ million	Eurotunnel	Europorte	ElecLink	Total Group
Pre-tax result from continuing activities: 2020 restated *	(126)	3	4	(119)
Improvement/(deterioration) of result:				
Revenue	-60	+7	-	-53
Other income	+4	-	-	+4
Operating expenses	+18	-7	-	+11
EBITDA	-38	-	-	-38
Depreciation	-4	-	+1	-3
Trading result	-42	-	+1	-41
Other net operating income/charges	-30	+2	-11	-39
Operating result (EBIT)	-72	+2	-10	-80
Net financial costs and other	-15	-	-23	-38
Total changes	-87	+2	-33	-118
Pre-tax result from continuing operations for 2021	(213)	5	(29)	(237)

* Restated at the rate of exchange used for the 2021 income statement (£1=€1.167).

After taking into account a net tax income of €8 million, the net consolidated result for the Group's continuing activities in 2021 was a loss of €229 million compared to a loss of €110 million in 2020 at an equivalent exchange rate.

2 ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

€ million	31 December 2021	31 December 2020
Exchange rate €/£	1.190	1.112
Fixed assets	6,718	6,730
Other non-current assets	592	560
Total non-current assets	7,310	7,290
Trade and other receivables	76	77
Other current assets	47	62
Cash and cash equivalents	718	629
Total current assets	841	768
Total assets	8,151	8,058
Total equity	1,319	1,372
Financial liabilities	5,334	4,990
Interest rate derivatives	1,101	1,306
Other liabilities	397	390
Total equity and liabilities	8,151	8,058

The table above summarises the Group's consolidated statement of financial position as at 31 December 2021 and 31 December 2020. The main elements and changes between the two dates, presented at the exchange rate for each period, are as follows:

- At 31 December 2021, fixed assets include property, plant and equipment and intangible assets amounting to €5,686 million for the Eurotunnel segment, €911 million for the ElecLink segment and €120 million for the Europorte segment. Between 31 December 2020 and 31 December 2021, the investment of €90 million in the ElecLink segment is mainly due to capitalised investments and interest relating to the project.
- Other non-current assets at 31 December 2021 include the G2 inflation-linked notes held by the Group amounting to €347 million and a deferred tax asset of €193 million.
- At 31 December 2021, cash and cash equivalents amounted to €718 million after net capital expenditure of €135 million, €266 million in debt service costs (net interest, repayments and fees) and the net proceeds of €146 million from the issue of the additional 2025 Green Bonds in October 2021 as explained in notes A.4 and G.1.1 to the consolidated financial statements as at 31 December 2021 and in the section "Analysis of consolidated cash flows" below.
- Equity decreased by €53 million as a result of the impact of the net result for the period (loss of €229 million), the impact of the change in the exchange rate on the translation adjustment of €110 million and the payment of the dividend in respect of 2020 (€27 million). These decreases were partially offset by the impact of the recycling to the income statement of the share of the fair value of the hedging contracts that were partially terminated in 2017 and the change in the fair value of the instruments in 2021 totalling €247 million as well as the recognition of an actuarial gain on employee retirement benefits of €44 million.
- Financial liabilities have increased by €344 million compared to 31 December 2020 mainly as a result of the issue of the additional Green Bonds in October 2021 (€153 million being the nominal value of €150 million plus the issue premium of €3 million, see notes A.4 and G.1.1 to the consolidated financial statements as at 31 December 2021 and the section "Analysis of consolidated cash flows" below), the impact of the change in the exchange rate on the sterling-denominated debt (€153 million), the €79 million impact arising from the evolution of inflation on the indexed tranches of debt and the €10 million increase in lease liabilities. These increases have been partially offset by the effect of €63 million of contractual debt repayments.
- The liability in respect of the fair value of the interest rate derivatives decreased by €205 million due to the impact of a reduction in long-term rates on the market value of the instruments.
- Other liabilities include €289 million of trade and other payables, provisions, deferred income and other liabilities, as well as retirement liabilities of €107 million.

Statement of financial position at 31 December 2021

ASSETS	LIABILITIES
Cash and cash equivalents, €718m	Other liabilities, €397m
Other assets, €715m	Interest rate derivatives, €1,101m
Fixed assets, €6,718m	Financial liabilities, €5,334m
	Equity, €1,319m

3 ANALYSIS OF CONSOLIDATED CASH FLOWS

€ million	2021	2020
Exchange rate €/£	1.190	1.112
Continuing activities:		
Net cash inflow from trading	338	363
Other operating cash flows and taxation	15	12
Net cash inflow from operating activities	353	375
Net cash outflow from investing activities	(135)	(117)
Net cash outflow from financing activities	(290)	(266)
Net cash inflow from financing operations	146	130
Increase in cash from continuing activities	74	122
Decrease in cash from discontinued activities*	(2)	(6)
Total increase in cash in year	72	116

* Maritime segment, see note C.2 to the consolidated financial statements at 31 December 2021.

At €338 million in 2021, net cash generated from trading by continuing operations decreased by €25 million compared to 2020. This change can be explained by the impact of the Covid-19 pandemic on Eurotunnel's activities:

- a reduction of €31 million in Eurotunnel's cash flows to €309 million (2020: €340 million);
- an increase of €7 million in Europorte's cash flows to €31 million (2020: €24 million); and
- ElecLink's operating expenditure remained relatively stable.

Other operating cash and taxation inflows of €15 million are mainly related to the receipt of the final payment of £11 million in respect of the settlement agreement between the British Secretary of State for Transport and Eurotunnel reached in 2019 (the last of three annual instalments).

At €135 million in 2021, net cash payments for investing activities are up by €18 million compared to 2020. In 2021, these comprised:

- €65 million relating to Eurotunnel (2020: €80 million) including a receipt of €18 million in respect of the partial reimbursement by the French state for Brexit-related investments under an agreement reached in March 2021 (see note A.5 to the consolidated financial statements for the year ended 31 December 2021). The main expenditure comprised €28 million relating to facilities for Brexit and other infrastructure projects and €42 million on rolling stock;
- net payments of €67 million in relation to the ElecLink project (€35 million in 2020 including a receipt of €19 million for the reimbursement of a cash collateral guarantee held by RTE in respect of French capacity markets); and
- capital expenditure for the Europorte segment which remained stable at €2 million.

Net financing payments in 2021 amounted to €290 million compared to €266 million in 2020. During 2021, cash flow from financing comprised:

- capital transactions with an outflow of €25 million consisting mainly of €27 million paid in dividends in 2021 (2020: €nil);
- net debt service costs of €266 million:
 - €193 million of interest paid on the Term Loan and on other borrowings (€183 million in 2020);
 - €61 million paid in respect of the scheduled repayment of the Term Loan and other borrowings (€54 million in 2020);
 - €6 million received in respect of the contractual repayment on the G2 notes held by the Group and €7 million received in respect of the interest earned thereon (€5 million and €6 million respectively in 2020);
 - €22 million paid in relation to leasing contracts (€21 million in 2020) presented in financing activities in accordance with IFRS 16; and
 - €4 million paid in relation to financial operations completed in 2015, 2018 and 2020 (€18 million in 2020).

On 26 October 2021, the Group issued €150 million of additional 2025 Green Bonds as described in notes A.4 and G.1.1 to the consolidated financial statements for the year ended 31 December 2021. This transaction generated a net cash inflow of €146 million including the nominal value of the bonds of €150 million plus the €3 million issue premium, less €5.3 million paid into the debt service reserve account and €1.3 million of costs.

4 KEY FINANCIAL INDICATORS

Free Cash Flow

The Group's Free Cash Flow represents the cash generated by current activities in the normal course of business. It can be used to distribute dividends to shareholders and to make strategic investments in the Group's development in order to add value for all stakeholders. The Group defines its Free Cash flow as net cash flow from its current activities excluding extraordinary or exceptional cash movements in respect of the equity-related cash flows, financial transactions such as the raising of new debt to help finance new activities, debt refinancing, renegotiation or early repayment as well as investment in new activities or the divestment of activities and related assets.

€ million	2021	2020
Exchange rate €/\$	1.190	1.112
Net cash inflow from operating activities	353	375
Net cash outflow from investing activities	(67)	(82)
Net debt service costs (interest paid/received, fees and repayments)	(266)	(263)
Other receipts	1	1
Free Cash Flow from continuing activities	21	31
Free Cash Flow from discontinued activities	(2)	(6)
Free Cash Flow	19	25
Dividend paid	(27)	–
Purchase of treasury shares and net movement on liquidity contract	2	(4)
Refinancing operations	146	130
ElecLink: project expenditure	(67)	(35)
Régionéo project	(1)	–
Use of Free Cash Flow	53	91
Increase in cash in the year	72	116

At €21 million in 2021, Free Cash Flow from continuing activities decreased by €10 million compared to 2020 for the reasons out in section 3 above.

EBITDA to finance cost ratio

The ratio of the Group's consolidated EBITDA to its finance costs (excluding interest received and indexation) was 1.3 at 31 December 2021 (2020 restated: 1.4).

€ million	2021	2020 * restated
Exchange rate €/\$	1.167	1.167
EBITDA	297	335
Finance cost	309	246
Indexation	(79)	(15)
Finance cost excluding indexation	230	231
EBITDA / finance cost excluding indexation	1.3	1.4

* Restated at the rate of exchange used for the 2021 income statement (£1=€1.167).

Net debt to EBITDA ratio

The Group defines its net debt to EBITDA ratio as the ratio between financial liabilities less the indexed nominal value of the G2 notes held by the Group and cash and cash equivalents, and consolidated EBITDA. At 31 December 2021, the ratio was 14.8 compared to 12.6 at 31 December 2020.

€ million	31 December 2021	31 December 2020
Non-current financial liabilities	5,176	4,850
Current financial liabilities	69	62
Other non-current liabilities	70	58
Other current liabilities	19	20
Total financial liabilities	5,334	4,990
Inflation-indexed notes (G2)*	(230)	(212)
Cash and cash equivalents	(718)	(629)
Net debt	4,386	4,149
EBITDA	297	328
Net debt / EBITDA	14.8	12.6
Statement of financial position exchange rate €/£	1.190	1.112
Income statement exchange rate €/£	1.167	1.126

* Indexed nominal value.

5 COVENANTS RELATING TO THE GROUP'S DEBT

Eurotunnel

The debt service cover ratio and the synthetic service cover ratio on the Term Loan apply to the Eurotunnel Holding SAS sub-group. These ratios are described in note G.1.2.b to the consolidated financial statements contained in section 2.2.1 of the 2021 Universal Registration Document.

At 31 December 2021, Eurotunnel has respected its financial covenants under the Term Loan with a debt service cover ratio and a synthetic service cover ratio of approximately 1.41.

In October 2021, in the context of the public health crisis and as a precautionary measure, the Group extended the waiver agreement that was put in place in 2020 under its main financial covenant, the senior debt coverage ratio. As a result, the waiver will apply for the 30 June 2022 and 31 December 2022 tests, unless the Group decides that it is not required no later than five weeks before either of these two dates. The Group did not make use the waiver at 30 June 2021 or at 31 December 2021. The waiver is subject to certain conditions, including the holding of a minimum cash balance of approximately €200 million at the level of the Eurotunnel Holding sub-group on the relevant dates.

Getlink

The conditions attached to the 2025 Green Bonds issued by Getlink SE include financial ratios, or incurrence covenants, the non-compliance with which may prevent the completion of certain transactions such as the payment of dividends or the raising of additional financing, without however giving rise to an event of default. The Group did not comply with these ratios as at 31 December 2021; however, the refinancing transaction concluded by Getlink in October 2020 increased the Group's flexibility to raise new financing (up to €400 million) and its ability to pay dividends (€150 million per year up to €300 million) without having to comply with these ratios. For more information, see note G.1.1 to the consolidated financial statements in section 2.2.1 of the 2021 Universal Registration Document.