



CELEBRATING

110

YEARS OF INNOVATION



Aston Martin is an iconic, globally recognised brand, with a unique position transcending ultra-luxury and high performance.

For more than a century, our brand has symbolised exclusivity, elegance, power, beauty, sophistication, innovation, performance and an exceptional standard of styling and design.

## What's under the bonnet

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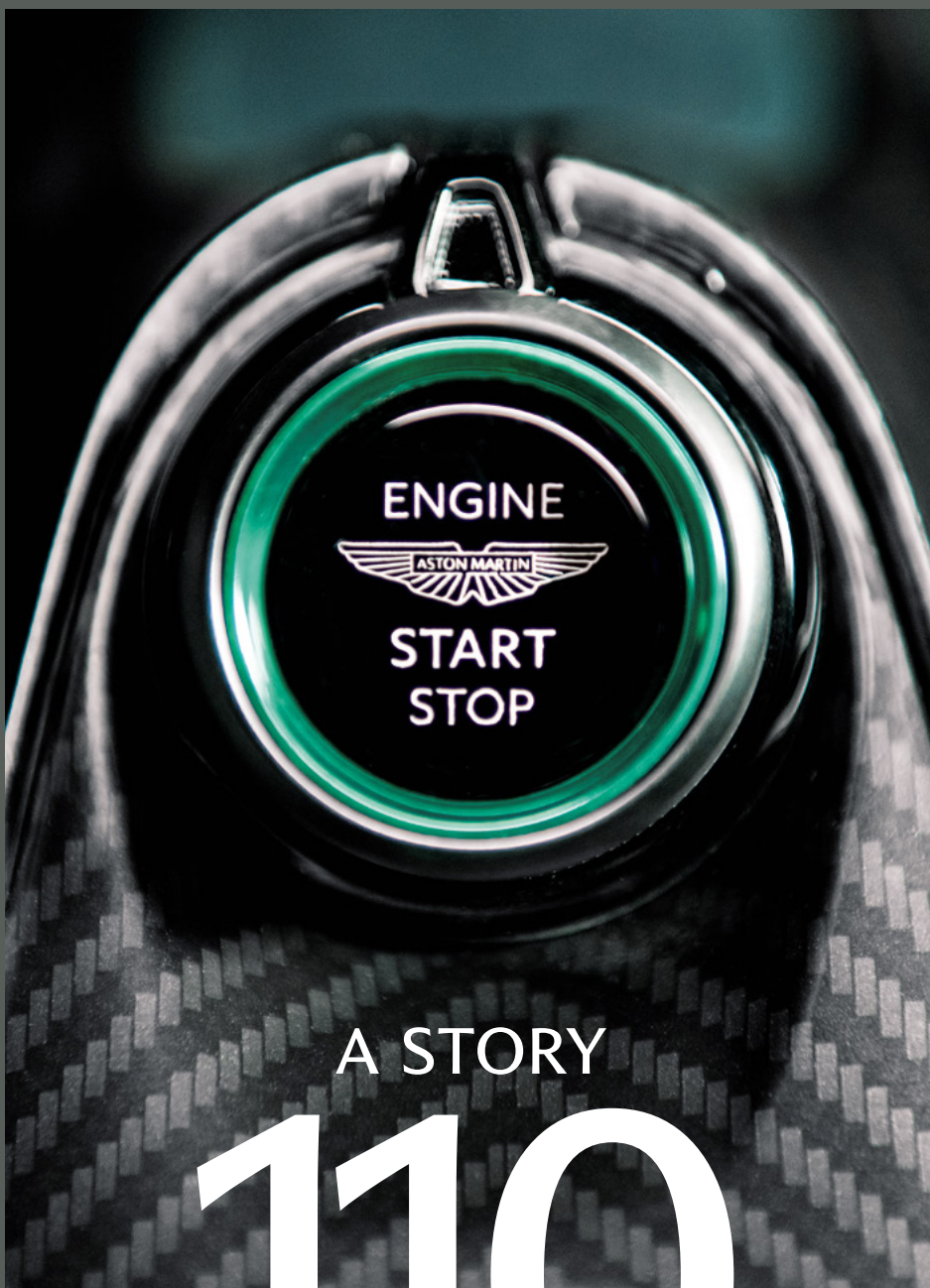
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PUSH TO START

OUR HISTORY ELECTRIFIED

A STORY  
**110**  
YEARS LONG

# Over a century of pursuing perfection and finding intensity. At every turn

## 1922 Broken in at Brooklands

Our wheels rolled their first race here in the 1920s. Spinning all the way to record-breaking heights.



## 1947 A new name to the legacy

The war is gone and as the nation returns to normal life, the search for new owners accelerates. When David Brown, a wealthy industrialist, is looking for a new investment opportunity, he sees an advert for a high-end motor business. It is Aston Martin, and the first lines of a new chapter are written.



## 1913



## 1913 Two icons form one legend

15 January 1913. Robert Bamford and Lionel Martin set up shop in premises previously belonging to Hesse & Savory. Severely underwhelmed by the cars they sell and service, they clench their jaws, hoist their sleeves and decide to make their own.

## Bonjour to victory

Voila. In 1959 the DBR1 takes the top two places in the famous Le Mans 24 hours, just weeks after the debut of the DBR4 single seat car in Formula One. Aston Martin are back on track.



## 1934 Breaching 100mph

The highlight of the 3rd Series cars came in 1934 with the Ulster. Designed from the shape of a Works racing car, with a modified engine to produce 85bhp. Unholstering a top speed that tops 100mph.





1963

### Bonded to Bond

With the evolving desire for luxury and power, the charismatic 4.0 litre DB5 was born. An icon forever immortalised in the Bond movies, Goldfinger and Thunderball.



### Enter the mighty V12

As the end of the 90s draws near, the now legendary V12 engine, in its original 420bhp form pushed the DB7 even further.

1999



### A 170mph arrival

With a top speed of 170mph the arrival of the V8 Vantage bursts onto the scene, cementing Aston Martin as the first and only British supercar maker.

1977

1970

### Royalty driven

The future King Charles III becomes the proud owner of a Seychelles blue DB6 Volante, commencing a lifelong passion for Aston Martin. The car has since been converted to run on by-products of the wine and cheese industries.



### Vanquish

We unveil a new car in 2001, the V12 Vanquish. Using aluminium and carbon fibre along with traditional craftsmanship to construct its body and chassis. The first in a new evolution of cars that will set hearts racing and Aston Martin on a path to success.

2001



2003

### Made in Gaydon

After 50 years, we change gear and move to our global headquarters in Gaydon. Our first purpose-built facility. A cutting edge, needle-eyed precise, state-of-the-art manufacturing centre.



2019

### Welcome to Wales

Behold the opening of the gates of St Athan. A new purpose-built facility in South Wales. This site will be the home of the all new, all conquering, DBX ultra luxury performance SUV.



### One with Formula One®

We make our return to Formula One® and take our rightful place in the pit lane. At the peak of the pinnacle of the epitome of the sport.

2021



2010

### A four-door supercar

A surprise in the shape of a four-door coupe. The Rapide is the first Aston Martin to have four doors since the 1930s. The world's most elegant four-door that will forever be a cult modern classic.

### Impossible. Driven.

The Valkyrie. As close as possible to being a Formula One® car without being restricted to the track. Space-age technology, handcrafted beauty and gravity-defyingly fast. Limitless luxury.

2021



2023

### The world's first super tourer

DB12. Redefining and reinventing what it means to be a tourer. An icon risen from 73 years of category defining marvels. Cutting through continents, bruising benchmarks and taming tradition.



FOUR  
PILLARS HAVE  
CONSISTENTLY

2023

2023

### 110 years. 110 Aston Martins. One very special lap.

A celebration of Aston Martin's past, present and future. A parade without parallel.

110 Aston Martins. One for every year of our rich history. 110 years. 110 cars.

Driving as one, for one lap.

At the Formula One® Aramco British Grand Prix 2023.



FUELLED  
OUR WINNING  
BLOODLINE...

...THESE FOUNDATIONS  
ARE OUR KEY  
STRENGTHS WHICH  
DRIVE OUR  
STRATEGY AND FUTURE  
GROWTH AMBITIONS.





[READ MORE ABOUT OUR STRATEGY ON PAGES 32-33](#)

## 1. Our iconic brand

# INTENSITY

Aston Martin is an iconic, globally recognised brand, transcending ultra-luxury and high performance. For more than a century, our brand has been synonymous with style, luxury, performance, and exclusivity. Our renown for delivering beautiful, awe-inspiring vehicles, matched with the best of British advanced engineering defines Aston Martin as something truly unique within the automotive industry. Our brand exposure, perception and desirability are strengthened by a strong, passionate, and loyal customer base, which has been significantly broadened by the successful return of the Aston Martin brand to the pinnacle of motorsport in Formula One®.



THE FEELING OF INTENSITY. DRIVEN.

## 2. Our relentless pursuit of innovation

# VANGUARD



Driven by our ongoing commitment to innovation, we are expanding our breathtaking portfolio of ultra-luxury high performance sports cars, including the ongoing introduction of our next generation of sports cars, continued amplification of our critically acclaimed DBX SUV range, and our entry into the mid-engine sports car segment. The arrival of significant and innovative new models is further boosted by our continued investment in establishing Aston Martin as an ultra-luxury, high performance brand supercharged with the association, technology, and knowledge of Formula One®.

THE VANGUARD OF TECHNOLOGY

STRATEGIC REPORT

GOVERNANCE

FINANCIAL STATEMENTS

FURTHER INFORMATION

### 3. Our promise, Racing. Green.

# PROGRESS



Aston Martin is embracing a new, driving ambition: to be a world-leading sustainable ultra-luxury automotive business. A key pillar of our overall corporate strategy, the Racing. Green. sustainability strategy is built on five core priority areas that reflect Aston Martin's approach to sustainability. Fully aligned with the UN's Sustainable Development Goals, our strategy reflects a deep understanding of the priorities that our customers, employees and wider stakeholders care about. These five areas are tackling climate change; creating a better environment; investing in people and opportunity; exporting success; and delivering the highest standards.

PRINCIPLES THAT WILL POWER OUR PROGRESS

## 4. Our world-class talent

# MASTERY

A key element of Aston Martin's future growth strategy is investing in our people. Led by our world-class experienced management team that spans all functions from engineering, operational to commercial, we are focused on building an inclusive, collaborative and functional way of working that inspires innovation and develops a high-performance culture. Committed to making Aston Martin a Great Place to Work®, we are establishing company values, creating high quality employment opportunities, and investing in early careers, training, and skills.



THE TIMELESS THRONE OF BRITISH MASTERY

# Stronger than the sum of our parts

## Our purpose guides us

Our purpose is to create vehicles with the ultimate technology, precision and craftsmanship that deliver thrilling performance and a bespoke, class-leading experience.

## Our values steer us

Our values are Unity, Openness, Trust, Ownership, and Courage. At the core of our values is one single guiding tenet: No one builds an Aston Martin on their own.

## Our vision lights the way

Our vision is to be the world's most desirable, ultra-luxury British performance brand, creating the most exquisitely addictive performance cars.

## Our strategy drives us

Our strategy is built on our key strengths of brand, product innovation, sustainability, and our people, which are the pillars that drive our strategy and future growth ambitions.

## Our positioning in the market and product portfolio

Aston Martin is an iconic, globally recognised brand, with a unique position transcending ultra-luxury and high-performance. For over 110 years our brand has symbolised exclusivity, elegance, power, beauty, sophistication, innovation, performance and an exceptional standard of styling and design. Our rich and prestigious heritage of delivering beautiful, awe-inspiring vehicles defines Aston Martin as something truly unique within the automotive industry.

[READ MORE ABOUT OUR MARKET ON PAGES 22-23](#)



## Our business highlights

REVENUE

**£1.6bn**

2022: £1.4bn

OPERATING LOSS

**£111m**

2022: £142m

TOTAL AVERAGE  
SELLING PRICE (ASP)

**£231k**

2022: £201k

TOTAL SCOPE 1 & 2  
EMISSIONS

**13,617**

2022: 14,843

ADJUSTED EBITDA

**£306m**

2022: £190m

WHOLESALE VOLUMES

**6,620**

2022: 6,412

NET DEBT

**£814m**

2022: £766m

ACCIDENT FREQUENCY  
RATE

**0.4**

2022: 0.5

 UK

ASTON MARTIN  
DEALERS<sup>1</sup>

**20**

2022: 21

WHOLESALE VOLUME

**1,141**

2022: 1,110

<sup>1</sup> All dealers are third-party  
dealers, with the exception  
of one in the UK

 EMEA<sup>2</sup>

ASTON MARTIN  
DEALERS

**54**

2022: 52

WHOLESALE VOLUME

**1,994**

2022: 1,508

<sup>2</sup> EMEA includes Europe, Middle  
East and Africa (excluding the  
UK and South Africa)

 AMERICAS

ASTON MARTIN  
DEALERS

**44**

2022: 44

WHOLESALE VOLUME

**2,037**

2022: 1,980

 ASIA PACIFIC

ASTON MARTIN  
DEALERS

**45**

2022: 48

WHOLESALE VOLUME

**1,448**

2022: 1,814



# Accelerating forward in our vision

LAWRENCE  
STROLL  
EXECUTIVE  
CHAIRMAN

# T

he historic year of our 110<sup>th</sup> anniversary, 2023 marked an important crossroads for Aston Martin Lagonda. An opportunity to reflect on our rich heritage and progress to date, whilst accelerating forward in our vision for the Company.

It's now almost four years since I became Executive Chairman. As I outlined at our Capital Markets Day in June 2023, we have made tremendous progress within that time, transforming our brand, our product portfolio, and our balance sheet.

In 2023, Aston Martin delivered significant strategic milestones and further financial progress, driven by continued strong demand for our ultra-luxury, high-performance products.

As a high-performance car enthusiast myself, I take immense personal pride in the collection of stunning new models we've introduced to our community of owners and enthusiasts around the world. From our critically acclaimed DBX707 luxury SUV, through to our instantly iconic new front-engine sports cars and groundbreaking mid-engine programme.

In 2023, the rich mix of sales from this breathtaking product portfolio, driven by our ongoing commitment to innovation, supported growth in average selling prices to record levels. This, combined with our ongoing portfolio transformation, resulted in a significantly enhanced gross margin, remaining on track to achieve our longstanding target of around 40% gross margin in 2024.

Aligned to our vision of creating the most comprehensive product portfolio in our segment, we launched the highly acclaimed DB12 in 2023. We have seen a clear demonstration of DB12 and our other ultra-luxury vehicles addressing the growing demand for unique personalised products, driving increased options revenue while also attracting new customers to the brand.

This arrival of important and innovative new products is further boosted by our continued investment in establishing Aston Martin as an ultra-luxury, high-performance brand – supercharged by our successful return to the pinnacle of motorsport, Formula One®.

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**In 2023, Aston Martin delivered significant strategic milestones and further financial progress, driven by continued strong demand for our ultra-luxury, high-performance products."**





Our fantastic partnership with the Aston Martin F1® Team sits at the heart of our brand, with other key marketing activities in 2023 including the global celebration of our historic 110<sup>th</sup> anniversary and continued implementation of our renewed corporate identity across our network.

A key landmark in that ultra-luxury retail strategy was achieved in June 2023, with the opening of our first global flagship location, Q New York, on one of the most prominent corners of Midtown Manhattan. Where Savile Row meets Park Avenue, the new showroom brings the highest levels of our Q by Aston Martin bespoke service to North America for the very first time, providing the most sophisticated luxury specification experience available anywhere in the world.

Looking ahead to 2024, it is a year that promises to be a significant and exciting one for the brand, with the highly anticipated arrival of thrilling new products. This includes the future development of our portfolio with the completion of our line-up of next generation, front-engine sports cars, following the recent unveil of Vantage, and the continuation of our Specials programmes. These and other advancements will support the delivery of the Company's near- and medium-term financial targets, as we unleash the power of our brand and continue our growth trajectory.

Alongside my fellow leaders and consortium members, I couldn't be more enthusiastic about the opportunities ahead for Aston Martin. I thank you for joining us on our exciting journey as we continue to deliver our strategy and move forward on the pathway we've now forged towards our targets.

**LAWRENCE STROLL**  
**EXECUTIVE CHAIRMAN**



LANCE STROLL BAHRAIN TEST

In the 2023 season, Aston Martin experienced a 20% increase in on-line configurations sent to dealers on race weekends compared with non-race weekends.

Looking ahead to 2024, it is a year that promises to be a significant and exciting one for the brand, with the highly anticipated arrival of thrilling new products."



88%

of luxury car buyers interested in Formula One® are more likely to buy an Aston Martin because of the brand's involvement in the sport.

# Aligning the organisation for its positive future direction

AMEDEO  
FELISA  
CHIEF EXECUTIVE  
OFFICER

# A

Amedeo Felisa was appointed as Chief Executive Officer of Aston Martin in May 2022, with a focus on leading a new phase of growth and development for the Company.

A former CEO of Ferrari with three decades of experience within the ultra-luxury automotive segment, Amedeo is one of the most highly regarded leaders and engineering professionals in the sector. Formerly a Non-executive Director of Aston Martin, he previously served as Chairman of the Company's Product Strategy Committee.

He reflects on an important year for the business in 2023.

## IT'S NOW APPROACHING TWO YEARS SINCE YOU BECAME CEO. HOW MUCH PROGRESS HAS BEEN MADE DURING THAT PERIOD?

When I first became CEO in 2022, I identified immediate priorities across three key areas; our product, processes, and people. I think we've made considerable progress on all fronts.

From a product perspective, I'm very pleased at how the business capitalised commercially on the strength of DBX707, which really marked the start of our heightened focus on ultra-luxury and high-performance. That has now been followed up with the first of our next generation of sports cars, DB12, and the introduction of magnificent new Specials which have generated high demand from our top customers and supported our gross margin and incredibly strong average selling price and growth in total options revenue.

We've also introduced a host of new processes to improve our product development, engineering, and manufacturing capabilities, while importantly continuing to invest in people, skills, and our facilities. These combined, will make Aston Martin a Great Place to Work® and truly align the organisation for accelerated growth.

//

We've also introduced a host of new processes to improve our product development, engineering, and manufacturing capabilities, while importantly continuing to invest in people, skills, and our facilities."



### 2023 SAW ASTON MARTIN CELEBRATE ITS 110<sup>TH</sup> ANNIVERSARY. HOW IMPORTANT WAS THAT MILESTONE FOR THE BRAND?

At the start of 2023, we said that we wanted our 110<sup>th</sup> year to be just as exciting as our first, and I believe we've firmly lived up to that promise! The anniversary itself has been a fantastic opportunity to celebrate not just our unique heritage and brand equity, but also look firmly to the future through the new products we've launched and the global series of events that have taken place to bring our community of customers even closer to the brand.

Our 110<sup>th</sup> anniversary special edition Valour has proved to be a monumental commercial success and demonstrated our unique ability to operate at the very highest levels of the luxury automotive segment and attract new customers and collectors to the brand.

### IT HAS BEEN ANOTHER YEAR OF EXCITING NEW PRODUCT LAUNCHES FOR ASTON MARTIN. HOW SIGNIFICANT IS PRODUCT INNOVATION TO THE OVERALL TRANSFORMATION OF THE COMPANY?

It's essential. We know that to achieve our growth ambitions for the Company we must have leading products in all of the fastest growing segments of the ultra-luxury market. The introduction of DB12, and now Vantage, has driven huge reappraisal of Aston Martin amongst new audiences, as well as engaged and excited loyal customers who have always adored the brand.

2024 now sees us begin to complete our vision to have a world-class product portfolio, with an incredible line-up of new front-engine sports cars to be completed by the end of this year, joining the best performance SUV in our segment. Then to complement the portfolio we have an incredible, mid-engine supercar in Valhalla on the horizon, with prototype testing already taking place and the model currently on course to enter production before the end of 2024.

### WHAT INSIGHTS AND LEARNINGS HAVE THE DB12 LAUNCH PRESENTED FOR THE BUSINESS AS YOU PREPARE TO REVEAL FURTHER SPORTS CARS IN 2024?

Commercially, I think the successful launch of DB12 has reinforced the market opportunity we saw in our new positioning at the crossroads of ultra-luxury and high-performance. Media and customer feedback about the design, performance and driving dynamics of the car have been incredible, while the new interior and bespoke infotainment system have been viewed as a huge positive for our future product direction. The model was recently awarded "Car of the Year" for 2024 by Robb Report and confirmed by Autocar magazine as a true "Super GT".

On an operational level, clearly, during Q3 readiness and EE platform integration issues caused initial production ramp up delays of DB12, which led to slightly lower wholesale volumes than we originally expected for the year. We have built stronger resilience in our supply chain and product development processes over the last 18 months through increased alignment and investment in our relationships with suppliers. However, as we bring new products to the market in 2024 and navigate a challenging global environment, we must continue to build even more resilience.

### OVERALL, HOW DO YOU ASSESS THE COMPANY'S FINANCIAL PERFORMANCE IN 2023?

At our Capital Markets Day in June 2023, we spoke about accelerating progress and I think we have demonstrated our ability to execute with improved financial performance this year. This has been supported by continued demand for our new and existing ultra-luxury high-performance vehicles.

The rich mix of sales, driven by our ongoing commitment to product innovation, supported growth in total and core average selling prices. Combined with ongoing business transformation efforts, this provided a significantly improved gross margin, continuing progress towards our mid-40s% gross margin target in 2027/28.

### THE FOURTH QUARTER HELD HUGE SIGNIFICANCE FOR ASTON MARTIN, WITH RECORD Q4 ADJUSTED EBITDA. DOES THIS SHOW THE POTENTIAL OF THE BUSINESS?

As expected, due to the timing of new models, Q4 was very strong with around a third of the year's wholesales recorded in the period. Despite the slight delay to the DB12 ramp up, we saw strong ASP growth due to the pricing of our next generation sports cars and Specials, supporting record adjusted EBITDA in Q4.

Whilst pleased at our overall operational performance and ability to adapt, clearly the longer-term opportunity for our business from 2025 onwards is to deliver greater consistency across the year, underpinned by our product planning.

### HOW IMPORTANT HAS INVESTMENT IN PEOPLE BEEN IN 2023?

Driving forward investment in our people and culture has been one of my key priorities since becoming CEO. In 2023, we launched new company values which are at the heart of our commitment to making Aston Martin a Great Place to Work®. We've also completed phase one of our plans to enhance communal facilities at our Gaydon headquarters and expanded our employee engagement programme with new internal initiatives and events, including a family weekend, which saw more than 10,000 employees and their friends and families attend.

As part of our efforts to deepen our colleagues relationship with the Company, during 2023 we also successfully launched our first all-employee share plan, "Sharing Success", which awarded 425 free shares to 2,541 employees.

This year we also welcomed a breadth of new talent to complement our skilled and passionate team. This ranges from an enhanced early careers intake through to the recruitment of more than 100 people to new manufacturing positions at Gaydon and senior appointments in areas such as electrification. Supported by our Electrification Centre of Excellence, we continued our journey towards the first battery electric Aston Martin, with 205 colleagues completing over 2,377 hours of specialist EV-related instructor-led training.

**AMEDEO FELISA**  
CHIEF EXECUTIVE OFFICER



# 100+

new manufacturing positions at Gaydon and senior appointments  
in areas such as electrification

# Positioned to address demand for ultra-luxury high-performance

## The Global Luxury Market

Sustainable long-term growth in demand for luxury goods globally as the world's Ultra High Net Worth Individual (UHNWI) population is expected to increase by 29% between 2022 and 2027\*

### WHAT THIS MEANS FOR OUR BUSINESS

- Operating as an ultra-luxury brand with a demand-led strategy
- Investing in our brand and international marketing, events and sponsorship to grow our appeal to ultra-luxury consumers
- Investing in our ultra-luxury customer journey and retail experience in partnership with our dealer network
- Creating limited and special models to cater for our most exclusive customers

### HOW WE'RE RESPONDING

LINK TO STRATEGY:

1 2

LINK TO RISKS:

1 2 3 7 8 9 12

\*2023 Knight Frank Wealth Report



## Market Expansion

Opportunity to expand Aston Martin's brand presence and market share for ultra-luxury cars in both established and expanding regions across a broader demographic

### WHAT THIS MEANS FOR OUR BUSINESS

- Continuing product innovation to develop portfolio plans as well as brand strategy and creative identity that give Aston Martin significant presence in ultra-luxury market segments
- Strengthening regional leadership, including appointment of a new Regional President and Managing Director in China
- Connecting with dealers and customers through targeted events
- Growing our brand awareness and desirability through the global platform of Formula One®

### HOW WE'RE RESPONDING

LINK TO STRATEGY:

1 2 3 4

LINK TO RISKS:

1 2 3 5 7 8 9 11 12

## Personalisation and Customisation

Growing demand for unique and bespoke personalised products amongst ultra-luxury consumers

### WHAT THIS MEANS FOR OUR BUSINESS

- Expanding our Q by Aston Martin offering – our ultimate bespoke personalisation service, with an increase in options revenue in 2023
- Opening Q New York, our first global ultra-luxury flagship location providing the most sophisticated luxury specification experience available anywhere in the world
- Launching limited-edition Specials for our most distinguished customers including Valour in 2023
- Expanding our award-winning online configurator

### HOW WE'RE RESPONDING

LINK TO STRATEGY:

1 2

LINK TO RISKS:

2 3 7 9 12





A REMINDER OF OUR STRATEGIC PILLARS  
SEE MORE ON PAGES 32-33

<p><b>1.</b> our iconic brand</p>	<p><b>2.</b> our relentless pursuit of innovation</p>
<p><b>3.</b> Our promise, Racing. Green.</p>	<p><b>4.</b> our world class talent</p>

PRINCIPAL RISKS  
SEE MORE ON PAGES 65-68

- 1 Macroeconomic and political instability
- 2 Brand/reputational damage
- 3 Technological advancement
- 4 Climate change
- 5 Liquidity
- 6 Impairment of capitalised development costs
- 7 Compliance with laws and regulations
- 8 Talent acquisition and retention
- 9 Programme delivery
- 10 Achieving financial and cost-reduction targets
- 11 Cyber security and IT resilience
- 12 Supply chain disruption



## Geopolitical and Macroeconomic Environment

Continued global political and economic uncertainty in a post-COVID-19 era of inflationary pressures and higher interest rates

### WHAT THIS MEANS FOR OUR BUSINESS

- Maintaining our production and business operations through diligent workplace health and safety practices
- Deleveraging our balance sheet to accelerate net leverage reduction and support longer-term growth
- Working in close partnership with suppliers to identify supply chain improvements and recovery tactics
- Supporting our colleagues with the higher cost of living through pay rises and industry-leading employee wellbeing initiatives

### HOW WE'RE RESPONDING

LINK TO STRATEGY:

- 2 3 4

LINK TO RISKS:

- 1 2 5 6 7 8 9 10 11 12

## Vehicle Electrification

Transition away from the internal combustion engine (ICE) to a range of technologies that use electricity to propel vehicles

### WHAT THIS MEANS FOR OUR BUSINESS

- Signed our strategic supplier agreement with Lucid Group Inc (Lucid) for access to industry-leading technologies in a long-term relationship whereby Lucid will supply select powertrain components for initial and future battery electric vehicles (BEV) models
- Investing in new electrification skills across our business
- Project ELEVATION, a six-partner collaborative research and development project led by Aston Martin awarded £9 million
- Preparing for our first plug-in hybrid electric vehicle (PHEV), Valhalla, which is on course to enter production in 2024

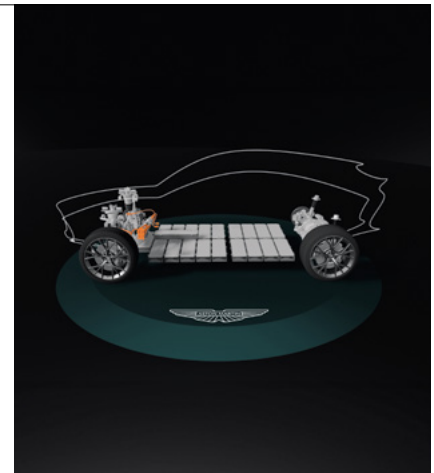
### HOW WE'RE RESPONDING

LINK TO STRATEGY:

- 1 2 3 4

LINK TO RISKS:

- 2 3 4 5 7 8 9 12



## Sustainability

The need for businesses to act responsibly in order to protect the planet, their people and local communities

### WHAT THIS MEANS FOR OUR BUSINESS

- Continuing our Racing. Green. sustainability strategy with ambitious commitments to become a world-leading sustainable luxury automotive business
- Investing in key initiatives and setting ambitious targets to achieve improved biodiversity and net-zero manufacturing facilities
- Enhancing our gender diversity aspiration, targeting women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030

### HOW WE'RE RESPONDING

LINK TO STRATEGY:

- 2 3 4

LINK TO RISKS:

- 2 3 4 7 8 12

# Engaging our stakeholders

We believe that stakeholder engagement is a key element of delivering a sustainable business and this activity is undertaken across our business at different levels of the organisation.

A summary of who our key stakeholders are, what matters to them, how we engage with them and the outcome of our engagement is set out on the following pages and is reinforced throughout this Report. Engagement at Board level is highlighted with **B**.

Our Section 172 statement which sets out how the Board has taken into account the interests of the Company's stakeholders in its decision-making is set out on pages 28-29.

Through effective engagement with our stakeholders we can understand what matters to them and what their priorities are."



## Customers and Enthusiasts

Customers and enthusiasts are key to our brand and our business success. Their emotional connection with the brand enables us to build a strong and loyal customer community.

### WHAT MATTERS TO THEM?

- Quality and safety of products
- Car design and performance
- Brand strength
- Exclusivity and scarcity
- Ultra-luxury customer experience
- Cost of ownership
- Environmental commitment
- Sense of community

### HOW WE ENGAGE

- Bespoke customer communications and customer relationship management strategy
- Investment in ultra-luxury customer journey
- Innovative and engaging content across our website and social media channels
- Major brand campaigns, including our high-profile campaign on Sphere at the Las Vegas Grand Prix
- Relaunch of Aston Martin's luxury customer magazine
- Bespoke customer events, such as car reveals and driving experiences **B**
- Dealership events
- Customer rallies and community gatherings, including our 110<sup>th</sup> anniversary celebration lap at the British Grand Prix and Aston Martin Arcadia event in Tokyo **B**
- Formula One® hospitality and events programmes **B**
- Executives actively meeting customers at leading luxury automotive events such as Pebble Beach and Goodwood Festival of Speed **B**
- Global communications strategy, driving coverage across automotive and lifestyle media
- Launch of ultra-exclusive, special products such as Valour, limited to 110 examples
- Opening of first ultra-luxury flagship store in New York **B**

### OUTCOMES OF ENGAGEMENT

- Strong Net Promoter Score amongst customers
- More than 10,000 attendees for global DB12 events
- Growing customer community on social media channels
- Largest-ever Formula One® marketing programme at the Las Vegas Grand Prix
- 60% of sales in 2023 were customers new to the brand



## Dealer Network

Our third-party dealerships are the direct contact point for our brand to our customers. They enable us to maintain control over our brand positioning and luxury customer service in a cost-effective way.

### WHAT MATTERS TO THEM?

- Brand awareness and desirability
- Brand strength and Company support
- Programmes to identify and generate sales opportunities
- Increased customer satisfaction and retention targeting ultra-luxury segment
- Ultra-luxury product and product refresh
- Return on investment

### HOW WE ENGAGE

- CEO and Board engagement to strengthen dealer relationships and support demand-driven strategy **B**
- Strengthening and alignment of central and regional senior management, supporting closer dealer relationship and communications
- Attendance (physical or virtual) at local dealer conferences held during the year **B**
- Rollout of dealer network programmes and systems to monitor performance aligned to growth opportunities across all sales and after sales areas
- Implementation of Dealer Operating and new Corporate Identity standards to drive dealers to consistent ultra-luxury behaviour
- Introduce new models and maximise launch activities to fully support ultra-luxury brand positioning
- Development of in-house training team to carry out in-dealer product training through the addition of a training content creator
- Continued development of digital platforms, supporting increased engagement and elevated brand representation

### OUTCOMES OF ENGAGEMENT

- Higher levels of customer engagement and satisfaction
- Increased brand awareness driving greater level of customer enquiries, resulting in increased sales and market share
- Increased demand for Aston Martin products delivering more profitable business for dealers and Aston Martin, across all areas of the business
- Increased enquiries from ultra-luxury automotive groups wishing to represent Aston Martin



## Suppliers and Other Partnerships

Our suppliers are fundamental to our business. Carefully chosen partnerships provide us with an important source of technical expertise and brand enhancement.

### WHAT MATTERS TO THEM?

- Responsible procurement, trust, ethics and open dialogue
- Operational improvement
- Competitiveness
- Strong relationships
- Financial performance
- Building capability and expertise
- Design and technical expertise

### HOW WE ENGAGE

- Continuous engagement to create partners, not suppliers
- Strategic Cooperation Agreement with Mercedes-Benz AG securing access to technologies critical to our long-term plans **B**
- Strategic supply arrangement with Lucid to create industry-leading ultra-luxury high performance electric vehicles **B**
- Sponsorship of Aston Martin Aramco Formula One® Team to provide a direct global marketing platform targeting key customers and enhancing the brand **B**
- Dedicated Supplier Quality Development team to manage supplier quality and performance
- Cross functional team working closely with suppliers to resolve issues
- Commodity team structure established and being used effectively
- Supplier risk meeting cadence working cross-functionally to mitigate potential risks to production
- Collaboration with suppliers to deliver innovation and economic improvement
- Supplier scorecards to identify areas for performance improvement

### OUTCOMES OF ENGAGEMENT

- Improved Responsible Procurement Policy to redefine our standards and minimum expectations to suppliers
- Implementation of a leading automotive sustainability platform to collate validated sustainability and governance data from suppliers. The platform is a pivotal change to strategically embed Environmental, Social and Governance ('ESG') into Procurement due diligence and sourcing activity, to enhance supplier data management and risk identification and subsequently enable collaboration with all suppliers to strengthen their sustainability performance and scoring.
- Rollout of new 2024 Responsible Procurement Policy aims to help suppliers identify and improve their own sustainability goals
- Strong relationships with Mercedes-Benz AG and Lucid



## Our People

Our people are the key to our success. Our performance depends on our passionate, knowledgeable, experienced and creative people.

### WHAT MATTERS TO THEM?

- Personal development and career opportunities
- Health and safety
- Engagement
- Feeling listened to and valued
- Reward and benefits
- Equity, Diversity and Inclusion
- Environmental and social responsibility

### HOW WE ENGAGE

- Family open day in Gaydon
- C-Suite roundtables with employees **B**
- Employee Town Halls **B**
- Dedicated Independent Non-executive Director to gather views of the workforce and report back to the Board **B**
- Employee engagement survey
- Consultation on employee benefits
- Trade Union Business review
- Health and Safety review
- Listening sessions supporting our culture and to deep dive engagement topics **B**
- Aston Martin internal communications platform and AM People newsletter
- Aston Martin's Inclusion Network
- Local Health and Safety Committees
- Local trade union meetings

### OUTCOMES OF ENGAGEMENT

- Several initiatives implemented including mental health training and support for all employees
- New peer recognition programme
- New Code of Conduct for employees
- Launched first ever all employee share plan



## Investors

Continued access to capital is vital to the long-term performance of our business. Our focus is to ensure investors understand our strategy, value drivers, performance, ambition and culture and for us to understand their priorities.

### WHAT MATTERS TO THEM?

- Consistent delivery of the Company's strategy
- Financial performance relative to expectations
- Demonstrate that the Company is a responsible and effective steward of capital
- Sustainability
- Governance and transparency
- Confidence in the leadership team
- Stability and predictability

### HOW WE ENGAGE

- Webcasts, presentations and meetings by the Executive Chair, Chief Executive Officer, Chief Financial Officer and the Investor Relations team **B**
- Capital Markets Day at Gaydon headquarters for equity analysts and large investors held in June, to showcase our strategic and financial progress and future priorities including electrification programme **B**
- Focused investor relations programme delivered both remotely and in person **B**
- Retail shareholders engaged via direct communications, our website, press activities, Annual Reports and general meetings **B**
- For more information see Investor Engagement on page 90

### OUTCOMES OF ENGAGEMENT

- Received support from largest shareholders along with strong appetite from institutional and retail investors for a £216m placing to facilitate the early redemption of part of the Company's debt and to support capital investments related to our electrification strategy
- Shareholders approved the related party transaction and issue of shares in respect of the strategic supply agreement with Lucid to create industry-leading ultra-luxury high performance electric vehicles



## Local Communities and Non-Governmental Organisations

We aim to build positive relationships with local communities and organisations interested in our business.

### WHAT MATTERS TO THEM?

- Trust and ethics
- Safety
- Sustainability and non-financial performance including the environmental impact of our products
- Career opportunities for members of the local community
- Local operational impact

### HOW WE ENGAGE

- Outreach programmes with local schools, including initiatives to promote Science, Technology, Engineering and Mathematics and careers in the automotive industry
- Philanthropic activities to contribute social and societal benefits
- Meetings, site visits and dialogue with Non-Governmental Organisations including organisations representing industry, social and environmental interests

### OUTCOMES OF ENGAGEMENT

- 54 visits to local schools, colleges and universities, more than double the total in 2022
- Engagement on a range of matters including new opportunities for trade and growth, industry challenges, and Aston Martin's essential contribution to local economies and communities



## Government and Regulators

We engage with government and regulators given public policy and regulatory impacts on our business.

### WHAT MATTERS TO THEM?

- Compliance with regulations and the law
- Sustainable operations
- Employment and economic impacts
- Contribution to achieving public policy objectives

### HOW WE ENGAGE

- The Board is committed to proactive engagement with key stakeholders in government at local, regional and national level **B**
- We aim to engage positively, constructively and consistently through various channels, including meetings, site visits, contributing to public policy development and responding to consultations
- We welcomed numerous senior politicians to Gaydon and St Athan
- We hosted a Parliamentary reception at the Speakers House attended by over 100 members of Parliament and UK Government ministers **B**

### OUTCOMES OF ENGAGEMENT

- We were selected to be part of the UK Government's Global Investment Summit to showcase British design and engineering excellence
- We worked with the UK Government to support the GREAT campaign, targeting UK export growth in the USA

# Key decisions and stakeholder engagement

## KEY STAKEHOLDERS

- 1 Customers and enthusiasts 2 Dealer network 3 Our people 4 Investors 5 Suppliers and other partnerships  
6 Government and regulators 7 Local communities and Non-Governmental Organisations

The Board is pleased to provide a statement that supports Section 172 of the Companies Act 2006. This requires that Directors promote the success of the Company for the benefit of the members as a whole, taking into account the interests of the Company's stakeholders in its decision-making. A description of the Company's key stakeholders, what matters to them and how the Group, including the Board engages with them is set out on pages 24-27. Some of the key decisions that the Board made during the year and how it took the interests of stakeholders into account in making those decisions are set out on the following pages.

The Board recognises that there will sometimes be competing priorities and interests between the stakeholder groups but aims to assess and balance those interests to make decisions which are conducive to the long-term success of the business, in line with the Company's reputation for high standards of business conduct and the Company's values.

Further information on how Section 172(1) has been applied by the Directors can be found throughout the Report

### SECTION 172 MATTERS

#### A. The likely consequences of any decision in the long term

Our strategy	32
Business model	30

#### B. The interests of the Company's employees

Our strategy	32
Investing in people and opportunity	50

#### C. The need to foster the Company's business relationships with suppliers, customers and others

Our strategy	32
Exporting success	54

#### D. The impact of the Company's operations on the community and the environment

Tackling climate change	44
Creating a better environment	48

#### E. The desirability of the Company maintaining a reputation for high standards of business conduct

Leadership and governance	82
Risk management	64
Delivering the highest standards	56

#### F. The need to act fairly as between members of the Company

Investor engagement	90
Leadership and governance	82

## Investment by Geely

### Section 172 matters

A, C, E, F

### Stakeholders considered

4 5

### PRINCIPAL DECISION

The Board approved the issue of 28 million new ordinary shares at 335 pence per share equating to £95m in cash. The Board further approved the Company entering into a new Relationship Agreement with Geely giving it the right to appoint a Shareholder Representative Non-executive Director to the Board.

### CONSIDERING OUR STAKEHOLDERS

Investors: Whilst the issue of shares to Geely was dilutive to our shareholders, the Board considered the transaction to be in the best interests of shareholders as a whole for creation of long-term value.

Suppliers and partnerships: The relationship with Geely provides the Company with the opportunity to better understand the strategic growth market that China represents, as well as the opportunity to access Geely's range of technologies and components.

### OUTCOME

Geely's stake increased from 7% to 16%.

A Relationship Agreement is in place between the Company and Geely with a Geely Shareholder Representative Non-executive Director being an important part of the strategic relationship.

The Company's relationship with Geely provides better access to understanding the growth market of China.

The relationship provides the potential for future use of Geely's products.

“This transaction enables the creation of a long-term partnership with Geely and the exploration of joint technology synergies and new growth opportunities”

## Placing and reduction of debt

Section 172 matters

A, C, E, F

Stakeholders considered

1 3 4

### PRINCIPAL DECISION

The Board approved a £216m placing to facilitate the early redemption of the Group's existing second lien split coupon notes.

### CONSIDERING OUR STAKEHOLDERS

**Investors:** The Company consulted with a number of its major shareholders prior to the share offering and respected the principles of pre-emption through the allocation process insofar as possible. While the placing was structured as a non-pre-emptive offer within the Company's existing authorities from shareholders to minimise cost and time to completion, the Company was pleased to provide retail investors with the opportunity to participate in line with the Pre-Emption Group guidelines. After consideration of the various options, the Company concluded that the separate retail offer was in the best interests of shareholders, as well as wider stakeholders in the Company.

**Customers:** The additional funding allows investment in product innovation for the benefit of our customers.

**People:** Supporting our electrification journey includes attracting new talent and providing training for new skills in electrification.

### OUTCOME

58 million new ordinary shares were issued raising gross proceeds of £216m which allowed the Company to further deleverage its balance sheet, provided an accelerated pathway towards achieving its net leverage ratio targets and supported capital investments related to the Company's electrification strategy.

///

The tremendous backing from our largest shareholders along with the strong appetite from institutional and retail investors demonstrates the continued confidence in Aston Martin and our future direction."

## Strategic arrangement with Lucid

Section 172 matters

A, B, C, D, E, F

Stakeholders considered

1 4 5 6

### PRINCIPAL DECISION

The Board approved a strategic supply agreement with Lucid to create electric vehicles and approved the issue of 28 million ordinary shares to Lucid as part of the consideration.

### CONSIDERING OUR STAKEHOLDERS

**Customers:** The alignment of Aston Martin's iconic brand with Lucid's advanced technologies will re-define the customer experience for future Aston Martin BEV products.

**Investors:** Irrevocable undertakings were obtained from the other strategic shareholders to confirm their support. In the interests of the Company's bondholders, a bond fairness opinion was sought before entering into the transaction.

**Suppliers and partners:** The Board approved a restated commitment with Mercedes-Benz AG.

**People:** The Company needs to attract new talent and provide training for new skills in electrification. The Board considered the impact on the Company's defined benefit pension scheme and concluded that it would have a minimal impact in the short term and over time a positive impact on the scheme.

### OUTCOME

Lucid now holds a 3.44% shareholding in the Company. The Company's shareholders voted overwhelmingly in favour of the transaction, with the share issue reducing the future cash costs to the Company. The agreement provides for a long-term relationship with Lucid and access to Lucid's industry-leading technologies.

///

The supply agreement with Lucid is a game changer for the future EV-led growth of Aston Martin."

# Creating long-term sustainable value

## Our value chain

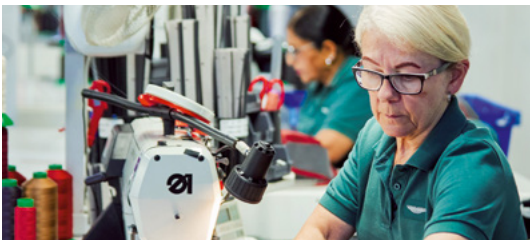
### OUR ICONIC BRAND



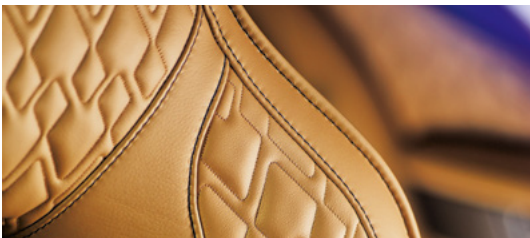
### OUR RELENTLESS PURSUIT OF INNOVATION



### OUR WORLD CLASS TALENT

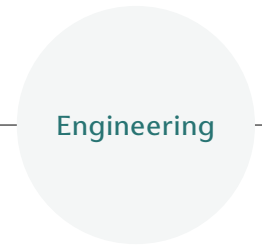


### OUR PROMISE, RACING. GREEN.



READ MORE ON OUR STRATEGY ON PAGES 32 AND 33

WHAT WE PUT IN



Performance-driven product portfolio, covering a wide segment of the ultra-luxury high-performance market through core models and special editions

Clear product advantage and desirability utilising the finest high quality materials, enhanced through our Q by Aston Martin personalisation service, driving average selling price and margins

Core product portfolio comprises of front-engine sports cars synonymous with timeless styling, assertive driving dynamics and exhilarating performance, and an SUV range that boasts the world's fastest, most powerful and best handling luxury SUV, DBX707, representing the very pinnacle of its segment

Exclusive limited volume special editions, which are typically oversubscribed and are highly sought after amongst the active global community of automotive collectors and enthusiasts

In-house engineering expertise with well-established teams for Product Development, Innovation & Advanced Technology, Vehicle Engineering, ICE Powertrain, ePowertrain, Software & Electronics Technology, Value Engineering and Project Management & Planning

Teams work in a cross-functional structure to encourage a collaborative way of working, greater efficiency and foster cutting edge innovation with a strong focus on design

Development processes optimised to maximise cross carline component sharing and drive sustainability, thereby reducing complexity, improving quality and delivering engineering efficiencies

Network of strategic partners to co-develop world-class technology and vehicle systems, enhance quality and deliver technical excellence, whilst building all our products in the UK

**OUR SUSTAINABLE APPROACH  
EMBEDDED ACROSS OUR  
BUSINESS MODEL**



## Operational excellence

Quality organisation transformed and strengthened with highly experienced management hires complementing a vastly experienced team

New model launch function transformed to lead the overall build strategy and product introduction

Culture of continuous improvement embedded, enhancing efficiency, cost and quality, including the utilisation of a pilot line and additional quality inspection points throughout the build process

New practices adopted with suppliers to optimise the supply chain and mitigate disruption to production

Renewed supply strategy in place to develop strategic and sustainable partnerships to improve supply chain resilience, quality and performance

## Go-to-market

*Intensity. Driven.* brand identity positions the brand at the crosshairs of ultra-luxury and high-performance; supported by strategic marketing initiatives intended to drive new levels of brand awareness, attract new customers, increase loyalty and exclusivity, and build a stronger community

Building on strong retail distribution, and an ultra-luxury blend of physical and digital customer experience

Experienced dealer partners with knowledge of the ultra-luxury segment in all key growth markets globally, with the consistent application of our corporate identity aligned to ultra-luxury environment and product portfolio

Leveraging a demand-driven business model that strengthens the order book, supports stronger pricing dynamics and controls inventory

## “No one builds an Aston Martin on their own”

Building cross-functional, multi-project teams and consistent one-team “Ways of Working” across the business that encourage collaboration and innovation across organisational boundaries

Building a performance driven, ultra-luxury focused workforce, culture and mindset, harnessing agility, efficiency and speed supported by a company-wide performance bonus approach, incorporating key financial and quality targets

Creating a fulfilling and rewarding experience that attracts and retains talent, unlocking the potential of our people to grow and deliver excellence

Strengthening workforce skills, knowledge and capability through ongoing investment in our people and training. Fostering engineering excellence and passion within our corporate DNA

## Creating long-term sustainable value for our stakeholders

Our business is focused on delivering shareholder value and continuing our purpose to create vehicles with the ultimate technology, precision and craftsmanship that deliver thrilling performance and a bespoke, class-leading customer experience

**READ MORE ON OUR STAKEHOLDERS ON PAGES 24-27**

We are committed to our ambition on tackling climate change and the Science Based Targets Initiative (‘SBTi’) Net-Zero Standards. We have a goal of becoming a world-leading sustainable ultra-luxury business as we develop alternatives to ICE with a blended drivetrain approach between 2025 and 2030, including PHEV and BEV, with a clear plan to have a line-up of electric sports cars and SUV.

# Delivering our growth ambitions

OUR PILLARS	Our iconic brand	Our relentless pursuit of innovation
OUR STRATEGIC GOALS	<p>Underpinned by a strong and loyal customer base, and unique position transcending ultra-luxury and high-performance, we have a clear vision to become the world's most desirable ultra-luxury British performance brand</p>	<p>Create a breathtaking and comprehensive core portfolio across front-engine, SUV and mid-engine, enhanced by a strategically aligned Specials programme</p>
ACHIEVEMENTS THIS YEAR	<ul style="list-style-type: none"> <li>– Impactful brand repositioning and <i>Intensity. Driven.</i> creative identity heightened desirability and drove brand reappraisal, with 60% of customers new to the brand and driving increased options revenue</li> <li>– Opened our first ultra-luxury flagship, Q New York, providing the most sophisticated luxury specification experience globally</li> <li>– Introduced new enhancements to our award-winning digital configurator, bringing luxury digital experiences to customers</li> <li>– Completed a year-long global celebration of Aston Martin's 110<sup>th</sup> anniversary highlighting the brand's past, present and future</li> <li>– Connected with dealers and customers globally through significant presence at the world's most prestigious luxury automotive event</li> <li>– Aston Martin F1® Team continued to connect the brand with engaged audiences, with market research indicating that 60% of luxury car buyers strongly agree they are more likely to buy an Aston Martin because of its association with Formula One®</li> <li>– Delivered global activations across the 2023 Formula One® calendar, including the brand's biggest-ever marketing campaign for the Las Vegas Grand Prix</li> <li>– Introduced new additions to our world-class events sponsorship portfolio, and new licensing and design collaborations</li> </ul>	<ul style="list-style-type: none"> <li>– Introduced the first of our next generation of sports cars, DB12, to significant customer and media excitement, with Aston Martin's first-ever in-house, bespoke infotainment system</li> <li>– Delivered the most powerful production Aston Martin ever, the limited edition DBS 770 Ultimate</li> <li>– Launched our 110<sup>th</sup> anniversary ultra-exclusive special, Valour, and delivered the stunning open cockpit DBR22, celebrating the 10th anniversary of the Q by Aston Martin bespoke service</li> <li>– Continued our enhanced technology agreement with Mercedes-Benz AG</li> <li>– Invested in electrification skills across our business that will be used to electrify our model range with a blended drivetrain approach between 2025 and 2030 including PHEV and BEV, as well as the use of alternative sustainable materials within vehicles</li> <li>– Established a landmark new supply agreement with world-leading EV technologies company, Lucid</li> <li>– Intensified development of Valhalla supercar, via the use of Formula One® methodologies, experience and technologies</li> <li>– Commenced our Aston Martin Valkyrie endurance motorsport programme</li> <li>– Commenced production of Vantage, the second of our next generation sports car, unveiled in February 2024</li> </ul>
FOCUS FOR 2024+	<ul style="list-style-type: none"> <li>– Maintain strong visibility and brand desirability through strategic high-profile product launches and campaigns progression, aligned with our ultra-luxury, demand-led strategy</li> <li>– Further enhance our Q by Aston Martin bespoke personalisation service, including strategic expansion of our ultra-luxury retail strategy and new Q flagships</li> <li>– Drive digital innovation including continual enhancements to our digital estate and configurator</li> <li>– Drive maximum brand value and commercial benefit from our unique association with Formula One®, including launch of the new Official Safety Car of Formula One®</li> <li>– Unleash commercial potential of Aston Martin through new strategic licensing and partnerships activities</li> <li>– Capitalise on Aston Martin's unique historic milestones</li> </ul>	<ul style="list-style-type: none"> <li>– Drive innovation and deliver products that create desire and excitement, progressing our vision to have a world-class portfolio of models in the most significant luxury growth segments</li> <li>– Work closely with Apple to introduce the next generation of Apple CarPlay to models from 2024</li> <li>– Successfully launch further next generation front-engine sports cars, and new iconic Specials</li> <li>– Commence production of our first PHEV, Valhalla, in 2024</li> <li>– Optimise product development processes to maximise cross-carline component sharing, reduce complexity and drive engineering efficiencies</li> <li>– Continue work with our strong network of strategic partners to co-develop world-class technology and vehicle systems, enhance quality, and maximise supply chain resilience, with efficiencies</li> </ul>
	<p>LINK TO KPIS: <a href="#">1</a> <a href="#">2</a> <a href="#">3</a> <a href="#">4</a> <a href="#">7</a></p>	<p>LINK TO KPIS: <a href="#">1</a> <a href="#">2</a> <a href="#">7</a> <a href="#">8</a></p>
	<p>LINK TO RISKS: <a href="#">2</a> <a href="#">5</a> <a href="#">9</a> <a href="#">11</a></p>	<p>LINK TO RISKS: <a href="#">3</a> <a href="#">4</a> <a href="#">6</a> <a href="#">8</a> <a href="#">9</a> <a href="#">10</a> <a href="#">11</a> <a href="#">12</a></p>

## OUR KEY PERFORMANCE INDICATORS

- 1 Revenue
- 2 Wholesale volumes
- 3 Operating profit
- 4 Adjusted EBITDA
- 5 Net Debt
- 6 Net Debt to adjusted EBITDA
- 7 Free cash flow
- 8 Quality
- 9 Health & Safety Accident Frequency Rate

## PRINCIPAL RISKS AND UNCERTAINTIES

- 1 Macroeconomic and political instability
- 2 Brand/reputational damage
- 3 Technological advancement
- 4 Climate change
- 5 Liquidity
- 6 Impairment of capitalised development costs
- 7 Compliance with laws and regulations
- 8 Talent acquisition and retention
- 9 Programme delivery
- 10 Achieving financial and cost-reduction targets
- 11 Cyber security and IT resilience
- 12 Supply chain disruption

OUR PILLARS	Our promise, Racing. Green.	Our world class talent
OUR STRATEGIC GOALS	Deepen the integration of sustainability into our business and improving our performance through our Racing. Green. strategy	Attract and retain a talented and skillful team with experience and understanding of the ultra-luxury automotive sector, focused on building a collaborative and cross-functional way of working
ACHIEVEMENTS THIS YEAR	<ul style="list-style-type: none"> <li>– Signed a strategic supplier agreement with Lucid for access to industry-leading technologies in a long-term relationship whereby Lucid will supply select powertrain components for initial and future BEV models</li> <li>– Project ELEVATION, a six-partner collaborative research and development project led by Aston Martin received £9 million</li> <li>– Continued our commitment to the SBTi</li> <li>– Achieved carbon neutral manufacturing at our Gaydon and St Athan facilities</li> <li>– The Company’s sustainability strategy Racing. Green. now expands to offsetting Scope 1 and Scope 2 emissions through Gold Standard verified projects</li> <li>– Made progress in reducing our environmental impact, following business-wide initiatives to reduce CO<sub>2</sub> emissions from its manufacturing processes and wider supply chain</li> <li>– Continued our commitments to only use renewable electricity at Gaydon and St Athan manufacturing facilities, and installed solar panels at Newport Pagnell</li> <li>– Started the decarbonisation of our UK supply chain with the use of Bio-LNG trucks</li> </ul>	<ul style="list-style-type: none"> <li>– Launched new Company Values of Unity, Openness, Trust, Ownership and Courage through an internal and external campaign, with training delivered for 1,972 employees and 181 contractors</li> <li>– Supporting our colleagues with the higher cost of living through pay rises approved by the Remuneration Committee</li> <li>– Held Aston Martin’s first-ever Leadership Conference, aligning senior management on the Company’s strategy and direction</li> <li>– Made changes to our organisational structure and operational improvements focused on enhancing quality and overall efficiencies</li> <li>– Increased employment at our Gaydon headquarters, with the creation of more than 100 jobs in our manufacturing facility supporting the launch of our next generation of sports cars</li> <li>– Continued to invest in our world-class team supporting our strategic pillars, including the appointment of a Chief Industrial Officer, Chief Procurement Officer, and BEV Chief Engineer</li> <li>– Expanded our employee communications and listening programme including the staging of regular all-company Town Halls and leadership roundtables</li> <li>– Held employee Open Weekend at Gaydon headquarters, attended by more than 10,000 employees, family and friends</li> </ul>
FOCUS FOR 2024 +	<ul style="list-style-type: none"> <li>– Work towards net-zero manufacturing facilities and a 30% reduction in supply chain emissions by 2030</li> <li>– By 2025 we aim to achieve zero single-use plastic packaging from our manufacturing facilities and to reduce our water consumption by 15% compared to 2019</li> <li>– Enhancing our gender diversity aspiration, targeting women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030</li> <li>– Improving biodiversity at our manufacturing facilities</li> </ul>	<ul style="list-style-type: none"> <li>– Strengthen workforce skills, knowledge and capability and fostering engineering excellence and passion within our corporate DNA</li> <li>– Increase the culture of inclusion leveraging the Aston Martin values, building awareness through education and measuring through qualitative data</li> <li>– Improve colleague engagement and alignment by becoming a “Great Place to Work” by 2025</li> <li>– Continue building a workplace and culture where all our people feel connected to Aston Martin’s purpose, where they have a voice and can develop to reach their full potential</li> </ul>
	<p>LINK TO KPIS: <a href="#">3</a> <a href="#">4</a> <a href="#">8</a> <a href="#">9</a></p> <p>LINK TO RISKS: <a href="#">1</a> <a href="#">3</a> <a href="#">4</a> <a href="#">7</a> <a href="#">9</a> <a href="#">10</a> <a href="#">11</a> <a href="#">12</a></p>	<p>LINK TO KPIS: <a href="#">8</a> <a href="#">9</a></p> <p>LINK TO RISKS: <a href="#">5</a> <a href="#">8</a> <a href="#">9</a> <a href="#">10</a> <a href="#">11</a></p>

# Precision measurement meets performance

A REMINDER OF OUR STRATEGIC PILLARS

**1.**  
our iconic brand

**2.**  
our relentless pursuit of innovation

**3.**  
Our promise, Racing. Green.

**4.**  
our world class talent

## Financial

### REVENUE – £'m



#### Description

Revenue measures the appeal of our brands, our ability to build and sustain brand equity and increase market share through product expansion

#### Definition

Revenue is defined in note 2 of the Financial Statements

#### Remuneration linkage

None

#### Target

The Company expects to generate revenue of c. £2.5bn by 2027/28

[LINK TO STRATEGY:](#)

[1](#) [2](#)

### WHOLESALE VOLUMES – units



#### Description

This measures sales from the Company to its dealers and direct customers

#### Definition

Number of vehicles, including Specials, sold by the Company to its dealers and direct customers

#### Remuneration linkage

Represents 7.5% of the Group scorecard of performance measures for the annual bonus

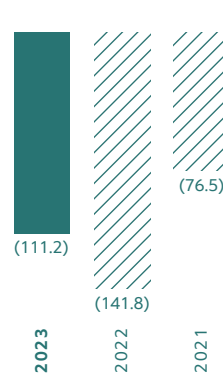
#### Target

High single-digit % growth in 2024 with continued focus on value

[LINK TO STRATEGY:](#)

[1](#) [2](#)

### OPERATING PROFIT/(LOSS) – £'m



#### Description

Operating profit/(loss) measures our actual, reported operating profitability

#### Definition

Net revenue, less Cost of Sales, less all other operational expenses (See note 4 of the Financial Statements)

#### Remuneration linkage

None

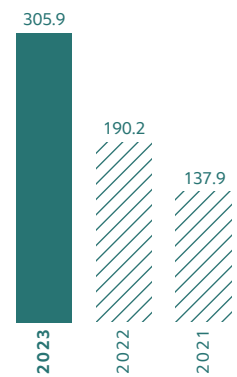
#### Target

Not applicable

[LINK TO STRATEGY:](#)

[1](#) [2](#)

### ADJUSTED EBITDA – £'m



#### Description

This measures our underlying operating profitability, stripping out the impact of adjusting items from operating profit/(loss) and interest, tax, depreciation and amortisation

#### Definition

Adjusted EBITDA is defined in note 34 of the Financial Statements

#### Remuneration linkage

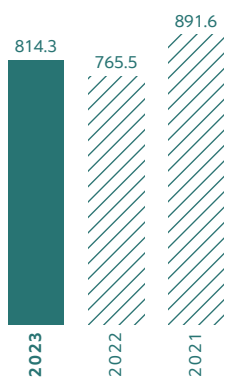
Represents 50% of the Group scorecard of performance measures for the annual bonus

#### Target

The Company expects to generate c. £800m adjusted EBITDA by 2027/28

[LINK TO STRATEGY:](#)

[1](#) [2](#)

**NET DEBT – £'m****Description**

Net debt measures the amount of total indebtedness at the Company, net of any cash and cash equivalents

**Definition**

Total value of all current and non-current borrowings, inventory repurchase arrangements and lease liabilities, less cash and cash equivalents and cash not available for short-term use (See note 34 of the Financial Statements)

**Remuneration linkage**

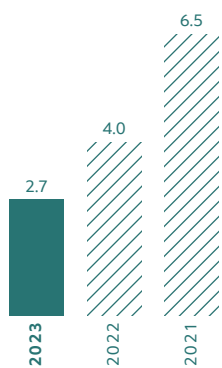
None

**Target**

None

**LINK TO STRATEGY:**

1 2

**NET DEBT TO ADJUSTED EBITDA – “adjusted leverage”****Description**

Adjusted leverage measures our indebtedness compared to one year's worth of profitability

**Definition**

Net debt divided by adjusted EBITDA over the last 12 months (See note 34 of the Financial Statements)

**Remuneration linkage**

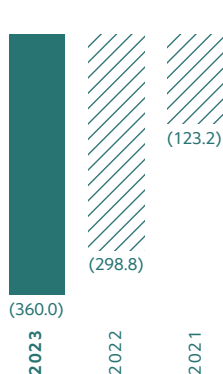
None

**Target**

Below 1.0x in 2027/28

**LINK TO STRATEGY:**

1 2

**FREE CASHFLOW – £'m****Description**

This measures the generation and usage of cash, including the impact of all investment and financing decisions

**Definition**

Cash inflow/(outflow) from operating activities plus the cash used in investing activities (excluding interest received) plus interest paid in the year, less interest received (See note 34 of the Financial Statements)

**Remuneration linkage**

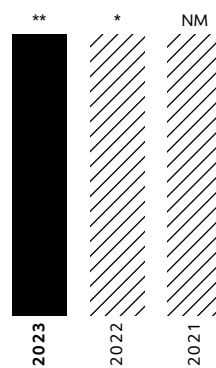
Represents 20% of the Group scorecard of performance measures in the annual bonus

**Target**

The Company expects to be sustainably free cashflow positive from H2 2024

**LINK TO STRATEGY:**

1 2

**Non-financial****QUALITY – CUSTOMER PERCEPTION AUDIT (CPA) – quality score****Description**

This is an internal measure of the quality of each completed car at the end of the production line

**Definition**

The CPA score is determined through the audit of each car at the point that it has completed all the production processes and is intercepted as it would be handed over to the outbound transport company

**Remuneration linkage**

Quality measures, including CPA score, represent 15% of the Group scorecard of measures for the annual bonus

**Target**

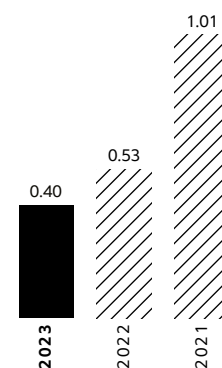
Ambition for continuous year-on-year improvement in CPA scores for GT/sports cars and DBX

\* Significant progress made but stretching target level not fully achieved.

\*\* One of two targets achieved

**LINK TO STRATEGY:**

1 3 4

**HEALTH & SAFETY – ACCIDENT FREQUENCY RATE – (AFR)****Description**

The AFR is the number of accidents per 100 workers and measures work related recordable injuries or illnesses (as defined by the Occupational Health and Safety Administration (OHSA))

**Definition**

The AFR measure is calculated by the number of work related recordable injuries or illnesses (defined by the OHSA definition) divided by the number of hours worked over a 12-month period ending on 31 December each year

**Remuneration linkage**

None. However for 2024 health and safety will represent 5% of the Group scorecard of measures for the annual bonus

**Target**

Ambition for continuous year-on-year reduction

**LINK TO STRATEGY:**

1 2 4

# Significant progress towards near- and medium-term financial targets

**DOUG  
LAFFERTY**  
CHIEF FINANCIAL  
OFFICER

**T**

hroughout 2023 Aston Martin continued to execute its financial goals, with significant progress towards our near- and medium-term financial targets. During a year in which we commenced the transition to our next generation of sports cars, our full year financial results are largely in line with expectations, driven by robust volumes, records ASPs, gross margin improvement and an enriched product portfolio.

As we approached the final quarter of the year on track to deliver against full year guidance, delays in the initial ramp up phase of the new DB12 marginally impacted on volume performance. Despite this, we delivered a strong Q4 performance with a record gross margin, and adjusted EBITDA, supported by DB12 and the ongoing Specials programmes. 2023 free cash outflow of £360m reflects anticipated higher year-on-year capital expenditure primarily related to the development of our next generation of sports cars and electrification programme, as well as the timing of DB12 and Valour deliveries at the end of the year, with related receivables unwinding in January 2024.

As we transition to the full range of our next generation of sports cars and develop our electrification programme, investment in the product pipeline and innovation continues, ensuring Aston Martin delivers the ultra-luxury high-performance products in the future that our customers expect.

In August we completed a £216m share placing to accelerate net leverage reduction and support longer term growth, and in consideration of a wide range of factors, we redeemed 50% of the outstanding second lien notes in November 2023. At the end of 2023 our net leverage ratio reduced to 2.7x from 4.0x in 2022. Further to this, we expect to undertake the refinancing exercise of our outstanding debt during the first half of 2024.

Through continuous engagement with our stakeholders during the year I was pleased to see the development of both new and existing strategic relationships as we progress to deliver long-term value to all of our shareholders."



Through continuous engagement with our stakeholders during the year, I was pleased to see the development of both new and existing strategic relationships as we progress to deliver long-term value to all of our shareholders. This included increased investment by Geely Holding Group to become our third largest shareholder as part of a new relationship agreement, a new strategic supply arrangement with Lucid to propel Aston Martin's high-performance electrification strategy, and increased investment by Yew Tree Consortium, demonstrating their continuing confidence and belief in the future of Aston Martin.

Overall, 2023 has been a significant year of financial and strategic progress for Aston Martin. I am pleased with the steps we have made towards achieving our near- and medium-term financial targets, which are underpinned by the exciting product transformation that we are undertaking. I thank all the teams that have supported the business to deliver our objectives this year and I'll continue to work closely with the Board to ensure we deliver value to all of our stakeholders.

**DOUG LAFFERTY**  
**CHIEF FINANCIAL OFFICER**



**2023 has been a significant year of financial and strategic progress for Aston Martin."**

#### 2023 FULL YEAR FINANCIAL SUMMARY

- Delivered robust wholesale volumes during a period of ongoing product portfolio transformation:
  - FY 2023 wholesale volumes increased 3% to 6,620 (FY 2022: 6,412); driven by 14% Sport/GT growth, reflecting growth in DB12 and DBS 770 Ultimate volumes in H2'23, despite slight delays to the initial production ramp up of DB12
  - As expected, Q4 2023 wholesale volumes increased 54% sequentially compared with Q3 2023; decreased 6% to 2,222 compared to prior year period (Q4 2022: 2,352) due to elevated Q4 2022 wholesales
- FY 2023 revenue increased 18% to £1,633m reflecting continued execution of our growth strategy; enhanced positioning of our ultra-luxury brand and enriched product portfolio driving growth in volumes and record average selling prices (ASPs):
  - Strong pricing dynamics in the core portfolio and favourable mix from DBS 770 Ultimate, DBX707, V12 Vantage Roadster and new DB12:

- FY 2023 core ASP of £188k, up 6% (FY 2022: £177k)
- Q4 2023 core ASP of £196k, up 7% (Q4 2022: £184k)
- Higher year-on-year Specials volumes with consistent delivery of Aston Martin Valkyrie (87 compared to 80 in FY 2022) including deliveries of the first Aston Martin Valkyrie Spiders, DBR22 and Valour limited edition models:
  - FY 2023 total ASP of £231k, up 15% (FY 2022: £201k)
  - Q4 2023 total ASP of £255k, up 20% (Q4 2022: £213k); reflecting richer mix
- Significant increase in gross profit and margin progressing towards longstanding c. 40% target in FY 2024/25; reflecting benefits from the ongoing portfolio transformation, driving favourable pricing dynamics, product mix and volumes:
  - FY 2023 gross profit increased by 42% to £639m (FY 2022: £451m); gross margin at 39% (FY 2022: 33%)
  - Q4 2023 gross profit increased by 63% to £268m (Q4 2022: £165m); gross margin at 45% (Q4 2022: 31%)
- FY 2023 adjusted EBITDA increased 61% to £306m (FY 2022: £190m) translating to an adjusted EBITDA margin increase of 490 basis points to 18.7%; primarily driven by higher gross profit, partially offset by 26% increase in adjusted operating expenses, including reinvestments into brand and marketing activities and inflationary impacts on the cost base, while recognising £11m relating to upward revaluation of investment in AMR GP Holdings Limited
- FY 2023 operating loss decreased by 22% to £111m (FY 2022: £142m loss), including £78m year-on-year increase in depreciation and amortisation; Q4 2023 operating profit increased to £34m (Q4 2022: £7m)
- Net cash inflow from operating activities of £146m (FY 2022: £127m); Free cash outflow of £360m (FY 2022: £299m outflow) reflecting:
  - Q4 free cash outflow of £63m (Q4 2022: £37m inflow) impacted by timing of DB12 and Valour deliveries in December 2023 with related receivables unwinding in January 2024
  - Higher year-on-year capital expenditure of £397m (FY 2022: £287m), primarily related to new models and next generation sports car developments, as well as development of the Company's electrification programme including the initial \$33m (£27m) payment to Lucid Group, Inc. (Lucid) relating to the new strategic supply agreement
  - Net cash interest payments of £109m (FY 2022: £139m)
  - Working capital outflow of £86m (FY 2022: £15m outflow) reflecting timing of December deliveries and the unwinding of customer deposits on delivery of Special wholesales, partially offset by a reduction in inventory and payables
- Year-end cash of £392m (2022: £583m), following the redemption of 50% of the outstanding second lien notes in November 2023
- Net debt of £814m (2022: £766m), including a positive £61m impact of non-cash FX revaluation of US dollar-denominated debt as sterling strengthened against the US dollar during 2023; disciplined strategic delivery supported ongoing deleveraging with net leverage ratio improving to 2.7x (2022: 4.0x)



## FINANCIAL REVIEW

### Wholesale and revenue analysis

Number of vehicles	FY 2023	FY 2022	Change	Q4 2023	Q4 2022	Change
<b>Total wholesale</b>	<b>6,620</b>	<b>6,412</b>	<b>3%</b>	<b>2,222</b>	<b>2,352</b>	<b>(6%)</b>
Core (excluding Specials)	6,469	6,323	2%	2,139	2,313	(8%)

#### By region:

UK	1,141	1,110	3%	367	416	(12%)
Americas	2,037	1,980	3%	620	828	(25%)
EMEA ex. UK <sup>1</sup>	1,994	1,508	32%	727	628	16%
APAC <sup>1</sup>	1,448	1,814	(20%)	508	480	6%

#### By model:

Sport/GT	3,530	3,104	14%	1,440	920	57%
SUV	2,939	3,219	(9%)	699	1,393	(50%)
Specials	151	89	70%	83	39	113%

Note: Sport/GT includes Vantage, DB11, DB12, and DBS; 1 2022 numbers restated.

Total wholesales of 6,620 increased by 3% year-on-year (FY 2022: 6,412), driven by high demand for DBS 770 Ultimate and DB12, despite expected impacts of the ongoing product portfolio transition. This included 151 Specials in FY 2023 (FY 2022: 89), comprised of a mature cadence of 87 Aston Martin Valkyries (FY 2022: 80), as well as DBR22 and initial Valour deliveries, demonstrating the Company's unique ability to operate at the very highest levels of the luxury automotive segment and attract new customers and collectors to the brand.

As expected, total wholesales of 2,222 units in Q4 2023 increased by 54% compared to Q3 2023, though decreased by 6% year-on-year, due to elevated Q4 2022 SUV wholesales following the resolution of supply chain and logistics disruptions in Q2 and Q3 2022.

SUV wholesales remained robust in FY 2023, with ASPs benefiting from the planned change in mix to DBX707 in line with the Company's ultra-luxury high-performance strategy. The DBX707 is now clearly established as the benchmark in the ultra-luxury SUV segment and represented 71% of SUV wholesales in FY 2023 (FY 2022: 52%), with volumes increasing 25% in 2023 compared with the prior year. SUV wholesales decreased both on a FY 2023 and Q4 2023 year-on-year basis (9% and 50% decreases, respectively), reflecting portfolio transition and the previously mentioned elevated Q4 2022 wholesales following disruptions earlier in 2022.

Q4 2023 Sport/GT wholesales of 1,440 units increased by 57% (Q4 2022: 920), reflecting considerable contribution from DB12. The temporary peak in DB12 wholesales reflected partial delays in Q3 2023 deliveries due to supplier readiness and EE platform integration issues.

Aston Martin continues to operate a demand-led approach, aligned with its ultra-luxury high performance strategy. Prior to the initial production ramp up delays of DB12, retail volumes (retails) were ahead of wholesale volumes (wholesales) for the year. However, similar to the profile experienced at the end of 2022, and as a direct result of the timing of DB12 deliveries in December 2023, wholesales were temporarily ahead of retails at the end of the year. Following the unwinding of this position, the Company expects to see retails outpace wholesales in FY 2024 as it continues the transition to its next generation of sports cars.

Geographically, wholesale volumes remained well balanced across all regions. The Americas and EMEA excluding UK were the largest regions in FY 2023, collectively representing 61% of total wholesales, driven by strong demand for DBX707, DBS 770 Ultimate and DB12. In our home market, the UK, wholesales grew 3% year-on-year, driven by DBS 770 Ultimate and DB12 deliveries. Finally, FY 2023 wholesale volumes in APAC were impacted by lower sales in China, which decreased by 47% compared to 2022, which more than offset growth in wholesale volumes including DBX707 and DBS 770 Ultimate outside of China. China continues to be a market where we see significant opportunity for long-term growth. Wholesale volumes in APAC excluding China were up 12% year-on-year (FY 2022: 10%).

### Revenue by category

£m	FY 2023	FY 2022	% Change
Sale of vehicles	1,531.9	1,291.5	19%
Sale of parts	80.0	70.8	13%
Servicing of vehicles	9.8	9.3	5%
Brand and motorsport	11.1	9.9	12%
<b>Total</b>	<b>1,632.8</b>	<b>1,381.5</b>	<b>18%</b>

FY 2023 revenue increased by 18% to £1.6bn (FY 2022: £1.4bn), primarily due to strong wholesale ASP growth, with both core and total ASP reaching record levels and, to a lesser extent, due to higher wholesale volumes. Total ASP of £231k (FY 2022: £201k) increased by 15% year-on-year, reflecting richer mix including deliveries of the full range of Aston Martin Valkyrie models and the 110<sup>th</sup> anniversary Special, Valour, and DBR22, as well as higher core ASPs. Core ASP of £188k (FY 2022: £177k) increased by 6% year-on-year driven by strong pricing and favourable mix dynamics, despite some foreign exchange headwinds.

Q4 2023 revenue increased by 13% to £593m (Q4 2022: £524m), driven by strong ASP growth. Total Q4 2023 ASP of £255k (Q4 2022: £213k) increased by 20%, reflecting 113% increase in Special edition wholesale volumes. Q4 2023 core ASP of £196k (Q4 2022: £184k) increased by 7%, driven by strong pricing and favourable mix dynamics from new DB12 and exclusive DBS 770 Ultimate, and despite foreign exchange headwinds in Q4 2023.

### Summary income statement and analysis

£m	FY 2023	FY 2022	Q4 2023	Q4 2022
<b>Revenue</b>	1,632.8	1,381.5	593.3	524.3
Cost of sales	(993.6)	(930.8)	(324.9)	(359.8)
<b>Gross profit</b>	639.2	450.7	268.4	164.5
Gross margin %	39.1%	32.6%	45.2%	31.4%
Adjusted operating expenses <sup>1</sup>	(718.9)	(568.6)	(213.0)	(154.2)
of which depreciation & amortisation	385.6	308.1	119.4	100.1
<b>Adjusted EBIT<sup>2</sup></b>	<b>(79.7)</b>	<b>(117.9)</b>	<b>55.4</b>	<b>10.3</b>
Adjusting operating items	(31.5)	(23.9)	(21.3)	(3.7)
<b>Operating (loss)/profit</b>	<b>(111.2)</b>	<b>(141.8)</b>	<b>34.1</b>	<b>6.6</b>
Net financing (expense)/income	(128.6)	(353.2)	(14.1)	9.7
of which adjusting financing (expense)/income	(36.5)	(20.1)	(8.2)	(39.1)
<b>(Loss)/profit before tax</b>	<b>(239.8)</b>	<b>(495.0)</b>	<b>20.0</b>	<b>16.3</b>
Tax credit/(charge)	13.0	(32.7)	13.2	(26.0)
<b>(Loss)/profit for the period</b>	<b>(226.8)</b>	<b>(527.7)</b>	<b>33.2</b>	<b>(9.7)</b>
<b>Adjusted EBITDA<sup>1,2</sup></b>	<b>305.9</b>	<b>190.2</b>	<b>174.8</b>	<b>110.4</b>
Adjusted EBITDA margin	18.7%	13.8%	29.5%	21.1%
<b>Adjusted (loss)/profit before tax<sup>1</sup></b>	<b>(171.8)</b>	<b>(451.0)</b>	<b>49.5</b>	<b>59.1</b>
EPS (pence)	(30.5)	(124.5)		
<b>Adjusted EPS (pence)</b>	<b>(21.4)</b>	<b>(114.1)</b>		

1 Excludes adjusting items.

2 Alternative Performance Measures are defined in note 34 on page 198.

In FY 2023, gross profit of £639m increased by £189m, or 42% (FY 2022: £451m). This translated to a gross margin of 39%, expanding by 650 basis points compared to the prior year (FY 2022: 33%). The gross margin performance reflected benefits from the ongoing portfolio transformation strategy, driving favourable pricing dynamics, product mix and volumes, which was particularly strong in Q4 2023 with a gross margin of 45% (Q4 2022: 31%). Throughout FY 2023 this was partially offset by higher manufacturing, logistics and other costs, as well as FX headwinds. The Company continues to target over 40% gross margin from future products, aligned with the Company's ultra-luxury strategy.

Adjusted EBITDA increased by 61% year-on-year to £306m in FY 2023 (FY 2022: £190m), or by £116m. This translated to an adjusted EBITDA margin of 19% (FY 2022: 14%), a year-on-year expansion of approximately 490 basis points. The year-on-year increase in adjusted EBITDA was primarily due to higher year-on-year revenue and gross profit, as described above, partially offset by 26% increase in adjusted operating expenses including reinvestments into brand and marketing activities and inflationary impacts on the cost base, while recognising £11m relating to upward revaluation of investment in AMR GP Holdings Limited.

The operating loss of £111m compared to a £142m loss in the prior year. The 22% decrease year-on-year was primarily driven by:

- Higher year-on-year gross profit as described above

These factors were partially offset by:

- A £78m year-on-year increase in depreciation and amortisation, primarily related to cadence of Specials delivery, DBS 770 Ultimate and DB12 launch, as well as full year DBX707 charges
- Increased investment in brand and product launches such as V12 Vantage, DBS 770 Ultimate, DB12, Valhalla and Valour, and marketing activities at events such as the Goodwood Festival of Speed, Pebble Beach, and Las Vegas Grand Prix
- Higher general costs, including inflationary pressures

Net financing costs of £129m were down from £353m in 2022, comprising a positive non-cash FX revaluation impact of £61m, as sterling strengthened against the US dollar (FY 2022: negative £156m). Adjusting operating items of £32m (FY 2022: £24m) predominantly related to ERP implementation costs and one-off legal expenses. The £37m net adjusting finance charge (FY 2022: £20m) was due to movements in fair value of outstanding warrants, and financing expenses associated with the partial repayment of the second lien notes.

The loss before tax was £240m (FY 2022: £495m loss), an improvement of £255m year-on-year and the loss for the period was £227m (FY 2022: £528m), an improvement of £301m year-on-year, both impacted by the significant reduction in net financing costs related to the US dollar-denominated Senior Secured Notes.

The tax credit on the adjusted loss before tax was £13m, and the total effective tax rate for the period to 31 December 2023 was 5.4% which is predominantly due to recognising deferred tax on accelerated capital allowances and UK tax losses, as well as movements in deferred tax on the amount of interest the Group can deduct for tax purposes.

The weighted average share count at 31 December 2023 was 748 million, following the placing of new ordinary shares to Lucid Group, Inc. in November and to Geely International (Hong Kong) Limited in May. 66 million shares in relation to the warrants remain outstanding and are exercisable until 2027, giving an adjusted EPS of (21.4)p (2022: (114.1)p).

**Cash flow and net debt**

£m	FY 2023	FY 2022	Q4 2023	Q4 2022
Cash generated from operating activities	145.9	127.1	114.5	184.0
Cash used in investing activities (excl. interest)	(396.9)	(286.9)	(121.9)	(73.5)
Net cash interest paid	(109.0)	(139.0)	(55.8)	(73.7)
<b>Free cash (outflow)/inflow</b>	<b>(360.0)</b>	<b>(298.8)</b>	<b>(63.2)</b>	<b>36.8</b>
Cash inflow/(outflow) from financing activities (excl. interest)	182.2	456.2	(80.6)	(210.5)
<b>(Decrease)/increase in net cash</b>	<b>(177.8)</b>	<b>157.4</b>	<b>(143.8)</b>	<b>(173.7)</b>
Effect of exchange rates on cash and cash equivalents	(13.1)	7.0	(7.6)	(14.8)
<b>Cash balance</b>	<b>392.4</b>	<b>583.3</b>	<b>392.4</b>	<b>583.3</b>

Net cash inflow from operating activities was £146m (FY 2022: £127m). The year-on-year change in cash flow from operating activities was primarily driven by a £116m increase in adjusted EBITDA, as explained above, and mostly offset by a working capital outflow of £86m (FY 2022: £15m outflow). The largest driver was an £82m increase in receivables (FY 2022: nil movement), driven by timing on the delivery of DB12 and Specials, as well as higher volumes in December 2023. This was partially offset by a decrease in inventories of £12m (FY 2022: £78m increase) due to reduced work-in-progress and finished goods, and a £51m increase in payables (FY 2022: £82m) due to higher production in December 2023. Due to the high volume of Specials delivered in Q4 2023, there was a £66m decrease (FY 2022: £18m decrease) in deposits held, as balances on accounts unwound in the quarter, partially offset by ongoing Valour deposit collections.

Capital expenditure was £397m in 2023, an increase of £111m year-on-year, with investment focused on the future product pipeline, particularly the next generation of sports cars, as well as development of the Company's electrification programme including a \$33m (£27m) payment to Lucid in Q4 2023 relating to the new strategic supply agreement.

Free cash outflow of £360m in 2023 compared to a £299m outflow in 2022, is due to an increase in capital expenditure as detailed above, partially offset by the improvement in cash flow from operating activities.

£m	31-Dec-23	31-Dec-22
Loan notes	(980.3)	(1,104.0)
Inventory financing	(39.7)	(38.2)
Bank loans and overdrafts	(89.4)	(107.1)
Lease liabilities (IFRS 16)	(97.3)	(99.8)
<b>Gross debt</b>	<b>(1,206.7)</b>	<b>(1,349.1)</b>
Cash balance	392.4	583.3
Cash not available for short term use	-	0.3
<b>Net debt</b>	<b>(814.3)</b>	<b>(765.5)</b>

Cash as at 31 December 2023 includes the remaining £106m of proceeds from August's share placing, following the redemption of a portion of the outstanding second lien notes in November, and £95m proceeds from the new shares issued to Geely International (Hong Kong) Limited in May.

Net debt of £814m (2022: £766m), including a positive £61m impact of non-cash FX revaluation of US dollar-denominated debt as the sterling strengthened against the US dollar during the year. Disciplined strategic delivery and EBITDA growth supported ongoing deleveraging with net leverage ratio improving to 2.7x (2022: 4.0x).

# Building a sustainable ultra-luxury business

Our journey building a world-leading sustainable ultra-luxury automotive business continues. It is a key focus of our corporate strategy and the central objective of our sustainability strategy, Racing. Green.

Racing. Green. is built on five priority areas that reflect Aston Martin's approach to sustainability aligned with the United Nation's Sustainable Development Goals, and a deep understanding of the priorities that our customers, employees and other stakeholders care about.

These five areas are tackling climate change; creating a better environment; investing in people and opportunity; exporting success; and delivering the highest standards.

## 2023 highlights

23.3%

Fall in CO<sub>2</sub> emissions per car manufactured in 2023 compared with 2022 (tCO<sub>2</sub>e)\*

11.2%

Decrease in total energy consumption between 2022 and 2023 (MWh)

63.6%

Waste recycled in 2023, compared with 58.8% in 2022 (tonnes)

100%

Renewable electricity powering all manufacturing sites

~£2bn

Planned investment in advanced technologies over the next 5 years, with investment shifting to BEV

~£2m

Sale value of vehicles donated by Aston Martin to auction for charity

50%

Increase in the proportion of women in our early careers intake

89.07

Biodiversity score for Gaydon, compared with 88.87 in 2022

54

Visits to local schools, colleges and universities, more than double total in 2022

24.5%

Improvement in Accident Frequency Rate compared with 2022

## 01 TACKLING CLIMATE CHANGE

SEE PAGE 44

### Transforming products

- Next generation Plug-In Hybrid Electric Vehicle (PHEV) commencing delivery in 2024
- First Battery Electric Vehicle (BEV) targeted for launch in 2025
- Fully electrified sports cars and SUV portfolio by 2030

### Transforming production

- Carbon neutral manufacturing facilities
- Net Zero manufacturing facilities by 2030
- 100% use of renewable electricity in our manufacturing facilities
- Reduce CO<sub>2</sub> emissions from our manufacturing operations by 2.5% year-on-year\*
- Reduce CO<sub>2</sub> emissions intensity and energy consumption per car by 2.5% year-on-year\*
- Implement ISO 50001 Energy Management Systems at key manufacturing facilities by 2025
- 30% reduction in supply chain CO<sub>2</sub> emissions by 2030 (compared to 2020)
- Net zero across our supply chain by 2039.

## 02 CREATING A BETTER ENVIRONMENT

SEE PAGE 48

### Minimising impacts

- Zero single-use plastic packaging waste from our manufacturing facilities by 2025
- Zero waste to landfill from our manufacturing operations
- 15% reduction in water consumption at our manufacturing operations by 2025 (compared with 2019)

### Maximising sustainable materials

- Continue to work with supply chain partners to enable the use of more sustainable materials

### Boosting biodiversity

- Improve Biodiversity at our manufacturing facilities

## 03 INVESTING IN PEOPLE AND OPPORTUNITY

SEE PAGE 50

### Employee wellbeing

- Target zero accidents
- Continue to deliver industry-leading initiatives to support employee wellbeing

### Advancing diversity and inclusion

- Women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030.
- Increase the culture of inclusion by leveraging the Aston Martin Values
- Improve workplace engagement and culture, and secure accreditation as a Great Place to Work® by 2025

### Growing talent and raising aspirations

- Sustain new apprenticeship recruitment
- Update skills and training to support transition to electric vehicle production
- Continue commitment to promoting STEM

## 04 EXPORTING SUCCESS

SEE PAGE 54

### Working with government

- Continue to work with the UK Government to showcase the very best in advanced British engineering and design worldwide
- Maintain engagement with government to support sustainable growth across the UK automotive sector, including expansion of the UK-based supply chain
- Help achieve the UK Government's aim to increase UK exports to £1tn

## 05 DELIVERING THE HIGHEST STANDARDS

SEE PAGE 56

### Embracing industry best practice

- Continue commitment to the Science Based Targets initiative ('SBTi')
- Continue commitment to the Task Force on Climate-related Financial Disclosures ('TCFD')
- Understand and engage in emerging areas of sustainability best practice

### Pioneering leadership

- Understand and engage in emerging areas of best practice such as the Science Based Targets Network for Nature and the Taskforce on Nature-related Financial Disclosures ('TNFD')

# RACING. GREEN.

\* Scope 1 CO<sub>2</sub> emissions

# 01

## Tackling climate change

### Introduction

The automotive industry continues on a journey of transformation driven by the expectations of customers, employees, investors and policymakers focused on the need to tackle climate change. We continued to act on climate change, focussing on two key areas:

- Transforming products.
- Transforming production.

In 2023, key activities included:

- Progressing the Electric Vehicle transformation programme, supported by strategic partners.
- Action taken to reduce emissions from manufacturing operations and supply chain including the completion of the UK Government's mandatory Energy Saving Opportunities Scheme ('ESOS') which requires large UK businesses to identify ways to conserve energy and decrease CO<sub>2</sub> emissions.
- Work on establishing a pathway to reduce CO<sub>2</sub> emissions and achieve our net-zero targets, intensifying our focus on Scope 3 emissions.

### Highlights

# 23.3%

fall in CO<sub>2</sub> emissions per car manufactured in 2023 compared with 2022 (tCO<sub>2</sub>e)\*

# 11.2%

decrease in total energy consumption between 2022 and 2023 (MWh)

# ~£2bn

investment in advanced technologies over the next 5 years, with investment shifting to battery electric vehicles

### UN Sustainable Development Goals



\* Scope 1 CO<sub>2</sub> emissions

## TRANSFORMING PRODUCTS

2023 TARGETS AND GOALS	PROGRESS
<b>Next generation Plug-In Hybrid Electric Vehicle ('PHEV') commencing delivery in 2024</b>	<ul style="list-style-type: none"> <li>– First PHEV mid-engined supercar, Valhalla, on course to enter production in 2024.</li> <li>– First BEV now targeted for launch in 2026.</li> </ul>
<b>First Battery Electric Vehicle ('BEV') targeted for launch in 2025</b>	<ul style="list-style-type: none"> <li>– 205 colleagues completed 2,377 hours of EV-related instructor-led training.</li> <li>– Aston Martin approved to deliver Institute of the Motor Industry-approved Electric Vehicle ('EV') Level 2 and 3 training in-house.</li> </ul>
<b>Electrified line-up of sports cars and SUVs by 2030</b>	<ul style="list-style-type: none"> <li>– Project ELEVATION, a six-partner collaborative research and development project led by Aston Martin awarded £9m supporting development of innovative modular BEV platform.</li> </ul>

## TRANSFORMING PRODUCTION

2023 TARGETS AND GOALS	PROGRESS
<b>Carbon Neutral manufacturing facilities</b>	<ul style="list-style-type: none"> <li>– Aston Martin Lagonda Ltd &amp; Aston Martin Works Ltd certified by the Carbon Trust as carbon neutral for 2022 in accordance with PAS 2060. All manufacturing operations at Gaydon, St Athan and Newport Pagnell locations carbon neutral.</li> <li>– Certification based on offsetting Scope 1 and Scope 2 emissions through Gold Standard verified projects.</li> </ul>
<b>Net-Zero manufacturing facilities by 2030</b>	<ul style="list-style-type: none"> <li>– Solar Photovoltaic ('PV') generation installation at Newport Pagnell complete.</li> </ul>
<b>100% use of renewable electricity in our manufacturing facilities</b>	<ul style="list-style-type: none"> <li>– All manufacturing facilities at Aston Martin continue to be powered by 100% renewable electricity since 2019.</li> </ul>
<b>Reduce CO<sub>2</sub> emissions from our manufacturing operations by 2.5% year-on-year*</b>	<ul style="list-style-type: none"> <li>– 16.8% reduction in CO<sub>2</sub> emissions from our manufacturing operations compared with 2022.</li> </ul>
<b>Reduce CO<sub>2</sub> emissions intensity and energy consumption per car by 2.5% year-on-year*</b>	<ul style="list-style-type: none"> <li>– 23.3% reduction in CO<sub>2</sub> emissions intensity and energy consumption per car manufactured compared with 2023.</li> </ul>
<b>Implement ISO 50001 Energy Management Systems at key manufacturing facilities by 2025</b>	<ul style="list-style-type: none"> <li>– Work ongoing.</li> </ul>
<b>30% reduction in supply chain CO<sub>2</sub> emissions by 2030 (compared to 2020)</b>	<ul style="list-style-type: none"> <li>– Responsible Procurement Policy signed by 94% of production and indirect suppliers.</li> <li>– 8 bio-LNG trucks introduced by DHL Supply Chain to replace diesel trucks supporting the Company's supply chain.</li> </ul>
<b>Net-zero across our supply chain by 2039</b>	<ul style="list-style-type: none"> <li>– Work ongoing.</li> </ul>

## BUSINESS CONTEXT

The automotive industry continues a journey of transformation driven by the expectations of customers, employees, investors and policymakers focused on the need to tackle climate change. We understand society's expectations of the need for urgent action to limit the average rise in global temperatures to 1.5°C by 2100 as highlighted by the United Nations Framework Convention on Climate Change.

Governments at both a national and local level are continuing to introduce legislation to reduce emissions from transport to address both climate change and local air quality. Around the world, many governments are introducing legislation which will end the sale of internal combustion engine vehicles ('ICEs') in the coming years. For example, the UK Government will require all new vehicles sold in the UK to be zero emission at the tailpipe by 2035.

Our 2023 materiality assessment indicates that climate change remains a top priority for stakeholders. Climate change-related risks are also deemed capable of causing a significant financial impact over the medium to long-term, centring around the EV transition and supply chain. These are risks that the Company continues to manage as it works to seize the opportunities presented by vehicle electrification.

## Policy and standards

In 2023 we introduced our new Code of Conduct which reflects our values in action, particularly in areas with key ethical or legal considerations, marking what we stand for and what we expect from each other. Outlining the key policies and behaviours that everyone should follow, the Code is intended to guide the way that the business and our people operate. We believe that high integrity, delivers high performance and includes managing our environmental commitments.

Our Environment Policy ensures that we comply with all relevant legislation and commits to ongoing reductions in our carbon footprint as well as assessing through a risk-based approach the threats and opportunities of climate change to the Company.

For more information see [www.astonmartinlagonda.com/sustainability/policies](http://www.astonmartinlagonda.com/sustainability/policies).

### MANUFACTURING FACILITIES

Our manufacturing facilities are powered by 100% renewable electricity, using supplies backed by Renewable Energy Guarantees of Origin. However, to reduce our dependency on the national electricity distribution network and increase the supply of renewable electricity to others, we continued to advance renewable electricity generation projects across our sites. In 2023, we completed the installation of Solar PV generation at our historic works at Newport Pagnell. We continue to progress our plans for solar PV generation at St Athan and Gaydon. An agreement to secure access to the national electricity distribution network to enable the St Athan Solar PV project has taken longer than expected and discussions with the local planning authority are continuing.

We continue to invest in advanced energy management systems as we aim to achieve ISO 50001 accreditation for all our key manufacturing facilities.

## Certified carbon neutral



During 2023, Aston Martin Lagonda Ltd and Aston Martin Works Ltd were certified by the Carbon Trust as carbon neutral for 2022 in accordance with PAS 2060. This covered several sites including main manufacturing sites at Gaydon and St Athan, heritage works at Newport Pagnell, and multiple additional support sites utilised for supply chain operations and prototype testing.

Carbon neutral status was achieved by offsetting Scope 1 and Scope 2 emissions through Gold Standard verified projects that are making a difference in tackling climate change. Working in partnership with Climate Impact Partners, specialists in carbon market solutions for climate action, Aston Martin's offsetting commitment is financing projects that reduce CO<sub>2</sub> emissions now, while supporting the transition to a low carbon global economy. Specifically, the Company is proud to support a wind power portfolio project in Turkey, which has seen more than 120 wind turbines installed, generating approximately 575,000 MWh of clean electricity every year to a nation heavily reliant on natural gas and oil, with infrastructure severely damaged by devastating earthquakes in 2023.

### Living Wall

A new Living Wall installed in Gaydon and planted with 30 varieties of plants will act as a natural CO<sub>2</sub> sink in support of our biodiversity efforts.





<b>Total greenhouse gas emissions (tCO<sub>2</sub>e)</b>				
	2020	2021	2022	2023
GHG Emissions Under Scope 1	9,200.67	8,705.35	8,831.22	7,327.74 <sup>^</sup>
GHG Emissions Under Scope 2 – Location based	7,545.86	7,366.72	6,011.58	6,289.76 <sup>^</sup>
GHG Emissions Under Scope 2 – Market based	687.28	192.38	251.63	178.38 <sup>^</sup>
GHG Emissions Under Scope 3	6,620.37	6,446.74	11,187.29	8,478.32
UK Total Gross Scope – Scope 1 & Scope 2 – Location based	16,642.17	15,984.15	14,779.22	13,416.81 <sup>^</sup>
Rest of World Total Gross Scope – Scope 1 & Scope 2 – Location based	104.36	101.82	182.37	200.68 <sup>^</sup>
Total Gross Scope – Scope 1 & Scope 2 – Location based	16,746.53	16,085.97	14,842.80	13,617.49 <sup>^</sup>
<sup>^</sup> Values assured by ERM CVS				
<b>Greenhouse gas emissions per unit</b>				
	2020	2021	2022	2023 <sup>^</sup>
Manufactured Volume (units)	3,343	5,778	6,404	6,587
Total Scope 1 Emissions per unit	2.75	1.51	1.45	1.11
Total Scope 2 Emissions per unit	2.26	1.27	0.92	0.95
<sup>^</sup> Values assured by ERM CVS				
<b>Total energy consumption within organisation (MWh)</b>				
	2020	2021	2022	2023 <sup>^</sup>
Electricity	33,973.01	32,144.15	30,764.90	30,073.08
Gas	43,574.51	44,796.00	40,518.26	32,255.10
Diesel	14.92	4.34	530.81	512.86
Gasoline	2,712.98	1,779.25	4,717.14	5,121.31
LPG	563.60	43.52	371.28	367.50
UK Total Consumption	80,839.02	78,573.14	76,313.45	67,658.44
Rest of World Total Consumption	–	194.11	588.95	671.41
Total	80,839.02	78,767.26	76,902.39	68,329.85
<sup>^</sup> Values assured by ERM CVS				
2022 data has been updated following additional work carried out by the Carbon Trust. The fall in Scope 1 CO <sub>2</sub> emissions between 2022 and 2023 was principally driven by the use of actual instead of estimated data on gas consumption. During 2023 we have developed our full scope 3 inventory using a baseline of 2022. The results of this data are included on page 27 of the Sustainability Report. Further work will be carried out to update our scope 3 emissions total for 2023; this and our scope 3 emissions for 2024 will both be reported in our 2024 sustainability report, published in 2025.				

## GREENHOUSE GAS EMISSIONS

Our greenhouse gas ('GHG') emissions reported are in accordance with the Greenhouse Gas Protocol Corporate Standard for the year to 31 December 2023. The intensity ratio is measured as tonnes of CO<sub>2</sub> equivalent per car manufactured.

## METHODOLOGY

We calculate our GHG emissions in the following way:

Scope 1 – Includes emissions of gas, petrol on site, diesel used for emergency heating and firing pumps, refrigerant refill, LPG and fuel from Company pool cars. Figures are obtained through utility bills, direct from suppliers and through the Company's internal systems.

Scope 2 – Includes indirect emissions from the generation of purchased energy. Emissions are reported using the location-based methodology and market-based methodology. Location based methodology refers to the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based methodology refers emissions from electricity that companies have purposefully chosen (or their lack of choice).

Scope 3 – Includes emissions from business air travel, management car miles, personal car mileage, employee commute figures, water consumed, and supply chain logistics from our main logistics provider.

For further information on methodology, including emission factors used to calculate the scope 1, 2 and 3 figures, please see our 2023 Sustainability Report.

# 02

## Creating a better environment

### Introduction

Our natural world continues to endure the impact of human activity in many areas, such as plastic waste pollution, water scarcity, and habitat destruction. Businesses are expected, by society, to help combat these challenges. As well as tackling climate change, our work to create a better environment centres on:

- Minimising impacts.
- Maximising sustainable materials.
- Boosting biodiversity.

In 2023, key activities included:

- Starting a dedicated project to eliminate single-use plastic packaging waste.
- Continuing research into the use of more sustainable materials in our products.
- Completing 3-year biodiversity management plans for Gaydon and St Athan.

### Highlights

# 63.6%

of waste recycled in 2023, compared with 58.8% in 2022 (tonnes)

# 100%

of wood used in vehicles Forest Stewardship Council ('FSC') certified

# 2

biodiversity management plans for Gaydon and St Athan

### UN Sustainable Development Goals



## MINIMISING IMPACTS

2023 TARGETS AND GOALS	PROGRESS
<b>Zero single-use plastic packaging waste from our manufacturing facilities by 2025</b>	– Dedicated project underway to identify opportunities to eliminate single-use plastic packaging waste.
<b>Zero waste to landfill from our manufacturing operations</b>	– 0.002% (0.009 tonnes) of waste was discharged to landfill
<b>15% reduction in water consumption at our manufacturing operations by 2025 (compared with 2019)</b>	– Exploring further approaches to asset-use optimisation and options for rainwater harvesting. – Water consumption 11.4% higher in 2023 compared to 2019.

## BOOSTING BIODIVERSITY

2023 TARGETS AND GOALS	PROGRESS
<b>Improve Biodiversity at our manufacturing facilities</b>	– Biodiversity management plans now in place for Gaydon and St Athan.

## MAXIMISING SUSTAINABLE MATERIALS

2023 TARGETS AND GOALS	PROGRESS
<b>Continue to work with supply chain partners to enable the use of more sustainable materials</b>	– Specialists investigating further options such as recycled carbon fibre from Formula One cars and bio-based leather. – Using low carbon leather to create ultra-luxury interiors.

## BUSINESS CONTEXT

As well as tackling climate change, creating a better environment means reducing our use of water, creating less waste, embracing the circular economy, and enhancing biodiversity.

Our natural world continues to endure the impacts of human activity in many areas, such as plastic waste pollution, water scarcity, and habitat destruction. Businesses are, rightly, expected to help combat these challenges and Aston Martin is no exception.

## Policy and standards

Our Environment Policy ensures that we comply with all relevant legislation and commit to ongoing reductions in energy, water and other resource consumption in the manufacture and operation of our vehicles and an ongoing reduction in our carbon footprint.

For more information see [www.astonmartinlagonda.com/sustainability/policies](http://www.astonmartinlagonda.com/sustainability/policies).

## WASTE

The management of Aston Martin's waste is governed by a stringent regulatory framework and our facilities at Gaydon, Wellesbourne and Wolverton Mill are certified to ISO 14001:2015, an international standard for environmental management systems. We continue to focus on reducing waste as part of a wider commitment to minimising our impact on the environment and are working with suppliers to help us achieve zero single-use plastic packaging waste by 2025.

In 2023, the volume of waste generated by the Company increased by 46.8%. This increase was the result of several strategic waste and other one-off projects such as asset replacement. In 2023, the Company's recycling rate was 63.6%, rising from 58.8% in 2022.

Waste (Tonnes)	2020	2021	2022	2023
Total Waste			2,830.97	4,155.60 <sup>^</sup>
Total Waste*	394.39	858.62	2,366.21	4,075.81 <sup>^</sup>
Reused*	8.72	6.40	-**	-**
Recycled*	243.82	380.60	1,391.44	2,591.61 <sup>^</sup>
Recovered – Waste to Energy*	141.85	471.62	972.88	1,478.51 <sup>^</sup>
Incineration – Not recovered*	-	-	0.54***	5.64 <sup>^</sup>
Non-hazardous landfill			-	0.09
Hazardous Waste (tonnes) <sup>^^</sup>				
Recovered			504.74	887.39
Incineration-Not recovered*			0.85	0.00
Treatment			0.50	0.05
Recycled			189.55	318.39

<sup>^</sup> Total waste values per waste stream ERM CVS assured. Assurance does not cover landfill.

<sup>^^</sup> Breakdown of 2022 & 2023 hazardous waste data included to show proportion of hazardous in reported total waste figures.

\* Data excludes Newport Pagnell. See page 73 of the Sustainability Report.

\*\* No data available due to transition of new waste contractor.

\*\*\*Re-stated following further data review.

### Notes:

In 2023, we expanded the scope of our waste reporting and introduced new processes to optimise the management of waste streams including temporary contractor waste from facilities and maintenance projects. We also undertook several strategic waste projects at key sites including at Wolverton Mill and St Athan to address legacy waste on those sites. Several improvements projects were implemented, including at Wolverton Mill, where we installed a new racking system which meant large volumes of metal waste were sent for scrap. We undertook large scale building projects at Gaydon, which created additional waste, this included an updated VIP reception area, an overhaul of the Gaydon canteen and work to improve around 5,000m<sup>2</sup> of office space in Gaydon.

The weight of clinical (sanitary) waste has been estimated using an established waste management method.

In 2023, a small amount of waste went to landfill. A review of waste management and controls will be carried out in 2024.

## WATER

We aim to reduce water consumption by 15% by 2025 (compared with 2019). We continue to investigate a range of measures to deliver savings, including rainwater harvesting systems. Reported water consumption in 2023 remained broadly stable at 66,004.9 m<sup>3</sup>, a slight decrease compared to 2022.

Water use (m <sup>3</sup> )	2020	2021	2022	2023 <sup>^</sup>
	34,477.65	64,681.40	66,279.99	66,004.90

<sup>^</sup> Values assured by ERM CVS

### Notes:

Water is supplied by water utility companies after abstraction via licence from the Environment Agency. The used water is discharged after treatment by the relevant water utility company via a foul sewer for which consents for various discharges to be maintained.

# 03

## Investing in people and opportunity

### Introduction

'Investing in people and opportunity' covers a range of areas that are critical to the Company's human and social capital, and therefore important for its success and sustainability. To achieve our objectives, we focus on:

- Employee wellbeing.
- Advancing equity, diversity and inclusion.
- Growing talent and raising aspirations.

In 2023, key activities included:

- Completing the procurement of a new safety management system.
- Inclusion training was delivered as part of 110 Aston Martin Values training sessions.
- STEM engagement activity programme more than doubled, with over 50 visits to local schools, colleges and universities in 2023.

### Highlights

**32%**

of early careers intake made up of women, compared to 21% in 2022.

**20%**

increase in number of hours dedicated to training, rising to 23,515 hours in 2023.

**~£2m**

sale value of cars donated by Aston Martin to help raise money for charity.

### UN Sustainable Development Goals



## EMPLOYEE WELLBEING

2023 TARGETS AND GOALS	PROGRESS
<b>Target zero accidents</b>	<ul style="list-style-type: none"> <li>– Successful procurement of new safety reporting system.</li> <li>– In 2023, the Company's Accident Frequency Rate ('AFR') improved by 25%, falling from 0.53 recordable incidents per 100 employees in 2022 to 0.40.</li> </ul>
<b>Continue to deliver industry-leading initiatives to support employee wellbeing</b>	<ul style="list-style-type: none"> <li>– Several initiatives implemented including mental health training and support for all employees.</li> </ul>

## ADVANCING DIVERSITY AND INCLUSION

2023 TARGETS AND GOALS	PROGRESS
<b>Women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030</b>	<ul style="list-style-type: none"> <li>– 2023 early careers intake 37% women compared with 21% in 2022.</li> <li>– Various initiatives delivered including International Women's Day.</li> </ul>
<b>Increase the culture of inclusion by leveraging the Aston Martin Values</b>	<ul style="list-style-type: none"> <li>– Inclusion immersion part of 110 Aston Martin Values training sessions.</li> <li>– 1,972 employees and 181 contractors trained in inclusive behaviours, totalling 4,306 training hours.</li> </ul>
<b>Improve workplace engagement and culture, and secure accreditation as a Great Place to Work® by 2025</b>	<ul style="list-style-type: none"> <li>– New peer recognition programme.</li> <li>– Employee engagement survey completed and survey insight driving action.</li> <li>– All directors participating in new Director-level development programme, 'Accelerate'.</li> <li>– All first line managers engaged in new training programme, 'Ignite'.</li> </ul>

## GROWING TALENT AND RAISING ASPIRATIONS

2023 TARGETS AND GOALS	PROGRESS
<b>Sustain new apprenticeship recruitment</b>	<ul style="list-style-type: none"> <li>– 19 apprentices recruited compared with 20 in 2022.</li> <li>– 12 graduate trainees recruited compared with 23 in 2022.</li> </ul>
<b>Update skills and training to support transition to electric vehicle production</b>	<ul style="list-style-type: none"> <li>– Aston Martin approved to deliver Institute of the Motor Industry-approved Electric Vehicle ('EV') safety training in-house.</li> <li>– 2,377 hours of EV-related training.</li> <li>– EV-related training delivered to 205 colleagues, compared with 149 in 2022.</li> </ul>
<b>Continue commitment to promoting Science, Technology, Engineering and Mathematics (STEM)</b>	<ul style="list-style-type: none"> <li>– Visits to schools, colleges and universities more than doubled from 20 in 2022 to 54 in 2023.</li> </ul>

## BUSINESS CONTEXT

'Investing in people and opportunity' covers a range of areas that are critical to the Company's human and social capital, and therefore important for its success and sustainability. Ensuring health and safety of employees is paramount. We want everyone who works at Aston Martin to get home safely every day.

Maximising employee wellbeing, promoting mental health, ensuring a diverse and inclusive workplace, and delivering industry-leading training are all key to strengthening business performance, including by enhancing the Company's appeal to socially conscious consumers. Supporting relevant and local charities and communities is important for a socially responsible business like ours.

The results of our 2023 materiality assessment highlighted the growing importance of 'Employee engagement, talent retention, welfare, and benefits' among stakeholders. This shift in priorities compared to 2022 indicates that stakeholders are placing greater emphasis on how a company treats its employees and the impact it has on their wellbeing. The materiality assessment also indicated the potential for employee engagement, talent retention, welfare and benefits to have potentially significant financial impacts over the short- to medium-term.

## Policy and standards

At Aston Martin we expect everyone to comply with the law, act with integrity and do what is right. In 2023, we introduced our new Code of Conduct which reflects our values in action, particularly in areas with key ethical or legal considerations marking what we stand for and what we expect from each other. Outlining the key policies and behaviours that everyone should follow, the Code is intended to guide the way that the business and our people operate. We believe that high integrity, delivers high performance.

Our Code of Conduct incorporates many of our key policies including: Diversity and Inclusion, Health and Safety, Anti-Bribery, Gifts and Hospitality and Confidential Reporting.

For more information see [www.astonmartinlagonda.com/codeofconduct](http://www.astonmartinlagonda.com/codeofconduct).

**APPROACH**

We are committed to a workplace and culture where our people feel connected to Aston Martin's purpose, that they have a voice, are listened to and will receive equal treatment to develop and reach their full potential irrespective of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, sex and sexual orientation, identity or expression, or any other characteristic protected by law. In 2023, we continued to focus on delivering our Equity, Diversity and Inclusion ('EDI') strategy. Activities during 2023 included events and engagement coinciding with Black History Month, International Women's Day, National Inclusion Week, Pride and Transgender Week.

# Our vision. Our values.

We aim to create a fulfilling and rewarding experience that enables our people to flourish.

Our People Strategy has been developed to accelerate progress in creating and sustaining a world-class employee experience. We deliver our strategy through three strategic pillars: Organisation, Culture, and Personal and Career Development. Our EDI approach encompasses all these pillars.

At the core of our values is one single guiding tenet: No one builds an Aston Martin on their own. Our values are: Unity, Openness, Trust, Ownership and Courage. These values set the tone for how we do things and the culture we want to establish. This is supported by our New Code of Conduct, which sets out a decision-making tool for situations where colleagues aren't sure whether they would be doing the right thing.

At the core of our values is one single guiding tenet: No one builds an Aston Martin on their own. Our values are: Unity, Openness, Trust, Ownership and Courage."

## I AM Inclusion

Our Inclusion Network meets monthly to support employees and seeks to break potential stigma across the organisation by talking about issues that affect our employees. We have five dedicated strands within our network who focus on different areas of equity, diversity, and inclusion. The strands are I AM Gender, I AM Pride, I AM Ability, I AM Embraced, I AM Well. Our network and our strands are voluntary groups that are made up of people who are passionate about inclusion, challenging how things are done and supporting people to have a voice.

**I AM Embraced** – Addresses racial justice, multiculturalism and bias

**I AM Pride** – Connects LGBTQ+ employees, celebrates pride events and advocates for equality and acceptance

**I AM Well** – Focus on physical and mental health, self-care, stress management

**I AM Ability** – Support for disability, chronic illness and neurodivergence

**I AM Ability** – Focus on gender identity, equality, work-life balance



Employees by gender (as at 31 December 2023)^			
	Male	Female	% Female
Senior management team	10	0	0.0%
Senior leadership team	75	14	15.7%
Other leadership	288	63	18.0%
Other employees	1,995	387	16.3%
Total	2,368	464	16.4%
Employees by region (as at 31 December 2023)^			
	Male	Female	% Female
Asia Pacific	24	24	50.0%
EMEA	62	9	12.7%
UK	2,253	419	15.7%
Americas	29	12	29.3%
Total	2,368	464	16.4%
Average employee tenure by gender (as at 31 December 2023) (Years)			
	Male	Female	
		6.7	4.9
Average employee turnover by gender during 2023 (%)			
	Male	Female	Company
	8.2%	10.1%	8.6%
New hire employees in 2023			
	Male	Female	
	475	132	
Note: Data by gender and region is shown for 2,832 permanent Company employees only ^ Values assured by ERM CVS			

### GENDER PAY GAP

The difference between men and women's average pay (expressed as a percentage of the men's pay) was a mean pay gap of 10.3% and a median pay gap of 5.2% in 2023, favouring men. These have increased very slightly compared to 2022 (mean pay gap of 9.9% and median pay gap of 4.9%, also favouring men). Our mean pay gap is largely due to the make-up of the senior team (which includes significantly more men) and working patterns, particularly in Production roles, where shifts (that more men than women choose to work) command shift premium and overtime payments. We are working to improve gender equality which will contribute to narrowing the gap, with the ultimate aim to close it completely.

# 04

## Exporting success

### Introduction

Aston Martin sells its world-class products in more than 50 countries worldwide and represents the very best of British advanced engineering and design. As we continue to serve as a flag bearer for British industry and exporters, we are committed to supporting the wider success of UK exporters and the UK automotive industry by working with government.

In 2023, key activities included:

- High-profile product launch events worldwide.
- Support for the UK Government's GREAT campaign featuring their ambassador, Katherine Jenkins OBE.
- Parliamentary reception attended by over 100 parliamentarians and UK Government ministers.

### Highlights

# 83%

of total wholesale cars exported

# 53

countries with Aston Martin dealerships

# ~1.3bn

estimated value of wholesale cars exported in 2023

### UN Sustainable Development Goals





## WORKING WITH GOVERNMENT

2023 TARGETS AND GOALS	PROGRESS
<p><b>Continue to work with the UK Government to showcase the very best in advanced British engineering and design worldwide</b></p>	<ul style="list-style-type: none"> <li>– Supported the UK Government’s GREAT campaign featuring campaign ambassador, Welsh singer, Katherine Jenkins OBE.</li> <li>– Worked with the UK Consulate in New York to support a VIP celebration of the coronation of HM King Charles III.</li> <li>– Delivered high-profile product launch events worldwide.</li> <li>– 5,515 wholesale cars exported in 2023.</li> </ul>
<p><b>Help achieve the UK Government’s aim to increase UK exports to £1 tn per year by 2030</b></p>	<ul style="list-style-type: none"> <li>– Parliamentary reception hosted in the Speaker’s House attended by over 100 parliamentarians and UK Government ministers.</li> <li>– Selected to showcase British engineering and design at the UK Global Investment Summit.</li> </ul>
<p><b>Maintain engagement with government to support sustainable growth across the UK automotive sector, including expansion of the UK-based supply chain</b></p>	<ul style="list-style-type: none"> <li>– Parliamentary reception hosted in the Speaker’s House attended by over 100 parliamentarians and UK Government ministers.</li> <li>– Selected to showcase British engineering and design at the UK Global Investment Summit.</li> </ul>

### BUSINESS CONTEXT

Aston Martin is a global business and leading UK exporter with 145 dealerships overseas in 53 countries. Since 2020, the number of Aston Martin cars wholesaled internationally has more than doubled. In 2023, we exported 83% of our production, with export volumes rising 3.6% to 5,515 wholesale cars, supporting UK exports to the value of around £1.3bn. Nine out of the top ten Aston Martin dealerships are located overseas, with our Tokyo dealership emerging as the number one location for new car sales globally in 2023. As a flag bearer for British industry and innovation, we are committed to supporting the wider success of UK exporters and the UK automotive industry by working with government. This plays a key role in advancing our positive social and economic impact. The Company’s success as an exporter currently helps underpin 2,672 direct jobs in the UK and further jobs across the wider supply chain, with the Company spending more than £200m in the UK procuring components and services every year.



## Global Investment Summit

In November, Aston Martin was delighted to be part of the UK Government’s Global Investment Summit. Speaking alongside the Secretary of State for Business and Trade, Rt Hon Kemi Badenoch MP and other automotive industry leaders, Aston Martin Executive Chairman Lawrence Stroll discussed the strength of the UK’s engineering talent, the unrivalled quality of British luxury craftsmanship and why the future is bright for the country’s advanced manufacturing sector.

Apprentices from our Gaydon and St Athan manufacturing facilities proudly showcased DBX707 and DB12 at Hampton Court Palace, sharing their Aston Martin journey with attendees including the Secretary of State for Transport, Rt Hon Mark Harper MP, Rt Hon David Davies MP, Secretary of State for Wales and Automotive Minister Nusrat Ghani MP.

## Policy and standards

We are committed to building a responsible supply chain with our partners. Our approach and expectations of our suppliers is set out in the Aston Martin Responsible Procurement Policy which was revised in 2023 by defining our business values, the expected behaviours & minimum requirements of all Aston Martin suppliers. The policy will be rolled out in 2024.

# 05

## Delivering the highest standards

### Introduction

A commitment to delivering the highest standards forms the bedrock of our business, focused on:

- Embracing industry best practice.
- Pioneering leadership.

In 2023, key activities included:

- Responding to the Science Based Targets initiative ('SBTi') consultation on a new draft pathway for automakers to cut their scope 1, 2 and 3 CO<sub>2</sub> emissions.
- Continuing to monitor new developments and engage with specialist consultants on topics such as biodiversity.

### Highlights

## 30

Sustainability Working Group meetings

## 97%

of production suppliers compliant with ISO 14001:2015 environmental management standard

## New

Code of Conduct

### UN Sustainable development goals



## EMBRACING INDUSTRY BEST PRACTICE

2023 TARGETS AND GOALS	PROGRESS
<b>Continue commitment to the Science Based Targets initiative</b>	– Work continues towards developing short- and medium-term targets to support pathway to net zero.
<b>Continue commitment to the Task Force on Climate-related Financial Disclosures</b>	– Continue to report according to requirements set out by the Task Force on Climate-related Financial Disclosures.
<b>Understand and engage in emerging areas of sustainability best practice</b>	– Continue to monitor and explore best practice across areas including growing requirements around physical resilience to Climate Change.

## PIONEERING LEADERSHIP

2023 TARGETS AND GOALS	PROGRESS
<b>Understand and engage in emerging areas of best practice such as the Science Based Targets Network for Nature and the Taskforce on Nature-related Financial Disclosures</b>	– Continue to monitor new developments, supported by specialist consultants where appropriate.

## BUSINESS CONTEXT

Delivering the highest standards defines everything we do. We are striving to meet international best-practice standards in areas such as occupational health and safety, environmental management systems and energy management systems. We operate in a heavily regulated sector and work hard towards ensuring compliance with legal and regulatory obligations in areas ranging from anti-slavery to vehicle safety.

In 2023, our materiality assessment highlighted that stakeholders continue to regard product quality and product safety as the most significant sustainability issue for the business. It also revealed a significant increase in the importance stakeholders attach to corporate governance and risk management, ranking it the third most important out of 22 sustainability topics (this compared to 12<sup>th</sup> position last year). Other key governance topics regarded as significant and growing priorities included sustainability governance and management, supply chain and sourcing, cyber security and fair and ethical conduct.

## Policy and standards

Our policy is to conduct all our business in accordance with all relevant laws and regulations. We have a zero tolerance approach to bribery and corruption. We encourage staff to speak up using our confidential reporting processes if they have any concerns that our Code of Conduct, its underlying policies or our values are not being adhered to.

For more information see [www.astonmartinlagonda.com/codeofconduct](http://www.astonmartinlagonda.com/codeofconduct).



### New Code of Conduct

In 2023, we introduced our new Code of Conduct which reflects our values in action, particularly in areas with key ethical or legal considerations, marking what we stand for and what we expect from each other.

# Task Force on Climate-Related Financial Disclosures

## OVERVIEW

Our Task Force on Climate-related Financial Disclosures ('TCFD') statement has been produced to address the requirements of Listing Rule 9.8.6R(8) and the TCFD Recommendations and Recommended Disclosures set out in *Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures* published in October 2021.

This statement details the risks and opportunities arising from climate change, the potential impact on the business and the actions we're taking to respond. We also integrate climate related disclosures throughout this report including in our 'Tackling Climate Change' report on pages 44-47. A detailed breakdown of our emissions can be found on page 47.

We have structured our statement in line with the four key thematic TCFD pillars:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

## GOVERNANCE OF CLIMATE RELATED RISKS

Aston Martin is committed to doing business in an ethical and transparent manner, overseen by good corporate governance. In 2021 the Board established our Board Sustainability Committee to oversee and monitor the delivery of our Racing. Green. strategy. The Committee is chaired by Anne Stevens, Independent Non-executive Director, in 2023 the Committee met quarterly. It provides strategic guidance and scrutiny of management's assessment and management of climate-related risks, opportunities, targets and environmental matters with reporting to the Board following each Committee. The work of the Sustainability Committee influences Board strategic decisions in areas such as the development of the future product portfolio such as the planned move towards an electrified line-up of sports cars and SUVs by 2030. In addition to the Non-executive Directors, the Committee is also attended by members of the Executive Committee including the Chief Executive Officer, Chief Financial Officer, Chief People Officer, Chief Industrial Officer, Executive Consultant to the CEO and General Counsel.

A full report on the Sustainability Committee is included on page 106. Some of the relevant topics included on the agenda during 2023 included:

- Environmental performance review including energy data
- Net zero plan update
- Working Group updates
- Carbon neutral facilities plan
- ESG risk



The Sustainability Committee is supported by ten dedicated sustainability working groups focused on areas ranging from energy management to development of a sustainable supply chain. The role of these groups is to develop and execute credible action plans to achieve clear targets in their respective areas. At each meeting, the Sustainability Committee receives performance updates on key indicators from each of the Working Group leads to monitor progress. In addition, deep dive sessions are held as required to provide greater visibility and discussion.

We also have a specialist sustainability team, reporting into the Chief Financial Officer. This team supports the working groups and wider business divisions in developing relevant sustainability strategies including climate change whilst also driving external advocacy and partnerships. In addition, included within key functions such as procurement and facilities we have experts who are focused on the sustainability agenda including climate related matters. Their activities include developing relevant policies and procedures.

Significant climate-related risks are reviewed by the Company's Risk Management Committee and managed using our business-wide enterprise risk management procedures. Climate-related risks are incorporated into the corporate risk register where appropriate. Significant climate-related risks are assigned to functional Risk Champions to develop appropriate risk mitigation plans. Each function maintains a risk register which is reviewed twice a year by the Company's Risk Management Committee. The Audit and Risk Committee then provides oversight of the corporate climate-related and other risks.

To date, management remuneration has not been linked to climate-related performance objectives. The Remuneration Report provides further detail as this is being considered for the financial year ending 31 December 2024.

## CLIMATE-RELATED STRATEGY

The automotive industry is having to rapidly respond to address the regulatory, customer and stakeholder demands resulting from the need to combat climate change. Some of the solutions being implemented include shifting to the production of more fuel-efficient vehicles, use of cleaner fuels and a move towards electrified powertrains.

In line with the recommendations of the TCFD we categorise climate-related risks and opportunities using the TCFD recommended classifications as follows:

**Physical risks:** Relate to the physical impacts of climate change over time (e.g., increased rainfall, sea level rise, prolonged drought, increased frequency and severity of extreme weather events)

**Transition risks:** Relate to the transition to a lower carbon economy over time (eg policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change)

**Opportunities:** Climate change presents opportunities in several areas including resource efficiency, transition to renewable energy sources, new products and services, new markets and customer groups.

Climate change has been identified as a risk factor impacting many of the key risks faced by our business. In the short to medium term (the next five years) we face transition risks arising from changing policy and regulations, changing consumer preferences and accelerated technology change as the move to electrification and other non-carbon solutions intensifies. Physical risks arise in the short term due to disruption linked to extreme weather events but also continue to be relevant in the longer term (beyond five years) with the potential impact of more severe and frequent weather events on our supply chain and distribution network. The potential impacts of climate change are taken into account in developing our overall business strategy and supported by our Racing. Green. strategy which incorporates both short and long term environmental targets.

In 2023, we established the baseline inventory for our Scope 3 emissions (see page 27 of our Sustainability Report 2023) and will develop a full transition plan in 2024 across all Scopes. Our targets towards tackling climate change are included on page 45 and through our wider environmental focus on pages 48-49.

## RISK MANAGEMENT

The Board is ultimately responsible for ensuring that the Company has an effective Enterprise Risk Management Framework and System ('ERMFS') implemented across the business to facilitate delivery of its strategic objectives. For further information on this refer to the Risk and Viability Report on pages 64-70 and the Audit and Risk Committee Report on pages 98 to 105, where we outline how risks and opportunities, including those specifically related to climate change, are identified, assessed and managed through the deployment of the Aston Martin ERMFS.

As part of our annual risk assessment activity we have considered how the impact of climate change affects our existing corporate risks, as well as identified any new and emerging climate-related risks and opportunities. We also engage with external risk management networks to develop a broader understanding of the global impact of climate change.

In 2021 we engaged a third-party consultancy to build our scenario analysis model which we have used to evaluate the potential impact of both transitional and physical risks and opportunities on Aston Martin, with risks being categorised in accordance with the TCFD Recommendations in three warming pathways, as depicted in the table below. We plan to re-review the scenario analysis in 2024.

Key inputs into the model included the physical geographical footprint of the Company; supply chain and global dealer network; historical and predicted sales volumes by market; Scope 1, 2 as well as available Scope 3 GHG emissions data; and vehicle material content. We used the Representative Concentration Pathways (RCPs) as our framework for modelling different emissions pathways and the associated impact on the climate. To explore the associated market and customer trends underpinning our commercial resilience we also considered different socioeconomic futures, known as the Shared Socioeconomic Pathways (SSPs).

When considering climate-related risks and opportunities we assess their potential impact over three time horizons, short term (< 2 years), medium term (2-5 years), covering the five year business plan period, and long term (beyond 5 years and up to 2050). All risks included within the corporate risk register are assigned a Risk Owner responsible for performing periodic likelihood and impact risk assessments and developing formal documented risk management plans.

A summary of the key significant risks and opportunities which have been assessed and incorporated within the scenario analysis has been presented on the next page and a summary of some of the key mitigating activities that have been taken, or are planned to be taken to manage the significant climate-related risks are disclosed in the table on page 62.

We further categorise climate-related risks and opportunities using the TCFD recommended classifications for transition risks and physical risks:

Transition Risks	Physical Risks
- Policy and legal risk	- Acute
- Technology Risk	- Chronic
- Market Risk	
- Reputation Risk	

Our key risks are grouped according to these. Whilst physical risks have been identified in the short term related to supply chain and distribution impacts, we have focused on transition risks as these represent the material risks identified within the short and medium term for our company, these are highlighted in the following table. In summary, we are transforming our products and the way they are manufactured to help tackle climate change. In 2024 Aston Martin is on course to enter production of Valhalla, our first PHEV, followed by our first BEV targeted for launch in 2026 and a clear plan to have a line-up of electric sports cars and SUVs by 2030. Whilst embracing electrification, we also believe our sustainability ambitions must be broader than just producing tailpipe emissions-free vehicles. We want to ensure our manufacturing footprint is sustainable enabling the production of our vehicles with a reduced environmental impact.

## SCENARIO PATHWAYS

Scenario	Steady path to sustainability	Middle of the road	Fossil-fuelled global growth
<b>SSP/RCP*</b>	SSP 1/RCP 2.6	SSP 2/RCP 3.4	SSP 5/RCP 8.5
<b>Description</b>	Globally coordinated efforts to reduce emissions to net-zero by 2050 and avert the worst effects of climate change	Imperfect efforts to reduce emissions lead to moderate progress but exacerbate inequalities	Global collaboration focused on protecting the population from a changing climate (as opposed to reducing human-induced climate change)
<b>Societal response</b>	Proactive	Proactive	Reactive
<b>Global dynamics</b>	Open, collaborative, global	Independent, regional	Open, collaborative, global
<b>Temperature rise</b>	1.5°C	2-2.4°C	4°C
<b>Likelihood</b>	Low	High	Medium

\* SSP – Shared Socioeconomic Pathway, RCP – Representative Concentration Pathway

Our key material risks are included below:

**KEY**



**Physical**

Risks arise across all warming scenarios 1.5°C, 2°C & 4°C.

As we see the frequency and severity of extreme weather events increase as a result of climate change, the potential impact of these on our distribution chain through increasing delays in deliveries of our cars though to our dealership network, but also through disruption in the supply chain, exacerbated by our reliance on single source vendors.

Risks	Risk type	Potential financial impact	Time horizon	TCFD risk classification
Supply chain disruption	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	<ul style="list-style-type: none"> <li>– Increased costs</li> <li>– Decreased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>	Physical Acute & Chronic
Distribution disruption	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span>	<ul style="list-style-type: none"> <li>– Increased costs</li> <li>– Decreased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>	Physical Acute & Chronic
Increasing insurance costs	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	<ul style="list-style-type: none"> <li>– Increased operating costs</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">L</span>	Physical Acute

**Transitional**

Risks arise across warming scenarios 1.5°C and 2°C and also in a 4°C scenario in the case of risk related to the EV transition.

As we transition to a lower carbon economy our technological advancements and ability to remain competitive will need to keep pace with the change, linking with the potential need to create a more diverse product portfolio that is price competitive and manages to convert a traditional ICE customer base to alternative propositions based on a blended drivetrain approach between 2025 and 2030, including Plug-in Hybrid Electric Vehicle (‘PHEV’) and Battery Electric Vehicle (‘BEV’), with a clear plan to have a line-up of electric sports cars and SUVs. As regulations move to mitigate and adapt to the challenges of climate change the need to keep pace will become key, as well as the ability to adapt to the potential emergence of carbon markets and taxes. Brand and reputation damage as a result of not keeping pace and association with potentially unethical supply chain activities is a core risk in this changing landscape.

Risks	Risk type	Potential financial impact	Time horizon	TCFD risk classification
Inability to maintain pace with innovation	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span>	<ul style="list-style-type: none"> <li>– Increased costs</li> <li>– Decreased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>	Technology
Brand and reputation damage	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span>	<ul style="list-style-type: none"> <li>– Increased costs</li> <li>– Decreased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>	Reputation
EV transition – access to skills, increased market segmentation, market disruption)	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span>	<ul style="list-style-type: none"> <li>– Increased costs</li> <li>– Decreased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	Market
Increasing regulation and policy	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	<ul style="list-style-type: none"> <li>– Increased costs</li> <li>– Decreased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>	Policy and Legal
Customer base and market changes	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span>	<ul style="list-style-type: none"> <li>– Increased costs</li> <li>– Decreased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>	Market

**Opportunities**

Opportunities arise across all warming scenarios 1.5°C, 2°C & 4°C.

Climate change also presents opportunities for the Company, in particular linked to securing operational cost efficiencies through the reduction and more efficient use of materials and resources including energy, water and waste, which links back to decreased operating costs. Alongside this, potential for increased revenues as a result of building a reputation and strong ESG narrative across our whole value chain.

Opportunities	Opportunity type	Potential financial impact	Time horizon
Cost efficiencies linked to reduced resource use	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>	<ul style="list-style-type: none"> <li>– Decreased operating costs</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>
Stronger ESG narrative building brand reputation	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span>	<ul style="list-style-type: none"> <li>– Increased revenue</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">M</span>
Maximise revenue and profit from last generation core ICE vehicles	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">C</span>	<ul style="list-style-type: none"> <li>– Increased revenues</li> </ul>	<span style="border: 1px solid black; border-radius: 50%; padding: 2px;">S</span>

<b>POLICY</b> Managing our exposure to changes in legislation	<ul style="list-style-type: none"> <li>- R&amp;D investment to develop lower fleet emissions portfolio</li> <li>- Maintenance of small volume derogation status exemptions where available</li> <li>- Establishment of emissions-pooling agreements with third parties to manage exposure to carbon pricing</li> <li>- Consideration of forward purchasing of carbon offsets to manage exposure to increased pricing and reduced capacity</li> </ul>
<b>TECHNOLOGY</b> Modifying our product offering	<ul style="list-style-type: none"> <li>- R&amp;D investment in EV technology</li> <li>- Improving energy efficiency in our manufacturing plants</li> <li>- Selection of a strategic partner to provide access to EV powertrain technology</li> <li>- Investment in use of alternative sustainable materials within vehicles</li> </ul>
<b>MARKET</b> Adapt to meet customer needs and desires	<ul style="list-style-type: none"> <li>- Launch of our Racing. Green. sustainability strategy</li> <li>- Continued focus on waste reduction and elimination with zero single-use plastic waste target to be achieved by 2025</li> <li>- Working with our supply chain to reduce global emissions and waste</li> <li>- Development of electrified powertrain options within the product portfolio and increased use of sustainable materials to meet customers' evolving requirements</li> </ul>
<b>REPUTATION</b> Positioning Aston Martin as an ultra-luxury sustainable brand	<ul style="list-style-type: none"> <li>- Development of our Racing. Green. sustainability strategy to respond proactively to climate change</li> <li>- Transparent disclosure of our GHG emissions through publication of our Sustainability Report</li> <li>- Enhanced communication of actions already taken to address climate change</li> <li>- Development of credible plans to achieve net zero carbon emissions within our plants by 2030</li> <li>- Deployment of our bold new brand strategy</li> <li>- Clear strategy to electrify our product portfolio and increase use of sustainable materials (including green aluminium)</li> </ul>

**METRICS AND TARGETS**

Our sustainability strategy Racing. Green. incorporates a number of climate-related metrics and targets which demonstrate the Company's commitment to tackling climate change in the short-, medium- and longer-term as well as assessing and managing these risks.

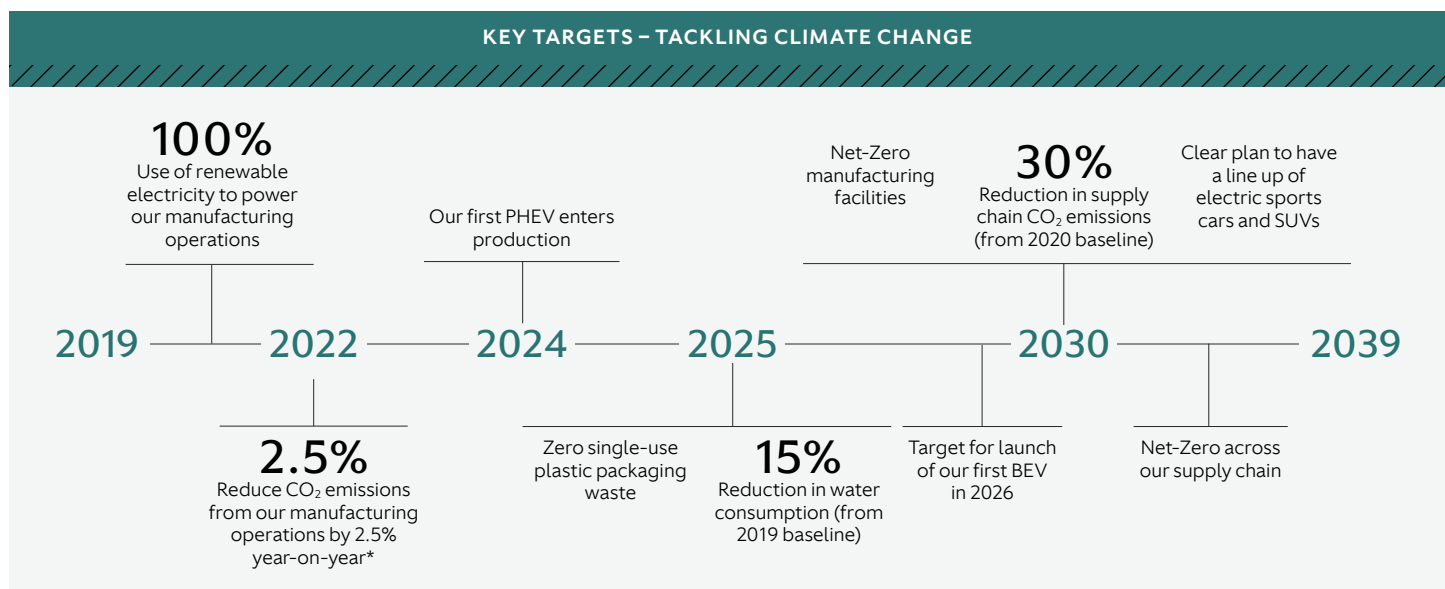
We listen to our stakeholders and monitor developments from regulatory and governance bodies to provide input into our materiality assessment for climate-related disclosure purposes. The targets and metrics disclosed have been identified by the Sustainability Committee as being those that have a material impact on our business due to their nature, size or complexity. Our Scope 1, 2 and limited Scope 3 metrics as well as energy consumption data are included on page 49 of this report and form part of this TCFD disclosure.

In summary total Scope 1 and 2 emissions during 2023 amounted to 13,617.49 tCO<sub>2</sub>e, a 25% drop from 2022, reflecting a fall in total energy use of 11.2%. To provide greater clarity over our actions and the results of energy saving and efficiency measures we use GHG emissions per

unit (tCO<sub>2</sub>e per car manufactured) as a metric for normalizing our emissions data. This emission intensity metric showed a 23.3% drop compared with 2022. Our progress in 2023 section on page 45 highlights the key accomplishments in 2023 related to minimising our emissions impact.

We previously committed to the SBTi Net-Zero Standard and this year have developed our full Scope 3 inventory and are in the process of setting near and long term Company-wide emissions reduction targets in line with the standard. In November 2023 we responded to the SBTi consultation on the automaker sectors pathway and await SBTi reopening validation for automakers.

We continue to enhance our data collection methods, working across our value chain, and seek to obtain external assurance to validate a number of our reportable metrics as outlined in our Sustainability Report. We continually review our processes and will do so as we develop our targets aligned with the SBTi Net-Zero standard, our current relevant climate change targets include:



\* Scope 1 emissions as per Racing. Green. strategy.



# TCFD Disclosure Overview

Disclosure level **F Full** **P Partial** **O Omitted**

Pillar	Recommended Disclosures and disclosure level	Response	Disclosure locations
<b>Governance</b> Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities	F The Board is responsible for climate ambition, strategy and risk and has established the Sustainability Committee to oversee delivery of the Group's Racing. Green. strategy.	Pages 58, 60 and 64-66
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	F The Executive Committee members are responsible for managing risks and opportunities within their functions by deploying the ERMFS. They are supported by Functional Risk Champions who attend the Risk Management Committee on a quarterly basis. The Head of Government Affairs and Sustainability holds management responsibility for the Sustainability Committee.	Pages 58 and 64-66
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	F We face multiple climate-related risks, primarily arising from the transition to a low-carbon economy and the need for us to address technological, legal, market and reputational risks. Physical risks pose a lesser threat to our direct operations, whilst we do recognise their potential impact on our supply chain.	Pages 60-61
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	F We are investing in electrification of our product portfolio to mitigate the technological and regulatory risks associated with transition to a low carbon economy together with investment in sustainable materials. We are also investing in our manufacturing facilities to drive increased energy efficiency and reduced waste.	Pages 60-61
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	P Our business plan takes into account planned investment and capital expenditure to electrify our powertrains, and capital projects to reduce carbon emissions from within our facilities and operations. Disclosures regarding the resilience of our strategy in each of the warming scenarios will be further enhanced in 2024.	Pages 58-62
<b>Risk Management</b> Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	F Our ERMFS is used to identify, assess and manage all types of risks across the business. This includes specific consideration of both transitional and physical climate-related risks.	Pages 60, 61, 64 and 66
	b) Describe the organisation's processes for managing climate-related risks.	F In 2021 we identified and disclosed a new principal risk relating to climate change and the need for the business to transition its product portfolio to electrified powertrains over the medium term and reduce our carbon footprint.	Pages 60-61 and 64
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	F Climate-related risks are considered and managed within our ERMFS.	Pages 58-62 and 64-66
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	P We have identified and disclosed a wide range of climate-related metrics in order to manage our exposure to climate risks and opportunities. Additional interim targets will be developed for our longer-term ambitions during 2024.	Pages 47 and 62
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	P We have disclosed our Scope 1 and Scope 2 emissions for our own operations and made partial disclosure in relation to our Scope 3 emissions (covering business travel). We recognise that our current Scope 3 disclosures are not sufficient to fully comply with the TCFD Recommendations. During 2023 we have collated our baseline inventory for Scope 3, however due to the timing of this data collation exercise we have chosen not to fully report the data within this years report.	Page 47, Sustainability Report page 27
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	F We are in the process of establishing interim targets, to enable us to track progress towards our stated longer term net-zero targets Current targets are disclosed in the Sustainability section of this Annual Report and Accounts with further detail in the Sustainability Report.	Pages 47 and 62, Sustainability Report page 27

# Risk Management

## RISK GOVERNANCE

We deploy our Enterprise Risk Management Framework and System ('ERMFS') to manage risks and provide the Board, the Audit and Risk Committee and the Executive Committee with a robust assessment of our principal and emerging risks. The Board is ultimately responsible for oversight of our risk management and internal control systems and determines our risk appetite.

The Board has delegated its responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit and Risk Committee. The Committee fulfils this responsibility by directing and reviewing the work of executive management and the key governance functions within the Group, including the Internal Audit & Risk Management team ('IA&RM') and the Risk Management Committee. The Chair of the Audit and Risk Committee updates the Board on the Committee's activities in this regard as appropriate.

## HOW WE MANAGE RISK

Our IA&RM team maintains the ERMFS and coordinates risk management activities across the Group, leveraging a network of functional Risk Champions embedded within management (our first line of defence). Each principal risk has a risk mitigation plan incorporating management's assessment of gross, net and target risk together with an assessment of the effectiveness of mitigating controls and activities currently implemented, and those which need to be implemented in order to reduce the risk to the target level commensurate with the Group's risk appetite. These plans are updated routinely throughout the year with any changes being incorporated into the corporate risk register.

## THE KEY ELEMENTS AND ACTIVITIES SUPPORTING OUR ERMFS INCLUDE:

- annual review and approval of the ERMFS and Risk Management Policy;
- bi-annual review of principal risks to assess the gross, net and target risks for potential impact and likelihood;
- maintenance of corporate and functional risk registers;
- undertaking top-down/bottom-up risk assessments including horizon scanning to identify emerging risks;
- creating formal risk mitigation plans for all principal risks; and
- provision of independent and objective assurance by the Internal Audit team over the effectiveness of principal risk mitigation plans to the Audit and Risk Committee.

## CHANGES TO ASTON MARTIN'S RISK PROFILE

The most significant changes to the Group's principal and emerging risks in the year were:

- **Talent acquisition and retention** – risk reducing due to the positive impact of investment in the talent acquisition team and improved employee engagement driving lower levels of employee churn.
- **Programme Delivery** – risk increasing reflecting the volume of programme activity planned for 2024 and the importance of launching programmes on time and within budget.
- **Macroeconomic uncertainty and political instability** – risk increasing reflecting growing societal and political polarisation, ongoing conflicts, cost of living crisis and remaining inflationary challenges.
- **Inadequate protection against cybersecurity threats** – risk increasing due to increasing technological content in connected cars, presenting greater opportunities for attack which need to be appropriately mitigated against.

Our Internal Audit & Risk Management team maintains the ERMFS and coordinates risk management activities across the Group, leveraging a network of functional Risk Champions embedded within management."

## RISK APPETITE

The Board determines the amount of risk the Group is willing to accept in pursuit of the Group's strategic objectives. This varies dependent on the type of risk and may change over time. In exploring risks and opportunities, we prioritise the interests and safety of our customers and employees and seek to protect the long-term value and reputation of the brand, while maximising commercial benefits to support responsible and sustained growth.

Risk category	Risk appetite
Compliance	Zero tolerance
Financial	Low tolerance
Climate change	Low tolerance
Strategic	Moderate tolerance
Operational	Moderate tolerance

## OUR PRINCIPAL RISKS

Our risk management system is designed to identify a broad range of risks and uncertainties which could adversely impact the profitability or prospects of the Group. Our principal and emerging risks are those which could have the most significant effect on the achievement of our strategic objectives, our financial performance and our long-term sustainability.

The following pages set out the Group's principal and emerging risks, how they align to our strategy, example risk factors and the primary mitigating actions implemented for each risk during the year ended 31 December 2023. Principal risks evolve over time as some risks assume greater importance and others may become less significant.

We categorise principal risks within one of the following categories: Strategic, Operational, Compliance, Climate Change and Financial, and link each risk to one or more of our strategic pillars that underpin our business plan.

## RISK MANAGEMENT GOVERNANCE



STRATEGIC REPORT  
PRINCIPAL RISK SUMMARY

STRATEGIC RISKS		CLIMATE CHANGE RISKS	
Macroeconomic and political instability	Brand / reputational damage	Technological advancement	Climate change
<p><b>RISK DESCRIPTION</b></p> <p>Exposure to multiple political and economic factors could impact customer demand or affect the markets in which we operate.</p>	<p>Our brand and reputation are critical in securing demand for our vehicles and in developing additional revenue streams.</p>	<p>It is essential to maintain pace with technological development to meet evolving customer expectations, remain competitive and stay ahead of regulatory requirements.</p>	<p>The impact of climate change could significantly impact demand for our vehicles, our ability to sell within certain markets or have financial consequences through increased carbon pricing, taxes and other regulatory restrictions on ICE vehicles.</p>
<p><b>Risk movement</b> ▲</p> <p><b>Risk appetite</b> MODERATE</p> <p><b>Link to strategy</b> 1 2 3</p>	<p><b>Risk movement</b> ●</p> <p><b>Risk appetite</b> LOW</p> <p><b>Link to strategy</b> 1 2 3</p>	<p><b>Risk movement</b> ●</p> <p><b>Risk appetite</b> LOW</p> <p><b>Link to strategy</b> 2 3 4</p>	<p><b>Risk movement</b> ●</p> <p><b>Risk appetite</b> LOW</p> <p><b>Link to strategy</b> 1 2 3 4</p>
<p><b>POTENTIAL IMPACT ON BUSINESS</b></p> <ul style="list-style-type: none"> <li>- Global economic slowdown reducing demand for vehicles</li> <li>- Unfavourable movement in exchange rates increasing input costs or affecting price competitiveness</li> <li>- Adverse economic global conditions could adversely impact our dealer network or supply chain</li> <li>- Commodity price increases and other inflationary pressure</li> <li>- Increasing interest rates impacting the affordability of finance for customers</li> </ul>	<ul style="list-style-type: none"> <li>- Product recall or quality issues could impact customer confidence and result in reduced demand</li> <li>- Late delivery of new models / variants could impact customer confidence and loyalty and delay sales</li> <li>- Dealer network may not be effective in raising, maintaining and promoting brand awareness</li> <li>- Inadequate dealer training in new products and technologies could impair the customer experience</li> <li>- A slower transition to alternative powertrain vehicles could affect the Group's ability to target new customer groups</li> </ul>	<ul style="list-style-type: none"> <li>- The Group is reliant on strategic partnerships with third parties to support development of new and emerging technologies</li> <li>- Competitors may have better access to funding to develop new technology faster and be first to market</li> <li>- Changing and more stringent regulations may make current technology obsolete and increase the risk of future non-compliance</li> <li>- Failure to incorporate new technology into vehicles may affect our ability to remain competitive</li> </ul>	<p><b>Transition risks</b></p> <ul style="list-style-type: none"> <li>- Policy – new tailpipe emissions reduction targets or loss of small volume derogation status could lead to increased carbon taxes and import tariffs</li> <li>- Market – customer preferences may move towards non-ICE powertrain options faster than anticipated</li> <li>- Technology – disruption from new technologies or new market entrants together with increased demand for sustainable products</li> <li>- Reputation – inability to create a credible sustainability proposition as we manage the transition from ICE to EV powertrains, or brand damage caused by activist activity</li> </ul> <p><b>Physical risks</b></p> <ul style="list-style-type: none"> <li>- Increased frequency / severity of extreme weather events causing supply chain disruption</li> <li>- Potential increased insurance costs as more claims are made due to climate-related physical damage / business disruption</li> </ul>
<p><b>RISK MITIGATION</b></p> <ul style="list-style-type: none"> <li>- Regular operational and financial reviews of the business</li> <li>- £216m proceeds from August 2023 Share Offering</li> <li>- Business plan developed taking account of current macroeconomic environment</li> <li>- Monitoring global market trends to target areas for future growth</li> <li>- Routine monitoring of dealer stock levels to support build-to-order strategy</li> <li>- Dealer network development strategy to target growth in emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>- Standardised embedded quality procedures (e.g., 300 Call Procedure, Customer Perception Audit, Parts Approval Process) to maintain focus on vehicle quality</li> <li>- Expanded dealer network and improved training to ensure delivery of a luxury customer experience</li> <li>- Regional marketing plans developed quarterly to drive sales pipeline</li> <li>- Fixed marketing investment programme to drive increased brand awareness and salience, including sponsorship of the Aston Martin Aramco Formula One® Team</li> <li>- Quality-led production ramp up for new vehicle programmes</li> <li>- Opening of the Q New York Flagship brand store in June 2023</li> </ul>	<ul style="list-style-type: none"> <li>- Strategic arrangements with key partners, including the strategic supply agreement with Lucid and the Strategic Co-operation Agreement with Mercedes-Benz AG, to provide powertrain and electrical architecture</li> <li>- Development of commodity strategy plans</li> <li>- Investment in Electrical Engineering team</li> <li>- Development of new interiors for new sports cars commencing with DB12 in 2023 and Vantage in early 2024</li> <li>- Establishment of Connected Car team to develop stronger customer proposition for in-car technology</li> <li>- Creation of an Innovation and Advanced Technology group with dedicated budget and process to advance innovative technology in advance of programme requirements</li> </ul>	<ul style="list-style-type: none"> <li>- Progress on activities supporting our Racing. Green. sustainability strategy and ongoing oversight by the Board Sustainability Committee</li> <li>- Strategic co-operation agreements in place with various suppliers providing access to new powertrain technology</li> <li>- Investment in R&amp;D to develop PHEV and BEV powertrain capabilities to support delivery of electrified powertrains</li> <li>- Investment in R&amp;D to reduce average fleet GHG emissions</li> <li>- Forward purchase / pooling of carbon credits to reduce exposure to carbon-related financial penalties and taxes and carbon offsetting</li> <li>- Sourcing of 100% renewable electricity for our manufacturing operations</li> <li>- Committing to the SBTi to establish and track GHG reduction targets to establish a credible roadmap to net-zero in our manufacturing facilities by 2030 and our supply chain by 2039</li> <li>- Setting target to increase biodiversity at our operations.</li> <li>- Setting annual 2.5% reduction in Scope 1 emissions targets</li> </ul>

LEGEND

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	FINANCIAL RISKS		COMPLIANCE RISKS		OPERATIONAL RISKS	
RISK DESCRIPTION	<b>Liquidity</b>	<b>Impairment of capitalised development costs</b>	<b>Compliance with laws and regulations</b>		<b>Talent acquisition and retention</b>	
	The Group may not be able to generate sufficient cash to fund its capital expenditure, service its debt or sustain its operations.	The value of capitalised development costs continues to grow as we invest in and expand our product portfolio.	Non-compliance with local laws or regulations could damage our corporate reputation and subject the Group to significant financial penalties and / or trading sanctions / restrictions.		We may fail to retain, engage and develop a productive workforce or develop key talent.	
POTENTIAL IMPACT ON BUSINESS	<b>Risk movement</b> ●	<b>Risk appetite</b> LOW	<b>Risk movement</b> ●	<b>Risk appetite</b> LOW	<b>Risk movement</b> ▼	<b>Risk appetite</b> MODERATE
	<b>Link to strategy</b> 1 2	<b>Link to strategy</b> 2	<b>Link to strategy</b> 2 3 4		<b>Link to strategy</b> 1 3 4	
RISK MITIGATION	<ul style="list-style-type: none"> <li>– Significant leverage levels may inhibit our ability to raise additional capital</li> <li>– Significant debt servicing requirements reduce cash available to support other operational needs</li> <li>– Liquidity restrictions could impact planned R&amp;D investment</li> <li>– Delays in payment to suppliers to manage short-term cash requirements could result in supply chain disruption</li> </ul>		<ul style="list-style-type: none"> <li>– Vehicle sales volumes fall below lifecycle plans and targets as a result of the impact of macroeconomic factors such as the current cost of living crisis and continuing global economic uncertainty and inflationary pressure or rising interest costs</li> <li>– Vehicle pricing and contribution reduce to levels which no longer support the carrying value of the attributable capitalised costs</li> <li>– Uncertainty of 'Carry Over – Carry Across' utilisation on future vehicle models and derivatives</li> <li>– Rapid pace of technological change results in technology being made obsolete earlier than anticipated</li> </ul>		<ul style="list-style-type: none"> <li>– Non-compliance with product regulations (including emissions, noise, connected car security etc.) could inhibit the Group's ability to sell in certain markets</li> <li>– Non-compliance with corporate conduct laws and regulations (including data protection laws, supply chain laws, human rights laws etc.) could result in financial penalties and / or brand / reputational damage</li> <li>– Failure to keep pace with increasing stakeholder expectations to go beyond evolving ESG reporting requirements could result in brand / reputational damage which could ultimately affect our sales pipeline and planned growth</li> </ul>	
	<ul style="list-style-type: none"> <li>– £216m of proceeds received from Equity capital raise in August 2023</li> <li>– £654m equity capital raise and \$200m debt tender in prior year</li> <li>– Renewed wholesale financing facilities implemented to facilitate faster cash collection</li> <li>– New products targeting minimum contribution levels of 40% to drive profit and cash generation</li> <li>– Regular management review of cash and working capital balances</li> <li>– Regular expenditure reviews held with the CEO and CFO and regular liquidity-focused Board reviews</li> <li>– Monthly Treasury Committee</li> <li>– Ongoing transformation activity to deliver targeted cost savings and efficiencies</li> <li>– Cash pooling and repatriation of cash to ensure funds are available for Group priorities</li> </ul>		<ul style="list-style-type: none"> <li>– Annual review and approval of Capitalisation policy and procedures</li> <li>– Impairment reviews performed where triggering events have been identified</li> <li>– Regular vehicle line reviews undertaken to monitor sales volume and contribution performance for all car lines with any concerns communicated to Finance for consideration of potential impairment</li> <li>– New product set entry level investment targets of 40% minimum contribution levels</li> </ul>		<ul style="list-style-type: none"> <li>– Procedures are in place to obtain Vehicle Type Approval and homologation for all new production vehicles from the appropriate vehicle certification agencies to ensure that vehicles meet the required performance standards for the markets they are sold in</li> <li>– Processes in place to track and monitor compliance with emissions reduction targets and other regulatory standards</li> <li>– Corporate policies define our standards of behaviour in relation to key compliance areas (including anti-bribery and corruption, data protection, responsible procurement, health and safety, anti-slavery and human trafficking, environmental). These policies have been significantly updated and reissued in 2023 and a new Code of Conduct developed.</li> <li>– Refreshed campaign to promote Speak-Up, our confidential reporting system, overseen by the Audit and Risk Committee, which enables the reporting of any suspected breach of policy or misconduct</li> </ul>	
<p><b>LEGEND</b></p> <p>1 Brand 2 Product innovation 3 Sustainability 4 Team</p>						

OPERATIONAL RISKS								
Programme delivery		Achieving financial and cost-reduction targets		Cyber security and IT resilience		Supply chain disruption		
RISK DESCRIPTION	Failure to implement major programmes on time, within budget and to the right technical specification and quality could jeopardise delivery of our strategy and have significant adverse financial and reputational consequences.		The Group's size and low-volume demand-led strategy may inhibit its ability to deliver targeted cost reductions or work within budget constraints while delivering the planned vehicle programme.		Breach of cyber security could result in a system outage, impacting core operations and / or result in a major data loss leading to reputational damage and financial loss.		Supply chain disruption could result in production stoppages, delays, quality issues and increased costs.	
	<b>Risk movement</b> ▲	<b>Risk appetite</b> MODERATE	<b>Risk movement</b> ●	<b>Risk appetite</b> LOW	<b>Risk movement</b> ▲	<b>Risk appetite</b> LOW	<b>Risk movement</b> ●	<b>Risk appetite</b> LOW
	<b>Link to strategy</b> 2 3 4		<b>Link to strategy</b> 2 3 4		<b>Link to strategy</b> 1		<b>Link to strategy</b> 3	
POTENTIAL IMPACT ON BUSINESS	<ul style="list-style-type: none"> <li>– Insufficient funds to support current programme investment requirements</li> <li>– Inability to manage third-party delivery in line with programme timelines and milestones</li> <li>– Failure to adhere to the "Mission" programme delivery governance framework could result in delayed launch of vehicles or unforeseen quality issues</li> <li>– Delays in new Enterprise Resource Planning ("ERP") system go-live dates could expose the Group to increased risk of IT failure and resultant disruption to production and engineering activities</li> </ul>		<ul style="list-style-type: none"> <li>– High levels of complexity across car lines can drive increased engineering requirements with associated increased resource and cash requirements</li> <li>– Inflationary pressure on key input costs (e.g., raw materials, commodities, energy, labour) makes achievement of targeted reductions more challenging</li> <li>– Instability in the supply base due to economic volatility may reduce opportunities to identify cost savings</li> <li>– Ultra-luxury positioning demands the necessary marketing spend to generate brand and product awareness to build desirability and create future demand</li> <li>– Increased logistics costs associated with disruption due to conflict (e.g. Red Sea shipping route disruption) can lead to unforeseen inflationary pressures</li> </ul>		<ul style="list-style-type: none"> <li>– Cyber attack resulting in disruption to operational services, possible data loss and related business outages</li> <li>– Legacy systems reaching end of life may no longer be supported and become more susceptible to breach</li> <li>– Insufficient investment in systems and resource leads to limited protection with critical vulnerabilities not being addressed in a timely manner</li> </ul>		<ul style="list-style-type: none"> <li>– Suppliers may be unable to meet delivery schedules due to being in financial distress</li> <li>– Unforeseen supplier failures, or disruption, can lead to production stoppages caused by delays in sourcing parts</li> <li>– Raw material shortages (including semi-conductors) due to increased demand and global supply chain issues could impact Aston Martin's ability to meet planned production volumes</li> <li>– Disruption caused by ongoing global conflicts (e.g. Russia / Ukraine, Gaza / Israel, Red Sea activity) can result in longer lead times and increased freight costs</li> </ul>	
	RISK MITIGATION	<ul style="list-style-type: none"> <li>– Deployment of an established programme delivery methodology and regular Product Committee status reporting and oversight</li> <li>– Restructure of business to Project Team focus with a Team Leader responsible for financials/quality/timing</li> <li>– Enhanced focus on R&amp;D financial forecasting for all capital expenditure</li> <li>– Addition of innovation team to create new technologies to an appropriate Technology/ Manufacturing Readiness Level</li> <li>– New model pilot production line established in Gaydon to facilitate new product development</li> <li>– Establishment of New Model Quality and Quality Business Planning teams to improve quality management activity</li> </ul>		<ul style="list-style-type: none"> <li>– Cross functional team transformation activity with agreed cost target process and regular CEO-led cost reviews</li> <li>– Development of commodity strategy with strategic suppliers to drive resilience and cost efficiency</li> <li>– Synergies from leveraging common commodity strategies across platforms</li> <li>– Increased focus on supply chain risk analysis and proactive risk management</li> <li>– Targeted marketing activity with support from key external agencies to ensure the necessary return on investment is obtained from marketing spend</li> <li>– Budget and business planning activity reassessed in consideration of current inflationary headwinds</li> </ul>		<ul style="list-style-type: none"> <li>– Project continuing to deliver a new ERP system through 2023 to transition away from end-of-life legacy systems and drive efficiency within the IT infrastructure</li> <li>– Enhanced IT general controls for access management, network access controls, remote access (e.g., multi-factor authentication) and password management</li> <li>– 24/7 vulnerability monitoring using security tools including Darktrace, SentinelOne and cyber incident response procedures</li> <li>– Significant investment in in-house Information Security team to mature cyber security control framework</li> <li>– Benchmarking of cyber security controls against the National Institute of Standards &amp; Technology ("NIST") governance framework</li> </ul>		<ul style="list-style-type: none"> <li>– Cross functional weekly risk reviews with key departments to identify current supply issues and actions to resolve</li> <li>– Supplier scorecards and performance metrics developed to drive improvement and encourage best practice</li> <li>– Internal Customs team established to manage and mitigate procedural/policy changes</li> <li>– Periodic due diligence performed on key suppliers including Dun &amp; Bradstreet financial health checks</li> <li>– Supplier strategy implemented to develop strategic and sustainable partnerships to improve supply chain resilience</li> <li>– Supply chain and logistics transformation project commenced</li> </ul>

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## RISK MANAGEMENT ACTIVITIES IN 2023 AND PLANS FOR 2024

### Identification of risks

We identify and manage risk using a top-down bottom-up approach.

- Top-down – Identification, assessment, prioritisation, mitigation, monitoring and reporting of risk at a corporate level. Overseen by the Audit and Risk Committee and the Risk Management Committee.
- Bottom-up – Identification, assessment, prioritisation, mitigation and monitoring of risk across all operational and functional areas.

The corporate and functional risk registers have been maintained and updated to reflect changes in the business and the external environment. These continue to be periodically reviewed by the Risk Management Committee. The updated corporate risk register is reviewed and formally re-evaluated at the half and full year to identify any changes required to the disclosed principal risks. These changes and the summary of principal and emerging risks are then presented to the Audit and Risk Committee for review and approval.

### Risk management system

The Aston Martin ERMFS continues to be deployed across the Group. This was subject to an annual review and approved by the Executive Committee and the Audit and Risk Committee in July 2023. The Risk Management Committee met three times during 2023.

### Management actions and deep dives

The IA&RM team incorporates independent validation reviews of the principal risk mitigation plans within its annual Audit Plan, the purpose being to provide independent assurance to management, the Audit and Risk Committee and the Board on the effectiveness and sufficiency of management actions to mitigate risks down to an acceptable level.

The team works with functional Risk Champions to maintain formal risk mitigation plans to clearly articulate the nature and extent of the principal risks and their associated mitigating actions. These are used to provide the Board and Audit and Risk Committee with management self-assessments on the effectiveness of risk mitigation plans and activities.

During 2023 the following key risk management activities have been undertaken:

- Three Risk Management Committee meetings with focus on the following areas:
  - Electric vehicle transition plan and associated risks
  - Legal and certification compliance risk management
  - Supply chain resilience
  - Emerging risks and horizon scanning
  - Fraud risk assessment
- Independent cyber security risk and control maturity assessment and benchmarking against the NIST global framework
- Engagement with a third-party and key supply chain stakeholders to develop a tool to provide enhanced visibility of the DB12 supply chain and associated interdependencies
- Executive Committee review and agreement of the Group's principal and emerging risks
- Annual review of ERMFS and Risk Management Policy

The following principal risk mitigation plan reviews have been included within the 2024 Internal Audit plan:

- Talent acquisition and retention
- Program delivery
- Supply chain disruption

## VIABILITY STATEMENT

The Directors have carried out a robust review of the principal risks of the Group, which are set out on pages 65-68, identifying the nature and potential impact of those risks on the viability of the Group, together with the likelihood of them materialising.

This analysis has then been used to carry out an assessment of the ability of the Group to continue in operation and meet its obligations. The assessment covers the five-year period from January 2024 to December 2028. This was considered appropriate by the Directors because it aligns with the business plan and the Group's normal planning horizon and is indicative of the investment and development cycle of new products in the luxury car market. The assessment includes the costs anticipated in relation to our strategy and our views of the impact of climate change (see note 1 of the Financial Statements). Inevitably, the degree of certainty decreases over this period.

The assessment process consisted of stress testing the base case in the business plan for scenarios designed to reflect the potential impact of the principal risks materialising in a compound scenario, including the following:

- A severe but plausible reduction in sales volumes as a result of factors such as a material reduction in the size of the luxury market due to external factors (such as delayed product launches, a decrease in demand from High Net Worth Individuals, increased direct and indirect taxation and changes in consumer habits away from luxury vehicles)
- Incremental fixed and variable costs
- Incremental working capital requirements such as increased inventory during product launches reduced deposit inflows or increased deposit outflows
- The impact of strengthening sterling:dollar exchange rates

In the event of one or more risks occurring which has a particularly severe effect on the Group, the assessment assumed that all appropriate actions would be taken in a timely manner by management to mitigate as far as possible the impact of the risks. Potential mitigating actions include constraining capital spending, seeking additional funding and/or a number of other adjustments to operations in the normal course of business.

In all scenarios it is assumed that any borrowings that mature in the review period will be renewed or replaced with facilities of similar size. The projections show that, even in stressed conditions, the Group should be able to refinance these facilities on commercially acceptable terms, assuming that debt markets continue to operate as currently.

In addition, we have assumed that no additional legislative action will be taken that impacts the sale of our products within the Viability Statement timeframe.

The Directors have assessed the viability of the Group over the five-year period to 31 December 2028 and, based on this assessment and the assumptions stated above, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2028.



## Non-financial and sustainability information statement

This section of the Strategic Report constitutes the Non-Financial and Sustainability Information Statement of the Company, produced to comply with sections 414CA and 414CB of the Companies Act 2006. The information listed in the table below is incorporated by cross references to other areas of the Annual Report, Sustainability Report and the Company website where further information can be found. The majority of policies can be found on our website: [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

The policies mentioned below form part of the Company's Group policies which are brought together in our Code of Conduct and act as the strategic link between our Purpose and Values and how we manage our day-to-day business.

The Strategic Report was approved by the Board and signed on its behalf by:

**AMEDEO FELISA**  
**CHIEF EXECUTIVE OFFICER**  
 27 February 2024

Reporting requirements	Policies and standards which govern our approach	Where material information can be found
Climate-related financial disclosures		<ul style="list-style-type: none"> <li>– TCFD report pages 58-63</li> <li>– Risk Management pages 64-69</li> </ul>
Environmental Matters	<ul style="list-style-type: none"> <li>– Environmental Policy</li> <li>– Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>– Creating a better environment pages 48-49</li> <li>– Stakeholder engagement, pages 24-27</li> <li>– TCFD report pages 58-63</li> <li>– Sustainability Report <a href="http://www.astonmartinlagonda.com">www.astonmartinlagonda.com</a></li> </ul>
Employees	<ul style="list-style-type: none"> <li>– Diversity and Inclusion Policy</li> <li>– Group Health and Safety Policy</li> <li>– Confidential Reporting Policy</li> <li>– Gender Pay Gap Report</li> <li>– Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>– Investing in people and opportunity pages 50-53</li> <li>– Audit and Risk Committee Report, pages 98-105</li> <li>– Directors' Remuneration Report, pages 108-122</li> <li>– Gender Pay Gap Report, page 53 and <a href="http://www.astonmartinlagonda.com">www.astonmartinlagonda.com</a></li> </ul>
Anti-Bribery and Corruption	<ul style="list-style-type: none"> <li>– Anti-Bribery and Corruption Policy</li> <li>– Group Conflicts of Interest Policy</li> <li>– Hospitality and Gifts Policy</li> <li>– Anti-Money Laundering Policy</li> <li>– Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>– Delivering the highest standards pages 56-57</li> <li>– Audit and Risk Committee Report, pages 98-105</li> <li>– <a href="http://www.astonmartinlagonda.com">www.astonmartinlagonda.com</a></li> </ul>
Human Rights	<ul style="list-style-type: none"> <li>– Anti-Slavery and Human Trafficking Policy</li> <li>– Modern Slavery Statement</li> <li>– Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>– <a href="http://www.astonmartinlagonda.com">www.astonmartinlagonda.com</a></li> </ul>
Stakeholder	<ul style="list-style-type: none"> <li>– Responsible Procurement Policy</li> <li>– Data Protection Policy</li> <li>– Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>– Exporting success pages 54-55</li> <li>– Stakeholder engagement, pages 24-27</li> <li>– s.172 Statement, pages 28-29</li> <li>– <a href="http://www.astonmartinlagonda.com">www.astonmartinlagonda.com</a></li> </ul>
Social	<ul style="list-style-type: none"> <li>– Environmental Policy</li> <li>– Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>– Creating a better environment pages 48-49</li> <li>– Exporting success pages 54-55</li> <li>– Stakeholder engagement, pages 24-27</li> </ul>
Non-Financial Key Performance Indicators		<ul style="list-style-type: none"> <li>– Key performance indicators, pages 34-35</li> <li>– Strategic Report, pages 1-70</li> </ul>
Principal Risks		<ul style="list-style-type: none"> <li>– Risk management pages 64-69</li> <li>– Business model, pages 30-31</li> </ul>
Business Model		<ul style="list-style-type: none"> <li>– Business model, pages 30-31</li> </ul>

# 02

# GOVERNANCE

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2023 Annual General Meeting

# Governance at a glance

Governance is essential to building a successful business that is sustainable for the longer term. Aston Martin is committed to ensuring and maintaining high standards of corporate governance to enhance performance and strengthen stakeholder confidence.

## BOARD GENDER STATISTICS

**27%**

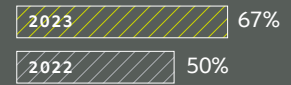
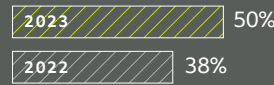
of our total Board is female (2022: 30%)

**50%**

of Board positions which are not shareholder nominated are held by women

**67%**

of our Independent Non-executive Directors are women



## BOARD NATIONALITY STATISTICS

British	7
American	4
Canadian	1
Italian	2
Saudi Arabian	1
Chinese	1



Natalie Massenet has dual British and American nationality

## OUR BOARD COMPOSITION

Shareholder Representative Directors (including the Executive Chairman)	7
Executive Directors	3
Independent Non-executive Directors	6



## BOARD SECTOR EXPERIENCE

Engineering	2
Automotive	3
Luxury brand	6
Finance/banking	4
Marketing/commercial	3
Legal	1
Human Resources	1



Some members of the Board have sector experience in more than one category

## OUR MAJOR SHAREHOLDERS %

Yew Tree Consortium*	25.32
Public Investment Fund*	17.06
Geely*	16.09
Mercedes-Benz*	8.90
Invesco	3.62
Lucid	3.44



\* Denotes a major shareholder with Board representation in accordance with the respective Relationship Agreement entered into between the Company and that shareholder.



**LAWRENCE STROLL**  
EXECUTIVE CHAIRMAN

#### DEAR SHAREHOLDER

I am pleased to introduce the Governance section of this year's Annual Report. In this section we provide detail on the Board's roles and responsibilities, an overview of the activities of the Board and our Committees over the year and our compliance with the UK Corporate Governance Code.

Our commitment to effective corporate governance supports the decisions we make to create long-term sustainable value for the benefit of all our stakeholders. Good governance also provides a platform for us to achieve cultural change and creates a balance of accountability and empowerment, in line with our values.

#### BOARD CHANGES

The composition of our Board has continued to evolve this year. We have welcomed two new Shareholder Representatives to the Board. As a result of Geely's investment in the Company, Daniel Li joined the Board in July. Cyrus Jilla joined the Board in October as a representative of Ernesto Bertarelli, a significant member of the Yew Tree Consortium. Both appointments are an important part of the Company's relationships with our strategic shareholders and I value the contribution and perspective that Daniel and Cyrus bring to our Board discussions.

Antony Sheriff stepped down from the Board at our Annual General Meeting in May to focus on his other directorships and commitments. As a result, Sir Nigel Boardman became our Senior Independent Director. I am very grateful for the support that Sir Nigel provides me in my role as Executive Chairman and his leadership of the Non-executive Directors.

In October we announced the appointment of Jean Tomlin as an Independent Non-executive Director and member of the Nomination Committee. Jean's HR background combined with her luxury and automotive sector experience will be of great benefit to the Board and I look forward to working with Jean in the year ahead.

#### BOARD INDEPENDENCE

The composition of our Board is unique. With the Board changes during the year, we now have seven Shareholder Representative Directors on the Board. As a result, we no longer meet the independence requirements of the UK Corporate Governance Code. However, I am comfortable that this does not present a governance issue. Our Shareholder Representative Directors are diverse and act independently of one another and all our Independent Non-executive Directors are highly experienced. To comply with the independence requirements of the Code would make our Board unwieldy and we need to maintain the Board at such a size to continue to promote effective discussion and decision making.

#### BOARD DIVERSITY

Recognising the unique composition of our Board, our Board Diversity Policy states that we seek to achieve and maintain 40% of Board positions which are not subject to shareholder appointments to be held by women. That percentage is currently 50%. Of our total Board positions, 27% are held by women. The Board is committed to achieving and maintaining diversity at Board level and throughout the business and will continue to monitor the progress being made.

#### BOARD EVALUATION

Due to the composition of the Board significantly changing again this year, we decided to undertake an internal Board evaluation again with the assistance of a third-party provider which assisted with the questionnaires and the analysis of the results and provided external benchmark data. More information on our Board evaluation is set out on pages 92-93.

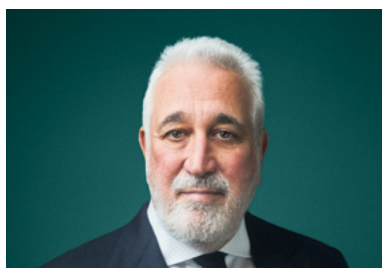
I would like to thank all the members of the Board for their significant efforts and valuable contributions during the year and take this opportunity to thank our employees, our customers, our shareholders and all our other stakeholders for your continued support.

Yours sincerely,

**LAWRENCE STROLL**  
EXECUTIVE CHAIRMAN

# Leading from the front

## EXECUTIVE DIRECTORS



**LAWRENCE STROLL**

Executive Chairman



**Appointed:** April 2020

**Nationality:** Canadian



**AMEDEO FELISA**

Chief Executive Officer



**Appointed:** May 2022

**Nationality:** Italian



**DOUG LAFFERTY**

Chief Financial Officer



**Appointed:** May 2022

**Nationality:** British

### Skills and relevant experience

Lawrence joined the Company as Executive Chairman after leading the Yew Tree Consortium investment in the Company in April 2020. Lawrence has a long career of acquiring and building luxury brands including Polo Ralph Lauren, Tommy Hilfiger and Michael Kors and brings his wealth of leadership and executive experience to the Board. He has also been an active investor in the automotive and motorsport sectors, leading a consortium to acquire the Force One India racing F1® team in 2018, which was subsequently rebranded as the Aston Martin F1® Team.

Lawrence is a shareholder representative of the Yew Tree Consortium.

### External appointments

- Co-owner Aston Martin Aramco Formula One® Team
- AMR GP Services Limited (Director)
- AMR GP Limited (Director)
- AMR Performance Group Limited (Director)

### Skills and relevant experience

Amedeo was appointed Chief Executive Officer in May 2022 having previously served on the Board as a Non-executive Director since July 2021. Amedeo brings to the Board his extensive automotive industry and technical and commercial experience. Amedeo spent 26 years of his career with Ferrari S.p.A in senior management roles, the last eight years of which as the Chief Executive Officer.

Prior to joining Ferrari, Amedeo was a product development team leader at Alfa Romeo S.p.A. Amedeo was awarded a degree in mechanical engineering from the Milan Polytechnic University.

### External appointments

- Atop S.p.A (Chairman)
- IMA Group (Senior Advisor to the Chairman)

### Skills and relevant experience

Doug was appointed Chief Financial Officer in May 2022. Prior to joining Aston Martin, Doug was the Chief Financial Officer of FTSE 250-listed fuel retailer Vivo Energy plc. He previously spent three years as Chief Financial Officer for Williams Grand Prix Holdings plc and 16 years in a wide range of senior finance and leadership roles at British American Tobacco.

Doug is a member of CIMA and holds a BSc Hons in Management Studies from Royal Holloway, University of London.

### External appointments

- None

### Key

● Chair ○ Observer

● A Audit and Risk Committee ● N Nomination Committee ● R Remuneration Committee ● S Sustainability Committee ● W Warrant Share Committee

## INDEPENDENT NON-EXECUTIVE DIRECTORS

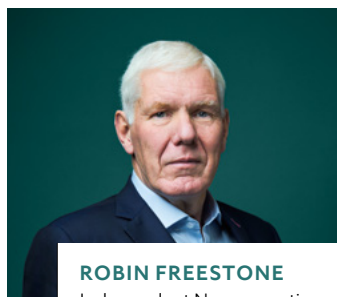
**SIR NIGEL BOARDMAN**

Senior Independent  
Non-executive Director



**Appointed:** October 2022

**Nationality:** British

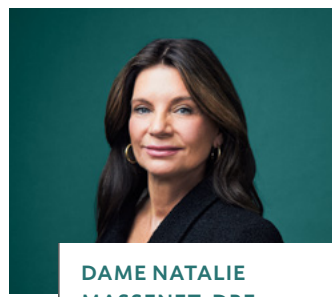
**ROBIN FREESTONE**

Independent Non-executive  
Director



**Appointed:** February 2021

**Nationality:** British

**DAME NATALIE  
MASSENET, DBE**

Independent Non-executive  
Director



**Appointed:** July 2021

**Nationality:** British/American

**MARIGAY MCKEE, MBE**

Independent Non-executive  
Director



**Appointed:** July 2021

**Nationality:** British

**Skills and relevant experience**

Sir Nigel joined the Board in October 2022 and became Senior Independent Non-executive Director in May 2023. Sir Nigel was partner at the law firm Slaughter and May from 1982 until 2019 specialising in mergers and acquisitions and corporate advisory and remained a consultant at the firm until 2022. Sir Nigel was awarded a Knighthood in the Queen's Birthday Honours List in June 2022 for services to the legal profession. Sir Nigel is Chair of Help for Heroes, a military veterans charity, is Trustee and Chair designate of The Medical College of Saint Bartholomew's Hospital Trust, is Trustee Emeritus and member of the audit committee for the British Museum and is Deputy Chair of the London Philharmonic Orchestra.

**External appointments**

- Arbuthnot Latham (Chair)
- Arbuthnot Banking Group (Non-executive Director)
- Mile Group Unlimited (Chair)
- Glyde Group Unlimited (Chair)

**Skills and relevant experience**

Robin is a qualified chartered accountant, with significant financial, management, business transformation and diversification experience within leading UK-listed global businesses. Previously, Robin held a number of senior executive finance roles in the industrial sector (1985-2004) with ICI plc, Amersham International plc and Henkel Ltd where he was the Chief Financial Officer. He subsequently joined the publishing company Pearson plc in 2004, the last nine years of which he served as its Chief Financial Officer.

Robin has wide Non-executive Director experience and was previously a Non-executive Director at eChem Limited, Chair of the 100 Group and Senior Independent Director and Chair of the Audit Committee of Cable & Wireless Communications plc.

Robin holds a BA in Economics from Manchester University.

**External appointments**

- Moneysupermarket.com (Chair and Nomination Committee Chair)
- Capri Holdings Limited (Lead Director)

**Skills and relevant experience**

Natalie brings her wealth of luxury retail sales, marketing and commercial experience to the Board. Natalie is the co-founder and managing partner of Imaginary Ventures, a capital firm focusing on innovations at the intersection of retail and technology. Previously, Natalie revolutionised luxury retail when she founded Net-a-Porter in 1999, and subsequently, the Outnet and Mr Porter growing the group of brands into one of the world's most influential fashion businesses. Natalie has also held several non-executive and advisory positions as a Director of NuOrder Inc (2021), a Director and Co-Chairman of Farfetch Inc (2017-2020) and the Chairman of British Fashion Council (2012-2017).

In 2016 Natalie was made Dame Commander of the British Empire in recognition of her contributions to the UK fashion and retail industry.

**External appointments**

- Imaginary Ventures (Managing Partner)
- Everlane Inc (Director)
- EON Group Holdings Inc (Non-executive Director)

**Skills and relevant experience**

Marigay has extensive retail sales, marketing and luxury brand experience. In 2018, Marigay co-founded Fernbrook Capital LLC, a venture fund based in New York and Los Angeles, specialising in consumer tech. Marigay started her career at Estée Lauder in Europe, and then joined Harrods in 1999 as Head of its beauty department. In her 14 years at Harrods, she spent the last six years as Chief Merchant Officer where she developed and executed a strategic vision to make Harrods the gold standard for the exclusive launch of luxury and premium brands. In 2013, Marigay joined Saks Fifth Avenue in New York as its President rebuilding Saks' luxury launch platform for new and emerging and international brands.

In the 2022 Queen's New Year Honours List, Marigay was awarded an MBE in recognition of her services to British retail overseas.

**External appointments**

- Fernbrook Capital LLC (Director)
- EShopWorld (Advisory Council Member)
- The Webster (Board Member)

INDEPENDENT NON-EXECUTIVE DIRECTORS CONTINUED



**DR. ANNE STEVENS**  
Independent Non-executive Director  
A N R S  
**Appointed:** February 2021  
**Nationality:** American

**WORKFORCE ENGAGEMENT DIRECTOR**

**Skills and relevant experience**  
Anne brings to the Board significant operational, commercial and transformational experience in global businesses. Anne is an engineer and started her career in the chemical industry with Exxon Corporation before moving to automotive with the Ford Motor Company (1990-2006). During her 16-year tenure at Ford, Anne held a number of senior positions, culminating in her being the Chief Operating Officer for the Americas. On retiring from Ford, Anne joined Carpenter Technology Corporation (2006-2009) as its Chairman, President and Chief Executive Officer. Anne has extensive Non-executive Director experience and has previously served as Chairman, CEO and Principal of SA IT (2011-2014), as a Non-executive Director on the board of XL Group and Lockheed Martin before joining GKN plc as a Non-executive Director where she was briefly CEO during the hostile takeover by Melrose plc in 2018. Anne received a BS in Materials and Mechanical Engineering from Drexel University in 1980 and was elected to the National Academy of Engineering in 2004.

- External appointments**
- Harbour Energy plc (Non-executive Director and Remuneration Committee Chair)

**Key**  
● Chair ○ Observer

● A Audit and Risk Committee ● N Nomination Committee ● R Remuneration Committee ● S Sustainability Committee ● W Warrant Share Committee



**JEAN TOMLIN, OBE**  
Independent Non-executive Director  
N  
**Appointed:** October 2023  
**Nationality:** British

**Skills and relevant experience**  
Jean joined the Board in October 2023 as an Independent Non-executive Director.

Jean is the founder and CEO of Chanzo Limited, a firm that provides consulting, operational delivery and international recruitment services to major event and sport sectors.

Jean served as Director of Human Resources of the London Organising Committee of the Olympic and Paralympic Games from 2006 to March 2013. Jean was also the Group HR Director at Marks & Spencer plc and prior to that she spent 15 years at Prudential plc and nine years at Ford Motor Company in various human resources management positions.

- External appointments**
- Chanzo Limited (CEO)
  - Capri Holdings Limited (Non-executive Director)
  - Hakluyt & Company Ltd (Non-executive Director)

SHAREHOLDER REPRESENTATIVE DIRECTORS



**MICHAEL DE PICCIOTTO**  
Non-executive Director, Representative of the Yew Tree Consortium  
A W  
**Appointed:** April 2020  
**Nationality:** Italian

**Skills and relevant experience**  
Michael is a prominent investor and businessman who has extensive experience in investments, management and finance.

Michael started his career at RBC Dominion Securities, a global Canadian investment bank before joining Union Bancaire Privée (UBP), a family-owned Swiss private bank in London and Geneva where he worked for 27 years until 2015. During his tenure at UBP, Michael held a number of senior leadership positions including responsibility for UBP's global financial activities. He also served as a long-standing member of the Executive Board of UBP.

In March 2016 Michael became a large shareholder and the Vice-Chairman of the Supervisory Board of Engel & Völkers AG, a Hamburg-based leading global real estate group, which was sold in August 2021 to the investment fund Permira.

In 2018, Michael joined a consortium of investors to buy out what would become the Aston Martin Formula One team and in 2020 joined the Yew Tree Consortium in the acquisition of its stake in Aston Martin.

Michael studied at the Ecole des Hautes Etudes Commerciales at the University of Lausanne.

- External appointments**
- AMR GP Holdings Limited (Director)
  - AMR Performance Group Limited (Director)



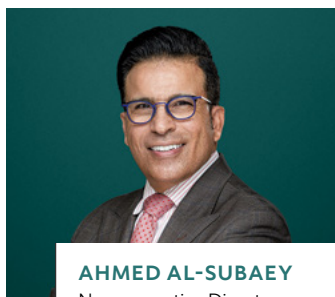
**FRANZ REINER**  
Non-executive Director, Representative of Mercedes-Benz AG  
A N R  
**Appointed:** July 2021  
**Nationality:** American

**Skills and relevant experience**  
Franz has been the CEO of Mercedes-Benz Mobility AG since June 2019. The company finances and leases every second vehicle delivered by Mercedes-Benz. Under his management, Mercedes-Benz Mobility has established itself viable for the future with its three core financial services activities, fleet management and digital mobility solutions. Since joining the company in 1992, the industrial engineer has held various positions, including Head of Sales & Marketing and Member of the Board of Management for the private and corporate customer business of Mercedes-Benz Bank. In 2009, Franz Reiner was appointed to the Management Board of Mercedes-Benz Mobility – initially responsible for the Americas region, and from 2011 for the Europe region.

- External appointments**
- Mercedes-Benz Mobility AG (CEO and Chairman of the Board)
  - VfB Stuttgart 1983 AG (Supervisory Board Member)
  - Mercedes-Benz Leasing Deutschland GmbH (Supervisory Board member)
  - Allianz Global Corporate and Speciality SE (Advisory Council)



SHAREHOLDER REPRESENTATIVE DIRECTORS CONTINUED



**AHMED AL-SUBAEY**

Non-executive Director:  
Representative of the  
Public Investment Fund

**Appointed:** November 2022  
**Nationality:** Saudi

**Skills and relevant experience**

Ahmed joined the Board as Representative Non-executive Director of the Public Investment Fund in November 2022.

Ahmed is Chief Executive Officer of Bahri, the National Shipping Company of Saudi Arabia, which is listed on the Saudi Stock Exchange. He was previously the CEO of S-Oil in South Korea and has held various leading roles in Saudi Aramco, most recently Vice President for Marketing, Sales and Supply Planning. Ahmed holds a BSc and Masters degree in electrical engineering from the University of Arizona and an executive MBA from Stanford University.

**External appointments**

- Bahri (CEO)



**SCOTT ROBERTSON**

Non-executive Director:  
Representative of the  
Public Investment Fund



**Appointed:** November 2022  
**Nationality:** American

**Skills and relevant experience**

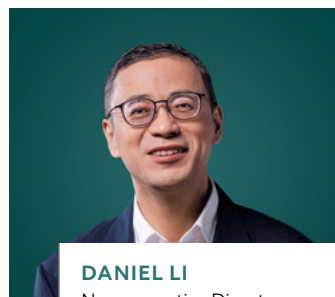
Scott joined the Board as Representative Non-executive Director of the Public Investment Fund in November 2022.

He is a Senior Director and the Head of Public Investments in the International Investments Division at the Public Investment Fund (PIF) of the Kingdom of Saudi Arabia.

Prior to joining the Public Investment Fund in 2018, Scott worked in various investment positions at Soros Fund Management, Paulson & Co. and Stonepeak Partners. Scott holds a Bachelor of Arts in Economics from Cornell University, where he graduated Phi Beta Kappa.

**External appointments**

- Public Investment Fund (Senior Director)



**DANIEL LI**

Non-executive Director:  
Representative of Geely



**Appointed:** 28 July 2023  
**Nationality:** Chinese

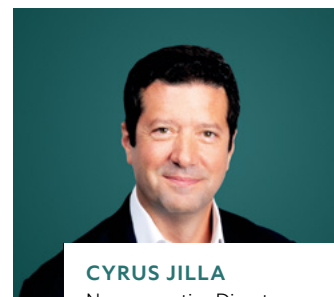
**Skills and relevant experience**

Daniel joined the Board as Representative Non-executive Director of Geely in July 2023.

Daniel is currently the Chief Executive Officer of Geely Holding Group having joined Geely in April 2011 as Vice President and Chief Financial Officer. Daniel is also a member of the Board of Volvo Cars and Polestar.

**External appointments**

- Geely Automotive Holdings Co. Limited (CEO)
- Polestar Automotive Holding UK PLC (Member of the Board)
- Volvo Car AB (Member of the Board)
- Lotus Technology Inc. (Chairman of the Board)
- YTO International Express and Supply Chain Technology Limited (Independent Non-executive Director)



**CYRUS JILLA**

Non-executive Director:  
Representative of Ernesto  
Bertarelli

**Appointed:** 27 October 2023  
**Nationality:** British

**Skills and relevant experience**

Cyrus joined the Board in October 2023 representing Ernesto Bertarelli, a significant member of the Yew Tree Consortium.

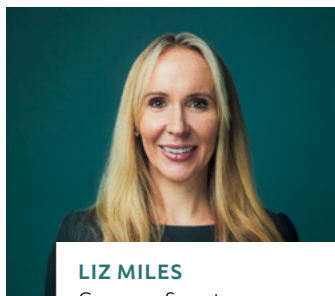
Cyrus is Group Managing Partner at B-FLEXION, a private investment firm, overseeing their portfolio of operating businesses and investment partnerships.

Prior to joining B-FLEXION, Cyrus was, most recently, a President and Officer at Fidelity International Limited (FIL), where he had primary responsibility for FIL's proprietary investments.

**External appointments**

- B-FLEXION (Group Managing Partner)

COMPANY SECRETARY



**LIZ MILES**

Company Secretary

**Appointed:** June 2022  
**Nationality:** British

**Skills and relevant experience**

Liz joined Aston Martin as Company Secretary in June 2022. Liz is a solicitor and company secretary with significant experience of listed company governance and compliance.

Prior to joining Aston Martin, Liz was Company Secretary at Landsec, a FTSE 100 property investment and development company, having previously worked at Vodafone Group Plc in a

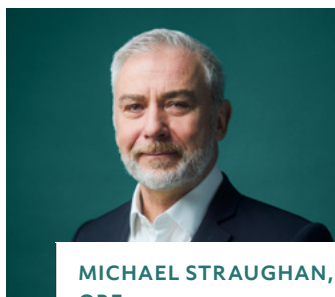
variety of legal and company secretariat roles and prior to that in private practice at Linklaters. Liz is a Fellow of the Chartered Governance Institute.

The Company Secretary provides advice and support to the Board, its Committees and the Chairman, and is responsible for corporate governance across the Group.

The appointment and removal of the Company Secretary is a matter for the Board as a whole.

GOVERNANCE  
EXECUTIVE COMMITTEE

Our Executive Committee is made up of our Executive Chairman, Chief Executive Officer, Chief Financial Officer (details of whom are set out on page 76) and the Chief roles set out below.



**MICHAEL STRAUGHAN, OBE**  
Executive Consultant to the CEO  
**Appointed:** December 2020  
**Nationality:** British

Michael joined the business in December 2020 and having previously served as the Chief Operating Officer responsible for all manufacturing operations for the Company, is now Executive Consultant to the CEO.

Michael has over 30 years of automotive experience, holding senior positions in Nissan, Volvo Cars, LDV and Jaguar Land Rover, then joining the Board of Bentley Motors before becoming the Chief Operating Officer of luxury yacht manufacturer Sunseeker in 2017.

Michael has a proven track record of delivery, turnaround and restructuring, creating shareholder value.

Michael has a BSc in Engineering and is a Fellow of the Institution of Engineering and Technology. He received an OBE in the King's Birthday Honours list in 2023 for Services to the UK Automotive Industry.



**MAREK REICHMAN**  
Chief Creative Officer  
**Appointed:** May 2005  
**Nationality:** British

Marek joined Aston Martin Lagonda in 2005 and is the Chief Creative Officer responsible for all design developments for the Company. During his professional career he has held design roles at Ford, BMW, Land Rover, Rover Cars and Nissan and Chief Designer for the reinvention of Rolls-Royce Motor Cars. Prior to joining Aston Martin Lagonda, he was Design Director at Ford North America.

Marek holds a BA in Industrial Design from Teesside University and an MDes in Vehicle Design from the Royal College of Art, London. In 2011, Marek received an honorary doctorate from Teesside University.



**MARCO MATTIACCI**  
Chief Global Brand and Commercial Officer  
**Appointed:** October 2021  
**Nationality:** Italian

Marco joined the business in October 2021 and is the Chief Global Brand and Commercial Officer of Aston Martin Lagonda, responsible for all sales and marketing and communications for the Company.

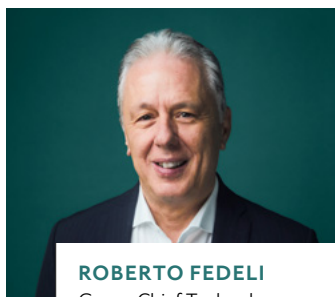
Marco has over 30 years of automotive experience gained all over the world. Marco spent the first ten years of his career at Jaguar Cars in the UK and then moved to Ferrari, where he spent over 15 years in the roles of CEO of Ferrari North America, CEO of Ferrari Asia Pacific and Managing Director and Team Principal of the Scuderia Ferrari Formula One™ racing team. In 2016, Marco joined Faraday Future in the USA, as its Global Chief Brand Officer and Chief Commercial Officer. Upon leaving Faraday in 2017, Marco advised automotive clients with McKinsey & Company.



**VINCENZO REGAZZONI**  
Chief Industrial Officer  
**Appointed:** April 2023  
**Nationality:** Italian

Vincenzo is Chief Industrial Officer of Aston Martin and was appointed in 2023 to oversee all manufacturing operations.

Working as an advisor to Aston Martin prior to his appointment, Vincenzo has more than two decades of experience in the low volume, ultra-luxury automotive segment, including his most recent position as Chief Manufacturing Officer of Ferrari.

**ROBERTO FEDELI**

Group Chief Technology Officer

**Appointed:** June 2022  
**Nationality:** Italian

Roberto is Group Chief Technology Officer at Aston Martin Lagonda, leading the engineering team, having joined the Company in June 2022.

Roberto is a proven leader in the luxury high-performance sports cars sector. He is considered the creator of Ferrari LaFerrari, the Italian company's first hybrid supercar as well as some of its most iconic models during his 26 year tenure.

Roberto brings his extensive knowledge, passion for innovation and his most recent experiences in the implementation of electrification technologies during his time at BMW.

Roberto holds a Master's degree in Aerospace.

**GIORGIO LASAGNI**

Chief Procurement Officer

**Appointed:** January 2023  
**Nationality:** Italian

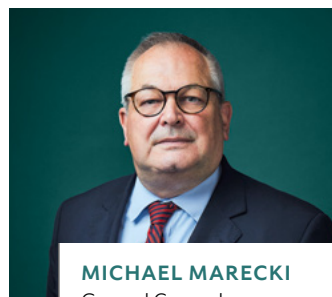
Giorgio joined Aston Martin in January 2023 to lead the procurement function. Giorgio has extensive experience of procurement and supply chain management and strategy.

Giorgio joined Aston Martin from Zoppas Industries S.p.A, an Italian heating element company where he was Global Purchasing and Supplier Development Director and redesigned the purchasing and supplier development functions. Prior to that Giorgio was at Robur S.p.A, and Candy Hoover Group S.p.A, holding a number of Business Unit Director and procurement positions.

Giorgio spent just under eight years of his career at Ferrari S.p.A, holding a variety of roles including

Purchasing and Supplier Development Director and Ferrari & Maserati Engine Manufacturing Director.

Giorgio holds a Master's degree in Architecture from the Politecnico of Milan.

**MICHAEL MARECKI**

General Counsel

**Appointed:** July 2007  
**Nationality:** American

Michael joined Aston Martin Lagonda in July 2007 and is the General Counsel. Michael is responsible for all legal and regulatory matters for the Company.

Prior to his current position, Michael worked for the Ford Motor Company Inc (1988-2007), latterly as the Assistant General Counsel, Environment and Safety.

Michael holds a Juris Doctor from Georgetown University Law Center and a Bachelor of Arts from Fordham University.

**SIMON SMITH**

Chief People officer

**Appointed:** April 2022  
**Nationality:** British

Simon joined Aston Martin Lagonda in April 2022 as Chief People Officer.

Simon has extensive HR experience across the engineering and manufacturing sector, starting his career with Peugeot and spending a significant part of his career at both Alstom and Rolls-Royce. More recently Simon has held transformation and strategy leading HR roles at Johnson Matthey and Legal and General Modular Homes.

Simon is a fellow of the CIPD, is a qualified Executive Coach and holds a BA Hons in Politics and International Relations from Lancaster University.

## Leadership and governance

### OVERVIEW

This Report sets out the Board's corporate governance structures and work from 1 January 2023 to 31 December 2023. Together with the Directors' Remuneration Report on pages 108-122, it includes details of how the Company has applied and complied with the principles and provisions of the 2018 UK Corporate Governance Code (the "Code"). The Code is published by the Financial Reporting Council ("FRC") and further information can be found on its website ([www.frc.org.uk](http://www.frc.org.uk)). The Code is supported by the FRC's Guidance on Board Effectiveness, which the Board uses to support its approach to governance and decision-making.

### COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The Code requires companies to describe in their annual report how they have applied the main principles of the Code and also any areas where companies do not comply with the Code provisions. The Directors consider that the Company has been compliant with the Code provisions as applied during the year ended 31 December 2023, other than the exceptions as set out below. It is noted that the composition of the Board is impacted by the rights of the significant shareholders under their respective Relationship Agreements (see the Directors' Report, page 126).

*Code provision 9 recommends that the chair should be independent on appointment.* Lawrence Stroll assumed the position of Executive Chairman in April 2020 and was not independent on appointment as he is a member of the Yew Tree Consortium, a major shareholder. His appointment was a condition of the Yew Tree Consortium's investment in the Company and was in accordance with the Relationship Agreement entered into between the Company and the Yew Tree Consortium. The Nomination Committee and the Board consider that Lawrence Stroll has demonstrated objective judgement throughout his tenure and him continuing in the role of Executive Chairman for the foreseeable future is in the best interests of the Group and its stakeholders in order to utilise his proven leadership qualities and his significant experience in building luxury brands. He has offered himself for re-election every year since his appointment and shareholders have overwhelmingly voted in favour of his re-election. In the Board's opinion, the Company's governance checks and balances are strong and effective:

- the Executive Chairman is subject to challenge from the Company's Senior Independent Director, the Executive Directors and the Independent Non-executive Directors; and
- there is a clear division between the responsibilities of the Executive Chairman, the Senior Independent Director, the Executive Directors and the Independent Non-executive Directors, which ensures accountability and oversight.

*Code provision 11 recommends that at least half the Board, excluding the Chair, should be independent.* Excluding the Chair, 43% of the Board is independent which falls below the recommended threshold of the Code. This was as a result of two further Shareholder Representatives (Daniel Li representing Geely and

Cyrus Jilla representing Ernesto Bertarelli, a significant member of the Yew Tree Consortium) joining the Board in 2023. The Board needs to balance the independence requirement with the overall size of the Board in order to ensure that effective discussion and decision making is facilitated. The Board is now comprised of 15 Directors and the Board has concluded, upon recommendation of the Nomination Committee, that to add further Independent Non-executive Directors could negatively impact the Board's effectiveness. The Board is confident that the independent decision making of the Board is not impacted by its Board composition as the Shareholder Representatives are diverse and act independently of one another and the Independent Non-executive Directors are all highly skilled and experienced. The composition of all the Board Committees are compliant with the independence requirements of the Code.

*Code provision 21 recommends that the chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years.* The Board evaluation was due to be externally facilitated in 2021 but with the extensive number of Board changes in the year it was considered that this would be of limited benefit. Due to more Board changes in 2022, with a new Chief Executive Officer, a new Chief Financial Officer, a new Independent Non-executive Director and two new Shareholder Representative Directors joining the Board, the Board concluded once again there would be little value in an externally facilitated evaluation. Therefore it was agreed that a rigorous internal evaluation would be carried out for 2022, with the assistance of a third-party survey which provided a platform for more meaningful analysis of results. Due to the further changing dynamics of the Board during 2023 with two more Shareholder Representatives joining the Board and a new Independent Non-executive Director, the Board concluded to repeat an internal evaluation in 2023 using the same third-party platform for the survey. Further details can be found on pages 92-93. During 2024, the Board will take a decision, upon the recommendation of the Nomination Committee, as to the best method of Board evaluation for 2024, taking all relevant factors at the time into account.

### EFFECTIVE BOARD AND ITS ROLE

The Board is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to the Board. The Directors and their biographies and skills and experience are set out on pages 76-79. Details of the changes to the Board during 2023 are set out on page 75. At the date of this Report the Board comprised 15 members: the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and 12 Non-executive Directors, of whom six are considered independent for the purposes of the Code.

The Directors are appointed by the Board and are subject to annual re-election by shareholders. The Company's significant shareholder groups, in line with the respective Relationship Agreements, have nominated Directors who have been appointed to the Board; further details of these arrangements are set out on page 126 of the Directors' Report. The Board is satisfied that there is a sufficient balance between Executive and Non-executive Directors on the Board to ensure that no one individual has unfettered decision-making powers and that Directors are able to discharge their duties and responsibilities.

## GOVERNANCE FRAMEWORK

The Company's corporate governance framework is set out on pages 85-87 and provides an overview of the roles of the Board, its Committees and members of the Executive Committee which provides clear lines of accountability and responsibility. The Board and its Committees have established terms of reference that set out specific responsibilities and matters for approval. The terms of reference are available for review on the Company's website at [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com). Reports from each of these Committees are provided in this governance report.

**A total of ten Board meetings were held during the year: six scheduled and four unscheduled. Attendance is set out below.**

Lawrence Stroll <sup>1</sup>	10/10
Amedeo Felisa <sup>2</sup>	9/10
Doug Lafferty	10/10
Ahmed Al-Subaey <sup>3</sup>	8/10
Sir Nigel Boardman <sup>4</sup>	9/10
Michael de Picciotto <sup>5</sup>	9/10
Robin Freestone	10/10
Natalie Massenet <sup>6</sup>	6/10
Marigay McKee	10/10
Franz Reiner <sup>7</sup>	9/10
Scott Robertson	10/10
Anne Stevens <sup>8</sup>	9/10

### New Directors

Daniel Li <sup>9</sup>	1/3
Cyrus Jilla	3/3
Jean Tomlin	3/3

### Former Directors

Antony Sheriff <sup>10</sup>	2/3
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- 1 Lawrence Stroll was recused from one meeting due to a conflict of interest.
- 2 Amedeo Felisa missed one unscheduled Board meeting due to the meeting being called at very short notice.
- 3 Ahmed Al-Subaey missed two unscheduled Board meetings due to the meetings being called at very short notice.
- 4 Sir Nigel Boardman missed one unscheduled Board meeting due to the meeting being called at very short notice.
- 5 Michael de Picciotto missed a scheduled Board meeting in December due to disrupted travel. He was also recused from one meeting due to a conflict of interest.
- 6 Natalie Massenet missed three unscheduled Board meetings due to the meetings being called at very short notice and the Board Strategy Day due to personal circumstances.
- 7 Franz Reiner missed one unscheduled Board meeting due to the meeting being called at very short notice.
- 8 Anne Stevens missed one unscheduled Board meeting due to the meeting being called at very short notice.
- 9 Daniel Li missed one unscheduled Board meeting due to the meeting being called at very short notice and one scheduled Board meeting due to other commitments which were pre-existing prior to Daniel joining the Board.
- 10 Antony Sheriff was absent for one scheduled Board meeting.

## THE BOARD'S TERMS OF REFERENCE STATE THAT IT MUST CONSIDER AND APPROVE THE FOLLOWING:

The Group's strategic aims, objectives and commercial strategy
Review of performance relative to the Group's business plans and budgets
Major changes to the Group's corporate structure, including acquisitions and disposals
The system of internal controls and Risk Management Policy
Major changes to the capital structure including tax and treasury management
Major changes to accounting policies or practices
Financial statements and the Group dividend policy including any recommendation of a final dividend
The Group's corporate governance and compliance arrangements
The Group's risk appetite

In instances where unscheduled Board meetings were called upon short notice, following the meeting the Company Secretary updated any Board members unable to attend and the Directors were invited to provide any comments or observations to the Executive Chairman.

An agenda and accompanying pack of detailed papers are circulated to the Board in advance of each Board meeting. All Directors are able to request additional information on any of the items to be discussed. Additionally, Directors have access to the advice and services of the Company Secretary and independent and professional advice at the Company's expense should they determine that this is necessary to discharge their duties.

All Board and Committee meetings are minuted and formally approved at the next meeting. Board minutes contain details of the Directors' decision-making processes and any follow-up actions or concerns raised by the Directors. The Executive Chairman works closely with the Company Secretary to plan and schedule Board and Committee meetings and to make quality information available in a timely fashion.

## DISCLOSURE COMMITTEE

The Board delegates responsibility for the final approval of its financial results disclosures and Annual Report to the Disclosure Committee. The Disclosure Committee is also responsible for the identification and disclosure of inside information. The Disclosure Committee is chaired by the Chief Financial Officer with the Chief Executive Officer, General Counsel, Company Secretary, Head of Investor Relations, Director of Internal Audit & Risk, Group Financial Controller and the Director of Financial Planning & Analysis as members of the Committee.

## GOVERNANCE STRUCTURE

### THE BOARD

The role of the Board is to promote the long-term success of the Company, generating value for shareholders and contributing to wider society by providing effective leadership and direction to the business as a whole. It sets the Group's strategy and ESG strategy, having regard to stakeholders, while maintaining a balanced approach to risk within a framework of effective controls. It has also established the Company's purpose and values and monitors culture to ensure alignment. It sets the tone and approach to corporate governance and is responsible for the overall financial performance of the Group.

### BOARD COMMITTEES

#### Nomination Committee

Reviews Board composition and diversity, proposes new Board appointments and reviews succession planning and talent development.

#### Audit and Risk Committee

Oversees the Group's financial reporting and reviews the integrity of the Group's Financial Statements, the adequacy and effectiveness of the Group's systems of internal control and risk management, and maintains the relationship with the External Auditor.

#### Warrant Share Committee

Responsible for approval of the allotment and the issue of Warrant Shares in accordance with the terms of the Warrant Instrument. The Warrant Share Committee meets as required. For information on warrants exercised during the year, see page 206.

#### Remuneration Committee

Determines the Directors' Remuneration Policy and sets remuneration for the Executive Chairman, Executive Directors and Group Executive Committee taking into account wider Group remuneration policies. Approves performance-linked pay schemes and share incentive plans.

#### Sustainability Committee

Oversees the Company's ESG strategy and broader stakeholder engagement on behalf of the Board.

### EXECUTIVE COMMITTEE

The Board delegates the execution of the Company strategy and the day-to-day running of the business to the Executive Committee. The Executive Committee meets twice a month. One meeting is focused on operations and the other meeting is focused on performance.

## TRANSACTION COMMITTEES OF THE BOARD

For practical reasons, the Board delegated authority for final approval of the Geely investment, the placing and the Lucid strategic supply arrangement to a Transaction Committee of the Board consisting of Lawrence Stroll, Sir Nigel Boardman, Doug Lafferty and Michael de Picciotto. The Transaction Committee met a total of seven times to discuss and ultimately approve these transactions.

## INDEPENDENCE OF THE BOARD

The Board has identified which Directors are considered to be independent on pages 77-79. As at 31 December 2023, 43% of the Board (excluding the Chair) are Independent Non-executive Directors. The Independent Non-executive Directors play an important role in ensuring that no individual or group dominates the Board's decision-making. The Board has reconfirmed that the Independent Non-executive Directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgement. For further information on independence of the Board please refer to pages 95-96 in the Nomination Committee Report.

## Relationship Agreements

At the start of the financial year, the Company had three groups of significant shareholder, the Yew Tree Consortium, Mercedes-Benz AG and the Public Investment Fund. In May 2023, Geely became a significant shareholder. The relationships between the Company and each of these significant shareholder groups are governed by separate Relationship Agreements. The purpose of these Relationship Agreements is to ensure that the Company can carry on its business independently and for the benefit of shareholders as a whole.

Each of the Relationship Agreements provides that each significant shareholder group is entitled to nominate Director(s) to the Board and the Nomination Committee and an observer to each of the Remuneration and Audit and Risk Committees subject to the size of its interest in the voting rights of the Company. The Relationship Agreements also provide that the Company will not take any action in relation to certain significant matters without the prior approval of at least two-thirds of members of the Board present and entitled to vote. Further information on the Relationship Agreements is set out in the Directors' Report on page 126.

## DIVISION OF RESPONSIBILITIES

There is clear division between Executive and Non-executive responsibilities which ensures accountability and oversight. The roles of Chairman and Chief Executive Officer are separately held and their responsibilities are well defined, set out in writing and regularly reviewed by the Board.

### EXECUTIVE CHAIRMAN

The Executive Chairman, Lawrence Stroll, is responsible for leading and managing the business of the Board primarily focused on strategy, performance, value creation and accountability, setting and sustaining the culture and purpose of the Company and ensuring the Board's overall effectiveness, governance and Director succession planning. He also ensures the effective communication between the Board, management, shareholders and the Company's wider stakeholders. The Executive Chairman works collaboratively with the Chief Executive Officer, Amedeo Felisa, in constructively challenging and helping to develop proposals on strategy, setting the Board agenda and ensuring that any actions agreed by the Board are effectively implemented.

### CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, Amedeo Felisa, is responsible for developing, implementing and delivering the agreed strategy and for the operational and strategic management of the Company. He is also responsible for supporting Directors' induction into the business by providing the necessary resources for developing and updating their knowledge and capabilities concerning the Company, including access to Company operations and members of the workforce.

### CHIEF FINANCIAL OFFICER

The Chief Financial Officer, Doug Lafferty, is a member of the Executive Committee team and reports to the Chief Executive Officer. His role is to lead the financial management, risk, investor relations and internal control teams and to oversee the Company's relationship with the investment community.

### SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director, Sir Nigel Boardman, supports the Executive Chairman in his role and leads the Non-executive Directors. The Senior Independent Director is also available as an additional point of contact for shareholders.

### WORKFORCE NON-EXECUTIVE DIRECTOR

The designated Non-executive Director gathering the views of the workforce during the year was Anne Stevens. Views are gathered by attendance at key employee and business events, reviewing the outcome of employee surveys and monitoring the effectiveness of employee engagement programmes.

### COMPANY SECRETARY

The Company Secretary, Liz Miles, acts as secretary to the Board and each of the Committees. She is responsible for supporting the Executive Chairman and the Board in delivering the Company's corporate governance agenda.

## Board activities

The Board met during the year for six scheduled Board meetings, including a Board Strategy Day and an additional four unscheduled meetings. The four unscheduled Board meetings, were convened to discuss the investment in the Company by Geely, the placing and repayment of debt and the strategic arrangement with Lucid. Transaction Committees of the Board were established to discuss these transactions in further detail and the Board delegated authority to the Transaction Committee to provide final approval for the transactions.

At every Board meeting the Board receives a report from the CEO updating it on brand, marketing, communications and sales, operations, procurement, engineering and people. The CFO also provides a report at every meeting on latest financial performance. The Chairs of the Committees update the Board on significant matters discussed at their Committees.

The Board's key activities during the year are set out over the next two pages. The Company's Section 172 Statement can be found on pages 28-29.

Board attendance for 2023 is set out on page 83.

## 2023

FEBRUARY

### Full year results

- Approval of preliminary results announcement, including going concern and viability analysis
- Approval of Investor Presentation
- Approval of Annual Report

MAY

### Annual General Meeting

Annual General Meeting of shareholders held providing an overview of 2022 financial and operational performance.

Articles of Association amended to allow general meetings, including annual general meetings to be held electronically as well as physically.

### Q1 Results

- Approval of the Q1 results announcement and investor presentation
- Update on Geely proposed investment
- Plans for Annual General Meeting

MAY

### Investment by Geely

The Board approved investment by Geely to become the third largest shareholder in Aston Martin and entry into a Relationship Agreement between the Company and Geely which provided Geely with a right to nominate a Shareholder Representative Director to the Board.

### Board Strategy Day

The Board met in Gaydon for in-depth discussions with management on brand and product, engineering, procurement, manufacturing, people, ESG and finance.

The Board also enjoyed a design studio tour and a tour of the factory.



JUNE

## Strategic arrangement with Lucid

The Board approved the Company entering into a strategic supply agreement with Lucid to support its future battery electric vehicle, subject to shareholder approval and the satisfaction of certain regulatory and other conditions.

Related to this, the Board approved an amendment and restatement of the Strategic Co-operation Agreement with Mercedes-Benz AG, under which the original agreement to issue additional Aston Martin shares to Mercedes-Benz in exchange for access to further technology was replaced with a restated commitment to the existing strategic collaboration allowing the parties to discuss future access to technology for cash.

## Capital Markets Day

Aston Martin's senior management team showcased its exciting new and upcoming product range and gave presentations covering operational excellence, supplier strategy, sustainability, vehicle platforms, electrification, commercial strategy and branding.

OCTOBER

## Q3 results

- Approval of Q3 results announcement and presentation
- Approval of part repayment of second lien debt
- Government affairs strategy update
- Approval of 2023/24 insurance programme

JULY

## Half year results

- Approval of half year financial results announcement and investor presentation
- Update on Lucid transaction

DECEMBER

## Governance and preparations for year end

- Reviewed and adopted revised Committee Terms of Reference and Matters Reserved for the Board
- Conducted the annual Board evaluation in respect of the effectiveness of the Board and its Committees and discussed the output of the review

SEPTEMBER

## General Meeting to approve Lucid transaction

Shareholder meeting to approve the related party transaction and issue of shares to Lucid.

This was the first General Meeting to be held virtually following the amendment to the Company's Articles of Association at the AGM in May.

SEPTEMBER

## Board visit to the Monza Grand Prix

In September, the Board met informally at the Monza Grand Prix. The Board enjoyed two days at the track and a Board dinner on the Saturday evening.



“ Spending time with other members of the Board informally is extremely valuable to build relationships and understanding of individual Board members’ skills and experience”

NON-EXECUTIVE DIRECTOR



## Board and workforce engagement

MARCH

### Board/Employee coaching sessions

In conjunction with International Women's Day in March, members of the Board offered their time for 1-1 coaching sessions with employees of all levels. This was a great opportunity for employees to hear about Board members' careers and experiences and to gain some tips on how to navigate the challenges and opportunities of the corporate world.

It also enabled the Board members involved to get an insight into employee experience at Aston Martin and a sense of culture.



## 2024

MAY

### Board Strategy Day

Holding the Board Strategy Day at Gaydon in May allowed the Board to engage with a number of employees below Executive Committee level, many of these individuals formally presenting to the Board and there was also time to informally meet with the Board.

During the tours of the Design Studio and Factory, the Board was able to see employees in their work environment and ask any questions.



MARCH 2024

### Designated workforce Non-executive Director

With effect from March 2024, Jean Tomlin has taken over from Anne Stevens as our designated Workforce Non-executive Director. We are working with Jean to establish a programme of Board/employee engagement events for 2024 which we will report on in next year's report. For further information on workforce engagement see pages 50-53.



**SHAREHOLDER ENGAGEMENT**

The Board is committed to maintaining good communications with existing and potential shareholders. Shareholders play a valuable role in safeguarding the Group's governance through, for example, the annual re-election of Directors, monitoring and rewarding their performance and engagement and constructive dialogue with the Board. The Group aims to be as transparent as possible with the information it provides to investors and welcomes face-to-face interaction, as well as virtual meetings and conferences.

The Board's primary contact with existing and prospective institutional shareholders is through the Head of Investor Relations who is responsible for all primary contact with shareholders, potential investors and equity research professionals. The Executive Chairman, Chief Executive Officer and Chief Financial Officer provide regular engagement support together with other executive management team members. Details of shareholder engagement activities in 2023 are set out in the table opposite.

There is a regular programme of meetings with major institutional shareholders to consider the Group's performance and prospects. The Group's investor reach is global, and the Company liaised with investors in the UK, USA, Canada, France, Italy, Germany, Switzerland, Ireland, the Netherlands, Norway, Hong Kong, Singapore, Malaysia, South Africa and Australia during the last financial year.

**MAIN METHODS OF ENGAGEMENT WITH SHAREHOLDERS IN 2023**

**Shareholder consultation**

The Executive Chairman, Chief Executive Officer and Chief Financial Officer met a large number of shareholders after each financial results announcement. The Executive Chairman has also engaged with institutional shareholders to discuss the Company's performance and Board governance matters and communicated their views to the Board. The Company will always seek to engage with shareholders when considering material changes to either our Board, strategy or remuneration policies.

**Investor meetings**

The Company held almost 230 investor meetings with almost 170 individual existing and potential investors and analysts. These were a blend of physical and virtual meetings. The meetings were attended by a combination of the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Investor Relations team and some members of the Executive Committee. The Head of Investor Relations was a regular Board attendee to provide feedback from these meetings and updates on other market matters. In June a number of investors and analysts met the management team at a Capital Markets Day at Gaydon, to see at first hand the Company's progress towards its medium-term targets, and progress on its product and electrification strategy. For further information about this investor visit, please see page 91.

**Investor presentations**

The Group hosted virtual webcasts for all reported results and market updates and took questions from investors and analysts ensuring an open dialogue with the market. In addition, investor roadshows were held following the full year and half year results.

**Investor conferences**

The Investor Relations team presented to investors at six conferences during 2023, with the Chief Financial Officer attending five of them, leading group and 1 on 1 meetings about the Company.

**General meetings**

The AGM provides an opportunity for private shareholders in particular to question the Directors and the Chairs of each of the Board Committees. Information on the 2024 AGM is on page 208. The Notice of AGM is issued at least 20 working days in advance of the AGM date, to provide shareholders with the appropriate time to consider matters, as set out in the FRC's Guidance on Board Effectiveness.

A further General Meeting was held in September 2023 to approve the related party transaction and issue of shares to Lucid.

**Annual Report**

The Company's Annual Report is available to all shareholders. Through our electronic communication initiatives, we look to make our Annual Report as accessible as possible. Shareholders can opt to receive a hard copy in the post or PDF copies via email or from our website.

**Corporate website**

The corporate website, [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com), has a dedicated Investors section which includes our Annual Reports, results presentations (which are made to analysts and investors at the time of the interim and full year results) along with all results and other regulatory announcements as well as further information for investors including our financial calendar for the upcoming year.

**Senior Independent Director**

If shareholders have any concerns, which the normal channels of communication to the Chief Executive Officer, Chief Financial Officer or Executive Chairman have failed to resolve, or for which contact is inappropriate, then our Senior Independent Director is available to address them.

**GEOGRAPHIC DISPERSION %**

UK	10.8
Europe (ex UK)	16.3
North America	38.0
Asia	34.0
Rest of World	0.1
Unknown	0.8



**SHAREHOLDER TYPES %**

Corporate stakeholders	53.8
Foreign institutions	30.2
Private stakeholders/ investors	0.1
Domestic institutions	6.3
Hedge funds	0.7
Domestic brokers	4.4
Foreign brokers	3.8
Employees etc	0.2
Unknown	0.5



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The event marked the beginning of a new era where the Company now has a competitive and up-to-date GT/Sports and SUV portfolio"

CAPITAL MARKETS DAY ATTENDEE



## JUNE Capital Markets Day in Gaydon

In June, the Company hosted a Capital Markets Day at its headquarters in Gaydon for institutional investors and sellside analysts. The Company's senior management team showcased its exciting new and upcoming product range and gave presentations covering operational excellence, supplier strategy, talent management, sustainability, vehicle platforms, electrification, commercial strategy and branding.

The day included presentations from and opportunities for Q&A with the Executive Chairman, Chief Executive Officer, Chief Financial Officer, Chief Global Brand & Commercial Officer, Chief Technology Officer, Chief Creative Officer and Head of Product and Market Strategy.

Participants were provided with a hands-on opportunity with upcoming products, Gaydon's bespoke Q personalisation experience, and further details on the Company's strategic suppliers and partners over the next five years, including the strategic supplier agreement with Lucid for its electrification strategy.

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The Company confirmed that it expects to substantially achieve its 2024/25 financial targets in 2024, which aims to deliver c. £2bn in revenue and c. £500m of adjusted EBITDA by 2024/25."

## Board and Committee evaluation

The Board recognises the importance of continually monitoring and improving its performance. The annual performance evaluation provides the opportunity for the Board to reflect on the effectiveness of its activities, its decision making, the contribution of individual members of the Board and how it operates as a whole.

In line with the recommendations of the Code, the 2021 evaluation process should have been the Company's first externally facilitated evaluation. However, the Board concluded, given the appointment of all the Independent Non-executive Directors to the Board during the year, that an externally facilitated evaluation was unlikely to provide any benefit.

Given the further significant changes to Board composition during 2022, including a new Chief Executive Officer, Chief Financial Officer, two Shareholder Representative Directors and one Independent Non-executive Director, last year the Board took the decision that an external evaluation for 2022 would again not be of value. Therefore, the Board agreed to carry out a more rigorous internal evaluation, using BoardClic, a third-party (with no connection to the Company or the individual Directors) platform to assist with the provision of the questionnaire and analysis of results. With the continuing changes of Board dynamics in 2023, two new Shareholder Representative appointments and an additional Independent Non-executive Director, the Board concluded to repeat the internal evaluation using the same third party provider for the 2023 evaluation. The benefit of using this third-party platform was that it enabled the data to be broken down between Executive Directors, Independent Non-executive Directors and Shareholder Representative Directors so that alignment between the three groups of directors could be assessed. It also enabled the results to be benchmarked against the results of other FTSE companies. Using the same survey for 2023 as for 2022 allowed a comparison of results year-on-year which provided additional value.

The conclusions of the evaluation were very positive, concluding that the Board is highly effective and there is alignment between the views of the Shareholder Representative Directors, Independent Directors and Executive Directors.

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**The Chairman is doing an excellent job of pushing our business forward with investments in people and product, positioning us for growth today and in the future."**

**NON-EXECUTIVE DIRECTOR**

Two improvements were introduced during the year to increase the flow of information from management to the Board. The Chairman hosted informal update calls on occasions when there was a longer gap between Board meetings and the CFO circulated a monthly finance dashboard to keep the Board updated on financial performance. This enhanced communication flow was welcomed by the Board.

### AREAS OF EXCELLENCE IDENTIFIED FROM 2023 EVALUATION

The Board has the knowledge and experience required to support delivery of the strategy.

The Board is confident that the Company has the right strategy to fulfil its purpose.

There is good alignment between the Board and the management team regarding core strategic priorities

Overall, it was the collective view of the Directors that the Board is effective in discharging its responsibilities, operating with an open culture that allows challenge and debate.

### AREAS IDENTIFIED FROM THE EVALUATION WHICH COULD ENHANCE THE BOARD'S EFFECTIVENESS IN 2024

#### Balance of strategy and operational discussions

Carefully monitor the balance of time spent at the Board discussing operational matters as opposed to strategic matters

#### Succession planning

More focus on succession planning for key roles in the management team

#### Governance

The provision of more concise and timely Board papers should facilitate more effective and focused discussion at Board meetings. This is particularly important given the size of the Board to ensure that there is sufficient time for all Board members to engage in discussion and debate

#### Board interaction

It is appreciated by the members of the Board that as the Board has grown in size, it is more challenging to hold meetings in person. However, the Board would welcome more in person interaction, both in formal meetings and informally in the year ahead

**These suggestions will be addressed in the year ahead and progress made will be reported in the 2024 report.**

## OUTPUTS OF THE 2022 BOARD EVALUATION AND PROGRESS MADE

The output of last year's internal evaluation and progress made is set out below.

BOARD EVALUATION OUTPUT 2022			
<p><b>Strategy</b></p> <p>More time for focused discussion by the Board on strategy would enhance effectiveness of the Board to help drive the strategy forward.</p>	<p><b>Risk</b></p> <p>More discussion time on risk would be beneficial.</p>	<p><b>Succession planning</b></p> <p>More focus on succession planning for key roles in the management team.</p>	<p><b>Culture and purpose</b></p> <p>Continue to monitor progression of cultural change and talent development.</p>
PROGRESS MADE DURING 2023			
<p>The Board held a strategy day in May to discuss strategy for all aspects of the business. Progression on execution of strategy is discussed at every Board meeting and the balance between strategic and operational discussions at Board meetings is monitored closely.</p>	<p>The Audit and Risk Committee has oversight of risk appetite and management and significant areas of risk are further discussed at the Board. Transaction Committees of the Board were utilised for the Board's significant decisions to ensure that associated risks were discussed.</p>	<p>The Nomination Committee has focused on succession planning for management and reported back to the Board. The Board acknowledges that more focus on succession planning for all management roles will continue in the year ahead.</p>	<p>The Board received regular updates on equity, diversity and inclusion activities, monitored attrition rates and trends, reviewed the output of employee engagement and learning and development initiatives. The Board intends to increase its focus further on culture and employees in the year ahead.</p>

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The Board is large but is well managed and represents diverse groups. The skill set of the Independent Non-executive Directors is high and the Shareholder Representative Directors are diverse and act independently of one another."

INDEPENDENT NON-EXECUTIVE DIRECTOR

## Nomination Committee Report



### LAWRENCE STROLL

CHAIR, NOMINATION COMMITTEE

#### 2023 OVERVIEW

- Assessment of composition and independence of the Board
- Appointment of Jean Tomlin as Independent Non-executive Director and member of Nomination Committee
- Appointment of Sir Nigel Boardman as Senior Independent Director and member of Sustainability Committee
- Appointment of Marigay McKee to Nomination Committee

#### Nomination Committee membership

Committee members	Meeting attendance
Lawrence Stroll (Chair)	5/5
Sir Nigel Boardman	5/5
Robin Freestone	5/5
Marigay McKee	3/3
Jean Tomlin	1/1
Anne Stevens	5/5
Franz Reiner	5/5
Scott Robertson	5/5
Daniel Li	0/2 <sup>1</sup>

<sup>1</sup> Daniel Li was unable to attend due to pre-existing commitments having only joined the Board in July 2023

#### DEAR SHAREHOLDER

On behalf of the Nomination Committee I am pleased to present the Committee's Report for the year ended 31 December 2023. The Report details the role of the Committee and describes how the Committee has carried out its responsibilities during the year.

#### BOARD COMPOSITION AND APPOINTMENTS

During the year, the Committee oversaw the process for the appointment of Jean Tomlin as an Independent Non-executive Director. Jean has also joined the Nomination Committee and I know that given Jean's HR background, she will be a very valuable addition to the Committee.

The Committee has carefully monitored the composition of the Board as it has evolved over the year and debated the impact that the additional two Shareholder Representative Director appointments has on the overall independence of the Board. The Committee concluded that meeting the independence requirements of the UK Corporate Governance Code needed to be balanced with not increasing the Board to such a size that could become unwieldy and hinder effective debate and decision making. The Board does not therefore currently meet the independence requirements of the Code. However, the Committee is satisfied that the Shareholder Representatives act independently of one another and of management and the powers of decision making are unfettered.

#### DIVERSITY

The Board remains committed to increasing and maintaining diversity in the broadest sense, not just gender and ethnicity but also experience, skills and professional background and on this basis our Board is very diverse. This is important as diversity at Board level sets the tone for diversity throughout the business. Diversity brings new ideas and fresh perspectives and will position us to achieve our strategy and long-term growth.

In terms of gender diversity, our Board Diversity Policy reflects the unique composition of our Board and sets the Company's target to achieve and maintain at least 40% of members of the Board who are not Shareholder Representatives as female. Currently 50% of our Board, excluding Shareholder Representatives, are female which is above our target. 27% of the whole Board (Executive Directors, Shareholder Representatives Directors and Independent Directors) are female.

The Board recognises that the gender balance across the leadership positions in the Company remains an area for further improvement, and the Company has set itself a target that at least 30% of leadership positions will be occupied by women by 2030.

#### LOOKING AHEAD

In 2024, the Committee will continue to focus on succession planning for the executive and senior management positions together with promoting diversity of the senior management in the Company and the Board. I look forward to reporting on our further progress in 2024.

#### LAWRENCE STROLL CHAIR, NOMINATION COMMITTEE

27 February 2024



## ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Committee's role is to provide oversight of the leadership needs of the business, both Executive and Non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the marketplace, to implement the strategy and achieve the Company's objectives. The Committee takes into account the challenges and opportunities facing the Company and the skills, experience and knowledge required for the future.

### Key responsibilities

- Reviewing the structure, size and composition of the Board to ensure it has the proper balance of skills, experience, independence, and diversity, and of its Committees and making recommendations to the Board on any changes required to meet current and future needs
- Succession planning for Directors and senior executives and ensuring that plans and processes are in place for the orderly succession of Directors, Executive Committee and other key members of the senior management team
- Overseeing the development of a diverse talent pipeline for succession, considering the challenges and opportunities facing the Company and the skills, experience and knowledge required of the Board in the future
- Identifying and nominating candidates to fill Board vacancies for approval by the Board and ensuring that the procedure for appointing Directors is formal, rigorous, transparent, objective, merit-based and has regard for diversity
- Reviewing the Non-executive Directors' time commitment, independence and external appointments, and the annual performance evaluation results relating to the composition of the Board
- Keeping under review potential conflicts of interests of Directors disclosed to the Company and reviewing annually any conflict declarations by the Directors and any conflict authorisations granted by the Board
- Making recommendations for the re-election by shareholders of each Director having due regard to their performance, ability and contribution to the Board in the light of their skills, experience and knowledge

## COMMITTEE MEMBERSHIP AND COMMITTEE MEETINGS

The Committee currently consists of the Executive Chairman Lawrence Stroll who is Chair of the Committee and five Independent Non-executive Directors: Robin Freestone, Anne Stevens, Sir Nigel Boardman, Marigay McKee (who was appointed to the Committee in May 2023) and Jean Tomlin (who was appointed to the Committee in October 2023). In addition, the Relationship Agreements with the significant shareholder groups (see page 126) provide that each may appoint a Director to the Committee. Franz Reiner represents Mercedes-Benz AG, Scott Robertson represents the Public Investment Fund and in July Daniel Li joined the Committee as representative of Geely. The Executive Chairman represents the Yew Tree Consortium. Attendance at each meeting comprises the Committee members, the Company Secretary who is secretary to the Committee and, at the request of the Committee, the Chief Executive Officer, General Counsel, Chief People Officer, Director of Reward, and other members of the senior management team and external advisors who may be invited to attend all or part of any meeting, as and when appropriate.

The Committee meets at least twice a year and has formal terms of reference which can be viewed on the Company's website, [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

The Committee met five times during 2023. The Committee members' attendance for the period is set out on page 94. Committee meetings usually take place prior to a Board meeting. The activities of the Committee and any matters of particular relevance were reported by the Committee Chair to the subsequent Board meeting.

### Key activities of the Committee during the year

- Considered the appointment of additional Independent Non-executive Directors and made a recommendation to the Board for approval for the appointment of Jean Tomlin
- Considered and recommended to the Board for its approval the appointment of Sir Nigel Boardman as Senior Independent Director
- Reviewed the size, structure and composition of the Board and the Executive Committee with respect to the needs of the business
- Discussed Executive succession
- Discussed Board independence

### Board independence and conflicts of interest

The independence, effectiveness and commitment of each of the Non-executive Directors has been reviewed by the Committee. The Committee is satisfied with the contributions and time commitment of all the Non-executive Directors during the year. The Committee will always discuss the additional commitments of all Directors (including the Chairman) before recommending their approval to the Board. It considers potential conflict issues as part of that assessment. This process is supported by an annual conflicts review by the Committee whereby the Committee reviews the Directors' conflicts of interest register and seeks confirmation from each Director of any changes or updates to their position. No new conflicts were declared during the year.

Following discussion with the Committee, Antony Sheriff stepped down from the Board due to the potential conflict of interest presented by his appointment as Chairman of the Supervisory Board at Rimac Group and at Bugatti-Rimac. The Committee considered that this presented a potential significant conflict of interest that could not be easily managed. Antony Sheriff therefore took the decision to resign from the Board to focus on his Rimac appointments.

In considering Jean Tomlin's appointment to the Board, the Committee discussed the current cross-directorship that Jean shares with Robin Freestone. Jean and Robin both sit on the Board of Capri Holdings Limited. However, Capri Holdings Limited is in the process of being sold to Tapestry Inc. and the sale is expected to complete during 2024. The Committee further noted that a cross-directorship is just one potential indication that independence could be impaired and concluded that in these circumstances, the independence of Jean and Robin was not impacted.

The Committee is confident that each of the Non-executive Directors remains independent and will be in a position to discharge their duties and responsibilities in the coming year.

The Committee discussed the impact of the additional two Shareholder Representative Director appointments during the year on the overall independence of the Board. The Committee concluded that appointing an additional three Independent Non-executive Directors to comply with the independence requirements of the Code would take the Board up to a total of 18 Directors which could be detrimental to the effective operation of the Board. Ensuring that the Board is kept at a manageable size so as to continue to facilitate effective discussion and decision making needs to be balanced with the benefits that independence brings. The Committee also noted the Shareholder Representative Directors act independently of one another so there is no dominant collective voice in the boardroom. The Board has a high calibre of experienced Independent Non-executive Directors who ensure effective independent challenge and debate at Board meetings. Therefore, despite not being in compliance with the independence requirements of the Code, the Committee is comfortable that the Board operates with sufficient independence of thought and power.

The composition of the Committee meets the independence requirements of the Code, as does the Audit and Risk Committee and the Remuneration Committee.

#### Overboarding

The Board follows the Institutional Shareholder Services (ISS) proxy voting guidelines on overboarding and accordingly deems all its Non-executive Directors to be within these guidelines. The Board appreciates that other proxy bodies and institutional investors impose more stringent guidelines than ISS and that each individual's portfolio of appointments must be considered on a case-by-case basis, which the Board duly does before approving any appointments and then, on an annual basis, to assess whether each member of the Board is able to continue contributing effectively. The Board was not asked to approve any additional significant external appointments for any of our Directors during the year.

#### Election and re-election of Directors

The election, in accordance with the Company's Articles of Association, of Daniel Li, Jean Tomlin and Cyrus Jilla will be proposed for shareholder approval at the Annual General Meeting in May 2024. All the other Directors will stand for re-election at the Annual General Meeting in May 2024 with the support of the Board. The Board considers all Directors to be effective and committed to their roles and to have sufficient time to perform their duties.

#### Director induction and training

Following appointment, all Directors receive a comprehensive and tailored induction programme which is designed through discussion with the Chair and the Company Secretary having regard to existing expertise and any prospective Board Committee roles. The induction includes but is not limited to face-to-face meetings with Board members and the Executive Committee as appropriate, briefings on the Company's strategy, investor relations, Board and Company policies, processes and procedures and training on the role of a director of a listed company.

Jean Tomlin spent a day in Gaydon as part of her induction. Jean had a tour of the Design Studio, the factory and spent time with the CEO, CFO and other members of senior management.

JEAN TOMLIN BOARD INDUCTION DAY



All new Directors are also provided with access to the Company electronic Board paper system which provides easy and immediate access to all key governance documents, including Board and Committee papers, and terms of reference.

Where appropriate, new Directors also meet with institutional investors, the Company's External and Internal Auditors and remuneration consultants. Continuing training and education opportunities are available to all Directors to support the fulfilment of their individual duties or collective Board role and to develop their understanding of the business. The arrangements are overseen by the Company Secretary and can be internally or externally facilitated. Directors are also encouraged to participate in seminars and events hosted by external organisations in different sectors to keep abreast of broader societal trends, expectations and issues with a view to developing broader perspectives and insights and developing wider debate within Board discussions.

#### SUCCESSION PLANNING

The Board has a duty to ensure the long-term success of the Company, which includes ensuring that it has a steady supply of talent for executive positions and established succession plans for Board positions. Throughout the year the Committee has reviewed and assessed the composition of the Board and its aggregate skills, experience and knowledge and the current and future needs of the Board as new appointments to the Board have been made.

The Committee will continue to consider the Group's succession planning on a regular basis to ensure that any further changes to the Board are proactively planned and coordinated. The Committee monitors the development of the Executive Committee's direct reports team to ensure that there is a diverse supply of senior executives in the talent pipeline. The Committee intends to focus more on Executive Committee succession planning in the year ahead.

During the year, the Executive Committee was strengthened by the appointments of Giorgio Lasagni as Chief Procurement Officer and Vincenzo Regazzoni as Chief Industrial Officer. Their biographies and those of the other members of the Executive Committee can be found on pages 80-81. As at 31 December 2023, the Executive Committee consists of the three Executive Directors and eight other Chief roles. Further information on the role of the Executive Committee is on page 84.

## DIVERSITY AND INCLUSION

The Board acknowledges that the Board's perspective and approach can be greatly enhanced through diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, tenure and relevant experience. There is also a recognition that to deliver the Company's strategy it is important to promote a high-performing culture, characterised by a diverse and inclusive workforce. Diversity and inclusion bring new ideas and fresh perspectives which fuel innovation and creativity. The Committee considers diversity, in its widest sense (and not limited to gender), during Board composition reviews and the development of recruitment specifications in connection with appointment of new Board members.

The Committee notes the new Listing Rule targets on diversity which we are required to report on for the first time in our Annual Report this year. The targets are: (i) at least 40% of the Board should be women; (ii) at least one of the senior board positions (the Chair, Chief Executive Officer, Senior Independent Director and/or Chief Financial Officer) should be a woman; and (iii) at least one member of the board should be from a minority ethnic background.

Taking each target in turn:

- (i) We do not meet the requirement that 40% of the Board are women. Our Board currently stands at 27% female. The composition of our Board is unique, with seven Shareholder Representative Directors appointed. Therefore, we state in our Board Diversity Policy that we seek to maintain as a minimum, 40% of Board members not subject to significant shareholder appointments to be women, provided this is consistent with the prevailing skills and diversity requirements of the Company as and when seeking to appoint a new Director. Consequently, under our Board Diversity Policy, as at the date of this Report, there are four women out of eight relevant Board members (being the two Executive Directors and six

Independent Non-executive Directors), thereby comprising 50%. 67% of our Independent Non-executive Directors are female.

- (ii) None of our senior Board positions are filled by women. When the vacancy for a Chief Executive Officer, Chief Financial Officer, Chair or Senior Independent Director arises, a diverse search will be undertaken and a selection made on all relevant criteria.

- (iii) We exceed the requirement that at least one Director should be from a minority ethnic background. Our Board is diverse in background and includes Chinese and Saudi Arabian Directors.

The Board will continue to promote diversity at Board and Executive Committee level and throughout the business. The Company acknowledges that it needs to improve diversity at leadership level and this will be a continued focus for the Committee. For gender balance of senior management and their direct reports, please see page 53. The Committee monitors the talent pipeline to ensure we have a diverse succession pool of talent being developed and importantly maintained at all levels of the business. Maintaining a diverse workforce is as important as diverse recruitment and the Committee will focus on overseeing the work being carried out by the business to achieve this.

## COMMITTEE PERFORMANCE EVALUATION

The Committee was evaluated as part of the internal effectiveness review of the Board and its Committees (details of which can be found on pages 92-93).

The Committee also reviewed its own performance and was satisfied that it continued to perform effectively and was rated highly by the members. A key continued focus for the Committee for the year ahead is succession planning at Executive Committee level.

## BOARD AND EXECUTIVE MANAGEMENT DIVERSITY

Prepared in accordance with UK Listing Rule 9.8.6R(10) as at 31 December 2023.

### Gender identity or sex<sup>1</sup>

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management <sup>2</sup>	Percentage of executive management
Men	11	73%	4	8	100%
Women	4	27%	0	0	0%
Other categories	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

### Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management <sup>2</sup>	Percentage of executive management
White British or other White (including minority-white groups)	12	80%	4	8	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	1	6.7%	-	-	-
Black/African/Caribbean/Black British	1	6.7%	-	-	-
Other ethnic group, including Arab	1	6.7%	-	-	-
Not specific/prefer not to say	-	-	-	-	-

Notes:

- The data reported is on the basis of gender identity.
- Excludes Executive Directors.

## Audit and Risk Committee Report



**ROBIN  
FREESTONE**  
CHAIR, AUDIT AND RISK COMMITTEE

### 2023 OVERVIEW

- Review and assessment of full year and half year financial reporting
- Monitoring of internal audits and remediation plans
- Oversight of risk management
- Overview of compliance activities
- Monitoring confidential reporting reports, investigations and processes
- Review of progress of ERP implementation
- Deep dive on cyber and information security strategy
- Responding to Financial Reporting Council review of 2022 Annual Report

### Audit and Risk Committee membership

Committee members	Meeting attendance
Robin Freestone (Chair)	4/4
Sir Nigel Boardman	4/4
Anne Stevens	4/4
Antony Sheriff	2/2

### DEAR SHAREHOLDER

On behalf of the Audit and Risk Committee, I am pleased to present the Committee's Report for the year ended 31 December 2023. This Report details the role of the Committee and describes how the Committee has carried out its responsibilities during the year and provided assurance on the integrity of the 2023 Annual Report and Accounts.

### FINANCIAL REPORTING

The Committee monitors the integrity of the Company's reporting processes and financial management, reviewing and discussing in detail the half year and full year financial results and the conclusions of the External Auditor. The Committee reviews and discusses the critical accounting judgements made and sources of estimation and uncertainty when applying the Group's significant accounting policies, the going concern and viability analysis and any other significant matters which impact financial reporting.

### RISK MANAGEMENT

On behalf of the Board, the Committee oversees the process by which risks are identified, assessed and managed. The Committee considered the principal risks contained in the Group's corporate risk register as the basis for its activity during the year and leverages the three lines of defence model and assurance mapping to monitor how the Company manages these risks and obtains assurance over its principal risks.

### TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

The Committee recognises the importance of the disclosures required in accordance TCFD framework. Our TCFD report which is largely consistent with the recommendations of the TCFD and the new climate regulations required by the Non Financial and Sustainability Information Statement, can be found on pages 58-63 and the statement of compliance is on page 71.

### INTERNAL AUDIT

This year, the Internal Audit plan incorporated a number of audits including human resources core activities, finished vehicle inventory and sales logistics procedures, Aston Martin China key financial controls and ESG reporting governance procedures. The Committee reviews all Internal Audit findings and monitors the implementation of remediation actions that are identified.

### AUDIT AND FINANCIAL REPORTING REFORM

The Committee has monitored the proposals of the Financial Reporting Council (FRC) for audit reform and received updates at every meeting on the Company's progress to design, implement, embed and test enhanced internal controls across finance and IT operations in preparation for the new financial reporting regime.

Finally, I would like to thank the members of the Committee, the management team, Internal Audit and our External Auditor for their continued commitment throughout the year, for the open discussions that take place in our meetings and for the contribution they all provide in support of the Committee's work.

**ROBIN FREESTONE**  
CHAIR, AUDIT AND RISK COMMITTEE

27 February 2024

## COMMITTEE MEMBERSHIP AND COMMITTEE MEETINGS

The Committee currently comprises three Independent Non-executive Directors: Robin Freestone who is Chair of the Committee, Anne Stevens and Sir Nigel Boardman. The Committee therefore meets the requirements of the Code.

In accordance with the Relationship Agreements with the significant shareholder groups (see page 126), each may appoint an observer of the Committee with no voting rights. Michael de Picciotto, Franz Reiner, Scott Robertson and Daniel Li currently serve as observers.

The Committee meets at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Committee has formal terms of reference which can be viewed on the Company's website, [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com). This year the Committee met four times. The Committee members' attendance for the period is set out on page 98. The activities of the Committee and any matters of particular relevance were reported by the Committee Chair to the subsequent Board meeting. There is time made available at the end of each meeting for private sessions for the Committee to discuss matters with the External Auditor and the Director of Internal Audit & Risk without members of management being present.



**Effective governance over financial reporting and risk management, together with a robust system of internal controls, are critical to achieving our strategy."**

Attendees at each meeting comprise the Committee members, the observers and the Company Secretary who is secretary to the Committee. The Chief Executive Officer, the Chief Financial Officer, the General Counsel, the Director of Internal Audit & Risk, the External Auditor, Ernst & Young LLP ("EY"), and other senior members of the finance team also routinely attend meetings upon invitation by the Chairman.

The Code stipulates that the Committee, as a whole, shall have competence relevant to the sector in which the Company operates. All Committee members have past employment experience of financial reporting and/or international business or engineering and collectively have a broad range of expertise that enables them to provide oversight of both financial and risk matters, and to advise the Board accordingly. As such the Board is satisfied that the Committee, as a whole, has the competence relevant to the business sector. At least one Committee member should have recent and relevant financial experience and Robin Freestone meets this requirement having previously held the position of Chief Financial Officer of Pearson plc and as a qualified chartered accountant. Details of the Committee members' experience can be found in their biographies on pages 77-79.

### Key responsibilities of the Committee

- Reviewing and assessing the integrity of the Group's financial and narrative statements, formal announcements of the Group's performance and significant financial reporting issues and judgements which they may contain and recommending these for approval by the Board
- Advising the Board on whether the Annual Report and Accounts, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy
- Ensuring compliance with accounting standards and policies, and reviewing and challenging the application of such standards and policies and, if unsatisfied, reporting its views to the Board
- Reviewing for approval by the Board the Company's going concern and viability statements and providing advice to the Board on how the Company's prospects have been assessed, taking into account the Company's position and principal risks
- Receiving and reviewing reports from the Company's External Auditor, monitoring its effectiveness and independence and making recommendations to the Board in respect of its remuneration and appointment
- Overseeing policies on the engagement of the External Auditor for the supply of non-audit services and assessing whether non-audit services have a direct or a material effect on the audited financial statements
- Reviewing the Group's internal financial, operational and compliance controls and Enterprise Risk Management Framework and system and considering Group policies for identifying and assessing risks and arrangements for employees to raise concerns using the "Speak Up" Confidential Reporting process about possible improprieties while ensuring appropriate safeguards are in place
- Reviewing and approving the annual Internal Audit plan and discussing the findings of any internal investigations and management's response

### KEY ACTIVITIES OF THE COMMITTEE DURING THE YEAR

#### Financial reporting

- Considered and reviewed the UK Corporate Governance Code requirements relating to year-end matters including, among others, the review of the Group's accounting policies, key accounting estimates, significant financial reporting matters, principal risks, going concern and viability, the effectiveness of the Group's risk management and internal control systems and "fair, balanced and understandable" reporting in the 2022 Annual Report
- Reviewed the half year accounts, including the material judgements and estimates
- Received and considered reports from the External Auditor on the full year and half year audits
- Reviewed the Financial Statements, announcements and other financial reporting matters including the approval of the interim results announcement, trading updates and the review of the 2022 Annual Report
- Considered the correspondence from the FRC which raised a number of questions relating to the Company's 2022 Annual Report and reviewed management's responses

### External audit

- Assessed the External Auditor's independence, objectivity and effectiveness
- Considered and recommended to the Board the reappointment of the External Auditor
- Considered External Auditor fees and their terms of engagement
- Reviewed the Non-Audit Services Policy
- Reviewed the External Auditor non-audit services and fees

### Risk management and internal controls

- Monitored the Company's corporate risk register, including the identification and assessment of the Group's principal and emerging risks and movement in such exposures
- Reviewed the effectiveness of the Group's Enterprise Risk Management Framework and System and internal control systems
- Considered responses, and their timeliness, to audit findings and recommendations for control improvements
- Reviewed the risk management and internal controls disclosures in the half year accounts and Annual Report
- Reviewed and approved the updated Confidential Reporting Policy, including an analysis of investigations undertaken during the year
- Received regular reports related to the implementation of the new ERP system and reviewed the key challenges and risks associated with the project
- Received regular reports on the developments of the FRC's proposals for corporate governance and audit reform ahead of the proposed new financial reporting regime
- Reviewed the Annual Fraud Risk Assessment and related fraud prevention and detection control activities
- Received updates on material litigation

### Internal Audit

- Approved the annual Internal Audit plan and approach for 2024, including its alignment to the principal risks, emerging areas of risk, coverage across the Group and continuing review of the Group's processes and controls
- Monitored and reviewed the effectiveness and independence of the Internal Audit function including consideration of key Internal Audit reports, and the implementation of Internal Audit recommendations
- Provided oversight of delivery of the 2023 Internal Audit plan, reviewing Internal Audit reports and findings issued during the year and the status of implementation of recommended corrective actions

### Other areas

- Reviewed and recommended to the Board for approval the revised Committee terms of reference
- Reviewed the results of the evaluation of the effectiveness of the Committee
- Approved TCFD disclosures for the Annual Report
- Received an update on tax matters for the Group and reviewed and recommended to the Board approval of the Group's annual tax strategy and publication on the Company website
- Received a treasury update
- Received a pension strategy update

### Financial reporting and significant financial judgements and estimates

One of the Committee's principal responsibilities is to review and report to the Board on the clarity and accuracy of the Group's Financial Statements, including the Annual Report and the Interim Results Statement. The Annual Report seeks to provide the information necessary to enable an assessment of the Company's position and performance, business model and strategy. The Committee assists the Board with the effective discharge of its responsibilities for financial reporting, and for ensuring that appropriate accounting policies have been adopted and that management has made appropriate estimates and judgements. In preparing the Financial Statements for the period, there were a number of areas requiring the exercise of a high degree of estimation. These areas have been discussed with the External Auditor to ensure the Group reaches appropriate conclusions and provides the required level of disclosure. The significant issues considered by the Committee in respect of the Annual Report are set out on page 101.

Management are responsible for establishing and maintaining adequate internal controls over financial reporting. These are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external reporting purposes. The financial reporting internal control system covers the financial reporting process and the Group's process for preparing consolidated accounts. It includes policies and procedures which require the following:

- The maintenance of records that, in reasonable detail, accurately and fairly reflect transactions including the acquisition and disposal of assets
- Reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with International Financial Reporting Standards
- Reasonable assurance regarding the prevention or timely detection of unauthorised use of the Group's assets

There are also specific disclosure controls and procedures around the approval of the Group's Financial Statements.

### Fair, balanced and understandable

The Board recognises its duty to ensure that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. To enable the Board to have confidence in making this statement, it requested that the Committee undertake a review and report to the Board on its assessment. The key elements of the assurance framework which supports the assessment by the Committee were:

- the process by which the Annual Report and Accounts were prepared, including detailed project planning and a comprehensive review process;
- review of the drafting and verification processes for the Annual Report and Accounts by the Disclosure Committee;
- comprehensive reviews undertaken by the Executive Directors, members of the Executive Committee and other members of senior management comprising the Annual Report and Accounts drafting team to consider content accuracy, regulatory compliance, messaging and balance;

- the review of the Annual Report and Accounts by the Audit and Risk Committee placing reliance on the experience of the Committee members;
- reports prepared by senior management regarding critical accounting judgements, estimates and key financial areas; and
- discussions with, and reports prepared by, the External Auditor.

The Committee received confirmation from management that the assurance framework had been adhered to for the preparation of the 2023 Annual Report and Accounts. The Committee provided a recommendation to the Board that the fair, balanced and understandable statement could be given on behalf of the Directors. The Board's confirmation is set out on page 129.

Significant matters for the year ended 31 December 2023 and how the Committee addressed these matters

#### Impairment of finite life intangible assets

The Committee considered the Group's process in determining whether any asset, covered within the scope of IAS 36 Impairment of Assets, requires impairment. The Committee considered whether there were any indicators of impairment of assets with a finite life and concluded that the assumptions made, conclusions reached and disclosures given were appropriate.

#### Recognition and measurement of deferred tax assets

The Group has considered the forecasts presented by management that indicated the capability of the Group to generate future taxable profits to recover the deferred tax asset of £156.3m. The Committee concluded that the recognition of the deferred tax asset and the disclosures given were appropriate.

#### Going concern and viability statement reporting

The Committee discussed the Group's considerations in assessing the appropriateness of adopting the going concern basis of accounting and considered the financial statement disclosures in respect of adopting the going concern basis in preparing the financial information. The Committee concluded that adopting the going concern basis and the disclosures given were appropriate.

The Committee discussed the key assumptions used in evaluating the long-term viability of the Group, the time period for the Viability Statement and the stress and reverse stress testing used as a basis for conducting the overall assessment. The Committee concluded that the assumptions made and the wording included in the viability statement were appropriate.

#### Other matters

At the November 2023 and February 2024 meetings, the Committee also considered management's papers on the following subjects and concluded that the assumptions made and the approaches adopted were appropriate:

- the Group's revenue recognition policies;
- accounting for defined benefit pension obligations;
- recognition and measurement of the Group's warranty provision;
- recognition and measurement of adjusting items;
- accounting for the placing and debt repurchase;
- accounting for the exercise of the AMR GP warrants; and
- accounting for the Lucid transaction

#### Financial Reporting Council (FRC)

In July 2023, the Company received a letter from the FRC requesting additional information and explanations on two principal areas of disclosure in the Company's 2022 Annual Report and Accounts. The FRC requested information on how the claims filed against the Company by Nebula Project AG were reflected in the accounts, and as a result of the Company's response, this query was closed. The FRC also asked for further information on how the Company satisfied the requirements of IAS 36 in determining that the Parent Company carrying value of the investment was not impaired at 31 December 2022. A full review of the disclosures within the Parent Company accounts and discussion with the Company's External Auditor and review by the Committee, concluded there were three adjustments required to the Parent Company financial statements for the year ended 31 December 2022:

- Impairment of the Parent Company investment in subsidiaries
- Reversal of the Expected Credit Loss provision made against the intercompany receivable balance between the Company and Aston Martin Lagonda Limited; and
- Reclassification of the intercompany receivable from current to non-current.

Each of these adjustments relate to technical accounting matters with no impact on the Group's results or Group financial statements. The prior year restatement can be found on page 158. The FRC confirmed its agreement to this restatement and the matter has now been closed.

The Company acknowledges that the FRC's review of its Annual Report 2022 provided no assurance that the Annual Report is correct in all material respects and that the FRC's role is not to verify information provided but to consider compliance with reporting requirements. The FRC accepts no liability for reliance on its letters by the Group or any third party, including but not limited to investors and shareholders.

In February 2024, the FRC's Audit Quality Review Team (AQRT) completed a review of EY's audit of the Company's financial statements for the period ended 31 December 2022. The Committee considered the final inspection report findings, noted the area of good practice and discussed the results with the lead audit partner including the actions the audit team have taken in conducting the 2023 audit. The Committee noted the overall assessment by the AQRT, as part of its assessment of the quality and effectiveness of the external audit.

#### Committee's oversight of external audit

The Committee oversees the work undertaken by EY. EY was appointed as External Auditor with effect from 24 April 2019, following an audit tender process. Shareholders approved EY's re-appointment at the Company's Annual General Meeting on 17 May 2023. The Committee's responsibilities include making a recommendation on the appointment, re-appointment and removal and remuneration of the External Auditor. The Committee assesses the qualifications, expertise, resources and independence of the External Auditor and the effectiveness of the audit process. The Committee Chair also has regular contact with the external audit partner outside of Committee meetings without the presence of management. During the period the Committee approved the External Audit plan, the proposed audit fee and terms of engagement of EY for FY 2023. It has reviewed the audit

process and the quality of the audit delivery and the quality and experience of the audit partner engaged in the audit and has also considered the extent and nature of challenge demonstrated by the External Auditor in its work and interactions with management. The Committee has considered the objectivity of the External Auditor including the nature of other work undertaken for the Group as set out below.

#### Independence and re-appointment of the External Auditor

The Committee reviewed the independence and objectivity of the External Auditor during the year and confirmed that it considers EY to remain independent. The Committee also considers that the Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

The External Auditor is required to rotate the audit engagement partner every five years. The current engagement partner, Simon O'Neill, began his appointment at the commencement of the 2019 financial year and therefore a new audit engagement partner will be appointed with effect from the 2024 financial year. Based on the Committee's recommendation, the Board is proposing that EY be re-appointed to office at the Annual General Meeting on 8 May 2024.

#### Non-audit services

The Committee recognises that the independence of the External Auditor is an essential part of the audit framework and the assurance that it provides. The Committee adopted a policy which sets out a framework for determining whether it is appropriate to engage the Group's auditors for permissible non-audit services and for pre-approving non-audit fees. The overall objective of the policy is to ensure that the provision of non-audit services does not impair the External Auditor's independence or objectivity. This includes, but is not limited to, assessing:

- any threats to independence and objectivity resulting from the provision of such services;
- any safeguards in place to eliminate or reduce these threats to a level where they would not compromise the Auditor's independence and objectivity;
- the nature of the non-audit services; and
- whether the skills and experience of the audit firm make it the most suitable supplier of the non-audit service.

The total value of non-audit services that can be billed by the External Auditor is restricted by a cap set at 70% of the average audit fees for the preceding three years which produced a cap for the 2023 financial year of c.£400,000.

The approval of the Committee must be obtained before the External Auditor is engaged to provide any permitted non-audit services. For permitted non-audit services that are clearly trivial, the Committee has pre-approved the use of the External Auditor for cumulative amounts totalling less than £200,000 on the approval of the Chief Financial Officer and Chair of the Committee.

During FY 2023 the following permitted audit-related services have been approved in accordance with this policy:

- Review of the Company's interim financial statements for the period ended 30 June 2023 – £59,125.

In granting approval for these services, the Chief Financial Officer and Chair of the Committee considered the nature and level of non-audit services provided by the External Auditor and was satisfied that the objectivity and independence of the External Auditor was not compromised by the non-audit work undertaken during the year. Details of the fees paid to the External Auditor during the financial year can be found in note 4 to the Financial Statements.

#### Internal controls and risk management

The Board is ultimately responsible for the Group's system of internal controls and risk management and it discharges its duties in this area by determining the nature and extent of the principal risks it is willing to accept in pursuit of the Group's strategic objectives (the Board's risk appetite); and challenging management's implementation of effective systems of risk identification, assessment and mitigation. The Committee is responsible for reviewing the effectiveness of the Group's internal control framework and risk management arrangements. The system of internal controls is designed to manage rather than eliminate the risk of not achieving business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. This process complies with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC. It also accords with the provisions of the Code. Details of the Group's risk management process and the management and mitigation of principal risks together with the Group's Viability Statement can be found in the Risk and Viability Report on page 70.

The Board, through the Committee, has carried out a robust assessment of the principal risks facing the Group and agreed the nature and extent of the principal risks it is willing to accept in delivering the Group's strategy (the Board's risk appetite). It has considered the effectiveness of the system of internal controls in operation across the Group for the period covered by the Annual Report and up to the date of its approval by the Board. This review covered the material controls, including financial, operational and compliance controls and risk management arrangements.

#### Control environment – internal control framework

The internal control framework is built upon established entity-level controls. The Group defines its processes and ways of working through documented standards and procedures which guide the way the Group operates, based on a set of Group Framework Policies, which establish the core principles of conduct of the Group and its employees. These Group Framework Policies address a number of topics including compliance laws, quality, responsible procurement, equity diversity and inclusion, IT and cyber-security, intellectual property, conflicts of interest and confidential reporting.

On joining the Group all employees are provided with the Group Framework Policies and are asked to confirm that they have read and understood them. Focused training is then provided on these topics at regular intervals, on a targeted basis.



The Group Framework Policies are supplemented by functional policies, procedures and standards which move away from principles to address specific actions and requirements. These are added to and enhanced as laws change and practice evolves.

There are established procedures for the delegation of authority to ensure that decisions are made at an appropriate level within the business dependent on either the magnitude or nature of the decision. In particular, access to the Company IT systems and applications is provided subject to formal access provisioning processes with the objective being to limit access, as appropriate, to enable an individual to perform their role and to enforce appropriate segregation of duties within business processes. The delegations of authority policy was updated during the year to reflect good practice and incorporate some new key elements.

The Company maintained its ISO 9001 accreditation for its quality management system which ensures that policies, standards and procedures are appropriate for the business, that they are reviewed on a regular basis and made available to applicable employees and contractors through the Group intranet.

### Code of Conduct

The Group launched a new Code of Conduct in 2023, which was developed in collaboration with colleagues across the business and approved by the Executive Committee. It applies to all companies within the Group and to all directors, employees, temporary workers and contractors.

The Code and the Group Framework Policies referenced within it are the foundation of the Company's governance model, but the Code also sets the tone of the Company's expectations of high ethical standards in all business conduct. Building on the Company's Values to address expected behaviours in specific areas, the Code of Conduct sets out a decision-tree to help colleagues make the right choices, even where there is not a policy to provide guidance. This is an important part of our mission to drive a culture defined by integrity, which the Company sees as equal to its drive for high performance.

### Compliance

Led by our Corporate Compliance team, reporting to the Executive Committee and the Audit and Risk Committee, the Company has embarked on a programme to review and enhance our compliance management system. In 2023, we have prioritised policies, governance and training which set the foundations for effective compliance.

All corporate compliance policies underwent a significant review and update in the year, with additional risk areas being added to the framework to reflect regulatory change and focus. In anticipation of the coming into force of the new UK "failure to prevent fraud" offence, fraud risk and prevention has been incorporated into a Framework Policy. Compliance training courses have been reviewed and new programmes put in place, tailored to the specific audiences.

The Company is committed to conducting all business in an honest and ethical manner. The Company expects all employees – and anyone carrying out work on behalf of the Company – to not only comply with the law but also to always maintain the highest standards of ethical business conduct and personal behaviour.

## CODE OF CONDUCT: HIGH INTEGRITY. HIGH PERFORMANCE



Two corporate compliance topics have had particular focus in 2023.

### (i) Data protection and cyber-security

Aston Martin complies with the UK and EU GDPR and other applicable national data privacy laws, when it comes to the processing of customer, employee and other individuals' personal data. As the Company develops its "connected cars" programme, data protection becomes increasingly relevant to the design, engineering, production and on-going management of vehicles. This area, alongside the vehicle cyber-security standards, has been an area of particular focus as we strive to ensure that customer and third party personal information is managed responsibly and compliantly.

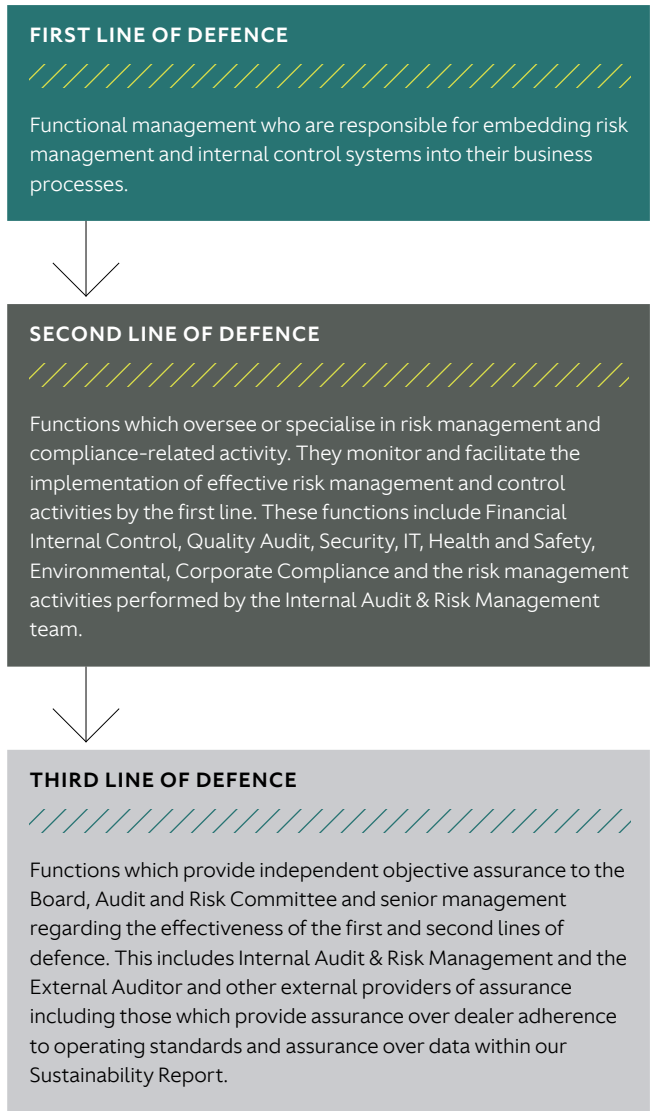
### (ii) Economic and trade sanctions

In light of the increase in sanctions being imposed by the UK, EU, UN and other nations (as a result mainly of the on-going conflict in the Ukraine), the Company has had a particular focus on evaluating and reviewing its dealings with third parties, including suppliers and customers. Some sanctions prohibit dealings with designated individuals, others are directed at the nature and origin of materials. There has been an increase in anti-circumvention sanctions measures which place greater emphasis on assurance down the supply chain as to the origin of supply of parts. As a consequence, the Company has increased the scrutiny on supplies, as well as enhanced its 'know your customer/supplier' checks. The Company also adopted a new Sanctions Compliance Policy in 2023.

### Enterprise Risk Management Framework and System

The Group continues to strengthen the control environment by embedding the Enterprise Risk Management Framework and System which is supported by Risk Champions within each function. A summary of the key risk management activities undertaken by the Group is included within the Risk and Viability Report on page 70. The Internal Audit & Risk Management function is responsible for administering the Enterprise Risk Management Framework and System and for providing independent assurance to the Board, the Committee and senior management.

The Group uses a three lines of defence assurance model with the objective of embedding effective risk management and control throughout the business and providing assurance to the Board and the Committee of the effectiveness of internal controls and risk management across the organisation. This comprises the following:



**Internal Audit**

The Internal Audit & Risk Management function provides independent, objective assurance and advice to the Board, the Committee and senior management on whether the existing control and governance frameworks are operating effectively to meet the Group's strategic objectives and to help the Company identify and mitigate any potential control weaknesses and identify any emerging risks.

The Director of Internal Audit & Risk reports to the Chief Financial Officer with an independent reporting line to the Committee Chair. The Director provides regular reports to the Committee on the function's activities, which detail significant audit findings, progress of, and any changes to, the Internal Audit plan and updates on agreed management actions to rectify control weaknesses. Where appropriate, the Director will provide a deep dive into an issue where either the Committee has requested more information or the Director considers it pertinent.

The Committee assesses the effectiveness of the Internal Audit & Risk Management function on an annual basis. To ensure that it is meeting its objectives, the Internal Audit & Risk Management function has an annual work plan comprising risk-based cyclical audits, reviews of risk mitigation plans and assessments of emerging risks and business change activity, together with work mandated for compliance purposes. At the November 2023 Committee meeting the Internal Audit plan for 2024 was approved by the Committee and the Committee will monitor progress against the plan in the coming year, as well as whether the plan remains focused on the evolving key risks facing the business. Such reviews will consider any changes to risk registers, current hot topics and emerging risks in the industry as well as changes based on engagement with the business.

During the year, 16 internal audits were carried out including human resource core activities, gifts and hospitality policy adherence, finished vehicle inventory and sales logistics procedures and key financial controls in Aston Martin Lagonda China. The conclusions of the audits were discussed by the Committee and remediation actions were agreed where required.



### Confidential reporting

The Group has established procedures to ensure there are appropriate mechanisms for employees and other stakeholders to report any concerns regarding suspected wrongdoing or misconduct. The Confidential Reporting Policy sets out the procedures and mechanisms for raising concerns in strict confidence. This policy has been revised during the year and is made available to all employees on joining the business, it is included within the new Code of Conduct and the details are published on the Group intranet and employee noticeboards. The systems for confidential reporting are promoted in all new compliance eLearning programmes.

Any concerns raised under this Policy are managed by the Director of Internal Audit & Risk Management and investigated with support from Human Resources and/or Compliance teams depending on the nature of the concern.

Multiple options have been provided to enable the workforce to “Speak Up” and raise concerns, including through their line manager, senior management and through a third-party managed confidential reporting system. This system enables web, telephone and app based reporting of concerns confidentially, even anonymously if desired, through the third party hotline, which are available throughout the year and across the globe. A poster campaign has been rolled out during the year at all sites to increase awareness of the “Speak Up” confidential reporting hotline.

The investigation reports are received and reviewed by the Chief Executive Officer, the General Counsel, the Chief People Officer and the Chair of the Committee. The investigation outcomes, significant findings and status are reported to the Committee on a regular basis, with all significant matters being reported directly to the Board. During the year, 17 new reports were submitted via the confidential reporting facilities. The Committee monitored and assessed the outcome of the resulting investigations.

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**The Group has established procedures to ensure there is an appropriate mechanism for employees and other stakeholders to report any concerns regarding suspected wrongdoing or misconduct.”**

### Committee performance evaluation

The Committee was evaluated as part of the internal effectiveness review of the Board and its Committees (details of which can be found on pages 92-93) and concluded that it continued to perform effectively and was rated highly by all the members. There were no areas flagged for improvement, but the Committee requested that reducing the level of detail in the papers and distributing the papers to allow more reading time in advance of the meeting would increase effective discussion at the meetings. This will be addressed in the year ahead.

## Sustainability Committee Report



**DR. ANNE STEVENS**

CHAIR, SUSTAINABILITY COMMITTEE

### 2023 OVERVIEW

- Deep dive on sustainable design and innovation
- Focus on diversity and inclusion
- Discussion on CO<sub>2</sub> emissions reduction plan
- Close monitoring of progress being made on Racing. Green. targets

### Sustainability Committee membership

Committee members	Meeting attendance
Anne Stevens (Chair)	4/4
Marigay McKee	4/4
Sir Nigel Boardman	2/2
Antony Sheriff	1/1

### DEAR SHAREHOLDER

On behalf of the Sustainability Committee, I am pleased to present the Committee's Report for the year ended 31 December 2023. Achieving Aston Martin's ambition to become a world-leading sustainable ultra-luxury automotive business requires an ongoing commitment to deliver our Racing. Green. strategy. Throughout 2023 and into 2024, we continue to execute plans to deliver our commitments to tackle climate change.

Our progress in developing alternatives to the Internal Combustion Engine continues, enabled by an expanding Electric Vehicle transformation programme, including partnerships with Mercedes-Benz and Lucid.

Alongside this, we continue to focus on minimizing the impact from our operations. Our manufacturing facilities at Gaydon, St Athan and Newport Pagnell are now carbon neutral. We are aiming to achieve net-zero manufacturing facilities by 2030 and across our supply chain by 2039.

Aston Martin continues to focus on minimizing its impact on the environment, grow its positive contribution to society and embrace strong governance.

Our customers are key to our brand and our success. For the ultra luxury experience, vehicle design, performance, safety and quality are critical but corporate ethos, as global sustainability, is becoming equally important.

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**Achieving Aston Martin's ambition to become a world-leading sustainable ultra-luxury automotive business requires an ongoing commitment to deliver our Racing. Green. strategy."**

In 2023, Aston Martin celebrated its 110<sup>th</sup> anniversary, reflecting on a proud history that has seen the Company firmly established as an iconic brand in British automotive manufacturing. In the same year, it has been great to see Aston Martin advance so positively towards a new era, where success is increasingly defined by strong sustainability commitment and performance. Our customers, staff, shareholders and other stakeholders expect us to lead in sustainability just as we already do in areas such as design, performance and innovation. Progress must continue in the years ahead.

**DR. ANNE STEVENS**  
**CHAIR, SUSTAINABILITY COMMITTEE**

27 February 2024

## COMMITTEE MEMBERSHIP AND COMMITTEE MEETINGS

The Committee currently comprises three Independent Non-executive Directors: Anne Stevens who is Chair of the Committee, Sir Nigel Boardman and Marigay McKee. Antony Sheriff stepped down from the Committee upon leaving the Board in May 2023. Sir Nigel Boardman joined the Committee upon Antony Sheriff's departure.

The Chief Financial Officer, Chief Executive Officer, Chief People Officer, General Counsel, Chief Industrial Officer and Executive Consultant to the Chief Executive Officer attend the Committee meetings along with the Head of Government Affairs and Sustainability, the Director of Internal Audit and Risk and the Head of Investor Relations.

The Committee meets at least twice a year and has formal terms of reference which can be viewed on the Company's website, [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com). This year the Committee met four times. The Committee members' attendance for the period is set out on page 106. The activities of the Committee and any matters of particular relevance were reported by the Committee Chair to the subsequent Board meeting.

## KEY RESPONSIBILITIES OF THE COMMITTEE

The role of the Committee is to oversee, on behalf of the Board, the Company's sustainability strategy, which focuses on five strategic pillars:

- Tackling climate change
- Creating a better environment
- Investing in people and opportunity
- Exporting success
- Delivering the highest standards

The Sustainability Committee is supported by ten dedicated working groups focused on areas ranging from energy management to development of a sustainable supply chain. For further information, see page 58.

## COMMITTEE PERFORMANCE EVALUATION

The Committee was evaluated as part of the internal effectiveness review of the Board and its Committees (details of which can be found on pages 92-93). The report is very positive highlighting that the Committee is highly effective, with outstanding leadership. The Committee concluded that to increase its effectiveness further, it would benefit from greater visibility of what other companies in the automotive industry are doing to promote sustainability and increase the time dedicated at meetings to deep dive topics.

### Key responsibilities of the Committee

- Reviewing and making a recommendation to the Board to approve the Sustainability Report and the Modern Slavery Statement
- Reviewing periodically the sustainability strategy and considering whether there should be any changes, including to the targets detailed in the sustainability strategy and making a recommendation to the Board for approval
- Monitoring the progress of the sustainability strategy
- Reviewing the annual Sustainability Materiality Assessment and providing comments and guidance
- Considering and making a recommendation to the Board to approve the Company's Sustainability Report and where relevant recommending to the Board any other public documents to be approved for disclosure concerning sustainability-related matters
- Receiving regular updates from the various ESG working groups which are executing the sustainability strategy
- Receiving updates on and reviewing (on an ongoing basis) the Company's external sustainability ratings and accreditations
- Receiving updates on (and reviewing on an ongoing basis) sustainability reporting requirements and changes to government strategy, policies and laws impacting sustainability
- Monitoring external trends, developments and emerging best practices that may affect the Company's reputation or sustainability and ESG strategy, objectives and targets
- Monitoring the level of resource, competence and commitment applied to the management of sustainability and ESG issues
- Receiving relevant sustainability audit findings and details of sustainability-related assurance activity

### Key activities of the Committee during the year

- Reviewed and recommended to the Board for approval the 2022 Sustainability Report
- Reviewed reports from the Company's sustainability working groups
- Monitored safety performance
- Discussed the Company's gender diversity plan
- Carried out deep dives on sustainable design and innovation, environment strategy, procurement and communications
- Discussed the Company's proposed CO<sub>2</sub> emissions reduction plan
- Discussed and reviewed progress being made on Racing. Green. targets and requested enhancements to the dashboard reporting of the targets

Further information on sustainability can be found on pages 42-63 and also in the Company's 2023 Sustainability Report at [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

## Directors' Remuneration Report



**DR. ANNE  
STEVENS**

CHAIR, REMUNERATION COMMITTEE

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### DEAR SHAREHOLDER

I am pleased to present the Directors' Remuneration Report (DRR) for the year ending 31 December 2023, which has been approved by both the Remuneration Committee (the Committee) and the Board.

As set out by both the Executive Chairman and CEO in their statements, 2023 – the historic year of our 110<sup>th</sup> anniversary – represented another important year for Aston Martin, with the efforts of our people ensuring significant strategic milestones and financial progress were delivered. The team has worked incredibly hard on our journey to strengthen Aston Martin's position as an ultra-luxury brand and key 2023 achievements included the successful launches of the DB12 and DB12 Volante, the global celebration of our historic 110<sup>th</sup> anniversary and the opening of our first global flagship location, Q New York.

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**We successfully launched our first all-employee share plan, "Aston Martin Sharing. Success.", awarding 425 free shares to 2,541 employees, giving everyone the chance to share in the future success of the Company."**

### FY 2023 annual bonus approach and outcome

The Company-wide annual bonus that operated in 2023 included a Group scorecard of performance measures that applied to annual bonus for all employees, providing strong alignment of focus to best reflect annual progress on our business plan and KPIs. For 2023, the scorecard was weighted 85% on financial measures (including a 50% weighting on Adjusted EBITDA, 20% on Free Cash Flow and 15% on volumes) and 15% on Quality performance.

All elements of the bonus operated independently, and with our FY 2023 Adjusted EBITDA outcome of £306m just ahead of the target set, a payment of 34% of maximum bonus (68% of target) will be paid based on Adjusted EBITDA, wholesale volumes and quality metrics achieved (and no payment with respect to the FCF or retail volumes measures, where outcomes were below the threshold set). Full details of performance against the 2023 annual bonus targets are set out on page 112. Against the backdrop of the overall business performance for FY 2023, including the strategic milestones and financial progress delivered, the Committee was comfortable that the formulaic outcome was fair and appropriate, therefore no discretion was exercised in relation to the 2023 annual bonus.

### FY 2021 Long-Term Incentive Plan (LTIP) outcome

Neither the CEO nor CFO held awards under the 2021 operation of the LTIP, as they were both appointed to their current roles during FY 2022.

## FY 2024 REMUNERATION APPROACH

### FY 2024 executive director salaries

The Committee reviewed the CEO and CFO's salaries for 2024 and decided to apply an increase of 3%, taking their salaries to £925,000 and £485,000 respectively from 1 April 2024. This level of increase is lower than the 2024 average pay increases that will apply for employees across the workforce.

### FY 2024 annual bonus

The Committee has decided to broadly maintain the existing approach to the annual bonus. However, for 2024, we are making some important changes to the Group KPI scorecard to incorporate an additional non-financial performance element focused on ESG.

We have successfully launched and continue to embed and develop our Sustainability strategy, Racing. Green., across Aston Martin. We strongly believe that an increased focus on ESG performance will help to improve operational excellence and drive innovation across the Company. Our ESG ambitions are central to our business and sustainability strategy, and are of critical importance to Aston Martin as we focus on developing our culture and improving engagement across the workplace. The Committee believes that now is the right time for us to take our first steps to linking our incentives to ESG measures aligned with our strategy.

The 2024 Group KPI scorecard will therefore include an 80% weighting on financial measures, down from 85% last year (including a 50% weighting on Adjusted EBITDA, 20% on Free Cash Flow and 10% on volumes). The non-financial element will continue to focus on our Quality performance (with a 15% weighting) and the new ESG element, weighted at 5%, will focus on achieving metrics linked to the safety of our people. Whilst the Committee recognises that a weighting of 5% is relatively low compared to market practice, we believe it is appropriate as we continue to embed our Racing. Green. strategy throughout the business and to also ensure focus is maintained on our critical financial and quality priorities. Looking ahead, we will review the weighting and type of ESG measures in our incentive plans, including whether they should be incorporated in the annual bonus and LTIP, as we further develop and embed Racing. Green. within the organisation.

There is no change to the bonus opportunity for the executive directors. Full details of the 2024 annual bonus approach are set out on page 113.

### FY 2024 LTIP

The Committee has decided to maintain the existing approach to the LTIP, with updated Adjusted EBITDA targets for 2024 awards (accounting for 80%) which reflect the new three-year period (1 January 2024 to 31 December 2026) of the business plan. The remaining 20% will payout based on relative TSR performance. There is no change to the LTIP opportunity for the executive directors, and awards will be subject to a 2-year post vesting holding period, in-line with our 2022 remuneration policy. Full details of the 2024 LTIP approach are set out on page 115.

## Broader workforce reward

Passionate, motivated and professional people are critical to the success of Aston Martin and, to attract and retain the best talent available, our pay and benefits must be competitive. When considering the remuneration of the executive directors and executive committee, the Committee considers remuneration across the whole Company. The Committee was kept informed of the key areas of focus around Aston Martin's people during 2023. The leadership team continued to demonstrate their commitment to improving workplace engagement and culture, setting the goal to secure accreditation as a Great Place to Work® by 2025. Significant investment into our facilities, culture and organisation could be seen by our employees during 2023, and detailed information on our People and progress during the year is set out on page 50.

On workforce reward more specifically, during the year the Committee considered information on the policies and practices which are in place throughout the Company. In particular, during 2023, we successfully launched our first all-employee share plan, "Aston Martin Sharing. Success.", awarding 425 free shares to 2,541 employees. The 2023 free share awards were incredibly well-received, with significant engagement from participants, giving everyone the chance to share in the future success of the Company. An annual award of free shares will be made to all employees once again in 2024, which we believe will continue to build engagement across the workforce and a culture where our employees feel and behave like owners.

In respect of the 2023 bonus, the Committee noted that the Group KPI scorecard applied to bonuses for all employees and that the outcome at 34% of maximum (68% of target) was considered a positive result, recognising how hard the team had worked and the significant continued progress made on the business plan and achievements during 2023, including the DB12 launch.

We also discussed our approach to, and results of, Aston Martin's Gender Pay Gap (GPG) reporting. Our aim is to foster a culture where everybody feels valued, motivated and rewarded to achieve their best work – detailed information on our People, including our Gender Pay Gap figures and ED&I strategy, can be found on pages 50 to 53. There is also information on the Board's engagement with our workforce in the People section and with our other stakeholders in the Governance section on page 26.

I would like to thank shareholders for the feedback and views shared with the Committee and for your continued support. If you have any questions on any element of this report, please email [company.secretary@astonmartin.com](mailto:company.secretary@astonmartin.com) in the first instance and I hope we can rely on your support at our forthcoming AGM.

**DR. ANNE STEVENS**  
**CHAIR, REMUNERATION COMMITTEE**

27 February 2024

## Executive Directors' remuneration at a glance

Our Remuneration Policy was approved by shareholders at the AGM on 25 May 2022 and is set out in full in the 2021 DRR. This can be found in the Annual Report FY 2021 at [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

This section explains the outcomes from the implementation of our Policy during FY 2023.

### REMUNERATION OUTCOMES FOR FY 2023

#### FY 2023 Total Single Figure Remuneration for Executive Directors

The table below sets out the 2023 single figure of total remuneration received by the Executive Directors.

Element	Amedeo Felisa CEO (£'000s)	Doug Lafferty CFO (£'000s)
Salary	900	470
Benefits	1,288	133
Pension	95	50
Annual bonus	608	238
LTIP	n/a	n/a
<b>Total</b>	<b>2,891</b>	<b>891</b>

Benefits for the CEO include the 2022 and 2023 cost of private flights for travel between Italy and the UK – full details are set out on page 112.

#### 2023 Annual bonus approach and outcome

The CEO and CFO were eligible to receive an annual bonus of up to 200% and 150% of salary respectively, subject to performance. The table below sets out the Group KPI targets that applied for the 2023 annual bonus, the achieved performance and the level of payout as a % of maximum for each element.

Performance measure (weighting)	Threshold (20%)	Target (50%)	Maximum (100%)	FY 2023 achieved	FY 2023 bonus payment (% of maximum)
Adjusted EBITDA (50%)	£250m	£300m	£350m	£306m	28%
Free Cash Flow (20%)	- £290m	- £240m	- £200m	- £360m	0%
Wholesale Volumes (7.5%)	6,400	6,900	7,300	6,620	2.5%
Retail Volumes (7.5%)	6,900	7,400	7,800	5,918	0%
Quality (15%)	Internal: CPA – Customer Perception Audit – an audit of a car that has completed all the production processes and is intercepted as it would be handed over to the outbound transport company			1 of 2 targets achieved	1.9%
	External – Warranty at 3 and 12 months in service: (1) CPU – Cost Per Unit (2) DPU – Defects Per Unit			3 of 8 targets achieved	1.4%
<b>Total (100%)</b>					<b>34%</b>

#### ALIGNMENT BETWEEN EXECUTIVE DIRECTORS AND SHAREHOLDERS

The CEO and CFO are subject to shareholding guidelines of 300% and 200% of salary respectively, which drives long-term alignment with investors. Having taken up their executive director positions during FY 2022, the CEO held 35,820 shares (value of £81k) and the CFO held 370,990 shares (value of £838k or 178% of salary) as at 31 December 2023.

The Committee noted that the CFO had met his shareholding guideline of 200% of salary based on the average share price over the full FY 2023 (which was £2.55).

#### REMUNERATION POLICY AND IMPLEMENTATION IN FY 2024

The implementation of our Remuneration Policy for FY 2024 is set out in the following section (Annual Report on Remuneration).



# Annual report on remuneration

## FY 2023 TOTAL SINGLE FIGURE REMUNERATION FOR EXECUTIVE DIRECTORS (AUDITED)

The table below sets out the single figure of total remuneration received by the Executive Directors in respect of FY 2023 (and the prior financial year). The subsequent sections detail additional information for each element of remuneration.

Shown in £'000s	Salary	Benefits	Pension	Total fixed	Annual bonus	LTIP	Total variable	Total	Prior company incentive buyout	Total
<b>Executive director</b>										
<b>Lawrence Stroll<sup>(1)</sup></b>										
Year to 31 December 2023	£1 (one)			<b>£1 (one)</b>						<b>£1 (one)</b>
Year to 31 December 2022	£1 (one)			<b>£1 (one)</b>						<b>£1 (one)</b>
<b>Amedeo Felisa<sup>(2)</sup></b>										
Year to 31 December 2023	900	1,288	95	<b>2,283</b>	608	n/a	608	<b>2,891</b>	–	<b>2,891</b>
Year to 31 December 2022	577	60	60	<b>697</b>	58	n/a	58	<b>755</b>	–	<b>755</b>
<b>Doug Lafferty<sup>(3)</sup></b>										
Year to 31 December 2023	470	133	50	<b>653</b>	238	n/a	238	<b>891</b>	–	<b>891</b>
Year to 31 December 2022	299	16	31	<b>346</b>	23	n/a	23	<b>369</b>	1,313	<b>1,682</b>

### Notes:

1. Lawrence Stroll has elected to receive a nominal salary only, of £1 per annum, and receives no other elements of remuneration
2. 2022 remuneration for Amedeo Felisa relates to the period since becoming CEO, 4 May to 31 December 2022. The 2023 benefits figure for Amedeo Felisa includes both the 2022 and 2023 cost of commuting flights between Italy and the UK, the Company also met the tax payable on these flights – full details are set out on page 112
3. 2022 remuneration for Doug Lafferty relates to the period since joining, 1 May to 31 December 2022. As compensation for incentives he forfeited on leaving his previous employer, Doug Lafferty received buyout awards in 2022 and full details of these are set out in the Annual Report FY 2022

## SALARY (AUDITED)

The Executive Directors' 2023 salaries were as follows (effective from 1 January 2023)

- Amedeo Felisa (CEO) – £900,000
- Doug Lafferty (CFO) – £470,000

The Committee reviewed the CEO and CFO's salaries for 2024 and decided to apply an increase of 3%, taking their salaries to £925,000 and £485,000 respectively from 1 April 2024. This level of increase is lower than the average 2024 pay increases that will apply for employees across the workforce.

The Committee recognises that the CEO and CFO salaries appear high in a UK FTSE 250 context and continues to benchmark remuneration against global automotive and luxury companies, as these are the most relevant peers. The Committee considers the salary levels to be appropriate, as they:

- reflect the experience these executives have as proven talented automotive and manufacturing leaders
- value the skills required to deliver the Company's strategic objectives and financial targets
- recognise the size of the task to deliver the turnaround of Aston Martin to achieve its full potential

In his role as Executive Chairman, Lawrence Stroll has elected to receive a nominal salary only, of £1 per annum, and receives no other elements of remuneration.

## PENSION (AUDITED)

Each Executive Director receives a cash allowance in lieu of participation in the defined contribution scheme. They receive an allowance of 12% of salary with a deduction for an amount equal to the employer's National Insurance contribution.

As disclosed in our Remuneration Policy, the Executive Directors' pension allowances are in line with the majority of employees. The maximum level of employer pension contribution throughout the organisation is the same regardless of seniority (at 12% of salary for UK employees).

No Director has a prospective entitlement to receive a defined benefit pension.

## ALLOWANCES AND BENEFITS (AUDITED)

Shown in £'000s	Travel	Car allowance and personal mileage	Life assurance	Insurance (private medical, dental and travel)	Location allowance	Total
<b>Amedeo Felisa</b>						
Year to 31 December 2023	£1,183	£14	–	–	£91	<b>£1,288</b>
Year to 31 December 2022	–	–	–	–	£60	<b>£60</b>
<b>Doug Lafferty</b>						
Year to 31 December 2023	–	£39	£5	£2	£87	<b>£133</b>
Year to 31 December 2022	–	£13	£2	£1	–	<b>£16</b>

Amedeo Felisa (CEO) and other members of the leadership team have been commuting from their homes in Italy on a weekly basis to be present at Aston Martin's UK sites. Recognising the efficiency advantages around valuable time saved, productive time working (both as individuals and a team), as well as privacy, flexibility and convenience, the Committee considered the use of private flights for the commute.

After careful consideration, and with full support from the Executive Chairman, during 2023 the Committee approved the Company to covering the cost (including any tax payable) of private flights for the commute between Italy and the UK for individuals including the CEO. The CEO will also receive reimbursement for the cost of flights associated with his commute since his appointment in 2022. As the decision was made during 2023, the cost related to 2023 (at £814k) and 2022 (at £369k) is included in the FY 2023 single figure and above table.

As previously disclosed, the CEO receives an annual cash allowance of £50,000 as location assistance, intended to cover his accommodation and subsistence in the UK while he is away from his home in Italy during the working week. The Company also meets the tax payable on this allowance.

The Committee considered the working pattern of the CFO and approved the introduction of a location assistance allowance to recognise that he had a significant commute and was therefore renting accommodation away from home during the working week to be present on location at Aston Martin's Gaydon headquarters. This allowance was set at £48,000 p.a. from 1 January 2023, with the Company also meeting the tax payable.

## ANNUAL BONUS

### Annual bonus outcomes for FY 2023 (audited)

The annual bonus in 2023 operated in-line with the Company-wide approach first introduced in 2021, including a Group scorecard of performance measures to best reflect annual progress on our business plan and KPIs. The Group scorecard was cascaded throughout the Company to apply to annual bonus for all employees, providing strong alignment of focus.

For 2023, the scorecard was weighted 85% on financial measures (including a 50% weighting on Adjusted EBITDA, 20% on Free Cash Flow and 15% on volumes) and 15% on Quality performance. The performance targets for each measure were set by the Committee at the start of the year, considering the business plan for 2023 and market expectations. The table below sets out the Group KPI targets, the achieved performance and the level of pay out of the bonus as a % of maximum for each element.

### 2023 Group KPI targets

Performance measure (weighting)	Threshold (20%)	Target (50%)	Maximum (100%)	FY 2023 achieved	FY 2023 bonus payment (% of maximum)
Adjusted EBITDA (50%)	£250m	£300m	£350m	£306m	28%
Free Cash Flow (20%)	– £290m	– £240m	– £200m	– £360m	0%
Wholesale Volumes (7.5%)	6,400	6,900	7,300	6,620	2.5%
Retail Volumes (7.5%)	6,900	7,400	7,800	5,918	0%
Quality (15%)	Internal:			1 of 2 targets achieved	1.9%
	CPA – Customer Perception Audit – an audit of a car that has completed all the production processes and is intercepted as it would be handed over to the outbound transport company				
	External – Warranty at 3 and 12 months in service:			3 of 8 targets achieved	1.4%
	(1) CPU – Cost Per Unit				
	(2) DPU – Defects Per Unit				
<b>Total (100%)</b>					<b>34%</b>

For 2023, all elements of the bonus operated independently, and with our FY 2023 Adjusted EBITDA outcome of £306m just ahead of the target set, a payment of 34% of maximum bonus (68% of target) will be paid based on Adjusted EBITDA, wholesale volumes and quality metrics achieved (and no payment with respect to the FCF or retail volumes measures).

The CEO's 2023 bonus payment will be delivered 50% in cash and 50% in shares, deferred for three years (as he is yet to meet his shareholding guideline). As set out on page 116, the CFO had met his shareholding guideline during the year and so the Committee determined that his bonus would be paid 100% in cash.

Annual bonus for FY2023	Maximum bonus opportunity (% of salary)	Performance measures/ targets	Level of 2023 achievement	2023 bonus payment (% of maximum)	2023 bonus payment (% of salary)	2023 bonus payment (£'000s)
<b>Amedeo Felisa*</b>	200%	Group KPI	See table on	34%	68%	£608
<b>Doug Lafferty</b>	150%	targets	previous page	34%	51%	£238

\* 50% of Amedeo Felisa's net 2023 bonus payment will be delivered in shares, deferred for three years

In determining this outcome, the Committee noted that the Group KPI scorecard applied to the 2023 bonus for all employees and that the outcome at 34% of maximum was considered a positive result, recognising how hard the team had worked and the significant continued progress made on the business plan and achievements during 2023, including the DB12 launch.

### ANNUAL BONUS FOR FY 2024

As detailed in the Committee Chair's letter, the 2024 annual bonus will include a Group scorecard of performance measures aligned with our business plan. For 2024, we are making some important changes to the Group KPI scorecard to incorporate an additional ESG performance measure focused on the safety of our people. The Board spent time considering what would be the most appropriate ESG metric, and decided to focus on our safety performance as the starting point, with safety being the foundation of any high performing manufacturing business and the importance of everyone across the workforce focusing on keeping each other safe.

While we recognise that the weighting on ESG is relatively low compared to market practice, we believe that this is the right approach as we continue to embed our approach to ESG across the business. We are committed to demonstrating progress over time given its strategic importance and so we will continue to keep the weighting, measures and inclusion of ESG metrics in the annual bonus and / or LTIP under review as we evolve our approach.

The 2024 Group KPI scorecard is set out in the table below, the actual targets remain commercially sensitive and will be disclosed retrospectively in the 2024 DRR, when the 2024 performance year is complete.

Group KPI scorecard to apply to 2024 annual bonus					
Area	Profit	Cash	Volumes	Quality	ESG
<b>Measure</b>	<b>Adjusted EBITDA</b>	<b>Free Cash Flow (FCF)</b>	<b>Wholesale volumes</b>	<b>In-house (CPA) External (warranty)</b>	<b>Safety (AFR)</b>
Weighting	50%	20%	10%	15%	5%

These Group KPI measures are aligned with our Company KPIs as set out in the Strategic Report on pages 34 and 35. The Committee has selected the ESG measure of Accident Frequency Rate (AFR) – this is a reported, well-established KPI which ensures we are able to define a target that is quantifiable and measurable, and clearly aligned with our strategy and the goals we have committed to in our 2024 Sustainability Report.

We believe this Group KPI scorecard includes the right balance of measures to make progress during 2024 towards delivering our long-term strategy.

Full details of our Sustainability strategy, Racing. Green., including our ESG goals can be found in our 2024 Sustainability Report at [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

The Committee will continue to have the discretion to adjust bonus outcomes to ensure they are appropriate and reflect underlying business performance/ any other relevant factors.

### LONG-TERM INCENTIVE PLAN

The following section sets out details of:

- 2023 LTIP awards granted during FY 2023
- 2023 DBSP awards granted during FY 2023
- Approach to 2024 LTIP awards
- CEO 2022 LTIP share award – adjustment to take account of the 2022 open offer

### 2023 LTIP AWARDS GRANTED DURING FY 2023 (AUDITED)

The CEO was not granted an LTIP award in 2023.

#### 2023 LTIP share award – CFO

The approach to 2023 LTIP awards was set out in detail in the 2022 DRR, ahead of the grant date (in May 2023). The table below summarises the LTIP share award that was granted to the CFO during FY 2023.

FY 2023	Type of award	Basis of award	Number of shares awarded	Face value at grant (£'000s)
<b>Doug Lafferty</b>	LTIP share award	200% of salary	352,852	£940

Notes:

- (1) The LTIP shares were granted on 24 May 2023 and will vest subject to the performance conditions and vesting schedule set out below
- (2) The award was granted in the form of nil-cost options
- (3) The face value of the award was calculated using the 3-day average price prior to the date of grant (£2.66)

The 2023 LTIP award granted to the CFO is subject to the performance conditions detailed below.

#### 2023 LTIP performance measures and targets

		2023 LTIP targets	Vesting* (as a % of maximum)
<b>Adjusted EBITDA</b> (£m in FY25) (80% of award)	Threshold	400	20%
	<b>Stretch</b>	<b>475</b>	<b>80%</b>
	Maximum	550	100%
<b>Relative TSR**</b> (vs. luxury peers) (20% of award)	Threshold	Rank 6th (median)	20%
	Maximum	Rank 3rd or above (80th percentile)	100%

\* Vesting will be on a straight-line basis between each of threshold and stretch, and stretch and maximum for the EBITDA element and threshold and maximum for the TSR element.

\*\* TSR performance will be measured on a ranked basis against the following luxury companies: Burberry, Capri Holdings, Compagnie Financiere Richemont, Ferrari, Hermes International, Kering, LVMH, Moncler, Prada and Ralph Lauren.

The Remuneration Committee retains discretion to adjust the vesting levels to ensure they reflect underlying business performance and any other relevant factors to ensure that the value at vesting is fully reflective of the performance delivered and executives do not receive unjustified windfall gains.

#### Performance period

Performance for both measures will be measured over three financial years to 31 December 2025. Subject to performance, awards will vest 3 years from grant, following the announcement of results for 2025 but subject to a further 2-year holding period post vest (net of tax).

The CFO will be required to hold at least 75% of any shares that vest (net of tax) unless he has met his shareholding guidelines under the shareholding policy at that time.

#### 2023 DBSP awards granted during FY 2023

In accordance with the rules of the Aston Martin Lagonda Deferred Share Bonus Plan 2018 ("DBSP"), the Directors named below were granted nil-cost options over Shares as follows:

- Amedeo Felisa (CEO) – 5,820 shares
- Doug Lafferty (CFO) – 12,221 shares

The DBSP awards are in relation to the 2022 annual bonus which, as disclosed in the 2022 Directors' Remuneration Report, was to be delivered 50% in cash and 50% in deferred shares. The number of shares granted reflects the net bonus amount (post tax and NI). Shares under the DBSP awards are deferred for a period of 3 years from grant and will be released, subject to continued employment, on 24 May 2026.

#### Malus and Clawback:

- Malus and clawback provisions will be operated at the discretion of the Remuneration Committee in respect of awards granted under the LTIP and DBSP where it considers that there are exceptional circumstances. Such exceptional circumstances may include serious reputational damage, a failure of risk management, an error in available financial information, which led to the award being greater than it would otherwise have been or personal misconduct.
- Clawback may be applied for a period of up to three years for any LTIP and DBSP awards.

## APPROACH TO 2024 LTIP AWARDS

The Committee decided that Adjusted EBITDA continues to be the most appropriate measure of profit for the 2024 LTIP, given market and internal focus on this key metric, which is used to manage the business. The Committee believes strong performance in Adjusted EBITDA is key to delivering strong shareholder returns. The Adjusted EBITDA targets have been carefully calibrated based on Aston Martin's latest business plan and external expectations. The range has been set to be stretching (extremely so at the maximum vesting level) yet motivating in the context of our business plan and the continued uncertainty in the current environment.

Relative Total shareholder return (TSR) as the second measure, recognises the importance of shareholder alignment and also the self-calibrating nature of TSR as an objective measure of performance. TSR will be measured on a relative basis, against a select group of luxury companies, which aims to incentivise further elevation of the Aston Martin brand, by out-performance of these high-end luxury companies. Ultimately, the successful delivery of our business plan and strategy (detailed on pages 32 and 33) will be reflected in our Adjusted EBITDA and TSR performance.

It is anticipated that 2024 LTIP awards will be granted in May 2024, with awards at the following levels:

- Amedeo Felisa (CEO) – 300% of salary
- Doug Lafferty (CFO) – 200% of salary

## 2024 LTIP performance measures and targets

		2024 LTIP targets	Vesting* (as a % of maximum)
<b>Adjusted EBITDA</b> (£m in FY26) (80% of award)	Threshold	450	20%
	<b>Stretch</b>	<b>550</b>	<b>80%</b>
	Maximum	650	100%
<b>Relative TSR**</b> (vs. luxury peers) (20% of award)	Threshold	Rank 6th (median)	20%
	Maximum	Rank 3rd or above (80th percentile)	100%

\* Vesting will be on a straight-line basis between each of threshold and stretch, and stretch and maximum for the EBITDA element and threshold and maximum for the TSR element

\*\* TSR peers as per 2023 LTIP, detailed on page 114

The Remuneration Committee retains discretion to adjust the vesting levels to ensure they reflect underlying business performance and any other relevant factors to ensure that the value at vesting is fully reflective of the performance.

## Performance period

Performance for both measures will be measured over three financial years to 31 December 2026. Subject to performance, awards will vest 3 years from grant, following the announcement of results for 2026 but subject to a further 2 year holding period post vest (net of tax).

The CEO and CFO will be required to hold at least 75% of any shares that vest (net of tax) until they have met their shareholding guidelines under the shareholding policy at that time.

## CEO 2022 LTIP share award – adjustment to take account of the 2022 open offer

In line with standard practice in the event of an equity raise, the share price targets were adjusted during the year to reflect the dilutive effect of the 2022 open offer using the market-standard theoretical ex-rights price ("TERP") approach (no adjustments were made in respect of the firm placing). This neutralises the dilutive effect of the open offer ensuring the stretch of the targets is maintained, making the revised targets no easier or harder to achieve than when they were originally set. This approach means the CEO's 2022 LTIP award would continue to meet the incentive objectives for which it was originally granted.

The share price performance measure and targets are set out below.

## 2022 LTIP performance measures and targets (CEO)

- Share price performance will be assessed based on the share price of the Company during any period of 30 consecutive days during the performance period (from 13 June 2022 to 12 June 2024)
- The shares under the award will commence vesting if the share price exceeds £3.71 and will vest as follows:

		2022 LTIP targets		Vesting* (as a % of maximum)
		Pre-adjustment	Post-adjustment	
<b>Share price of the Company to exceed £x for 30 consecutive days</b>	Threshold	£10 (or less)	<b>£3.71</b> (or less)	0%
	Maximum	£18	<b>£6.67</b>	100%

\* Vesting will be on a straight-line basis between threshold and maximum

### SHARE INTERESTS AND SHAREHOLDING GUIDELINES (AUDITED)

The CEO and CFO are subject to shareholding guidelines of 300% and 200% of salary respectively, which drives long-term alignment with investors.

The following table sets out the total beneficial interests of the executive directors (and their connected persons) in ordinary shares of the Company as at 31 December 2023, as well as the status against the shareholding guidelines. The table also summarises conditional interests in share or option awards.

As at 31 December 2023	Shares owned outright	Shares vested but subject to future release <sup>1</sup>	Total shares owned outright or vested <sup>2</sup>	As a % of salary <sup>3</sup>	Shareholding guideline (as % of salary)	Guideline met?	LTIP award shares unvested and subject to performance <sup>4</sup>
<b>Amedeo Felisa</b>	30,000	5,820	<b>35,820</b>	9.0%	300%	No	872,828
<b>Doug Lafferty</b>	358,769	12,221	<b>370,990</b>	178.4%	200%	No <sup>5</sup>	652,107
<b>Lawrence Stroll<sup>6</sup></b>	208,581,263	–	<b>208,581,263</b>	n/a			n/a

Notes:

(1) These shares were awarded under the deferred bonus plan in respect of 50% of the net (post tax and NI) 2022 annual bonus payment

(2) There have been no changes in the period up to and including 27 February 2024

(3) Based on the closing share price on 31 December 2023 of £2.26

(4) These shares were granted under the 2022 and 2023 LTIP awards

(5) The Committee noted that the CFO had met his shareholding guideline of 200% of salary based on the average share price over the full FY 2023 (which was £2.55)

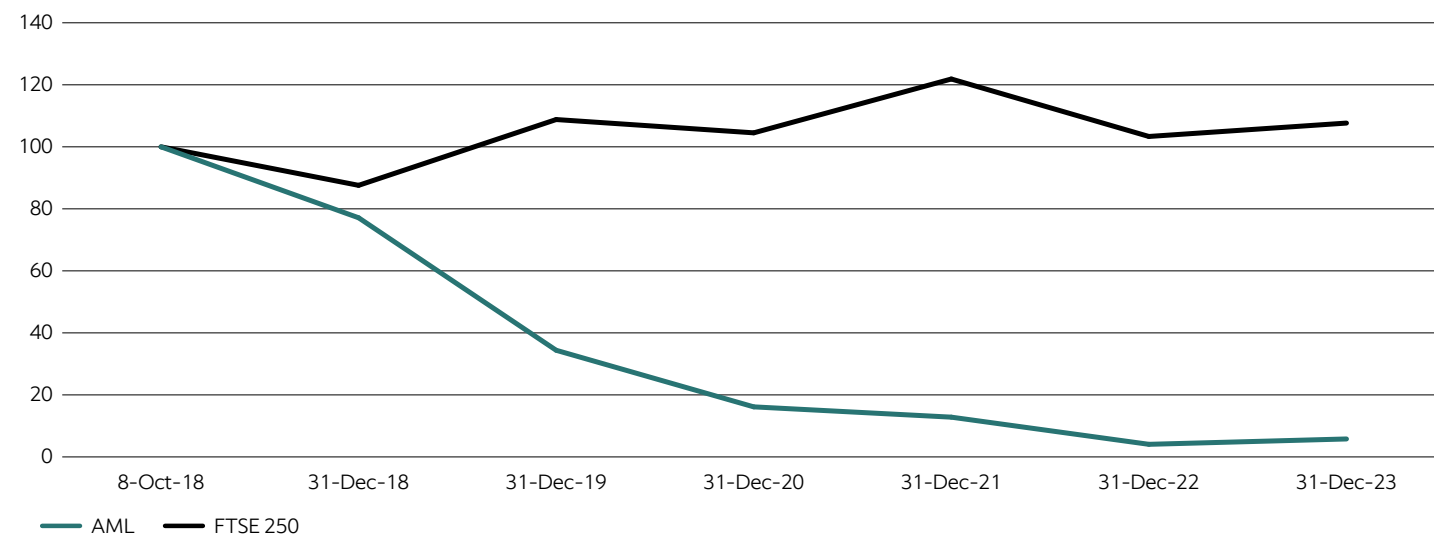
(6) The number of shares shown for Lawrence Stroll includes both direct and indirect interests

### TSR PERFORMANCE GRAPH AND CEO REMUNERATION

The Company's shares started trading on the London Stock Exchange's main market for listed securities on 8 October 2018.

The graph below shows the TSR performance of £100 invested in the Company's shares since listing, compared to the FTSE 250 index which has been chosen because the Company has been a constituent of this index since listing.

#### TSR vs. the FTSE250



The table below shows the total remuneration earned by the incumbent CEO over the same period, along with the percentage of maximum opportunity earned in relation to each type of incentive. The total amounts are based on the same methodology as used for the single figure of total remuneration for FY 2023 on page 111.

#### CEO total remuneration

FY	2018 <sup>(1)</sup> (AP)	2018 <sup>(2)</sup> (AP)	2019 (AP)	2020 (AP)	2020 (TM)	2021 (TM)	2022 (TM)	2022 (AF)	2023 (AF)
Total remuneration (£'000s)	407	1,347	1,353	476	1,341	1,055	402	755	<b>2,891</b>
Bonus (% of maximum)	0%	0%	0%	0%	20%	0%	5.05%	5.05%	<b>34%</b>
LTIP (% of maximum)	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	<b>n/a</b>

Notes:

(1) FY 2018 remuneration shown is for the period 8 October to 31 December 2018, annual bonus was restated to zero as set out in the 2019 DRR

(2) The amounts shown for FY 2018 in the second column have been annualised, as if the Remuneration Policy operated since IPO had been in place for the full year (as disclosed in the 2018 DRR, with bonus restated to zero)

(3) Amedeo Felisa (AF, CEO from 4 May 2022), Tobias Moers (TM, CEO from 1 August 2020 to 4 May 2022), Dr Andy Palmer (AP, CEO to 25 May 2020)

## DIRECTOR REMUNERATION RELATIVE TO EMPLOYEES

The table below shows the percentage change in Directors' remuneration and average remuneration of employees on an annual basis. For comparison purposes, only Directors who had periods of service in both 2023 and 2022 have been included and amounts have been adjusted in all years to reflect a full year equivalent to enable a meaningful reflection of year-on-year change.

Year-on-year change (%)	2023			2022			2021		
	Salary/ fees	Bonus	Benefits	Salary/ fees	Bonus	Benefits	Salary/ fees	Bonus	Benefits
Average employee	<b>12.8%</b>	<b>569%</b>	<b>0.0%</b>	6.0%	23.0%	0.0%			
<b>Executive Directors</b>									
Lawrence Stroll	<b>0.0%</b>	-	-	0.0%	-	-	0.0%	-	-
Amedeo Felisa	<b>3.0%</b>	<b>593%</b>	<b>1,317%</b>	-	-	-	-	-	-
Doug Lafferty	<b>5.5%</b>	<b>595%</b>	<b>457%</b>	-	-	-	-	-	-
<b>Non-Executive Directors</b>									
Ahmed Al-Subaey	<b>6.8%</b>	-	-	-	-	-	-	-	-
Nigel Boardman	<b>35.0%</b>	-	-	-	-	-	-	-	-
Robin Freestone	<b>10.6%</b>	-	-	0.0%	-	-	-	-	-
Natalie Massenet	<b>6.0%</b>	-	-	1.0%	-	-	-	-	-
Marigay McKee	<b>19.0%</b>	-	-	2.0%	-	-	-	-	-
Franz Reiner	<b>9.2%</b>	-	-	0.0%	-	-	-	-	-
Scott Robertson	<b>6.1%</b>	-	-	-	-	-	-	-	-
Anne Stevens	<b>9.9%</b>	-	-	19.0%	-	-	-	-	-
<b>Former Non-Executive Directors</b>									
Antony Sheriff	<b>-26.2%</b>	-	-	60.0%	-	-	-	-	-

Notes:

- (1) The comparator group includes all UK employees. This group represents the majority of Aston Martin employees and is the same group used for the pay ratio reporting below.
- (2) For the comparator group of employees, the salary year-on-year change is shown includes the annual salary review from 1 January 2023 but excludes any additional changes made in the year, for example on promotion
- (3) For benefits, there were no changes to benefit policies or levels during the year. The 2023 benefits figure for Amedeo Felisa includes both the 2022 and 2023 cost of commuting flights between Italy and the UK, the Company also met the tax payable on these flights – full details are set out on page 112.
- (4) NED fees were increased for the 2023 year, as set out in last year's report. Nigel Boardman took on the role of SID during 2023 and Marigay McKee became a member of the Nomination Committee during the year – the increases shown reflect fees for these additional roles

## CEO PAY RATIOS

The ratios, set out in the table below, compare the total remuneration of the incumbent CEO (as included in the single figure table on page 111) to the remuneration of the median UK employee as well as employees at each of the lower and upper quartiles.

	25th percentile (P25)	Median (P50)	75th percentile (P75)
Salary of employee identified (FY 23)			
Total remuneration of employee identified (FY 23)	£42k	£42k	£42k
	£49k	£49k	£49k
<b>CEO pay ratios (Option A)</b>			
FY 23	59 to 1	50 to 1	41 to 1
FY 22	26 to 1	22 to 1	18 to 1
FY 21	27 to 1	23 to 1	19 to 1
FY 20	53 to 1	45 to 1	37 to 1
FY 19	34 to 1	29 to 1	24 to 1

The ratios are calculated using 'option A' as set out in the disclosure regulations. The employees at the lower quartile, median and upper quartile (P25, P50 and P75) were determined based on total remuneration for FY 2023 using a calculation approach consistent with that used for the incumbent CEO in the single figure table on page 111. The Committee chose to use option A on the basis that it would provide the most accurate approach to identifying the median, lower and upper quartile employees.

The Committee considers pay ratios as one of many reference points when considering remuneration. Throughout Aston Martin, pay is positioned to be fair and market competitive in the context of the relevant talent market for each role.

### RELATIVE IMPORTANCE OF SPEND ON PAY FOR FY 2023

The table below sets out the total payroll costs for all employees for FY 2023 compared to distributions to shareholders by way of dividend and share buyback. Adjusted EBITDA is also shown as context.

		FY 2023	FY 2022
Adjusted EBITDA	£m	<b>306</b>	190
	% change	<b>+61%</b>	n/a
Distributions to shareholders	£m	<b>0</b>	0
	% change	<b>0%</b>	0%
Payroll costs for all employees	£m	<b>221.7</b>	189.4
	% change	<b>+17.1%</b>	

### SERVICE AGREEMENTS

The table below sets out information on service agreements for the executive directors.

Executive Director	Title	Effective date of service agreement	Notice period to and from the Company
Lawrence Stroll	Executive Chairman	20 April 2020	Mr Stroll's appointment is terminable in accordance with the Yew Tree Relationship Agreement
Amedeo Felisa	Chief Executive Officer	24 May 2022	12 months
Doug Lafferty	Chief Financial Officer	13 January 2022	12 months

The service agreements for Executive Directors are available for inspection by shareholders at the registered office of the Company.

### EXTERNAL APPOINTMENTS

It is recognised that Non-Executive Directorships can provide a further level of experience that can benefit the Company. As such, Executive Directors may usually take up one Non-Executive Directorship (broadly equivalent in terms of time commitment to a FTSE 350 Non-Executive Directorship role) subject to the Board's approval as long as there is no conflict of interest. A Director may retain any fee received in respect of such Non-Executive Directorship. Neither the CEO nor the CFO has any Non-Executive Directorships.

### PAYMENTS FOR LOSS OF OFFICE

No payments for loss of office were made during the financial year.

### PAYMENTS TO PAST DIRECTORS

No payments were made to past Directors during the year.



**NON-EXECUTIVE DIRECTORS' REMUNERATION (AUDITED)**

The Policy on remuneration for Non-Executive Directors is set out in the Directors' Remuneration Report FY 2021 (which can be found in the Annual Report FY 2021 at [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com)).

The table below sets out the single figure of total remuneration received or receivable by the Non-Executive Directors in respect of FY 2023 (and the prior financial year).

Shown in £'000s	Total fees
<b>Non-Executive Directors</b>	
<b>Ahmed Al-Subaey</b>	
Year to 31 December 2023	<b>65</b>
Year to 31 December 2022	10
<b>Nigel Boardman</b>	
Year to 31 December 2023	<b>90</b>
Year to 31 December 2022	17
<b>Michael de Picciotto</b>	
Year to 31 December 2023	-
Year to 31 December 2022	-
<b>Robin Freestone</b>	
Year to 31 December 2023	<b>94</b>
Year to 31 December 2022	85
<b>Cyrus Jilla</b>	
Year to 31 December 2023	-
<b>Daniel Li Donghui</b>	
Year to 31 December 2023	<b>29</b>
<b>Natalie Massenet</b>	
Year to 31 December 2023	<b>71</b>
Year to 31 December 2022	67
<b>Marigay McKee</b>	
Year to 31 December 2023	<b>75</b>
Year to 31 December 2022	63
<b>Franz Reiner</b>	
Year to 31 December 2023	<b>71</b>
Year to 31 December 2022	65
<b>Scott Robertson</b>	
Year to 31 December 2023	<b>71</b>
Year to 31 December 2022	11
<b>Anne Stevens</b>	
Year to 31 December 2023	<b>111</b>
Year to 31 December 2022	101
<b>Jean Tomlin</b>	
Year to 31 December 2023	<b>13</b>
<b>Former Non-Executive Directors</b>	
<b>Antony Sheriff</b>	
Year to 31 December 2023	<b>40</b>
Year to 31 December 2022	145

## Notes:

- (1) Nigel Boardman became the SID on 1 October 2022
- (2) Cyrus Jilla joined the Board on 27 October 2023
- (3) Daniel Li Donghui joined the Board on 28 July 2023
- (4) Marigay McKee became a member of the Nomination Committee on 17 May 2023
- (5) Jean Tomlin joined the Board on 27 October 2023
- (6) Antony Sheriff stepped down from the Board on 17 May 2023

### SUMMARY OF NON-EXECUTIVE DIRECTORS' FEES FOR FY 2024

The table below sets out the annual fee structure for the NEDs for 2024 (there are no changes to the fee levels that applied in 2023).

NED role	FY 2023 fee (£'000s)	FY 2024 fee (£'000s)
Basic NED fee	65	65
SID fee	17	17
Committee Chair	17	17
Committee member	6	6

### NON-EXECUTIVE DIRECTOR SHAREHOLDINGS (AUDITED)

The table below summarises the total interests of the Non-Executive Directors (and their connected persons) in ordinary shares of Aston Martin Lagonda Global Holdings plc as at 31 December 2023 (or at the date of stepping down, if earlier).

Non-Executive Directors	Total number of shares owned <sup>1</sup>
Ahmed Al-Subaey	704,312
Nigel Boardman	50,376
Michael de Picciotto <sup>2</sup>	6,285,660
Robin Freestone	38,929
Cyrus Jilla	-
Daniel Li Donghui	-
Natalie Massenet	20,000
Marigay McKee	-
Franz Reiner	13,477
Scott Robertson	-
Anne Stevens	35,000
Jean Tomlin	-
<b>Former Non-Executive Directors</b>	
Anthony Sheriff <sup>3</sup>	-

Notes:

(1) Other than those stated below, there have been no changes in the period up to and including 27 February 2024

(2) Held via St James Invest SA

(3) Antony Sheriff stepped down from the Board on 17 May 2023 – shareholding shown is as at this date

### LETTERS OF APPOINTMENT

The Non-Executive Directors have letters of appointment. All Non-Executive Directors' appointments and subsequent re-appointments are subject to annual re-election at the AGM. Dates of the letters of appointment of the Non-Executive Directors as at the date of this report are set out in the table below.

Non-Executive Directors	Date of appointment	Notice period
Ahmed Al-Subaey	1 November 2022	3 months
Nigel Boardman	1 October 2022	3 months
Michael de Picciotto	24 April 2020	3 months
Robin Freestone	1 February 2021	3 months
Natalie Massenet	8 July 2021	3 months
Marigay McKee	8 July 2021	3 months
Cyrus Jilla	27 October 2023	3 months
Daniel Li Donghui	28 July 2023	3 months
Franz Reiner	8 July 2021	3 months
Scott Robertson	1 November 2022	3 months
Anne Stevens	1 February 2021	3 months
Jean Tomlin	27 October 2023	3 months

The terms and conditions of appointment for Non-Executive Directors are available for inspection by shareholders at the registered office of the Company.

## REMUNERATION COMMITTEE IN FY 2023

### Committee membership

The following Directors served as members of the Committee during FY 2023:

- Anne Stevens (Chair)
- Robin Freestone
- Antony Sheriff (until 17 May 2023 when he stepped down from the Board)
- Natalie Massenet

### Committee remit

The Committee's Terms of Reference are published on [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

In addition to setting the remuneration of the Executive Directors, the Committee continues to directly oversee the remuneration arrangements for the other Chief level roles (including Chief Creative Officer, Chief Global Brand and Commercial Officer, Chief Industrial Officer, Executive Consultant to the CEO, General Counsel, Chief Technology Officer, Chief People Officer and Chief Procurement Officer).

## SUMMARY OF MEETINGS

The Committee typically meets four to six times a year. During FY 2023, the Committee met six times and the agenda items discussed at these meetings are summarised below.

Early February	<ul style="list-style-type: none"> <li>– 2022 quality metrics – review of performance and outcome</li> <li>– 2022 annual bonus – expected outcome</li> <li>– 2023 approach to incentives – financial measure targets</li> <li>– Review of draft FY 2022 DRR</li> </ul>
Late February	<ul style="list-style-type: none"> <li>– Approval of 2022 annual bonus payment</li> <li>– 2020 LTIP – outcome of Adjusted EBITDA element</li> <li>– Approval of 2023 incentives – performance measures and targets</li> <li>– Approval of 2023 LTIP awards</li> <li>– Approval of 2022 Directors' Remuneration Report</li> <li>– Approval of 2022 Gender Pay Gap report</li> <li>– Approval of all employee share plan (SIP) – rule amendments</li> <li>– Approval of Chief Industrial Officer remuneration</li> <li>– Approval of Chief population 2023 remuneration</li> <li>– Approval of Chief population retention awards</li> </ul>
March	<ul style="list-style-type: none"> <li>– Approval of Chief Procurement Officer remuneration</li> <li>– Approval of Chief Global Brand and Commercial Officer remuneration</li> </ul>
July	<ul style="list-style-type: none"> <li>– Update on external reward environment</li> <li>– Approval of Chief population – Commuting flights</li> <li>– Approval of adjustment to share price targets for CEO 2022 LTIP award</li> </ul>
October	<ul style="list-style-type: none"> <li>– Approval of Chief Creative Officer remuneration</li> </ul>
December	<ul style="list-style-type: none"> <li>– Update on external reward environment and latest investor guidelines</li> <li>– Update on broader employee reward, including TU pay negotiations</li> <li>– Expected 2023 annual bonus and 2021 LTIP outcomes</li> <li>– FY 2024 incentives approach</li> <li>– Approval of 2024 all-employee share award</li> <li>– Remuneration Committee annual evaluation</li> <li>– Approval of updated Remuneration Committee terms of reference</li> </ul>

### ATTENDANCE AT COMMITTEE MEETINGS

The following table sets out the number of meetings attended by each Committee member during FY 2023

Director	Meetings Attended
Robin Freestone	6/6
Natalie Massenet	6/6
Antony Sheriff	3/6
Anne Stevens	6/6

### Committee performance evaluation

The Committee was evaluated as part of the internal effectiveness review of the Board and its Committees (details of which can be found on pages 92 and 93). The Committee also reviewed its own performance and was satisfied that it continued to perform effectively and had worked constructively and collaboratively in year of many committee changes and business activities and was rated highly by the members and other respondents to the evaluation survey.

The focus of the Committee for the forthcoming year will be to review the adequacy of the maintenance of dialogue with key institutional investors and their representatives and to improve the dialogue with and visibility of the external advisors and the Committee.

### Advice to the Committee

The Chair of the Board and members of the management team are invited to attend Committee meetings where appropriate, except when their own remuneration is being discussed. During the year the Executive Chairman, CEO, CFO, VP and General Counsel, Company Secretary, Chief People Officer, Executive Consultant to the CEO and Director of Reward attended meetings at the Committee's invitation.

The Committee has received independent advice on remuneration from Willis Towers Watson (WTW). WTW is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that the advice provided by WTW is independent and objective. WTW has no other connection with the Company. Total fees received by WTW in relation to remuneration advice provided that materially assisted the Committee during FY 2023 were £38,250, which had been charged on a time spent basis.

Freshfields also provided legal advice to the Committee in relation to the operation of the Company's share plans, employment law considerations and compliance with legislation.

### REMUNERATION VOTING RESULTS

The table below shows the results of the shareholder votes at the 2023 AGM on the DRR and at the 2022 AGM on the Directors' Remuneration Policy.

AGM voting results	Votes for	Votes against	Votes withheld
2023 AGM: To approve the DRR for the year ending 31 December 2022	543,945,821 (96.68%)	18,677,537 (3.32%)	6,884
2022 AGM: To approve the 2022 Directors' Remuneration Policy	67,922,049 (97.46%)	1,772,525 (2.54%)	4,251

### APPROVAL

This report has been approved by the Board and signed on its behalf by:

**DR. ANNE STEVENS**  
**CHAIR, REMUNERATION COMMITTEE**  
27 February 2024

## DIRECTORS' REPORT

### ABOUT THE DIRECTORS' REPORT

This Directors' Report sets out the information required to be disclosed by the Company in compliance with the Companies Act 2006, the UK Listing Rules and the Financial Conduct Authority's Disclosure Guidance and Transparency Rules (DTRs). It forms part of the management report as required under the DTR, along with the Strategic Report (pages 4-71) and other sections of this Annual Report and Accounts including the Corporate Governance Report (pages 72-122) all of which are incorporated by reference, as outlined in the table below.

Information	Reported in	Pages
Business model	Strategic Report	30-31
Corporate governance framework	Corporate Governance Report	83-85
Community and charitable giving	Strategic Report	27 and 42
Credit market and liquidity risks	Financial Statements (note 23)	176-185
Directors' conflicts of interest	Corporate Governance Report	95-96
Directors' share interests and remuneration	Directors' Report on Remuneration	108-122
Director training and development	Corporate Governance Report	96
Equity, Diversity and Inclusion	Strategic Report Nomination Committee Report	50-53 97
Employee engagement	Strategic Report Governance Report	50-53 89
Financial instruments	Financial Statements (note 23)	176-185
Future developments and strategic priorities	Strategic Report	32-33
Going concern statement	Financial Statements (note 1)	147-148
Greenhouse gas emissions	Strategic Report	47
Health and safety	Strategic Report	51
Human rights	Directors' Report	127
Modern Slavery Statement	Strategic Report	71
Principal risks and risk management	Strategic Report	64-69
Non-financial and sustainability information	Strategic Report	71
Non-pro rata allotments for cash	Financial Statements (note 27)	191
Results	Consolidated Income Statement	142
Risk management and internal control	Strategic Report	64-69
Section 172 Statement	Strategic Report	28-29
Stakeholder engagement	Strategic Report	24-27
Statement of Directors' Responsibilities	Directors' Report	129
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Workforce engagement	Governance Report Strategic Report	89 50-53

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FURTHER INFORMATION

## DIRECTORS

Details of Directors who served throughout the year are set out in the table below. Daniel Li, Jean Tomlin and Cyrus Jilla will be offering themselves for election in accordance with the Company's Articles of Association at the 2024 AGM and all the remaining existing Directors will be offering themselves for re-election.

Name	Date of appointment	Date of cessation
Lawrence Stroll	20 April 2020	
Amedeo Felisa	4 May 2022 as CEO <sup>1</sup>	
Doug Lafferty	1 May 2022	
Ahmed Al-Subaey	1 November 2022	
Sir Nigel Boardman	1 October 2022	
Michael de Picciotto	24 April 2020	
Robin Freestone	1 February 2021	
Cyrus Jilla	27 October 2023	
Daniel Li	28 July 2023	
Dame Natalie Massenet, DBE	8 July 2021	
Marigay McKee, MBE	8 July 2021	
Franz Reiner	8 July 2021	
Scott Robertson	1 November 2022	
Antony Sheriff	1 February 2021	17 May 2023
Dr. Anne Stevens	1 February 2021	
Jean Tomlin, OBE	27 October 2023	

<sup>1</sup> Amedeo Felisa was appointed an Independent Non-executive Director on 8 July 2021 and was appointed Chief Executive Officer on 4 May 2022.

## DIRECTORS' INSURANCE AND INDEMNITIES

The Company's Articles of Association provide for the Directors and officers of the Company to be appropriately indemnified subject to the provisions of the Companies Act 2006. In addition, the Company maintains Directors' and Officers' liability insurance, which provides cover for legal actions brought against its Directors and officers. Neither the Company's indemnity nor insurance covers claims arising from dishonesty or fraud. In addition, each Director of the Company also has the benefit of prospectus liability insurance which provides cover for liabilities incurred by Directors in the performance of their duties or powers in connection with the issue of the following documents (as applicable):

- The Company's prospectus dated 20 September 2018 in relation to the Company's listing on the premium listing segment of the Financial Conduct Authority's Official List and admission to trading on the Main Market for listed securities of the London Stock Exchange.
- The Company's combined prospectus and circular dated 27 February 2020 (together with the two supplementary prospectuses) in relation to the placing of ordinary shares and the rights issue.
- The Company's prospectus dated 5 September 2022 in relation to the placing of ordinary shares and the rights issue.

No amount was paid under any of these indemnities or insurances during the year other than the applicable insurance premiums.

In accordance with Section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the year ended 31 December 2023 and up to the date of this Report.

## ANNUAL GENERAL MEETING

The Company's Annual General Meeting (AGM) will be held electronically by audio webcast at 10.30am on Wednesday 8 May 2024. The Notice of the AGM will be available on the Company's website at [www.astonmartinlagonda.com/investors](http://www.astonmartinlagonda.com/investors).

## ARTICLES OF ASSOCIATION

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors, and the conduct of the Board and general meetings. Copies are available from the Company Secretary. In accordance with the Articles, Directors can be appointed or removed by the Board or by shareholders in a general meeting. Amendments to the Articles must be approved by at least 75% of those voting in person or by proxy at a general meeting of the Company. Subject to UK company law and the Articles, the Directors may exercise all the powers of the Company, may delegate authorities to Committees, and may delegate day-to-day management and decision-making to individual Executive Directors. Details of the Board Committees can be found on page 84.

The rules governing the appointment and removal of a Director are set out in the Company's Articles of Association. Specific details relating to the significant shareholder groups and their right to appoint Directors are set out on page 126.

## CORPORATE GOVERNANCE STATEMENT

Under the Disclosure and Transparency Rules, a requirement exists for a Corporate Governance Statement to be included in this Directors' Report. The corporate governance statement, explaining how the Group complies with the Governance Code, is set out on page 82. A description of the composition and operation of the Board and its Committees is set out on pages 84-122. Other than the areas of non-compliance identified on page 82, the Company has complied

throughout the accounting period with the 2018 UK Corporate Governance Code.

### GOING CONCERN

After due enquiry, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to comply with its financial covenants. For these reasons, they continue to adopt the going concern basis in preparing the Financial Statements. Further details of the going concern statement for the Group are set out in note 1 to the Financial Statements and the Viability Statement is set out on page 70.

### DIVIDEND AND RESULTS

Revenue from the continuing business during the period amounted to £1.6bn (2022: £1.4bn). A review of the Group's consolidated results is set out from page 142.

It is the Directors' intention to retain the Group's cash flow to finance growth and to focus on delivery of its new business plan. The Directors intend to review, on an ongoing basis, the Company's dividend policy and will consider the payment of dividends as the Group's strategy matures, depending upon the Group's Free Cash Flow, financial condition, future prospects and any other factors deemed by the Directors to be relevant at the time. The Directors are not recommending any dividend for the 2023 financial year.

### SHARE CAPITAL

Details of the issued share capital, together with details of movements in the issued share capital of the Company during the year, are shown in note 27 to the Financial Statements. This is incorporated by reference and deemed to be part of this Report.

At 31 December 2023, the Company had one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The ordinary shares are listed on the premium listing segment of the Financial Conduct Authority's Official List and traded on the Main Market for listed securities of the London Stock Exchange.

As at 31 December 2023, the Company had 823,663,785 ordinary shares of £0.10 in issue. The Company does not hold any shares in treasury. Specific powers relating to the allotment and issuance of ordinary shares and the ability of the Company to purchase its own securities are included within the Articles and such authorities must be submitted for approval by the shareholders, at the AGM each year (and were submitted and approved at the 2023 AGM).

Following shareholder approval at the general meeting on 4 December 2020 and pursuant to the Warrant Instrument dated 7 December 2020, as amended on 28 September 2022 (Warrant Instrument), the Company issued 126,647,852 warrants granting rights to subscribe for up to 37,994,356 ordinary shares of £0.10. Each warrant entitles a warrant holder to subscribe for 0.3 warrant shares at the subscription price of £1.67 per warrant share. Warrants are exercisable during the period starting on 1 July 2021 and ending on 7 December 2027. The Warrant Instrument sets out the rights of warrant holders, including the right to receive shareholder documents and notifications and the right to requisition the Company to convene a meeting of warrant holders. Further information on the warrants is

set out in the Prospectus dated 5 September 2022 and the announcement by the Company on 28 September 2022 which can be found on the Company's website. A total of 29,969,919 warrants were exercised during 2023, converting into a total of 8,990,975 ordinary shares.

On 31 December 2023 the Employee Benefit Trust held a total of 372,862 ordinary shares (5,872 unallocated shares and 366,990 shares allocated from prior share awards, held as Nominee Shares). The right to receive any dividend has been waived by the Trustee of the Employee Benefit Trust over the entire unallocated shares and we note that any dividend due to be paid over allocated shares would be paid directly to the Company (as the Trustee Paying Agent) for onward distribution to the respective individuals. The Trustee has the right to exercise any voting rights in respect of the unallocated shares it holds and will vote in accordance with the voting instructions received from the beneficial owners of the allocated shares.

### SUBSTANTIAL SHAREHOLDINGS

The Company has received notifications of major interests in its issued ordinary share capital in accordance with Rule 5 of the DTRs. Details of the position as at the end of the financial year are as follows:

Shareholder	Number of ordinary shares	% of total voting rights
Lawrence Stroll <sup>1</sup>	208,581,263	25.32
The Public Investment Fund	140,504,260	17.06
Li Shufu (Geely)	132,530,859	16.09
Ernesto Bertarelli	112,559,889	13.67
Yew Tree Overseas Ltd	80,458,305	9.77
Mercedes-Benz AG	73,320,195	8.90
Invesco Limited	29,832,865	3.62
Lucid Group Inc	28,352,273	3.44

<sup>1</sup> Includes 80,458,305 shares also disclosed by Yew Tree Overseas Ltd and 112,559,889 shares also disclosed by Ernesto Bertarelli.

There have been no changes notified to the Company in accordance with Rule 5 of the DTRs to the holdings disclosed above.

### RESTRICTIONS ON TRANSFER OF ORDINARY SHARES

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. All issued share capital of the Company at the date of this Annual Report is fully paid. Certain restrictions are also imposed by laws and regulations (such as insider trading and marketing requirements relating to closed periods) and requirements of the Market Abuse Regulation whereby Directors and certain employees of the Company require prior approval to deal in the Company's securities.

### SHAREHOLDERS' RIGHTS

Holders of ordinary shares have the rights accorded to them under UK company law, including the rights to receive the Company's Annual Report and Accounts, attend and speak at general meetings, appoint proxies and exercise voting rights. No shareholder holds ordinary shares carrying special rights relating to the control of the Company and, other than as previously publicly disclosed in relation to the Yew Tree Consortium, the voting rights of which are exercised in accordance with instructions of Lawrence Stroll, the Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on voting rights.

Significant shareholder group	% of voting rights to nominate two directors	% of voting rights to nominate one director	% of voting rights to nominate one director as a member of the Nomination Committee and an observer to the Remuneration and Audit and Risk Committees
Yew Tree Consortium	10% or above	Between 7% and 10%	7%
Public Investment Fund	10% or above	Between 7% and 10%	7%
Mercedes-Benz AG	15% or above	Between 7.5% and 15%	7.5%
Geely	-	7%	7%

### TRANSACTIONS WITH RELATED PARTIES

Details of Related Party Transactions which have been undertaken in the year ended 31 December 2023 are included within note 31 to the Financial Statements.

### SIGNIFICANT CONTRACTS

At 31 December 2023, the Group had a Revolving Credit Facility of £99.4m which contains a change of control clause. The Group also had US\$1,143.7m of 10.50% Senior Secured Notes due 2025, and US\$121.7m Second Lien Split Coupon Notes which contain change of control provisions. In aggregate, these financing arrangements are considered significant to the Group and, in the event of a takeover (i.e. a change of control) of the Company, the amounts outstanding under the Revolving Credit Facility may be cancelled or become immediately payable and the holders of the Senior Secured Notes and Second Lien Notes may require the Group to repurchase their notes.

All the Company's share plans contain provisions relating to a change of control. In the event of a change of control or winding up of the Company (other than an internal reorganisation), LTIP awards will vest subject to the extent to which the performance conditions have been satisfied. Pro rating for service will apply unless the Remuneration Committee decides otherwise. Outstanding deferred bonus awards will vest in full as soon as practicable. In the event of an internal corporate reorganisation, deferred bonus and LTIP awards may (with consent from any acquiring company) be replaced by equivalent awards. Alternatively, the Remuneration Committee may decide that deferred bonus and LTIP awards will vest as in the case of a change of control described above. In the event of a demerger, special dividend or other corporate event that will materially impact the share price the Committee may, at its discretion, allow deferred bonus and LTIP awards to vest on the same basis as for a change of control as described above. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

The Company currently has four groups of significant shareholders, namely the Yew Tree Consortium, The Public Investment Fund, Geely and Mercedes-Benz AG ('MBAG'). The relationship between the Company and each of these significant shareholder groups is governed by four separate relationship agreements ("Relationship Agreements").

The purpose of these Relationship Agreements is to ensure that the Company can carry on its business independently and for the benefit of shareholders as a whole. The Relationship Agreements also provide that the Company will not take any action in relation to certain significant matters without the prior approval of at least two-thirds of the members of the Board present and entitled to vote. The Relationship Agreements will terminate upon the relevant significant shareholder group ceasing to have the entitlement to exercise a minimum percentage of the voting rights in the Company or the Company's shares ceasing to be admitted to the Official List of the Financial Conduct Authority and traded on the Main Market for listed securities of the London Stock Exchange.

Each of the Relationship Agreements provides that each significant shareholder group is entitled to nominate director(s) to the Board and the Nomination Committee and an observer to the Remuneration and Audit and Risk Committees, subject to the size of its respective interest in the voting rights of the Company as set out in the table above.

On 26 June 2023, the Company announced it had entered into an amendment and restatement of its Strategic Co-operation Agreement with MBAG which was originally entered into on 27 October 2020. Under the amended agreement, the Company and MBAG will continue long-term strategic co-operation, supporting the delivery of current and future generation Aston Martin vehicles. Under the original agreement the Company would issue additional Aston Martin shares to MBAG in exchange for access to further technology replaced and this has now been replaced with a restated commitment to the existing strategic collaboration allowing the parties to discuss future access to technology for cash. No further consideration shares, or related cash top up payments, will be issued or paid to MBAG under the restated agreement.

In addition to the terms agreed in the Strategic Cooperation Agreement, the Group has a long-standing technical partnership with MBAG for the provision of engines, electrical architecture and entertainment systems. This partnership began in 2013, when MBAG became one of Aston Martin Holdings (UK) Limited's shareholders.

The agreements governing our relationship with MBAG provide that under certain circumstances MBAG may be entitled to terminate operational agreements on three or four years' prior notice (depending on the operational agreement) if a strategic MBAG competitor acquires a sufficient interest in AML, acquires certain board appointment rights, or enters into certain strategic arrangements with AML without MBAG's consent.

In early 2020, the Group entered into a sponsorship agreement, as amended in 2022, for a ten-year initial term under which the Racing Point Formula One® team was re-launched as the Aston Martin Cognizant Formula One® team with effect from the 2021 season, bringing an Aston Martin team back to the Formula One® grid for the first time since 1960. The agreement included a sponsorship arrangement effective from 2021 to 2025 with expenses commensurate with the Group's previous annual Formula One® expenditure. In March 2023, the parties agreed to sponsorship fees for the period from 2026 to 2030. From 2030, the sponsorship arrangements will be renewable at the Board's discretion for additional ten year periods up to the end of 2060. The Group anticipates that this



agreement will strengthen its brand presence without being associated with the direct costs of owning an Formula One® team. Under the agreement, the Group has enhanced its presence by providing the chassis and the team name Aston Martin.

On 29 July 2022, the Company entered into a placing agreement with The Public Investment Fund (Placing Agreement). The Company provided certain customary representations, warranties and undertakings in favour of The Public Investment Fund pursuant to the Placing Agreement, including an undertaking that, between the date of the Placing Agreement and 180 calendar days after the settlement date of the 2022 capital raise (being 29 March 2023), inclusive, it would not without the prior written consent of The Public Investment Fund, enter into certain transactions involving or relating to ordinary shares, subject to certain carve-outs and waivers, including the issue of any ordinary shares or options or the grant of any right to acquire ordinary shares pursuant to any employees' share schemes that existed at the date of the Placing Agreement, which were disclosed in the Prospectus dated 5 September 2022.

On 26 June 2023 the Company announced its intention to enter into a supply arrangement with Lucid to access Lucid's powertrain components to promote the Company's electrification strategy and long term growth. The arrangement was subject to shareholder approval and regulatory clearance and became unconditional in November 2023. For further information on the transaction see page 194.

### TAX STRATEGY

The Group is committed to complying with its statutory obligations in relation to the payment of tax including full disclosure of all relevant facts to the appropriate tax authorities. In managing its tax affairs, the Group recognises its responsibilities as a taxpayer and the need to protect the corporate reputation inherent in the brand. The Board has ultimate responsibility for the Group's tax strategy although the day-to-day management rests with the Executive Committee, which comprises the senior operational personnel of the Group. The Chief Financial Officer is the Executive Committee member with ultimate responsibility for tax matters and is the Senior Accounting Officer of the Group.

The Chief Financial Officer advises the Board on the tax affairs and risks of the Group to ensure:

- the proper control and management of tax risk;
- the tax position is planned in line with the Group's strategic objectives;
- the tax charge is correctly stated in the statutory accounts and tax returns; and
- all tax compliance is completed in a timely manner to HMRC and other tax authorities.

Further information on the Group's tax strategy is available on the Company's website.

### EQUAL OPPORTUNITIES AND EMPLOYMENT OF PERSONS WITH DISABILITIES

The Group has policies on equal opportunities and the employment of persons with disabilities which, through the application of fair

employment practices, are intended to ensure that individuals are treated equitably and consistently regardless of age, race, creed, colour, gender, marital or parental status, sexual orientation, religious beliefs and nationality.

Applications for employment by persons with disabilities are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure their employment with the Group is continued and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a persons with disabilities should, as far as possible, be identical to that of a person who does not have a disability.

### HEALTH AND WELLBEING

The health and wellbeing of employees is central to operating an effective and successful business. The Group also relies on the health and stability of the communities in which it operates. The Group recognises its responsibility and the opportunity to make a positive contribution and is actively engaged with local areas to foster a sense of partnership with the Group. The Group continues to educate employees on its approach to, and specific requirements of, human rights in business operations. In 2023, no human rights violations within the Group were reported, nor were any relevant reports received regarding the supply network. The health and safety of its workforce, visitors and the local community is of paramount importance. The Group aims to be a centre of excellence and for the Aston Martin Health and Safety Management System to be aligned with best practice within the automotive industry.

### POLITICAL DONATIONS

It is the Company's policy not to make political donations and no such political donations were made during the period. In line with 2023 and reflecting the practice of many other London-listed companies, the Board will be seeking shareholder approval for political donations at the forthcoming AGM. This is a precautionary measure, for the Company and its subsidiaries to be able to make donations and/or incur expenditure which may be construed as "political" by the wide definition of that term included in the relevant legislation. Further details will be provided in the Notice of this year's AGM.

### RESEARCH AND DEVELOPMENT

The Group spent £299m (2022: £246m) on research and development during the year. See note 4 to the Financial Statements.

### STRATEGIC REPORT

Aston Martin Lagonda Global Holdings plc is required by the Companies Act 2006 to prepare a Strategic Report that includes a fair review of the Company's business, the development and performance of the Company's business during the period, the position of the Company at the end of the year ended 31 December 2023, and a description of the principal risks and uncertainties faced by the Company. The Strategic Report on pages 4 to 71 is incorporated by reference and shall be deemed to form part of this Directors' Report.

### DISCLOSURE OF INFORMATION TO THE COMPANY'S AUDITOR

Each person who is a Director at the date of approval of this Report and of the Financial Statements confirms that:

- (i) so far as such Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- (ii) such Director has taken all the steps that they ought to have taken as a Director, in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### DISCLAIMER

As set out in more detail on the inside back cover of this agreement, the purpose of this Annual Report is to provide information to the members of the Company and it has been prepared for and only for, the members of the Company as a body, and no other persons. The Company, its Directors and officers, employees and advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

A cautionary statement in respect of forward-looking statements contained in this Annual Report appears on the inside back cover of this document.

The Strategic Report (from pages 4 to 71) and the Directors' Report (as described above) have been approved by the Board on 27 February 2024.

By order of the Board

#### LIZ MILES COMPANY SECRETARY

Aston Martin Lagonda Holdings Plc  
Registered Office: Banbury Road, Gaydon, Warwick, CV35 0DB

Registered in England and Wales.  
Registered Number: 11488166.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report which includes the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Group and parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards (IFRSs) and have elected to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). 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 Group and parent Company and of their profit or loss for that period.

In preparing each of the Group and parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies in accordance with International Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs and, in respect of the parent Company Financial Statements, FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- for the Group Financial Statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- for the parent Company Financial Statements, state whether applicable UK accounting standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the parent Company Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and/or the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and the Group and enable them to ensure that the parent Company and Group Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES UNDER THE DISCLOSURE AND TRANSPARENCY RULES**

Each of the Directors at the date of this Report whose names and functions are listed on pages 76-79, confirm to the best of their knowledge:

- that the consolidated Financial Statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- that the Annual Report and Accounts, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

These statements were approved by the Board on 27 February 2024 and signed on its behalf by:

**AMEDEO FELISA**  
CHIEF EXECUTIVE OFFICER

**DOUG LAFFERTY**  
CHIEF FINANCIAL OFFICER OFFICE

# 03

# FINANCIAL STATEMENTS

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2021

## One with Formula One®

We make our return to Formula One® as a full works team and take our rightful place in the pit lane. At the peak of the pinnacle of the epitome of sport

FINANCIAL STATEMENTS  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF ASTON MARTIN LAGONDA GLOBAL HOLDINGS PLC

**OPINION**

**In our opinion:**

- Aston Martin Lagonda Global Holdings plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aston Martin Lagonda Global Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise:

<b>Group</b>	<b>Parent company</b>
Consolidated statement of financial position as at 31 December 2023	Parent company statement of financial position as at 31 December 2023
Consolidated statement of comprehensive income for the year then ended	Parent company statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 6 to the financial statements including material accounting policy information.
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 34 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (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 group and parent 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

## 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. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- Understanding and walking through management's process for and controls related to assessing going concern including discussion with management to ensure all key factors were taken into account;
- Obtaining management's going concern assessment, which covers the period to 30 June 2025, and which includes cashflow and liquidity forecasts, details of facilities available, forecast covenant calculations and the results of management's downside scenarios, and testing the integrity of the model, including clerical accuracy;
- Confirming to the debt agreements both the maturity profile of the debt and the covenants that are required to be met within the going concern period;
- Confirming the Group forecasts demonstrate sufficient financial resources to repay the current RCF when it matures in August 2025 such that the going concern period does not need to be extended;
- Assessing the reasonableness of forecasts underpinning the going concern model which are based on the Board-approved budget and the Board-approved strategic plan. To do this we specifically considered forecast wholesale volumes compared to historical volumes, current confirmed orders and competitor volumes, sales margins and capital expenditure plans;
- Ensuring that these forecasts appropriately reflect the assessed impact of the current macroeconomic circumstances and the disclosed climate change commitments of the group;
- Analysing the historical accuracy of forecasting by comparing management's forecasts to actual results, both for 2020, 2021, 2022 and 2023 as well as through the subsequent events period and performing inquiries to the date of this report to determine whether forecast cash flows are reliable based on past experience;
- Considering external factors that could impact liquidity/forecasts including reliance on suppliers, recoverability of debtors, the current macroeconomic climate, and the threat of potential litigations and claims;
- Considering the downside scenario identified by management in their assessment on pages 147-148, assessing whether there are any other scenarios which should be considered, and assessing whether the quantum of the impact of the downside scenario modelled in the going concern period is realistic;
- Performing reverse stress testing on the going concern model by independently determining what reduction in wholesale volumes would be required before liquidity would be exhausted. This included comparing this scenario to the downside scenario contemplated by management and considering the likelihood of the events required to exhaust available liquidity;
- Evaluating the Group's ability to undertake mitigating actions should it experience a severe downside scenario, considering likely achievability of both timing and quantum particularly with respect to constraining capital spending if required; and
- Assessing the going concern disclosures in the financial statements to ensure they are in accordance with International Financial Reporting Standards.

We observed that while the group achieved lower than forecast total core wholesale volumes than it was originally targeting in 2023, this was driven by supplier readiness and integration of the new infotainment system impacting the timing of production and the related vehicle wholesale. The forecast core wholesale volumes for the going concern assessment period are reasonable compared to historic performance and the those reported by comparable brands in the luxury automotive sector. We observed in previous periods the control exercised over capital expenditure in comparison to amounts forecast which corroborates management's assertion that in the event of the modelled downside occurring capital expenditure could be deferred. Further, the Group has the borrowings disclosed in note 23 which includes details of the maturities of those facilities. We observed that the group forecasts demonstrate sufficient financial resources to repay the current RCF when it matures in August 2025 such that the going concern period does not need to be extended.

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 group and parent company's ability to continue as a going concern for a period to 30 June 2025.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

## OVERVIEW OF OUR AUDIT APPROACH

Audit scope	<ul style="list-style-type: none"> <li>We performed an audit of the complete financial information of four components and audit procedures on specific balances for a further three components.</li> <li>The components where we performed full or specific audit procedures accounted for 100% of Adjusted EBITDA, 100% of Revenue and 100% of Total assets.</li> </ul>
Key audit matters	<ul style="list-style-type: none"> <li>Revenue recognition, specifically:                             <ul style="list-style-type: none"> <li>There is a risk that revenue is overstated due to errors in cut-off, including bill and hold arrangements; and</li> <li>There is also a risk of overstatement of revenue through inappropriate manual journal entries</li> </ul> </li> <li>Capitalisation and amortisation of development costs</li> <li>Impairment of capitalised development costs</li> <li>Deferred tax asset valuation</li> <li>Parent Company Investment Impairment</li> </ul>
Materiality	Overall Group materiality of £7.5m which represents 2.5% of Adjusted Earnings before interest, tax, depreciation and amortisation ('EBITDA').

## AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

### Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 8 reporting components of the Group, we selected 7 components covering entities within the UK, Europe, USA, Japan and China, which represent the principal business units within the Group.

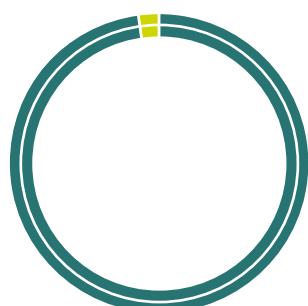
Of the 7 components selected, we performed an audit of the complete financial information of four components ("full scope components") which were selected based on their size or risk characteristics. For the remaining three components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2022: 100%) of the Group's Adjusted EBITDA, 100% (2022: 100%) of the Group's Revenue and 100% (2022: 100%) of the Group's Total assets. For the current year, the full scope components contributed 98% (2022: 98%) of the Group's Adjusted EBITDA, 96% (2022: 97%) of the Group's Revenue and 98% (2022: 98%) of the Group's Total assets. The specific scope component contributed 2% (2022: 2%) of the Group's Adjusted EBITDA, 4% (2022: 3%) of the Group's Revenue and 2% (2022: 2%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining one components that together represent 0% of the Group's Adjusted EBITDA, we performed other procedures, including analytical review to respond to any potential risks of material misstatement to the Group financial statements.

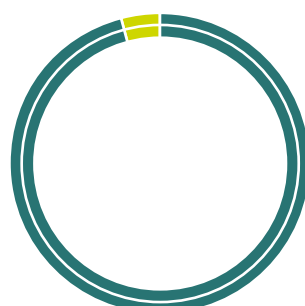
The charts below illustrate the coverage obtained from the work performed by our audit teams.

### ADJUSTED EBITDA



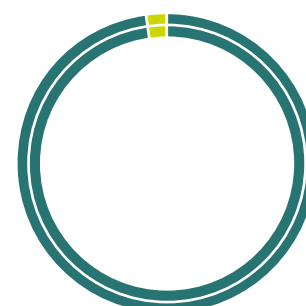
■ 98% Full scope components  
■ 2% Specific scope components

### REVENUE



■ 96% Full scope components  
■ 4% Specific scope components

### TOTAL ASSETS



■ 98% Full scope components  
■ 2% Specific scope components



### Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the four full scope components, audit procedures were performed on three of these directly by the primary audit team. For the three specific scope components, audit procedures were performed directly by the primary audit team. For the component not audited by the primary team, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor or his designate visits full scope component audited by the EY global network firm each year. During the current year's audit cycle, visits were undertaken by the primary audit team to the component team in China and these visits continued to be conducted virtually in line with prior periods. These sessions involved meeting with our local component team to discuss and direct their audit approach, understanding the significant audit findings in response to the key audit matters and reviewing key audit working papers. The primary team interacted regularly with the component team where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

### CLIMATE CHANGE

Stakeholders are increasingly interested in how climate change will impact Aston Martin Lagonda Global Holdings plc. The Group has determined that the most significant future impacts from climate change on its operations will be from the transition to EV ('Electric vehicle') powertrains, managing the financial impact of increasing carbon related costs in response to changes in legislation and managing the brand/reputational impact of continuing to sell ICE ('Internal combustion engine') powered vehicles in the short to medium term. These are explained on pages 58-63 in the required Task Force On Climate Related Financial Disclosures and on pages 64-69 in the principal risks and uncertainties. They have also explained their climate commitments on pages 44-49. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Note 1 how they have reflected the impact of climate change in their financial statements including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. Significant judgements or estimates relating to climate change have been factored into the Directors impairment assessments of the carrying value of capitalised development cost intangible assets, parent company investment impairment assessment and recoverability of deferred tax assets in the notes to the financial statements. These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to 30 June 2025 nor the viability of the Group over the next five years.

Our audit effort, in considering the impact of climate change on the financial statements, was focused on evaluating management's assessment of the impact of climate risk, both physical and transition, managements climate commitments and the effects of material climate risks disclosed on pages 61-62. We focused on whether these have been appropriately reflected in asset values where these are impacted by future cash flows, being the impairment testing of capitalised development costs, impairment of parent company investments and deferred tax asset recoverability and associated sensitivity disclosures (see notes 9 and 13 in the group financial statements and note 3 in the parent company financial statements) following the requirements of UK adopted international accounting standards for the group and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) for the parent company. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have considered the impact of climate change on the financial statements to impact certain key audit matters. Details of our procedures and findings are included in our explanation of key audit matters below.

FINANCIAL STATEMENTS  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF ASTON MARTIN LAGONDA GLOBAL HOLDINGS PLC CONTINUED

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p><b>Revenue Recognition</b> <b>(2023: £1,632.8m; 2022: £1,381.5m)</b></p> <p><i>Refer to the Audit Committee Report (pages 98-101); Accounting policies (pages 148 to 149); and Note 3 of the Consolidated Financial Statements (page 157)</i></p> <p>There is a risk that revenue is overstated due to errors in cut-off, including bill and hold arrangements whereby revenue is recognised on a completed vehicle before delivery is made to the customer based on the customer's request.</p> <p>In the current year the business and industry has experienced supply chain challenges and as a result there is an increased risk that revenue is recognised ahead of the vehicle build being complete.</p> <p>There is also a risk of overstatement of revenue through inappropriate manual journal entries.</p>	<ul style="list-style-type: none"> <li>- We confirmed the existence and the design effectiveness of controls within the sales process, paying particular attention to those around cut-off and bill and hold transactions.</li> <li>- For a sample of sales transactions, we considered the terms per the contracts and deliveries to ensure revenue has been recognised in accordance with IFRS 15 and is recorded in the correct period.</li> <li>- For a sample of bill and hold sales we have confirmed the vehicle was completed before year end by obtaining the signed quality check documentation. For that sample we also confirmed the transfer of control had occurred by confirming the transaction directly with the third-party dealer and by obtaining the customer requests to hold the vehicles on their behalf.</li> <li>- We performed physical verification on the finished vehicles and agreed these to either the inventory or the bill and hold listings. We ensured for a sample of vehicles the manufacturing process was complete and that the vehicle was not double counted in revenue and inventory.</li> <li>- We performed cut-off testing by tracing a sample of transactions around the period end to third party delivery note documentation.</li> <li>- We performed data analytical procedures of the double entries in the general ledger to test the postings from Revenue to Cash, correlating the cash conversion of sales. We investigated and obtained evidence for any unusual items identified.</li> <li>- We performed journal testing procedures to identify unusual journal entry postings. We obtained audit evidence for unusual and/or material revenue journals.</li> <li>- We performed audit procedures over this risk area in the full and specific scope locations.</li> </ul>	<p>Our audit procedures did not identify evidence of material misstatements in revenue recognition arising from the risk of cut-off, bill and hold or management override through journal entries.</p>
<p><b>Capitalisation and amortisation of development costs (Net book value of capitalised development costs: £848.4m, 2022: £843.9m)</b></p> <p><b>(Amounts capitalised in the year: £268.5m, 2022: £232.0m) (Amortisation charge: £264.0m, 2022: £221.4m)</b></p> <p><i>Refer to Accounting policies (page 150); and Note 12 of the Consolidated Financial Statements (page 165)</i></p> <p>There is a risk that costs are capitalised which do not meet the criteria set out within IAS 38 or that the amortisation period is inappropriate.</p> <p>There is also a risk of overstatement of capitalised development costs through inappropriate manual journal entries.</p>	<ul style="list-style-type: none"> <li>- We confirmed the existence and the design effectiveness of controls around the intangibles process and in particular around the approval of capitalised development expenditure.</li> <li>- For a sample of costs capitalised we confirmed that the costs incurred were; capitalised against the correct project; measured correctly; eligible for capitalisation, and the timing of the expense capitalisation was appropriate.</li> <li>- For a sample of projects we compared the actual spend against the budgeted spend to ensure the projects continue to meet the IAS 38 criteria for capitalisation and remain commercially viable.</li> <li>- For capitalised development costs we confirmed the amortisation period was aligned to the period over which commercial benefits are expected to be received and is consistent with the Group's business plan.</li> <li>- We considered the appropriateness of the amount/percentage of costs which are transferred between models as a result of the carry over carry across principle ('COCA').</li> <li>- We recalculated the amortisation recognised to confirm this was in line with expectations.</li> <li>- We performed journal testing procedures to identify unusual journal entry postings. We obtained audit evidence for any unusual journals related to capitalised development costs.</li> <li>- We performed full scope audit procedures over this risk area in one location, which covered 100% of the risk amount.</li> </ul>	<p>Our audit procedures did not identify evidence of material misstatement in the amounts of development costs capitalised in the year or through inappropriate manual journal entries.</p> <p>Our audit procedures did not identify evidence of material misstatement of the amortisation charge for development costs recorded in the period.</p>

**Impairment of capitalised development costs  
(Net book value of capitalised development costs: £848.4m, 2022: £843.9m)  
(Impairment charge: £nil, 2022 £nil)**

Refer to the Audit Committee Report (pages 98-101); Accounting policies (pages 151-152); and Note 13 of the Consolidated Financial Statements (page 166)

There is a risk that the value of development costs is not supported by the future forecast cashflows from the sale of vehicles to which the costs relate.

- We confirmed the existence and the design effectiveness of controls around management's impairment assessment for capitalised development costs.
- We have examined management's methodology and impairment models for assessing the recoverability of the capitalised development costs to understand the composition of management's future cash flow forecasts, and the process undertaken to prepare them. This includes confirming the underlying cash flows are consistent with the Board approved business plan and reflect appropriately the effects of material climate risks as disclosed on pages 61-62.
- We have re-performed the calculations in the model to test the mathematical integrity.
- We have assessed the discount rate used by obtaining the underlying data used in the calculation and benchmarking it against comparable organisations and market data with the support of our valuation specialists.
- We have analysed the historical accuracy of budgets to actual results to determine whether forecast cash flows are reliable based on past experience.
- We considered market data and the results of wider procedures in our audit in contemplation of whether any contra evidence existed.
- We calculated the degree to which the key assumptions would need to fluctuate before an impairment arose and considered the likelihood of this occurring.
- We have audited the disclosures in respect of impairment of capitalised development costs with reference to the requirements of IAS 36 and IAS 1 and confirmed their consistency with the audited impairment models.
- We performed audit procedures over this risk area in one full scope location, which covered 100% of the risk amount.

Our year end audit procedures did not identify evidence of material misstatement regarding the carrying value of capitalised development costs.

**Deferred Tax Asset Valuation  
(Deferred Tax Asset: £156.3m, 2022: £133.7m)**

Refer to the Audit Committee Report (pages 98-101); Accounting policies (page 154); and Note 9 of the Consolidated Financial Statements (page 161-163)

The extent of recognition of deferred tax assets is subject to significant estimation and assumptions particularly in respect of deferred tax assets recognised in respect of carried forward losses based on forecast future taxable profits.

- We confirmed the existence and the design effectiveness of controls around management's assessment of the deferred tax asset valuation.
- We considered and challenged the convincing evidence that the group will make future taxable profits against which to recognize carried forward losses.
- We ensured the forecasts used are consistent with those used for going concern, viability and impairment assessments. This included confirming the underlying cash flows are consistent with the Board approved business plan and appropriately reflect the effects of material climate risks as disclosed on pages 61-62.
- We tested the adjustments made to forecast profit before tax to arrive at forecast taxable profits.
- For forecasts beyond the board approved budget, we considered how these forecasts had been prepared and challenged the forecast profitability.
- We considered and challenged the level of Deferred Tax Asset recognised for both trade and non-trade losses including the timeframe in which these Deferred Tax Assets will be recovered and whether these forecast profits are considered probable.
- We also considered and challenged the rationale for the level of Deferred Tax Assets which remain unrecognised.
- We performed and considered sensitivities on managements' future forecasts, both upside and downside, to challenge whether the forecasts used are the best estimate for use in calculation of the deferred tax asset recognised.
- We audited the disclosures relating to the Deferred Tax Asset to ensure they are compliant with the requirements of IAS 12.

Our year end audit procedures did not identify evidence of material misstatement regarding the valuation of deferred tax assets.

FINANCIAL STATEMENTS  
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF ASTON MARTIN LAGONDA GLOBAL HOLDINGS PLC CONTINUED

**Parent Company Investment impairment  
(Investment: £1,051.6m, 2022: £497.3m)  
(Impairment reversal: £460.1m, 2022  
Impairment charge: £460.1m)**

Refer to the Audit Committee Report (pages 98-101); Accounting policies (page 203); and Note 3 of the Parent Company Financial Statements (page 205)

There is a risk that the parent company investment impairment/impairment reversal is not supported by the subsidiaries future forecast cashflows.

- We confirmed the existence and the design effectiveness of controls around management's impairment assessment for investment in subsidiaries.
- We considered the indicators of investment reversal, being the new medium term targets announced by management at the capital markets day as well as the increase in the Groups market capitalisation in the year.
- We examined management's methodology and model for assessing the VIU for investment in subsidiaries. This included assessing the cash flow forecasts relating to the repayment of intercompany payables to the parent company.
- We confirmed the underlying cash flows are consistent with the Board approved business plan and appropriately reflect the effects of material climate risks as disclosed on pages 61-62.
- We re-performed the calculations in the model to test the mathematical integrity.
- We calculated the degree to which the key assumptions would need to fluctuate before there is a change in the impairment/impairment reversal.
- We assessed the discount rate used by obtaining the underlying data used in the calculation and benchmarking it against comparable organisations and market data with the support of our valuation specialists.
- We have further reviewed managements cash flow forecasts used to support the repayment of intercompany payables to the parent company (outside of the Group VIU).
- We considered sensitivity analysis about what changes in assumptions could individually lead to a different conclusion.
- We audited the disclosures in respect of impairment of investments and confirm their consistency with the audited impairment models.

Our year end audit procedures did not identify evidence of material misstatement regarding the reversal of the impairment in investment in subsidiaries.  
  
The prior year adjustment related to the 2022 balance sheet is materially stated.

**OUR APPLICATION OF MATERIALITY**

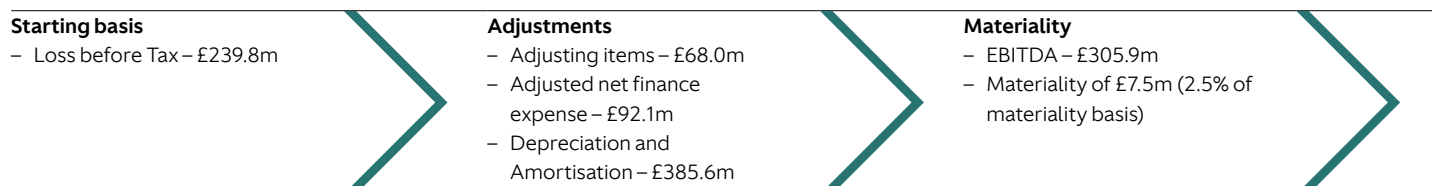
We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

**Materiality**

*The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.*

We determined materiality for the Group to be £7.5 million (2022: £4.75 million), which is 2.5% (2022: 2.5%) of Adjusted EBITDA. We believe that Adjusted EBITDA provides us with an appropriate basis for materiality as it is a key metric used by investors and management in assessing the performance of the Group.

We determined materiality for the Parent Company to be £25.4 million (2022: £30.8 million), which is 1% (2022: 1.5%) of Equity. We have reduced the percentage applied to determine materiality in the current year as a result of the prior year adjustments identified. When auditing balances included within to the Group financial statements we reduced this to the Group materiality.



During the course of our audit, we reassessed initial materiality and updated this for actual results.

**Performance materiality**

*The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.*

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2022: 50%) of our planning materiality, namely £3.75m (2022: £2.4m). We have set performance materiality at this percentage due to the level of audit adjustments identified in the prior year.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.75m to £3.7m (2022: £0.47m to £2.4m).

**Reporting threshold**

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.38m (2022: £0.24m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

**OTHER INFORMATION**

The other information comprises the information included in the annual report set out on pages 1 to 208 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

**OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited 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.

### CORPORATE GOVERNANCE STATEMENT

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 147-148;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 70;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on pages 70 and 147-148;
- Directors' statement on fair, balanced and understandable set out on pages 100-101 and 129;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 102;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 102-103;
- The section describing the work of the audit committee set out on page 98-105.

### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 129, 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 group and parent 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 group or the parent 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.

#### Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK adopted international accounting standards, FRS 101, the Companies Act 2006 and UK Corporate Governance Code).
- We understood how Aston Martin Lagonda Global Holdings plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management and internal audit to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations; enquiries of legal counsel, Group management, internal audit, and full and specific scope management; reading internal audit reports and whistleblowing summaries provided to the Audit Committee and performing focused testing, as referred to in the key audit matters section above.
- Specific enquiries were made with the component team to confirm any non-compliance with laws and regulations and this was reported through their audit deliverables based on the procedures detailed in the previous paragraph.

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.

#### OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- Following the recommendation from the audit committee we were appointed by the company on 24 July 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 2019 to 2023.

- The audit opinion is consistent with the additional report to the audit committee.

#### 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.

#### SIMON O'NEILL (SENIOR STATUTORY AUDITOR)

#### FOR AND ON BEHALF OF ERNST & YOUNG LLP, STATUTORY AUDITOR

Birmingham  
27 February 2024

## Consolidated Statement of Comprehensive Income for the year ended 31 December 2023

	Notes	2023			2022		
		Adjusted £m	Adjusting items* £m	Total £m	Adjusted £m	Adjusting items* £m	Total £m
<b>Revenue</b>	3	<b>1,632.8</b>	–	<b>1,632.8</b>	1,381.5	–	1,381.5
Cost of sales		<b>(993.6)</b>	–	<b>(993.6)</b>	(930.8)	–	(930.8)
<b>Gross profit</b>		<b>639.2</b>	–	<b>639.2</b>	450.7	–	450.7
Selling and distribution expenses		<b>(143.8)</b>	–	<b>(143.8)</b>	(113.0)	–	(113.0)
Administrative and other operating expenses		<b>(575.1)</b>	<b>(31.5)</b>	<b>(606.6)</b>	(455.6)	(23.9)	(479.5)
<b>Operating loss</b>	4	<b>(79.7)</b>	<b>(31.5)</b>	<b>(111.2)</b>	(117.9)	(23.9)	(141.8)
Finance income	7	<b>74.3</b>	–	<b>74.3</b>	3.0	12.5	15.5
Finance expense	8	<b>(166.4)</b>	<b>(36.5)</b>	<b>(202.9)</b>	(336.1)	(32.6)	(368.7)
<b>Loss before tax</b>		<b>(171.8)</b>	<b>(68.0)</b>	<b>(239.8)</b>	(451.0)	(44.0)	(495.0)
Income tax credit/(charge)	9	<b>13.0</b>	–	<b>13.0</b>	(32.7)	–	(32.7)
<b>Loss for the year</b>		<b>(158.8)</b>	<b>(68.0)</b>	<b>(226.8)</b>	(483.7)	(44.0)	(527.7)
<b>Loss attributable to:</b>							
Owners of the Group				<b>(228.1)</b>			(528.6)
Non-controlling interests	33			<b>1.3</b>			0.9
				<b>(226.8)</b>			(527.7)
<b>Other comprehensive income</b>							
<b>Items that will never be reclassified to the Income Statement</b>							
Remeasurement of Defined Benefit liability	26			<b>(0.1)</b>			6.8
Taxation on items that will never be reclassified to the Income Statement	9			–			(1.7)
<b>Items that are or may be reclassified to the Income Statement</b>							
Foreign currency translation differences				<b>(4.0)</b>			3.8
Fair value adjustment – cash flow hedges	23			<b>0.7</b>			(6.1)
Amounts reclassified to the Income Statement – cash flow hedges	23			<b>(5.4)</b>			2.9
Taxation on items that may be reclassified to the Income Statement	9			<b>1.2</b>			0.8
Other comprehensive (loss)/income for the year, net of income tax				<b>(7.6)</b>			6.5
<b>Total comprehensive loss for the year</b>				<b>(234.4)</b>			(521.2)
<b>Total comprehensive (loss)/income for the year attributable to:</b>							
Owners of the Group				<b>(235.7)</b>			(522.1)
Non-controlling interests	33			<b>1.3</b>			0.9
				<b>(234.4)</b>			(521.2)
<b>Earnings per ordinary share</b>							
Basic loss per share	11			<b>(30.5p)</b>			(124.5p)
Diluted loss per share	11			<b>(30.5p)</b>			(124.5p)

All operations of the Group are continuing.

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

The notes on pages 147 to 199 form an integral part of the Financial Statements.



## Consolidated Statement of Changes in Equity as at 31 December 2023

Group	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Capital reserve £m	Translation reserve £m	Hedge reserves £m	Retained earnings (restated*) £m	Non-controlling interest £m	Total Equity (restated*) £m
<b>At 1 January 2023 (restated*)</b>	<b>69.9</b>	<b>1,697.4</b>	<b>143.9</b>	<b>9.3</b>	<b>6.6</b>	<b>6.5</b>	<b>4.3</b>	<b>(1,233.9)</b>	<b>19.5</b>	<b>723.5</b>
<b>Total comprehensive loss for the year</b>										
(Loss)/profit for the year	-	-	-	-	-	-	-	(228.1)	1.3	(226.8)
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	-	-	(4.0)	-	-	-	(4.0)
Fair value movement – cash flow hedges (note 23)	-	-	-	-	-	-	0.7	-	-	0.7
Amounts reclassified to the Income Statement – cash flow hedges (note 23)	-	-	-	-	-	-	(5.4)	-	-	(5.4)
Remeasurement of Defined Benefit liability (note 26)	-	-	-	-	-	-	-	(0.1)	-	(0.1)
Tax on other comprehensive loss (note 9)	-	-	-	-	-	-	1.2	-	-	1.2
<b>Total other comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.0)</b>	<b>(3.5)</b>	<b>(0.1)</b>	<b>-</b>	<b>(7.6)</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4.0)</b>	<b>(3.5)</b>	<b>(228.2)</b>	<b>1.3</b>	<b>(234.4)</b>
<b>Transactions with owners, recorded directly in equity</b>										
Issuance of new shares (note 27)	11.5	383.0	-	-	-	-	-	-	-	394.5
Issue of shares to Share Incentive Plan (note 27)	0.1	-	-	-	-	-	-	(0.1)	-	-
Warrant options exercised (note 27)	0.9	14.1	-	-	-	-	-	18.6	-	33.6
Credit for the year under equity-settled share-based payments (note 29)	-	-	-	-	-	-	-	5.4	-	5.4
Tax on items credited to equity (note 9)	-	-	-	-	-	-	-	0.5	-	0.5
<b>Total transactions with owners</b>	<b>12.5</b>	<b>397.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.4</b>	<b>-</b>	<b>434.0</b>
<b>At 31 December 2023</b>	<b>82.4</b>	<b>2,094.5</b>	<b>143.9</b>	<b>9.3</b>	<b>6.6</b>	<b>2.5</b>	<b>0.8</b>	<b>(1,437.7)</b>	<b>20.8</b>	<b>923.1</b>

\* Detail on the restatement is disclosed in note 2.

FINANCIAL STATEMENTS  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

Group	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Capital reserve £m	Translation reserve £m	Hedge reserves £m	Retained earnings (restated*) £m	Non-controlling interest £m	Total Equity (restated*) £m
<b>At 1 January 2022 (restated*)</b>	<b>11.6</b>	<b>1,123.4</b>	<b>143.9</b>	<b>9.3</b>	<b>6.6</b>	<b>2.7</b>	<b>6.7</b>	<b>(711.4)</b>	<b>18.6</b>	<b>611.4</b>
<b>Total comprehensive loss for the year</b>										
(Loss)/profit for the year	-	-	-	-	-	-	-	(528.6)	0.9	(527.7)
<b>Other comprehensive income</b>										
Foreign currency translation differences	-	-	-	-	-	3.8	-	-	-	3.8
Fair value movement – cash flow hedges (note 23)	-	-	-	-	-	-	(6.1)	-	-	(6.1)
Amounts reclassified to the Income Statement – cash flow hedges (note 23)	-	-	-	-	-	-	2.9	-	-	2.9
Remeasurement of Defined Benefit liability (note 26)	-	-	-	-	-	-	-	6.8	-	6.8
Tax on other comprehensive income (note 9)	-	-	-	-	-	-	0.8	(1.7)	-	(0.9)
<b>Total other comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.8</b>	<b>(2.4)</b>	<b>5.1</b>	<b>-</b>	<b>6.5</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.8</b>	<b>(2.4)</b>	<b>(523.5)</b>	<b>0.9</b>	<b>(521.2)</b>
<b>Transactions with owners, recorded directly in equity</b>										
Issuance of new shares (note 27)	58.3	574.0	-	-	-	-	-	-	-	632.3
Credit for the year under equity-settled share-based payments (note 29)	-	-	-	-	-	-	-	1.0	-	1.0
<b>Total transactions with owners</b>	<b>58.3</b>	<b>574.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>-</b>	<b>633.3</b>
<b>At 31 December 2022 (restated*)</b>	<b>69.9</b>	<b>1,697.4</b>	<b>143.9</b>	<b>9.3</b>	<b>6.6</b>	<b>6.5</b>	<b>4.3</b>	<b>(1,233.9)</b>	<b>19.5</b>	<b>723.5</b>

\* Detail on the restatement is disclosed in note 2.

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## Consolidated Statement of Financial Position at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 (restated*) £m	1 January 2022 (restated*) £m
<b>Non-current assets</b>				
Intangible assets	12	1,577.6	1,394.6	1,384.1
Property, plant and equipment	14	353.7	369.9	355.5
Investments in equity interests	15	18.2	–	–
Right-of-use lease assets	16	70.4	74.4	76.0
Trade and other receivables	18	5.3	6.3	2.1
Other financial assets		–	–	0.5
Deferred tax asset	9	156.3	133.7	156.4
		<b>2,181.5</b>	<b>1,978.9</b>	<b>1,974.6</b>
<b>Current assets</b>				
Inventories	17	272.7	286.2	196.8
Trade and other receivables	18	322.2	245.7	243.4
Income tax receivable		0.9	1.4	1.5
Other financial assets	20	3.3	8.8	7.3
Cash and cash equivalents	19	392.4	583.3	418.9
		<b>991.5</b>	<b>1,125.4</b>	<b>867.9</b>
<b>Total assets</b>		<b>3,173.0</b>	<b>3,104.3</b>	<b>2,842.5</b>
<b>Current liabilities</b>				
Borrowings	23	89.4	107.1	114.3
Trade and other payables	21	840.4	891.2	735.9
Income tax payable		2.1	6.3	5.5
Other financial liabilities	22	25.2	26.2	34.8
Lease liabilities	16	8.8	7.4	9.7
Provisions	25	20.2	18.6	19.9
		<b>986.1</b>	<b>1,056.8</b>	<b>920.1</b>
<b>Non-current liabilities</b>				
Borrowings	23	980.3	1,104.0	1,074.9
Trade and other payables	21	122.3	43.2	43.9
Lease liabilities	16	88.5	92.4	93.7
Provisions	25	23.7	22.5	19.0
Employee benefits	26	49.0	61.2	78.7
Deferred tax liabilities	9	–	0.7	0.8
		<b>1,263.8</b>	<b>1,324.0</b>	<b>1,311.0</b>
<b>Total liabilities</b>		<b>2,249.9</b>	<b>2,380.8</b>	<b>2,231.1</b>
<b>Net assets</b>		<b>923.1</b>	<b>723.5</b>	<b>611.4</b>
<b>Capital and reserves</b>				
Share capital	27	82.4	69.9	11.6
Share premium	27	2,094.5	1,697.4	1,123.4
Merger reserve		143.9	143.9	143.9
Capital redemption reserve		9.3	9.3	9.3
Capital reserve		6.6	6.6	6.6
Translation reserve		2.5	6.5	2.7
Hedge reserves	23	0.8	4.3	6.7
Retained earnings		(1,437.7)	(1,233.9)	(711.4)
<b>Equity attributable to owners of the Group</b>		<b>902.3</b>	<b>704.0</b>	<b>592.8</b>
Non-controlling interests		20.8	19.5	18.6
<b>Total shareholders' equity</b>		<b>923.1</b>	<b>723.5</b>	<b>611.4</b>

\* Detail on the restatement is disclosed in note 2.

The Financial Statements were approved by the Board of Directors on 27 February 2024 and were signed on its behalf by

**AMEDEO FELISA**  
CHIEF EXECUTIVE OFFICER  
Company Number: 11488166

**DOUG LAFFERTY**  
CHIEF FINANCIAL OFFICER

## Consolidated Statement of Cash Flows for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
<b>Operating activities</b>			
Loss for the year		(226.8)	(527.7)
<i>Adjustments to reconcile loss for the year to net cash inflow from operating activities</i>			
Tax (credit)/charge on operations	9	(13.0)	32.7
Net finance costs		128.6	353.2
Depreciation of property, plant and equipment	4	90.3	77.8
Depreciation of right-of-use lease assets	4	9.3	11.0
Amortisation of intangible assets	4	283.4	219.3
Loss on sale/scrap of property, plant and equipment		2.6	-
Difference between pension contributions paid and amounts recognised in Income Statement		(15.0)	(12.1)
Decrease/(increase) in inventories		11.9	(78.4)
(Increase)/decrease in trade and other receivables		(82.3)	0.1
Increase in trade and other payables		50.9	81.5
Decrease in advances and customer deposits		(66.0)	(17.9)
Movement in provisions		3.4	0.7
Other non-cash movements		(0.3)	1.2
Other non-cash movements – Movements in hedging position and foreign exchange derivatives		(7.2)	(3.2)
Other non-cash movements – Increase in other derivative contracts		(11.2)	(2.3)
Other non-cash movements – Movements in deferred tax relating to RDEC credit	9	(7.4)	(3.5)
Cash generated from operations		151.2	132.4
Decrease in cash held not available for short-term use	19	0.3	1.5
Income taxes paid	9	(5.6)	(6.8)
<b>Net cash inflow from operating activities</b>		<b>145.9</b>	<b>127.1</b>
Cash flows from investing activities			
Interest received	7	13.5	2.2
Repayment of loan assets	18	0.5	-
Payments to acquire property, plant and equipment		(91.1)	(58.6)
Cash outflow on technology and development expenditure		(306.3)	(228.3)
<b>Net cash used in investing activities</b>		<b>(383.4)</b>	<b>(284.7)</b>
Cash flows from financing activities			
Interest paid	28	(122.5)	(141.2)
Proceeds from equity share issue	27	310.9	653.9
Proceeds from issue of warrants	27	15.0	-
Proceeds from financial instrument utilised during refinancing transactions	7	-	4.1
Principal element of lease payments	28	(7.9)	(10.0)
Repayment of existing borrowings	28	(129.7)	(172.7)
Premium paid upon redemption of borrowings	28	(8.0)	(14.3)
Proceeds from inventory repurchase arrangement	21	38.0	75.7
Repayment of inventory repurchase arrangement	21	(40.0)	(60.0)
Proceeds from new borrowings	28	11.5	-
Transaction fees paid on issuance of shares		(7.6)	(18.6)
Transaction fees paid on financing activities	28	-	(1.9)
Net cash inflow from financing activities		59.7	315.0
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(177.8)</b>	<b>157.4</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>583.3</b>	<b>418.9</b>
Effect of exchange rates on cash and cash equivalents		(13.1)	7.0
<b>Cash and cash equivalents at the end of the year</b>		<b>392.4</b>	<b>583.3</b>

## 1 BASIS OF ACCOUNTING

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

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

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

### Climate change

In preparing the Consolidated Financial Statements, management have considered the impact of climate change, particularly in the context of the disclosures included in the Strategic Report this year and the sustainability goals, including the stated net-zero targets. Climate change is not expected to have a significant impact on the Group’s going concern assessment to 30 June 2025 nor the viability of the Group over the next five years following consideration of the below points.

- The Group has modelled various scenarios to take account of the risks and opportunities identified with the impact of climate change to assess the financial impact on its business plan and viability.
- The Group has a Strategic Cooperation Agreement with Mercedes-Benz AG. The agreement provides the Company with access to a wide range of world-class technologies for the next generation of luxury vehicles which are planned to be launched through to 2027.
- The Group is developing alternatives to the Internal Combustion Engine (‘ICE’) with a blended drivetrain approach between 2025 and 2030, including Plug-in Hybrid Electric Vehicle (‘PHEV’) and Battery Electric Vehicle (‘BEV’), with a clear plan to have a line-up of electric sports cars and SUVs. This is supported by significant planned capital investment of around £2bn in advanced technologies over the 5 year period from 2024 to 2028, with investment shifting from ICE to BEV technology.
- The Group has formed a landmark new supply agreement with world-leading electric vehicle technologies company, Lucid Group, Inc. which will help drive the Group’s high-performance electrification strategy and its long-term growth. The agreement will see Lucid, a world-leader in the design and manufacture of advanced electric powertrains and battery systems, supply industry-leading electric vehicle technologies. Access to Lucid’s current and future powertrain and battery technology will support the creation of a bespoke, singular BEV platform, suitable for all product types from hypercar to SUV.
- The Group is leading a six-partner collaborative research and development project, Project ELEVATION, that was awarded £9.0m of government funding through the Advanced Propulsion Centre, further supplementing the research and development of its innovative modular BEV platform.
- The Group’s first hybrid supercar, Valhalla, is on course to enter production in 2024, with its first BEV targeted for launch in 2026.

Consistent with the above, management have further considered the impact of climate change on a number of key estimates within the Financial Statements and has not found climate change to have a material impact on the conclusions reached.

Climate change considerations have been factored into the Directors’ impairment assessments of the carrying value of non-current assets (such as capitalised development cost intangible assets) through usage of a pre-tax discount rate which reflects the individual nature and specific risks relating to the business and the market in which the Group operates.

In addition the forecast cash flows used in both the impairment assessments of the carrying value of non-current assets and the assessment of the recoverability of deferred tax assets reflect the current energy cost headwinds and future costs to achieve net-zero manufacturing facilities by 2030 as well as the forecast volumes for both existing and future car lines given current order books and the assessment of changing customer preferences.

### Going concern

The Group meets its day-to-day working capital requirements and medium term funding requirements through a mixture of \$1,143.7m First Lien notes at 10.5% which mature in November 2025, \$121.7m of Second Lien split coupon notes at 15% per annum (8.89 % cash and 6.11% Payment in Kind) which mature in November 2026, a Revolving Credit Facility (£99.6m) which matures August 2025, facilities to finance inventory, a bilateral RCF facility and a wholesale vehicle financing facility (as described in note 18). As previously announced, the Group expects to refinance the outstanding debt during the first half of 2024, however, the going concern assessment is not dependent on this occurring. Under the RCF the Group is required to comply with a leverage covenant tested quarterly. Leverage is calculated as the ratio of adjusted EBITDA to net debt, after certain accounting adjustments are made. Of these adjustments, the most significant is to account for lease liabilities under “frozen GAAP”, i.e. under IAS17 rather than IFRS 16. Details of this adjustment are included in note 16. The Group has complied with its covenant requirements for the year ended 31 December 2023 and expects to do so for the Going Concern period.

The amounts outstanding on all the borrowings are shown in note 23.

The Directors have developed trading and cash flow forecasts for the period from the date of approval of these Financial Statements through 30 June 2025 (the going concern review period). These forecasts show that the Group has sufficient financial resources to meet its obligations as they fall due, including repayment of the current RCF were it needing to be repaid on 30 June 2025 and to comply with covenants for the going concern review period. The forecasts reflect the Group’s ultra-luxury performance-oriented strategy, balancing supply and demand and the actions taken to improve cost efficiency and gross margin. The forecasts include the costs of the Group’s environmental, social and governance (“ESG”) commitments and make assumptions in respect of future market conditions and, in particular, wholesale volumes, average selling price, the launch of new models, and future operating costs. The nature of the Group’s business is such that there can be variation in the timing of cash flows around the development and launch of new models. In addition, the availability of funds provided through the vehicle wholesale finance facility changes as the availability of credit insurance and sales volumes vary, in total and seasonally. The forecasts take into account these factors to the extent that the Directors consider them to represent their best estimate of the future based on the information that is available to them at the time of approval of these Financial Statements.

## 1 BASIS OF ACCOUNTING CONTINUED

### Going concern continued

The Directors have considered a severe but plausible downside scenario that includes considering the impact of a 15% reduction in DBX volumes and a 10% reduction in sports volumes from forecast levels covering, although not exclusively, instances of reduced volume due to delayed product launches, operating costs higher than the base plan, incremental working capital requirements such as a reduced deposit inflows or increased deposit outflows and the impact of the strengthening of the sterling dollar exchange rate.

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

In addition, we also considered the circumstances which would be needed to exhaust the Group's liquidity over the assessment period, a reverse stress test. This would indicate that vehicle sales would need to reduce by more than 15% from forecast levels without any of the above mitigations to result in having no liquidity. The likelihood of these circumstances occurring is considered remote both in terms of the magnitude of the reduction and that over such a long period, management could take substantial mitigating actions, such as reducing capital spending to preserve liquidity.

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

## 2 ACCOUNTING POLICIES

### Basis of consolidation

The Consolidated Financial Statements consist of the Financial Statements of the Group and all entities controlled by the Group. All intercompany balances and transactions, including unrealised profits arising, are eliminated.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the Group Financial Statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries used in the preparation of the Consolidated Financial Statements are prepared for the same reporting year as the Group and are based on consistent accounting policies.

### Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency of the operation by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the Income Statement except for the translational differences on monetary items that form part of designated hedge relationships.

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the reporting date. Income and expenses are translated at average exchange rates for the period. The resulting exchange differences are taken through Other Comprehensive Income to the translation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in the translation reserve relating to the foreign operation is recognised in the Income Statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### Revenue recognition

Revenue is recognised when the Group satisfies its performance obligation to supply a product or service to the customer. Revenue is measured at the fair value of the consideration receivable, deducting dealer incentives, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised.

### Sale of vehicles

Revenue from the sale of vehicles is recognised when control of the vehicle is passed to the dealer or individual, thus evidencing the satisfaction of the associated performance obligation under that contract. Control is passed when the buyer can direct the use of and obtain substantially all of the benefits of the vehicle which is typically at the point of despatch. When despatch is deferred at the formal request of the buyer and a written request to hold the vehicle until a specified delivery date has been received, revenue is recognised when the vehicle is ready for despatch and the Group can no longer use or direct the vehicle to an alternative buyer.

The Group estimates the consideration to which it will be entitled in exchange for satisfaction of the performance obligation as part of the sale of a vehicle. Revenue is recognised at the wholesale selling price net of dealer incentives (variable marketing expense or "VME"). VME is estimated and accrued for at the time of the wholesale sale to the dealer where no other obligations exist. For those elements of VME connected with retail sales by the dealer where there is also a contractual requirement for the dealer to make additional wholesale purchases at that time to receive the incentive, the incentive is accrued at the time of the retail sale by the dealer to the end customer.

## 2 ACCOUNTING POLICIES CONTINUED

### Revenue recognition continued

Warranties are issued on new vehicles sold with no separate purchase option available to the customer and, on this basis, are accounted for in accordance with IAS 37. Service packages sold as part of the supply of a vehicle are accounted for as a separate performance obligation with the revenue deferred, based on the term of the package, at the original point of sale. The deferred revenue is released to the Income Statement over the shorter of the period that the service package covers or the number of vehicle services that the end user is entitled to.

Where a sale of a vehicle(s) includes multiple performance obligations, the Group determines the allocation of the total transaction price by reference to their relative standalone selling prices.

### Sales of parts

Revenue from the sale of parts is recognised upon transfer of control to the customer, generally when the parts are released to the carrier responsible for transporting them. Where the dealer is Aston Martin Works Limited, an indirect subsidiary of the Company, revenue is recognised upon despatch to a customer outside of the Group.

### Servicing and restoration of vehicles

Revenue is recognised upon completion of the service /restoration typically when the service or restoration is completed in accordance with the customers' requirements.

### Brands and motorsport

Revenue from brands and motorsport is recognised when the performance obligations, principally use of the Aston Martin brand name or supply of a motorsport vehicle, are satisfied. Revenue is recognised either at a point in time or over a period of time in line with IFRS 15 according to the terms of the contract.

### Customer advance payments

The Group receives advance cash payments from customers to secure their allocation of a vehicle produced in limited quantities, typically with a lead time of greater than 12 months. The value of the advance, both contractually refundable or non-refundable, is held as a contract liability in the Statement of Financial Position. Upon satisfaction of the performance obligation, the liability is released to revenue in the Income Statement. If the deposit is returned to the customer prior to satisfaction of the performance obligation, the contract liability is derecognised.

Where a significant financing component exists, the contract liability is increased over the same period of time as the contract liability is held to account for the time value of money. A corresponding charge is recognised in the Income Statement within finance expenses. Upon satisfaction of the linked performance obligation, the liability is released to revenue.

The Group applies a practical expedient for short-term advances received from customers whereby the advanced payment is not adjusted for the effects of a significant financing component.

### Finance income

Finance income comprises interest receivable on invested funds calculated using the effective interest rate method, interest income and currency gains arising on foreign currency denominated borrowings (not designated under a hedge relationship) that are recognised in the Income Statement.

### Finance expense

Finance expense comprises interest payable on borrowings calculated using the effective interest rate method, interest expense on the net Defined Benefit pension liability, gains and losses on financial instruments that are recognised at fair value through the Income Statement and foreign exchange losses on foreign currency denominated financial liabilities.

Interest incurred on lease liabilities accounted for under IFRS 16, interest charged in relation to significant financing components on customer advance payments, and the unwind of discounting on long term liabilities are all recognised within finance expense.

### Current/non-current classification

Current assets include assets held primarily for trading purposes, cash and cash equivalents, and assets expected to be realised in, or intended for sale or consumption as part of the Group's normal identifiable operating cycle which is assumed to be 12 months. All other assets are classified as non-current assets.

Current liabilities include liabilities held primarily for trading purposes in line with the Group's identifiable normal operating cycle. These liabilities are expected to be settled as part of the Group's normal course of business. All other liabilities are classified as non-current liabilities. Customer deposits and advances are typically presented as current, although, due to the timing between deposit payment and a sale completing, can take longer than 12 months to unwind.

### Goodwill

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

For the purpose of impairment testing, goodwill is allocated to the related cash-generating unit. The only cash-generating unit of the Group is that of Aston Martin Lagonda Group as there are no smaller groups of assets that can be identified with certainty which generate specific cash flows independent of the inflows generated by other assets or groups of assets. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the Income Statement.

### Intangible assets

Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised outside of goodwill if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably.

Fair value adjustments are considered to be provisional at the first year-end date after the acquisition to allow the maximum time to elapse for management to make a reliable estimate.

## 2 ACCOUNTING POLICIES CONTINUED

### Intangible assets continued

#### Purchased intellectual property

Purchased intellectual property that is not integral to an item of property, plant and equipment is recognised separately as an intangible asset stated at cost less accumulated depreciation.

#### Brands

An acquired brand is only recognised in the Statement of Financial Position as an intangible asset where it is supported by a registered trademark, is established in the marketplace, the brand could be sold separately from the rest of the business and where the brand achieves earnings in excess of those achieved by unbranded products.

The value of an acquired brand is determined by allocating the purchase price consideration of an acquired business between goodwill and the underlying fair values of the tangible assets, brands and other intangible assets acquired, using an income approach following the multi-period excess earnings methodology. Acquired brands have an indefinite life when there is no foreseeable limit to the period over which the asset is expected to generate cash inflows.

#### Development costs

Expenditure on internally developed intangible assets, excluding development costs, is taken to the Income Statement in the year in which it is incurred. Clearly defined and identifiable development costs are capitalised under IAS 38 'Intangible Assets' after the following criteria have been met:

- The project's technical feasibility and commercial viability, based on an estimate of future cash flows, can be demonstrated when the project has reached a defined milestone according to the Group's established product development model.
- Technical and financial resources are available for the project.
- An intention to complete the project has been confirmed.
- The correlation between development costs and future revenues has been established.

#### Technology

Patented and unpatented technology acquired in business combinations is valued using the cost approach. The obsolete element is determined by reference to the proportion of the product lifecycle that had expired at the acquisition date. Technology acquired from third parties is measured at the acquisition date fair value using the cost approach.

#### Dealer network

Save for certain direct sales of some special edition and buyer-commissioned vehicles, the Group sells its vehicles exclusively through a network of dealers. All dealers in the dealer network are independent dealers with the exception of Aston Martin Works Limited. To the extent that the Group benefits from the network, the dealer network has been valued based on costs incurred by the Group. The existing Dealer Network asset arose as part of a business combination.

#### Amortisation

Following initial recognition, the historical cost model is applied, with intangible assets being carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of these capitalised costs begins when the asset is available for use. Intangible assets with a finite life have no residual value and are amortised on a straight-line basis over their expected useful lives as follows:

	Years
Purchased intellectual property	5
Development costs	1 to 10
Technology	10
Software and other	3 to 10
Dealer network	20

The useful lives and residual values of capitalised development costs are determined at the time of capitalisation and are reviewed annually for appropriateness and recoverability.

Amortisation of special vehicle development costs are spread evenly across the limited quantity of vehicles produced and charged to the Income Statement at the point of sale for each vehicle.

#### Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid, and the fair value of any other consideration given, to acquire the asset, including directly attributable costs to make the asset capable of operation. Borrowing costs directly attributable to assets under construction are capitalised.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis to its residual value over its expected useful life as follows:

	Years
Freehold buildings	30
Plant and machinery	5 to 30
Fixtures and fittings	3 to 12
Tooling	1 to 15
Motor vehicles	3 to 5

Tooling is depreciated over the life of the project. Assets in the course of construction are included in their respective category but are not depreciated until available for use. The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising on the derecognition of the asset is included in the Income Statement in the period of derecognition.



## 2 ACCOUNTING POLICIES CONTINUED

### Investments in equity instruments

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its non-listed equity investments under this category.

### Government grants

Government grants are recognised in the Income Statement, either on a systematic basis when the Group recognises the related costs that the grants are intended to compensate for, or immediately if the costs have already been incurred.

Government grants related to assets are deducted from the cost of the asset and amortised over the useful life of the asset. Government grants are recognised when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received.

Research and development tax relief in the form of the Research and Development Expenditure Credit ("RDEC") is recognised in the Income Statement over the periods in which the qualifying expenditure giving rise to the RDEC claim is recognised, as the Group's assessment of the conditions of receipt of the RDEC concludes that it meets the definition of a Government grant. Certain expenses within the scope of RDEC are capitalised as part of the Groups development costs. Where this is the case, the Group defers the income associated with the claim to deferred income and releases it to the Income Statement in line with the amortisation profile of the associated asset. Claims are submitted annually based on the qualifying expenditure for a given accounting period. The cash benefit from the claim is received in the year of the claim and presented in operating cash flows.

If the subsidiary submitting the claim is loss-making, the RDEC claim is restricted by an amount equal to the current rate of UK corporation tax. The restricted amount can be applied in discharging any liability of the subsidiary to pay corporation tax in any subsequent tax period and has been accounted for as an unused tax credit in accordance with IAS 12 and is included within deferred tax assets.

Movements in government grants are presented within operating cashflows.

### Carbon credits

The production and import of vehicles into certain jurisdictions can trigger a requirement to eliminate negative carbon credits, which gives rise to a liability. From time to time, the Group enters into contracts to purchase positive credits to offset the liability. The annual liability is currently immaterial to the Group.

### Right-of-use assets and lease liabilities – IFRS 16

#### Leases under which the Group acts as lessee

The Group is a party to lease contracts for buildings, plant and machinery and IT equipment. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an estimate of the Group's incremental borrowing rate at that point in time.

The Group estimates the incremental borrowing rate by taking a credit risk adjusted risk-free rate in addition to making other specific adjustments to account for certain characteristics in the lease such as geography, type of asset and security pledged.

Lease payments included in the measurement of the lease liability comprise either fixed lease payments or lease payments subject to periodic fixed increases. The lease liability is measured at amortised cost using the effective interest rate method. Lease payments are allocated between principal and interest cost with the interest costs charged to the Income Statement over the lease period.

The liability is remeasured when there is an increase/decrease in future lease payments arising from a change in an index or rate specified.

#### Short-term leases and leases of low-value assets

The Group does not recognise right of-use-assets and lease liabilities for short-term leases that have a lease term of fewer than 12 months and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis in the Income Statement over the lease term.

#### Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset, or cash-generating unit's, fair value less costs to sell and its value-in-use.

## 2 ACCOUNTING POLICIES CONTINUED

### Impairment of assets continued

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses on continuing operations are recognised in the Income Statement.

For goodwill, brands and other intangible assets that have an indefinite life, the recoverable amount is estimated annually or more frequently when there is an indication that the asset is impaired.

For intangible assets, property, plant and equipment, and right-of-use lease assets that have a finite life, the recoverable amount is estimated when there is an indication that the asset is impaired.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of the recoverable amount, but such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised in the Income Statement as income immediately.

### Inventories

Inventories are stated at the lower of cost and net realisable value. For service and restoration projects, net realisable value is the price at which the project can be invoiced in the normal course of business after allowing for the costs of completion.

Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials, service parts and spare parts – purchase cost on a first-in, first-out basis.
- Work in progress and finished vehicles – cost of direct materials and labour plus attributable overheads based on a normalised level of activity, excluding borrowing costs.

Provisions are made, on a specific basis, for obsolete, slow-moving and defective stocks and if the cost of the service or restoration project cannot be fully recovered. Inventories held under financing arrangements are recognised when control is transferred to the Group.

### Cash and cash equivalents

Cash and cash equivalent in the Statement of Financial Position comprise:

- cash, being cash at banks and in hand as well as demand deposits.
- cash equivalents, being short-term deposits with an original maturity of three months or less, subject to insignificant changes in value, which are readily convertible to known amounts and held to meet short-term commitments.

### Derivative financial instruments

Derivative financial assets and liabilities are recognised in the Statement of Financial Position at fair value when the Group becomes a party to the contractual provisions of the instrument. The Group uses derivative instruments to manage its exposure to foreign exchange risk arising from operating activities. Movements in the fair value of foreign exchange derivatives not qualifying for hedge accounting are recognised in finance income or expense. The accounting policy on derivatives that are

designated as hedging instruments in hedging relationships is detailed in the hedge accounting policies. A financial asset or liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

### Financial assets and liabilities

Financial assets are cash or a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity. In addition, contracts that result in another entity delivering a variable number of its own equity instruments are financial assets.

Derivative financial instruments, including equity options, are held at fair value. All other financial instruments are held at amortised cost.

### Trade and other receivables

Trade and other receivables are carried at the lower of their original invoiced value and recoverable amount. A trade receivable loss allowance is measured at an amount equal to the lifetime expected credit loss at initial recognition and throughout the life of the receivable. Receivables are not discounted, as the time value of money is not considered to be material.

### Trade and other payables

Trade and other payables are recognised and carried at their original invoiced value. Trade payables are not discounted to consider the time value of money as the impact is immaterial.

Refundable and non-refundable customer deposits are held as contract liabilities within current trade and other payables.

Inventory sale and repurchase arrangements, which are in substance financing transactions, are included in other payables. The difference between the sale and repurchase value is accounted for as part of the effective interest calculation. The effective interest is charged to the Income Statement over the period from sale to repayment.

### Hedge accounting

The Group uses derivative financial instruments in the form of forward currency contracts, and certain US dollar denominated borrowings, to hedge the foreign currency risk of sales (including inter-Group sales) of finished vehicles and external purchases of component parts. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of an unrecognised firm commitment.

At the inception of the hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objectives and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess hedge effectiveness. A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes resulting from that economic relationship.
- The theoretical hedge ratio of the hedging relationship is the same as practically occurs.

## 2 ACCOUNTING POLICIES CONTINUED

### Hedge accounting continued

#### Derivative financial instruments

The effective portion of the gain or loss on the hedging instrument is recognised in Other Comprehensive Income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the Income Statement. The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in Other Comprehensive Income and accumulated in a separate component of equity under cost of hedging reserve.

#### Financial liability as a hedge

Foreign currency differences arising on the retranslation of a financial liability designated as a cash flow hedge are recognised directly in Other Comprehensive Income to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the Income Statement.

#### Subsequent accounting

The amounts accumulated in both the cash flow hedge reserve and the cost of hedging reserve are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedge reserve is removed and included in the initial cost of the hedge item. For any other cash flow hedges, the amount accumulated in the hedge reserve is reclassified to the Income Statement as a reclassification adjustment in the same period or periods during which the hedged cash flow affects profit or loss.

If hedge accounting is discontinued, the amount that has been accumulated in the hedge reserve must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the Income Statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in the hedge reserve is accounted for depending on the nature of the underlying transaction.

#### Borrowings

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recorded and redemption value being recognised in the Income Statement as a finance expense over the period of the borrowings on an effective interest basis.

#### Pensions

The Group operates a Defined Contribution pension plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to Defined Contribution pension plans are recognised as an expense in the Income Statement in the periods during which services are rendered by employees.

The Group operates a Defined Benefit pension plan, which is contracted out of the state scheme. The Group's net obligation in respect of Defined Benefit plans is calculated for the plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of Defined Benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the

calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. When the calculation results in a deficit for the Group, the recognised liability is adjusted for the discounted value of future deficit reduction contributions in excess of the calculated deficit.

Remeasurements of the net Defined Benefit asset or liability, which comprise actuarial gains and losses, the interest on plan assets, and the effect of the asset ceiling or minimum funding requirements, are recognised immediately in Other Comprehensive Income. The Group determines the net interest expense (income) on the net Defined Benefit asset or liability, considering any changes in the net defined asset or liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to Defined Benefit plans are recognised in the Income Statement.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service cost or the gain or loss on curtailment is recognised immediately in the Income Statement. The Group recognises gains and losses on the settlement of a Defined Benefit plan when the settlement occurs.

#### Share-based payment transactions

The fair value of equity-classified share-based awards with both market and non-market-based performance conditions is recognised as an expense within administrative and other expenses in the Income Statement, with a corresponding increase in equity over the period that the employees become unconditionally entitled to the shares.

The amount recognised as an expense is adjusted to reflect both non-market-based conditions, such as continued employment and profit-related metrics, in addition to market-based conditions driven by an estimation of the quantum of awards expected to vest at the date of grant.

Where the Group obtains goods or services in exchange for the issuance of shares, these are accounted for as equity-settled share-based payments in accordance with IFRS 2. Where the fair value of the goods or services can be estimated reliably, these are recorded at fair value with a corresponding increase in equity.

In the instance of a scheme modification, the number of shares comprised in an award is adjusted to reflect equity changes in the Group and will therefore not impact underlying charges.

#### Provisions

The Group provides product warranties on all new vehicle sales. Warranty provisions are recognised when vehicles are sold or when new warranty programmes are initiated. Based on historical warranty claim experience, assumptions are made on the type and extent of future warranty claims, including non-contractual warranty claims as well as on possible recall campaigns. These assessments are based on the frequency and extent of vehicle faults and defects in the past. In addition, the estimates include assumptions on the potential repair costs per vehicle and the effects of possible time or mileage limits. The provisions are regularly adjusted to reflect new information.

## 2 ACCOUNTING POLICIES CONTINUED

### Provisions continued

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when:

- there is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and
- the employees affected have been notified of the plan's main features.

### Income taxes

Tax on the profit or loss for the period represents the sum of the tax currently payable and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity or Other Comprehensive Income whereby the tax treatment follows that of the underlying item.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date.

The Group is subject to corporate taxes in a number of different jurisdictions and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. In such circumstances, the Group recognises liabilities for anticipated taxes based on the best information available and where the anticipated liability is both probable and can be estimated. Any interest and penalties accrued, if applicable, are included in income taxes in both the Consolidated Income Statement and the Consolidated Statement of Financial Position. Where the final outcome of such matters differs from the amount recorded, any differences may impact the income tax and deferred tax provisions in the period in which the final determination is made.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled. Deferred tax assets and liabilities are disclosed on a net basis where a right of offset exists.

The Group applied the exception under IAS 12 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs. Dividends and distributions relating to equity instruments are debited direct to equity.

### Adjusting items

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

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

### Critical accounting assumptions and key sources of estimation uncertainty estimates

The preparation of Financial Statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the Group's accounting policies, which are described in this note, management have made estimates. Other than as set out below, variations in the remaining estimates are not considered to give rise to a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group considers it appropriate to identify the nature of the estimates used in preparing the Group Financial Statements and the main sources of estimation uncertainty are:

- impairment of finite life intangible assets; and
- the recognition of deferred tax assets

### Impairment of finite life intangible assets

For intangible assets that have a finite life, the recoverable amount is estimated when there is an indication that the asset is impaired.

The result of the calculation of the value-in-use is sensitive to the assumptions made and is a subjective estimate (note 13).

### Recognition of deferred tax assets

Deferred tax assets are first recognised against deferred tax liabilities relating to the same taxation authority and the same taxable company which are expected to reverse in the same period.

Net deferred tax assets remaining are then only recognised to the extent that it is probable that sufficient future taxable profits will be available against which the deductible temporary difference or unused tax losses or credits can be recovered or utilised. The Group reviews the same underlying assumptions and future forecasts used for impairment testing, going concern and viability assessments to evaluate the level of estimated future taxable profits and the associated level of net deferred tax assets which are supportable for recognition at the reporting date.

In considering recoverability of the deferred tax assets, the Group relies upon future forecasts, which inherently increases the level of significant estimation uncertainty in the later periods. Note 9 provides information on the inherent sensitivities.

## 2 Accounting policies continued

### New accounting standards

The following standards, amendments and interpretations were applicable for the period beginning 1 January 2023 and were adopted by the Group for the year to 31 December 2023. They have not had a significant impact on the Group's result for the year, equity or disclosures:

- Definition of Accounting Estimates – Amendments to IAS 8.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12.
- *Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2.*

The following are new accounting standards and amendments to existing standards that have been published and are applicable for the Group's accounting periods beginning 1 January 2024 onwards, which the Group has not adopted early:

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1.
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16.
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The adoption of these standards and amendments is not expected to have a material impact on the Group's Consolidated Financial Statements.

### PRIOR YEAR RESTATEMENT

The Consolidated Statement of Financial Position as at 1 January 2022 and 31 December 2022 has been restated to reflect a prior period adjustment in respect of the deferral of tax relief income received under the Research and Development Expenditure Credit ('RDEC') regime. The Group previously recognised the income within Administrative and other operating expenses in the Consolidated Income Statement, in the period in which the qualifying expenditure giving rise to the RDEC claim was incurred. The Group has reassessed the treatment under IAS 20 in respect of income from RDEC claims where the qualifying expenditure has been capitalised. For these capitalised expenses, the RDEC income earned has been deferred to the Consolidated Statement of Financial Position and will be released to the Consolidated Income Statement over the same period as the amortisation of the costs capitalised to which the RDEC income relates. Where the qualifying expenditure is not capitalised, the RDEC income will continue to be recognised in the Consolidated Income Statement in the year the expenditure is incurred, as has previously been the approach.

The impact of this adjustment is that as at 1 January 2022 and 31 December 2022, £49.0m of deferred income has been recognised on the balance sheet split between current £14.9m and non-current £34.1m Trade and Other Payables with a corresponding adjustment to retained earnings. There is no adjustment to the Consolidated Income Statement for the year ended 31 December 2022 as the impact of the adjustment is not material to that individual year. There is no change to the Consolidated Statement of Cash Flows as, whilst the accounting impact of the claim is deferred, there is no change to the timing of the cash receipt. No change in the corporation tax position is recognised for the year ended 31 December 2022 in either the Consolidated Income Statement or Consolidated Statement of Financial Position, as the recoverability assessment of the Group's deferred tax position has not been materially changed by this restatement. As there is no adjustment to the Consolidated Income Statement and no change in the income tax position, there is no impact on earnings per share.

Where the notes included in these Consolidated Financial Statements provide additional analysis in respect of amounts impacted by the above restatement, the comparative values presented have been re-analysed on a consistent basis. The following tables detail the impact on the Consolidated Statement of Financial Position as at 31 December 2022 and 2021, respectively.

Liabilities	As previously reported 31 December 2022 £m	Adjustment £m	Restated balance 31 December 2022 £m
<b>Non-current liabilities</b>			
Trade and other payables	9.1	34.1	43.2
<b>Current liabilities</b>			
Trade and other payables	876.3	14.9	891.2
<b>Capital and reserves</b>			
Retained Earnings	(1,184.9)	(49.0)	(1,233.9)

Liabilities	As previously reported 1 January 2022 £m	Adjustment £m	Restated balance 1 January 2022 £m
<b>Non-current liabilities</b>			
Trade and other payables	9.8	34.1	43.9
<b>Current liabilities</b>			
Trade and other payables	721.0	14.9	735.9
<b>Capital and reserves</b>			
Retained Earnings	(662.4)	(49.0)	(711.4)

### 3 SEGMENTAL REPORTING

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

Revenue	2023 £m	2022 £m
<b>Analysis by category</b>		
Sale of vehicles	1,531.9	1,291.5
Sale of parts	80.0	70.8
Servicing of vehicles	9.8	9.3
Brands and motorsport	11.1	9.9
	<b>1,632.8</b>	<b>1,381.5</b>

Revenue	2023 £m	2022 £m
<b>Analysis by geographical location</b>		
United Kingdom	309.9	366.0
The Americas <sup>1</sup>	452.8	401.8
Rest of Europe, Middle East and Africa <sup>2</sup>	547.0	260.2
Asia Pacific <sup>3</sup>	323.1	353.5
	<b>1,632.8</b>	<b>1,381.5</b>

1. Within The Americas geographical segment, material revenue of £409.9m (2022: £363.9m) is generated in the United States of America
2. Within Rest of Europe, Middle East and Africa geographical segment, material revenue of £167.4m (2022: £87.5m) is generated in Germany
3. Within Asia Pacific geographical segment, material revenue of £91.8m (2022: £205.1m) is generated in China and £134.5m (2022: £68.9m) is generated in Japan

#### Non-current assets other than financial instruments and deferred tax assets by geographical location

As at 31 December 2023	Right-of-use lease asset £m	Property, plant, equipment £m	Goodwill £m	Intangible assets <sup>1</sup> £m	Other receivables £m	Total £m
United Kingdom	59.0	269.0	85.4	1,160.3	–	1,575.2
The Americas	6.3	6.8	–	188.5	3.3	204.9
Rest of Europe	1.7	77.6	–	143.4	2.0	223.2
Asia Pacific	3.4	0.3	–	–	–	3.7
	<b>70.4</b>	<b>353.7</b>	<b>85.4</b>	<b>1,492.2</b>	<b>5.3</b>	<b>2,007.0</b>

1. Within Intangible assets located in Europe, £143.4m is located in Germany. Within Intangible assets located in the Americas, £188.5m is located in the United States of America. These assets relate to the technology sharing agreements with Mercedes Benz AG and Lucid Group, Inc. respectively.

As at 31 December 2022	Right-of-use lease asset £m	Property, plant, equipment £m	Goodwill £m	Intangible Assets <sup>1</sup> £m	Other receivables £m	Total £m
United Kingdom	60.7	301.6	85.4	1,155.8	–	1,603.5
The Americas	8.3	4.0	–	–	4.3	16.6
Rest of Europe	0.1	64.3	–	153.4	2.0	219.8
Asia Pacific	5.3	–	–	–	–	5.3
	<b>74.4</b>	<b>369.9</b>	<b>85.4</b>	<b>1,309.2</b>	<b>6.3</b>	<b>1,845.2</b>

1. Within Intangible assets located in Europe, £153.4m is located in Germany. This asset relates to the technology sharing agreements with Mercedes Benz AG.

FINANCIAL STATEMENTS  
NOTES TO THE FINANCIAL STATEMENTS CONTINUED

**4 OPERATING LOSS**

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

	2023 £m	2022 £m
Depreciation of property, plant and equipment (note 14)	91.2	80.7
Depreciation absorbed into inventory under standard costing	(0.9)	(2.9)
Loss on sale/scrap of property, plant and equipment	2.6	–
Depreciation of right-of-use lease assets (note 16)	9.3	11.0
Amortisation of intangible assets (note 12)	280.4	227.4
Amortisation released from/(absorbed into) inventory under standard costing	3.0	(8.1)
Depreciation, amortisation and impairment charges included in administrative and other operating expenses	385.6	308.1
(Decrease)/increase in trade receivable loss allowance – administrative and other operating expenses (note 23)	(1.3)	0.6
Research and development expenditure tax credit	(23.8)	(18.4)
Net foreign currency differences	0.3	8.7
Cost of inventories recognised as an expense	844.0	798.0
Write-down of inventories to net realisable value	24.2	8.9
Increase in fair value of other derivative contracts	(11.2)	(2.3)
Lease payments (gross of sub-lease receipts)		
Plant, machinery and IT equipment*	0.3	0.7
Sub-lease receipts		
Land and buildings	(0.4)	(0.6)
Auditor's remuneration:		
Audit of these Financial Statements	0.3	0.3
Audit of Financial Statements of subsidiaries pursuant to legislation	0.5	0.4
Audit-related assurance	0.1	0.1
Services related to corporate finance transactions	–	0.2
Research and development expenditure recognised as an expense	30.7	14.1
	2023 £m	2022 £m
Total research and development expenditure	299.2	246.1
Capitalised research and development expenditure (note 12)	(268.5)	(232.0)
Research and development expenditure recognised as an expense	30.7	14.1

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



## 5 ADJUSTING ITEMS

	2023 £m	2022 £m
<i>Adjusting operating expenses:</i>		
ERP implementation costs <sup>1</sup>	(14.5)	(6.9)
Defined Benefit pension scheme closure costs <sup>2</sup>	(1.0)	(13.5)
Director settlement and incentive arrangements <sup>7</sup>	-	(3.5)
Legal settlement and costs <sup>3</sup>	(16.0)	-
	<b>(31.5)</b>	<b>(23.9)</b>
<i>Adjusting finance income:</i>		
Foreign exchange gain on financial instrument utilised during refinance transactions <sup>4</sup>	-	4.1
Gain on financial instruments recognised at fair value through Income Statement <sup>5</sup>	-	8.4
<i>Adjusting finance expenses:</i>		
Premium paid on the early redemption of Senior Secured Notes <sup>4</sup>	(8.0)	(14.3)
Write-off of capitalised borrowing fees and discount upon early settlement of Senior Secured Notes <sup>4</sup>	(9.5)	(16.4)
Professional fees incurred on refinancing expensed directly to the Income Statement <sup>4</sup>	-	(1.9)
Loss on financial instruments recognised at fair value through Income Statement <sup>5</sup>	(19.0)	-
	<b>(36.5)</b>	<b>(20.1)</b>
Total adjusting items before tax	<b>(68.0)</b>	<b>(44.0)</b>
Tax charge on adjusting items <sup>6</sup>	-	-
Adjusting items after tax	<b>(68.0)</b>	<b>(44.0)</b>

## Summary of 2023 adjusting items

- In the year ended 31 December 2023, the Group incurred further implementation costs for a cloud-based Enterprise Resource Planning (ERP) system for which the Group will not own any intellectual property. £14.5m (2022: £6.9m) of costs have been incurred in the period under the service contract and expensed to the Consolidated Income Statement during the business readiness phase of the project. The project continued to undergo a phased rollout during 2023, which included HR, ordering and dealer management, and limited aspects of purchasing, following the previous migration of finance in 2022. Due to the infrequent recurrence of such costs and the expected quantum during the implementation phase, these have been separately presented as adjusting. The cash impact of this item is a working capital outflow at the time of invoice payment.
- On 31 January 2022, the Group closed its Defined Benefit Pension Scheme to future accrual incurring a past service cost of £2.8m. Under the terms of the closure agreement, employees were granted cash payments both in the current year and the following two financial years totalling £8.7m. These costs have been fully accrued. In addition, the affected employees were each granted 185 shares incurring a share-based payment charge of £1.0m during 2022. The terms of the agreement provide the employees with a minimum guaranteed value for these shares subject to their ongoing employment with the Group. The Group will pay the employees a further cash sum as the share price at 1 February 2024 did not meet this value. The charge associated with this portion was £1.0m in the year ended 31 December 2022 and is being accounted for in accordance with IFRS2 as a cash settled share-based payment scheme. A cost of £1.0m in the year ended 31 December 2023 relates to the ongoing minimum guaranteed value which will crystallise in early 2024.
- During the year ended 31 December 2023, the Group was involved in two High Court cases against entities ultimately owned by a former significant shareholder of the Group. The first involved AMMENA, Aston Martin's distributor in the Middle East, North Africa and Turkey region. AMMENA brought a number of claims against the Group, including claims for debts arising between 2019-2021 when Aston Martin was acting as AMMENA's agent and several claims that the Group had acted in bad faith when AMMENA resumed its obligations as distributor. The Group successfully defended all the bad faith claims and AMMENA's 2021 debt claim was dismissed. Aston Martin, however, was unsuccessful in its claim to set off its own counter-claim that AMMENA (as the region's distributor) should indemnify the Group in relation to costs incurred in the termination of a retail dealer, so is required to pay AMMENA's debt claims for 2019 and 2020 (totalling £5.3m plus interest of £0.6m). The Group incurred costs of £5.7m in defending AMMENA's claims and must pay opposition costs of £1.7m. The cash impact of these costs is a cash outflow in February 2024 as well as working capital movements during the year ended 31 December 2023 for costs already incurred. The second case involves claims against a retail dealership, which is ultimately owned by entities that are shareholders in one of the Group's subsidiary entities, including for unpaid debts relating to two agreements from 2015 and 2016. The final judgement has been handed down (and is in AML's favour on all material issues), but the consequences of that judgement (including quantification of the final judgment sum, interest, and costs) has not yet been determined or ordered by the Court. The Group has incurred costs of £2.7m in the year which in conjunction with the other costs above are considered non-recurring in nature as these are related to historic disputes with former shareholders and not related to the ongoing business of the Group. Whilst disputes and legal proceedings pending are often in the normal course of the Group's business, in both these cases the opposing party has links to companies that were former significant shareholders of the Group. On that basis the Group has classified these costs as non-recurring in nature.
- During the year ended 31 December 2023, the Group repaid \$121.7m of Second Lien Senior Secured Notes ("SSNs"). In repaying the notes prior to their redemption date, a redemption premium of £8.0m was incurred, of which the cash impact was incurred in the year ended 31 December 2023. Accelerated amortisation of capitalised borrowing costs and discount of £10.1m was recognised which is a non-cash item. In the year ended 31 December 2022, the Group paid down \$40.3m of First Lien SSNs and \$143.8m of Second Lien SSNs. The early settlement of these notes incurred a redemption premium of £14.3m and transaction fees of £1.9m and resulted in the acceleration of capitalised borrowing costs of £16.4m. The cash impact of the fees and premium are incurred within the year ended 31 December 2022. The acceleration of the borrowing costs is a non-cash item. In order to facilitate the repayment in the year ended 31 December 2022, the Group placed a forward currency contract to purchase US dollars. Due to favourable movements in the exchange rates, a gain of £4.1m was realised in the Consolidated Income Statement at the transaction date. The repayment made in 2023 was not hedged.
- The Group issued Second Lien SSNs during the year ended 31 December 2020 which included detachable warrants classified as a derivative option liability initially valued at £34.6m. The movement in fair value of the liability in the year ended 31 December 2023 resulted in a net loss, including warrant exercises, of £19.0m (2022: gain of £8.4m) being recognised in the Consolidated Income Statement. There is no cash impact of this adjustment.
- In 2023, nil tax has been recognised as an adjusting item (2022: nil tax) which is not in line with the standard rate of income tax for the Group of 23.5% (2022: 19%). This is on the basis that the adjusting items generate net deferred tax assets (specifically unused tax losses and interest amounts disallowed under the corporate interest restriction legislation). These have not been recognised to the extent that sufficient taxable profits are not forecast (under the defined planning cycle applied for the recognition of deferred tax assets) against which the unused tax losses and interest amounts disallowed under the corporate interest restriction legislation would be utilised.

## Summary of 2022 adjusting items

- On 14 January 2022, it was announced that Doug Lafferty would be joining the Group as Chief Financial Officer replacing Ken Gregor who stepped down from the Board on 1 May 2022. On 4 May, it was announced that Tobias Moers would be stepping down as Chief Executive Officer and Chief Technical Officer. Amedeo Felisa was appointed as Chief Executive Officer and Roberto Fedeli was appointed as Chief Technical Officer on the same day. The total cost associated with these changes was £3.5m, of which £1.8m represents joining incentives, £0.7m represents severance (note 6), and £1.0m comprises social security and other costs. Due to the quantum of such costs incurred in the period, they have been separately presented. The cash outflows associated with this expense are expected to be incurred within a period of 12 months from the appointment of each individual.

## 6 STAFF COSTS AND DIRECTORS' EMOLUMENTS

### (a) Staff costs (including Directors)

	2023 £m	2022 £m
Wages and salaries	188.0	139.4
Social security costs	19.4	16.4
Expenses related to post-employment Defined Benefit plan <sup>1</sup>	–	16.0
Contributions to Defined Contribution plans	20.9	17.6
	<b>228.3</b>	189.4

1. The year ended 31 December 2022 includes Defined Benefit plan closure costs of £12.5m as separately described in note 5 alongside the total in-year service costs of £3.5m separately disclosed in note 26.

The average monthly number of employees during the year were:

By activity	2023 Number	2022 Number
Production	1,238	1,123
Selling and distribution	342	276
Administration	1,160	1,138
	<b>2,740</b>	2,537

### (b) Directors' emoluments and transactions

	2023 £m	2022 £m
Directors' emoluments	4.4	3.1
Company contributions to pension schemes	0.1	0.1
Share related awards	–	0.8
Compensation for loss of office	–	0.7
	<b>4.5</b>	4.7

All Directors benefited from qualifying third-party indemnity provisions. Further information relating to Directors' remuneration is set out in the Directors' Remuneration Report on pages 108-122.

### (c) Compensation of key management personnel (including Executive Directors)

	2023 £m	2022 £m
Short-term employee benefits	11.0	5.6
Post-employment benefits	0.5	0.4
Compensation for loss of office	–	0.7
Share related awards	0.2	0.8
	<b>11.7</b>	7.5

## 7 FINANCE INCOME

	2023 £m	2022 £m
Bank deposit and other interest income	13.5	3.0
Foreign exchange gain on borrowings not designated as part of a hedging relationship	60.8	–
Finance income before adjusting items	74.3	3.0
<i>Adjusting finance income items:</i>		
Foreign exchange gain on financial instrument utilised during refinance transactions	–	4.1
Gain on financial instruments recognised at fair value through Income Statement (note 23)	–	8.4
Total adjusting finance income	–	12.5
Total finance income	<b>74.3</b>	15.5

**8 FINANCE EXPENSE**

	2023 £m	2022 £m
Bank loans, overdrafts and senior secured notes	151.3	166.0
Foreign exchange loss on borrowings not designated as part of a hedging relationship	–	156.2
Interest on lease liabilities (note 16)	4.1	4.5
Net interest expense on the net Defined Benefit liability (note 26)	2.7	1.4
Interest on contract liabilities held (note 21)	7.7	8.0
Effect of discounting on long-term liabilities	0.6	–
Finance expense before adjusting items	166.4	336.1
<i>Adjusting finance expense items:</i>		
Loss on financial instruments recognised at fair value through Income Statement (note 23)	19.0	–
Premium paid on the early redemption of Senior Secured Notes	8.0	14.3
Write-off of capitalised borrowing fees upon early settlement of Senior Secured Notes	9.5	16.4
Professional fees incurred on refinancing expensed directly to the Income Statement	–	1.9
Total adjusting finance expense	36.5	32.6
Total finance expense	202.9	368.7

**9 TAXATION**

	2023 £m	2022 £m
UK corporation tax on result	0.3	0.2
Overseas tax	1.7	7.4
Prior period movement	(0.1)	–
Total current income tax charge	1.9	7.6
<i>Deferred tax credit</i>		
Origination and reversal of temporary differences	(15.1)	29.4
Prior period movement	0.2	(4.3)
Total deferred tax (credit)/charge	(14.9)	25.1
Total income tax (credit)/charge in the Income Statement	(13.0)	32.7
<b><i>Tax relating to items (charged)/credited to other comprehensive income</i></b>		
<i>Deferred tax</i>		
Actuarial movement on Defined Benefit plan	–	1.7
Fair value adjustment on cash flow hedges	(1.2)	(0.8)
	(1.2)	0.9
<b><i>Tax relating to items charged in equity – deferred tax</i></b>		
Effect of equity settled share based payment charge	(0.5)	–

## 9 TAXATION CONTINUED

### (a) Reconciliation of the total income tax (credit)/charge

The tax credit (2022: charge) in the Consolidated Statement of Comprehensive Income for the year is lower (2022: higher) than the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are reconciled below:

	2023 £m	2022 £m
Loss from operations before taxation	<b>(239.8)</b>	(495.0)
Loss from operations before taxation multiplied by standard rate of corporation tax in the UK of 23.5% (2022: 19.0%)	<b>(56.3)</b>	(94.0)
Difference to total income tax (credit)/charge due to effects of:		
Expenses not deductible for tax purposes	<b>1.2</b>	2.0
Movement in unprovided deferred tax	<b>43.4</b>	100.3
Derecognition of deferred tax assets	-	25.6
Irrecoverable overseas withholding taxes	-	0.8
Adjustments in respect of prior periods	<b>0.1</b>	(4.3)
Difference in UK tax rates	<b>(0.7)</b>	1.1
Difference in overseas tax rates	<b>0.2</b>	1.2
Other	<b>(0.9)</b>	-
<b>Total income tax (credit)/charge</b>	<b>(13.0)</b>	32.7

### (b) Tax paid

Total net tax paid during the year was £5.6m (2022: £6.8m).

### (c) Factors affecting future tax charges

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

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. The legislation will be effective for the Group's financial year beginning 1 January 2024. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two Transitional Safe Harbour provisions are expected to apply in each jurisdiction the Group operates in, and management is not aware of any circumstance under which this might change. Therefore, the Group does not expect a potential exposure to Pillar Two top-up taxes. The Group has applied the exception in IAS 12 'Income Taxes' to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

### (d) Deferred tax

Recognised deferred tax assets and liabilities.

Deferred tax assets and liabilities are attributable to the following:

	Assets 2023 £m	Assets 2022 £m	Liabilities 2023 £m	Liabilities 2022 £m
Property, plant and equipment	<b>(108.5)</b>	(76.2)	-	-
Intangible assets	-	-	<b>182.9</b>	181.3
Employee benefits	<b>(12.7)</b>	(15.5)	-	-
Provisions	<b>(10.4)</b>	(8.4)	-	-
RDEC credit <sup>1</sup>	<b>(23.5)</b>	(16.1)	-	-
RDEC deferred income <sup>2</sup>	<b>(13.8)</b>	-	-	-
Losses and other deductions <sup>3</sup>	<b>(168.3)</b>	(198.6)	-	-
Share-based payments	<b>(2.0)</b>	(0.2)	-	-
Other	-	-	-	0.7
<b>Deferred tax (assets)/liabilities</b>	<b>(339.2)</b>	(315.0)	<b>182.9</b>	182.0
<b>Offset of tax liabilities/(assets)</b>	<b>182.9</b>	181.3	<b>(182.9)</b>	(181.3)
<b>Total deferred tax (assets)/liabilities</b>	<b>(156.3)</b>	(133.7)	-	0.7

1 Deferred tax assets categorised as 'RDEC credit' relate to the cumulative restricted amount of the payable tax credits which can be applied or surrendered in discharging any future corporation tax liability of the claimant company, as detailed in the Government Grants section of the Accounting Policies (Note 2).

2 Deferred tax assets categorised as 'RDEC deferred income' relate to expenditure deferred to the Consolidated Statement of Financial position which has previously been included within filed RDEC claims and subject to corporation tax. Any future release of the RDEC deferred income to the Consolidated Income Statement will not be subject to corporation tax for a second time.

3 Deferred tax assets categorised as 'Losses and other deductions' relate to tax losses and tax interest amounts disallowed under the corporate interest restriction legislation.

## 9 Taxation continued

### (d) Deferred tax continued

Where the right exists in certain jurisdictions, deferred tax assets and liabilities have been offset.

	1 January 2023 £m	Net tax recognised in Income Statement £m	Net tax recognised in OCI £m	Net tax recognised in equity £m	Other movement £m	31 December 2023 £m
<b>Movement in deferred tax in 2023</b>						
Property, plant and equipment	(76.2)	(32.4)	-	-	-	(108.5)
Intangible assets	181.3	1.6	-	-	-	182.9
Employee benefits	(15.5)	2.8	-	-	-	(12.7)
Provisions	(8.4)	(1.4)	(1.2)	-	0.6	(10.4)
RDEC credit	(16.1)	-	-	-	(7.4)	(23.5)
RDEC deferred income	-	(13.8)	-	-	-	(13.8)
Losses and other deductions	(198.6)	30.2	-	-	0.1	(168.3)
Share-based payments	(0.2)	(1.2)	-	(0.5)	-	(2.0)
Other	0.7	(0.7)	-	-	-	-
	<b>(133.0)</b>	<b>(14.9)</b>	<b>(1.2)</b>	<b>(0.5)</b>	<b>(6.7)</b>	<b>(156.3)</b>

	1 January 2022 £m	Net tax recognised in Income Statement £m	Net tax recognised in OCI £m	Net tax recognised in equity £m	Other movement £m	31 December 2022 £m
<b>Movement in deferred tax in 2022</b>						
Property, plant and equipment	(111.1)	34.9	-	-	-	(76.2)
Intangible assets	186.8	(5.5)	-	-	-	181.3
Employee benefits	(19.9)	2.7	1.7	-	-	(15.5)
Provisions	(6.3)	(0.9)	(1.2)	-	-	(8.4)
RDEC credit	(12.6)	-	-	-	(3.5)	(16.1)
Losses and other deductions	(192.6)	(6.4)	0.4	-	-	(198.6)
Share-based payments	(0.7)	0.5	-	-	-	(0.2)
Other	0.8	(0.1)	-	-	-	0.7
	<b>(155.6)</b>	<b>25.2</b>	<b>0.9</b>	<b>-</b>	<b>(3.5)</b>	<b>(133.0)</b>

The losses and other deductions of £168.3m (£673.8m gross) comprises of UK tax losses totalling £117.3m (£469.2m gross), China tax losses totalling £1.9m (£8.3m gross) and disallowed interest amounts of £49.1m (£196.3m gross).

Net deferred tax assets have been recognised to the extent that it is considered probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses or credits can be recovered or utilised. In evaluating the level of probable future taxable profits the Group reviews the same underlying assumptions and future forecasts used for impairment testing, going concern and viability assessments.

Given the recent history of accumulating tax losses, the Group has evaluated whether there is convincing other evidence that sufficient taxable profit will be available in determining the supportable level of net deferred tax assets which have been recognised at the reporting date. The significant progress made both strategically and financially in the past couple of years provides convincing evidence that the current business plan, as set out by the Executive team, will start generating the forecast taxable profits in the UK in the short term in order to support the recognition of deferred tax assets.

The future forecasts cover an extended period, which inherently increases the level of significant estimation uncertainty in the later periods. Specifically in this context, for the deferred tax assets held by the main UK trading entity, a defined look-out period for Internal Combustion Engine ('ICE') and Plug-In Hybrid Vehicle ('PHEV') to 31 December 2030 was selected on the basis that this timeframe correlates to existing vehicle life cycles. A longer defined-look out period of two vehicle life cycles was selected for the recognition of UK tax losses carried forward by the non-trading entities. The extended look out period is considered appropriate on the basis that the utilisation of these UK tax losses is only reliant on a relatively low level of future forecast profits generated by the Group beyond 2030. The Group has gross deferred tax assets unrecognised at the reporting date totalling £1,253.0m comprised of £541.2m tax losses, £196.8m accelerated capital allowances, £8.1m US provisions and £506.9m of disallowed tax interest amounts.

The aggregate amount of temporary differences associated with investments in subsidiaries and branches for which deferred tax liabilities have not been recognised is £1.5m for the financial year ended 31 December 2023 (2022: £38.4m). An increase/decrease of £50m in forecast taxable UK profits by 2030 would increase/decrease the level of deferred tax asset that would be recognised on losses by £6.3m under current UK tax legislation.

## 10 DIVIDENDS

No dividends were declared or paid by the Company in the year ended 31 December 2023 (2022: £nil).

## 11 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the loss for the year available for equity holders by the weighted average number of ordinary shares in issue during the year. 1,017,505 ordinary shares were issued under the Group's share investment plan (note 29). As these shares are held in trust on behalf of the Group's employees and the Group controls the trust they have been excluded from the calculation of the weighted average number of shares.

Continuing and total operations	2023	2022
<b>Basic earnings per ordinary share</b>		
Loss available for equity holders (£m)	<b>(228.1)</b>	(528.6)
Basic weighted average number of ordinary shares (million)	<b>748.2</b>	424.7
Basic loss per ordinary share (pence)	<b>(30.5p)</b>	(124.5p)

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

Continuing and total operations	2023	2022
<b>Diluted earnings per ordinary share</b>		
Loss available for equity holders (£m)	<b>(228.1)</b>	(528.6)
Basic weighted average number of ordinary shares (million)	<b>748.2</b>	424.7
Basic loss per ordinary share (pence)	<b>(30.5p)</b>	(124.5p)

	2023 Number	2022 Number
Diluted weighted average number of ordinary shares is calculated as:		
Basic weighted average number of ordinary shares (million)	<b>748.2</b>	424.7
Adjustments for calculation of diluted earnings per share: <sup>1</sup>		
Long-term incentive plans	-	-
Issue of unexercised ordinary share warrants	-	-
Issue of tranche 2 shares	-	-
Weighted average number of diluted ordinary shares (million)	<b>748.2</b>	424.7

<sup>1</sup> The number of ordinary shares issued as part of the long-term incentive plans and the potential number of ordinary shares issued as part of the 2020 issue of share warrants have been excluded from the weighted average number of diluted ordinary shares, as including them is anti-dilutive to diluted earnings per share.

As part of the Strategic Cooperation Agreement entered into in December 2020 with MBAG, shares were issued for access to tranche 1 technology. The Agreement includes an obligation to issue further shares for access to further technology in a future period (note 30). During the year ended 31 December 2023, the agreement was amended and the Group is no longer required to issue further shares to MBAG.

Warrants to acquire shares in the Company were issued alongside the Second Lien SSNs in December 2020 which can be exercised from 1 July 2021 through to 7 December 2027. As a consequence of the rights issue during the period ended 31 December 2022 (note 27) the number of ordinary shares issuable via the options was increased by a multiple of 6 to ensure the warrant holders' interests were not diluted. As at 31 December 2023, 66,159,325 options, each entitled to 0.3 ordinary shares, remain unexercised. The future issuance of warrants may have a dilutive effect in future periods if the Group generates a profit.

Adjusted earnings per share is disclosed in note 34 to show performance undistorted by adjusting items to assist in providing useful information on the underlying performance of the Group and enhance the comparability of information between reporting periods.

## 12 INTANGIBLE ASSETS

	Goodwill £m	Brands £m	Technology £m	Capitalised development cost £m	Dealer network £m	Software and other £m	Total £m
<b>Cost</b>							
Balance at 1 January 2022	85.4	297.6	163.5	1,613.9	15.4	67.1	2,242.9
Additions	–	–	–	232.0	–	5.9	237.9
Balance at 31 December 2022	85.4	297.6	163.5	1,845.9	15.4	73.0	2,480.8
<b>Balance at 1 January 2023</b>	<b>85.4</b>	<b>297.6</b>	<b>163.5</b>	<b>1,845.9</b>	<b>15.4</b>	<b>73.0</b>	<b>2,480.8</b>
<b>Additions</b>	<b>–</b>	<b>–</b>	<b>188.5</b>	<b>268.5</b>	<b>–</b>	<b>6.4</b>	<b>463.4</b>
<b>Balance at 31 December 2023</b>	<b>85.4</b>	<b>297.6</b>	<b>352.0</b>	<b>2,114.4</b>	<b>15.4</b>	<b>79.4</b>	<b>2,944.2</b>
<b>Amortisation</b>							
Balance at 1 January 2022	–	–	9.9	780.6	10.8	57.5	858.8
Charge for the year	–	–	1.9	221.4	0.8	3.3	227.4
Balance at 31 December 2022	–	–	11.8	1,002.0	11.6	60.8	1,086.2
<b>Balance at 1 January 2023</b>	<b>–</b>	<b>–</b>	<b>11.8</b>	<b>1,002.0</b>	<b>11.6</b>	<b>60.8</b>	<b>1,086.2</b>
<b>Charge for the year</b>	<b>–</b>	<b>–</b>	<b>9.8</b>	<b>264.0</b>	<b>0.7</b>	<b>5.9</b>	<b>280.4</b>
<b>Balance at 31 December 2023</b>	<b>–</b>	<b>–</b>	<b>21.7</b>	<b>1,266.0</b>	<b>12.3</b>	<b>66.7</b>	<b>1,366.7</b>
<b>Net book value</b>							
At 1 January 2022	85.4	297.6	153.6	833.3	4.6	9.6	1,384.1
At 31 December 2022	85.4	297.6	151.7	843.9	3.8	12.2	1,394.6
<b>At 1 January 2023</b>	<b>85.4</b>	<b>297.6</b>	<b>151.7</b>	<b>843.9</b>	<b>3.8</b>	<b>12.2</b>	<b>1,394.6</b>
<b>At 31 December 2023</b>	<b>85.4</b>	<b>297.6</b>	<b>330.4</b>	<b>848.4</b>	<b>3.1</b>	<b>12.7</b>	<b>1,577.6</b>

On 7 December 2020, the Company issued 224,657,287 shares to MBAG as consideration for access to the first tranche of powertrain and electronic architecture via a Strategic Cooperation Agreement. The Group was required to undertake a valuation exercise to measure the fair value of the access to the MBAG technology upon its initial capitalisation. The Group selected the 'With and Without' income approach which compares the net present value of cash flows from the Group's business plan prior to ('Without') and after ('With') the access to the technology. This methodology estimates the present value of the net benefit associated with acquiring the access to the technology. In the Group's assessment, the fair value of access to this technology is £142.3m. The £142.3m represents the assumed cost at acquisition from which point the cost model has been adopted. Amortisation commenced during the year ended 31 December 2023 and the carrying value of the technology asset is £134.2m.

On 26 June 2023, the Aston Martin Lagonda Global Holdings plc confirmed a strategic supply arrangement with Lucid Group, Inc. ("Lucid") providing the Group with access to select powertrain components for future BEV vehicles (collectively the "technology"). The consideration paid by the Group was a mixture of cash and 28,352,273 newly issued shares in Aston Martin Lagonda Global Holdings plc. The Group was required to undertake a valuation exercise to measure the fair value of the access to the Lucid technology upon its initial capitalisation. The Group selected the 'With and Without' income approach which compares the net present value of cash flows from the Group's business plan prior to ('Without') and after ('With') the access to the technology. This methodology estimates the present value of the net benefit associated with acquiring the access to the technology. In the Group's assessment, the fair value of access to this technology is £188.5m. The £188.5m represents the assumed cost at acquisition from which point the cost model has been adopted. Amortisation is aligned to when the asset is available for use – i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Amortisation of capitalised development costs commences when the programme to which the expenditure relates is available for use. As at 31 December 2023, £253.2m (2022: £259.4m) of capitalised development costs were not yet within the scope of amortisation.

### 13 IMPAIRMENT TESTING

#### Indefinite useful life non-current assets

Goodwill and brands acquired through business combinations have been allocated for impairment testing purposes to one cash-generating unit – the Aston Martin Lagonda Group business. This represents the lowest level within the Group at which goodwill and brands are monitored for internal purposes. The Group has considered the carrying value of its assets in the context of the Group's market capitalisation. At this level, it was concluded that the net assets of the Group are recoverable owing to the Group's market capitalisation of £1.9bn at 31 December 2023.

#### Finite useful life non-current assets

Recoverability of non-current assets with finite useful lives include property, plant and equipment, right-of-use lease assets and certain intangible assets. Intangible assets with finite useful lives mainly consist of capitalised development costs and technology.

The Group reviews the carrying amount of non-current assets with finite useful lives when events and circumstances indicate that an asset may be impaired. Impairment tests are performed by comparing the carrying amount and the recoverable amount of the assets. The recoverable amount is the higher of the assets' fair value less costs of disposal and its value-in-use. Where non-current assets with finite useful lives are not yet available for use, these are tested for impairment annually.

In assessing the value-in-use, the estimated future cash flows relating to the forecast usage period of the asset, or group of assets, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks.

#### Key assumptions used in value-in-use calculations

Where there are indicators of impairment, the calculation of value-in-use for the assets is most sensitive to the following assumptions:

- Cash flows are projected based on actual operating results and the current five-year plan.
- Discount rates are calculated using a weighted average cost of capital approach. They reflect the individual nature and specific risks relating to the business and the market in which the Group operates. The pre-tax discount rate used was 14.0% (2022: 14.0%).
- A long-term growth rate of 2% (2022: 2%)

#### Sensitivity analysis

- As at 31 December 2023, the gross margin would need to decrease by 36% before any of the finite life assets become impaired.

The Group has considered the carrying value of its assets in conjunction with the trading and cash flow forecasts for the Group including factors related to the Group's ongoing climate commitments (see note 1). The Group is satisfied no impairment is required at 31 December 2023. No reasonably possible change in an assumption could result in a material impact on the impairment assessment in the next twelve months.



## 14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings £m	Tooling £m	Plant, machinery, fixtures and fittings £m	Motor vehicles £m	Total £m
<b>Cost</b>					
Balance at 1 January 2022	71.5	547.6	238.5	0.8	858.4
Additions	2.9	64.1	27.8	0.1	94.9
Disposals	–	–	(0.6)	(0.2)	(0.8)
Effect of movements in exchange rates	0.3	–	0.1	–	0.4
Balance at 31 December 2022	74.7	611.7	265.8	0.7	952.9
<b>Balance at 1 January 2023</b>	<b>74.7</b>	<b>611.7</b>	<b>265.8</b>	<b>0.7</b>	<b>952.9</b>
<b>Additions</b>	<b>9.1</b>	<b>45.0</b>	<b>23.8</b>	<b>-</b>	<b>77.9</b>
<b>Disposals</b>	<b>(0.1)</b>	<b>(2.8)</b>	<b>(1.7)</b>	<b>(0.1)</b>	<b>(4.7)</b>
<b>Effect of movements in exchange rates</b>	<b>(0.4)</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>	<b>(0.5)</b>
<b>Balance at 31 December 2023</b>	<b>83.3</b>	<b>653.9</b>	<b>287.8</b>	<b>0.6</b>	<b>1,025.6</b>
<b>Depreciation</b>					
Balance at 1 January 2022	32.3	363.7	106.7	0.2	502.9
Charge for the year	2.7	60.5	17.3	0.2	80.7
Disposals	–	–	(0.6)	(0.2)	(0.8)
Effect of movements in exchange rates	0.1	–	0.1	–	0.2
Balance at 31 December 2022	35.1	424.2	123.5	0.2	583.0
<b>Balance at 1 January 2023</b>	<b>35.1</b>	<b>424.2</b>	<b>123.5</b>	<b>0.2</b>	<b>583.0</b>
<b>Charge for the year</b>	<b>3.8</b>	<b>67.9</b>	<b>19.5</b>	<b>-</b>	<b>91.2</b>
<b>Disposals</b>	<b>(0.1)</b>	<b>(0.9)</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>(2.1)</b>
<b>Effect of movements in exchange rates</b>	<b>(0.1)</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>	<b>(0.2)</b>
<b>Balance at 31 December 2023</b>	<b>38.7</b>	<b>491.2</b>	<b>141.9</b>	<b>0.1</b>	<b>671.9</b>
<b>Net book value</b>					
At 1 January 2022	39.2	183.9	131.8	0.6	355.5
At 31 December 2022	39.6	187.5	142.3	0.5	369.9
<b>At 1 January 2023</b>	<b>39.6</b>	<b>187.5</b>	<b>142.3</b>	<b>0.5</b>	<b>369.9</b>
<b>At 31 December 2023</b>	<b>44.6</b>	<b>162.7</b>	<b>145.9</b>	<b>0.5</b>	<b>353.7</b>

#### 14 PROPERTY, PLANT AND EQUIPMENT CONTINUED

Property, plant and equipment provides security for a fixed and floating charge in favour of the Aston Martin Lagonda Limited pension scheme.

Assets in the course of construction at a cost of £37.4m (2022: £32.9m) are not depreciated until available for use and are included within tooling, plant and machinery. The gross value of freehold land and buildings includes freehold land of £6.1m (2022: £6.1m) which is not depreciated. Capital commitments are disclosed in note 30.

The tables below analyse the net book value of the Group's property, plant and equipment by geographical location.

At 31 December 2023	United Kingdom £m	Rest of Europe £m	The Americas £m	Asia Pacific £m	Total £m
Freehold land and buildings	38.7	1.9	5.7	–	46.3
Tooling	83.7	73.7	0.9	0.3	158.6
Plant, machinery, fixtures and fittings, and motor vehicles	146.6	2.0	0.2	–	148.8
	<b>269.0</b>	<b>77.6</b>	<b>6.8</b>	<b>0.3</b>	<b>353.7</b>

At 31 December 2022	United Kingdom £m	Rest of Europe £m	The Americas £m	Asia Pacific £m	Total £m
Freehold land and buildings	36.6	1.8	2.9	–	41.3
Tooling	120.3	61.8	1.1	–	183.2
Plant, machinery, fixtures and fittings, and motor vehicles	144.7	0.7	–	–	145.4
	301.6	64.3	4.0	–	369.9

#### 15 INVESTMENTS IN EQUITY INTERESTS

On 15 November 2023, the Group subscribed for shares in AMR GP Holdings Limited by exercising its primary warrant option and subscribing for reward shares it was entitled to under the initial sponsorship term. The primary warrant became exercisable following the Group entering an agreement with AMR GP for a second sponsorship term running from 2026 to 2030.

At the point of subscription, a valuation exercise was undertaken to determine the fair value of the derivatives with a gain being recognised in the Consolidated Income Statement (see note 20). As the subscription was sufficiently close to the year-end date, and no material changes have occurred in underlying business, the same valuation was used to determine the fair value as at 31 December 2023. The fair value of the warrant equity option and reward shares was established by applying the proportion of equity represented by the derivatives to an assessment of the equity value of AMR GP Limited, which is then adjusted to reflect marketability and control commensurate with the size of the investment.

The Group has made the election to carry the investment at fair value through other comprehensive income and will continue to fair value the investment in line with the requirements of IFRS 9 at future balance sheet dates. This election was made to reduce volatility due to movements in fair value within the Consolidated Income Statement.

	2023 £m	2022 £m
<b>Investments</b>		
As at 1 January	–	–
Additions	18.2	–
As at 31 December	18.2	–

## 16 LEASES

The Group holds lease contracts for buildings, plant and machinery and IT equipment.

### a) Right-of-use lease assets

	Properties £m	Plant and machinery £m	IT equipment £m	Total £m
<b>Cost</b>				
Balance at 1 January 2022	89.2	15.6	6.5	111.3
Additions	4.0	–	–	4.0
Modifications	3.3	–	0.2	3.5
Disposals	(5.5)	(4.5)	(5.8)	(15.8)
Effect of movements in exchange rates	1.2	–	–	1.2
Balance at 31 December 2022	92.2	11.1	0.9	104.2
<b>Balance at 1 January 2023</b>	<b>92.2</b>	<b>11.1</b>	<b>0.9</b>	<b>104.2</b>
<b>Additions</b>	<b>4.4</b>	<b>–</b>	<b>1.4</b>	<b>5.8</b>
<b>Modifications</b>	<b>0.6</b>	<b>–</b>	<b>–</b>	<b>0.6</b>
<b>Disposals</b>	<b>(3.5)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(3.7)</b>
<b>Effect of movements in exchange rates</b>	<b>(1.5)</b>	<b>–</b>	<b>(0.1)</b>	<b>(1.6)</b>
<b>Balance at 31 December 2023</b>	<b>92.2</b>	<b>11.0</b>	<b>2.1</b>	<b>105.3</b>
<b>Depreciation</b>				
Balance at 1 January 2022	24.3	5.1	5.9	35.3
Charge for the year	9.9	0.6	0.5	11.0
Disposals	(5.5)	(4.5)	(5.8)	(15.8)
Effect of movements in exchange rates	(0.7)	–	–	(0.7)
Balance at 31 December 2022	28.0	1.2	0.6	29.8
<b>Balance at 1 January 2023</b>	<b>28.0</b>	<b>1.2</b>	<b>0.6</b>	<b>29.8</b>
<b>Charge for the year</b>	<b>8.3</b>	<b>0.4</b>	<b>0.6</b>	<b>9.3</b>
<b>Disposals</b>	<b>(3.4)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(3.6)</b>
<b>Effect of movements in exchange rates</b>	<b>(0.7)</b>	<b>–</b>	<b>0.1</b>	<b>(0.6)</b>
<b>Balance at 31 December 2023</b>	<b>32.2</b>	<b>1.5</b>	<b>1.2</b>	<b>34.9</b>
<b>Carrying value</b>				
At 1 January 2022	64.9	10.5	0.6	76.0
At 31 December 2022	64.2	9.9	0.3	74.4
<b>At 1 January 2023</b>	<b>64.2</b>	<b>9.9</b>	<b>0.3</b>	<b>74.4</b>
<b>At 31 December 2023</b>	<b>60.0</b>	<b>9.5</b>	<b>0.9</b>	<b>70.4</b>

Income from the sub-leasing of right-of-use assets in the year 31 December 2023 was £0.4m (2022: £0.6m). The Group recognises the lease payments received on a straight-line basis over the lease term within administrative and other operating expenses in the Consolidated Income Statement.

## 16 LEASES CONTINUED

### b) Obligations under leases

The maturity profile of undiscounted lease cash flows accounted for under IFRS 16 is:

	2023 £m	2022 £m
Less than one year	12.7	9.9
One to five year	40.3	39.1
More than five years	82.8	90.1
	<b>135.8</b>	139.2

The maturity profile of discounted lease cash flows accounted for under IFRS 16 is:

	2023 £m	2022 £m
Less than one year	8.8	7.4
One to five years	28.5	26.8
More than five years	60.0	65.6
	<b>97.3</b>	99.8
Analysed as:		
Current	8.8	7.4
Non-current	88.5	92.4
	<b>97.3</b>	99.8

A reconciliation of the lease liability from 1 January to 31 December for the current and prior year is disclosed within note 28.

The total lease interest expense for the year ended 31 December 2023 was £4.1m (2022: £4.5m). Total cash outflow for leases accounted for under IFRS 16 for the current year was £7.9m (2022: £10.0m). Expenses charged to the Consolidated Income Statement for short-term leases for the year ended 31 December 2023 were £0.3m (2022: £0.7m). The portfolio of short-term leases at 31 December 2023 is representative of the expected annual short-term lease expense in future years.

The following disclosure has been included to facilitate the understanding of the impact of adopting IFRS 16 on the Group due to covenants in the Group's finance arrangements that continue to use IAS 17.

The impact of IFRS 16 on the Consolidated Income Statement, excluding tax, for the year ended 31 December 2023 is:

	As reported 31 December 2023 £m	Add back IFRS 16 interest charge £m	Add back IFRS 16 depreciation charge £m	Less amortisation of legal fees £m	Less lease incentives £m	Less IAS 17 lease cost £m	Excluding impact of IFRS 16 31 December 2023 £m
Revenue	1,632.8	-	-	-	-	-	1,632.8
Cost of sales	(993.6)	-	-	-	-	-	(993.6)
Gross profit	639.2	-	-	-	-	-	639.2
Selling and distribution expenses	(143.8)	-	-	-	-	-	(143.8)
Administrative and other operating expenses	(606.6)	-	9.3	(0.1)	1.1	(11.7)	(608.0)
Operating loss	(111.2)	-	9.3	(0.1)	1.1	(11.7)	(112.6)
Finance income	74.3	-	-	-	-	-	74.3
Finance expense	(202.9)	4.1	-	-	-	-	(198.8)
(Loss)/profit before tax	(239.8)	4.1	9.3	(0.1)	1.1	(11.7)	(237.1)
Adjusted EBITDA (note 34)	305.9	-	-	(0.1)	1.1	(11.7)	295.2

**16 LEASES CONTINUED****b) Obligations under leases continued**

The impact of IFRS 16 on the Consolidated Income Statement, excluding tax, for the year ended 31 December 2022 is:

	As reported 31 December 2022 £m	Add back IFRS 16 interest charge £m	Add back IFRS 16 depreciation charge £m	Less amortisation of legal fees £m	Less lease incentives £m	Less IAS 17 lease cost £m	Excluding impact of IFRS 16 31 December 2022 £m
<b>Revenue</b>	1,381.5	–	–	–	–	–	1,381.5
<b>Cost of sales</b>	(930.8)	–	–	–	–	–	(930.8)
<b>Gross profit</b>	450.7	–	–	–	–	–	450.7
<b>Selling and distribution expenses</b>	(113.0)	–	–	–	–	–	(113.0)
Administrative and other operating expenses	(479.5)	–	11.0	(0.1)	1.1	(14.5)	(482.0)
<b>Operating loss</b>	(141.8)	–	11.0	(0.1)	1.1	(14.5)	(144.3)
<b>Finance income</b>	15.5	–	–	–	–	–	15.5
<b>Finance expense</b>	(368.7)	4.5	–	–	–	–	(364.2)
<b>(Loss)/profit before tax</b>	(495.0)	4.5	11.0	(0.1)	1.1	(14.5)	(493.0)
<b>Adjusted EBITDA (note 34)</b>	190.2	–	–	(0.1)	1.1	(14.5)	176.6

**17 INVENTORIES**

	2023 £m	2022 £m
Parts for resale, service parts and production stock	157.7	152.2
Work in progress	33.2	48.5
Finished vehicles	81.8	85.5
	272.7	286.2

Finished vehicles include Group-owned service cars at a net realisable value of £49.0m (2022: £44.4m).

During the years ended 31 December 2023 and 2022, inventory repurchase arrangements were entered for certain parts for resale, service parts and production stock. These inventories were sold and subsequently repurchased – see note 21 for further details.

**18 TRADE AND OTHER RECEIVABLES**

	2023 £m	2022 £m
<b>Amounts included in current assets</b>		
Trade receivables	216.2	137.0
Indirect taxation	43.8	42.5
Prepayments	46.6	46.8
Other receivables	15.6	19.4
	322.2	245.7
<b>Amounts included in non-current assets</b>		
Other receivables	5.3	6.3

Trade and other receivables for non-vehicle receivables are non-interest bearing and generally have terms of less than 60 days. Due to their short maturities, the fair value of trade and other receivables approximates to their book value. Certain vehicle trade receivables are financed through a wholesale finance facility (see below). Where vehicle trade receivables remain a part of the Group's Consolidated Statement of Financial Position, these receivables bear interest after 60 days. Credit terms for such trade receivables vary between 0 and 180 days.

Credit risk is discussed further in note 23.

### 18 TRADE AND OTHER RECEIVABLES CONTINUED

The carrying amount of trade and other receivables at 31 December, converted into sterling at the year-end exchange rates, are denominated in the following currencies (excluding prepayments):

	2023 £m	2022 £m
Sterling	78.6	75.6
Chinese renminbi	38.3	15.2
Euro	87.9	50.8
US dollar	17.0	21.7
Japanese yen	41.0	31.0
Other	18.1	11.4
	<b>280.9</b>	205.7

#### Wholesale finance facility

Sales to third-party Aston Martin franchised dealers are eligible, subject to individual dealer approved credit limits, to be financed through a wholesale finance facility.

In the year ended 31 December 2022, the Group entered into a multi-currency wholesale finance facility with CA Auto Bank S.p.A. (“CAAB”) and its regional designates. Under the facility, the Group finances dealer trade receivables with CAAB around the time a sale has been made under the Group’s revenue recognition policy and receives consideration equal to the value of the trade receivable financed. The Group has the option to subvent the dealer financing cost which provides the dealer network an interest-free period. The cost of this subvention is presented as a financing expense in the Consolidated Income Statement. The Group has considered the IFRS 9 criteria for asset derecognition in respect of the trade receivables financed through CAAB. The Group is satisfied that substantially all the risks are transferred to CAAB. As a result, the wholesale finance facility is off balance sheet. Due to this classification, financing costs of £2.5m (2022: £0.3m) associated with the scheme are presented in operating cash flows (note 28). As at 31 December 2023, £83.8m was financed under the facility (2022: £65.2m).

The Group’s previous wholesale finance facility was with Velocitas Funding Designated Activity Company (“Velocitas”) a special purpose vehicle established for the purpose and financed by a panel of banks led by JPMorgan Chase Bank, N.A., London Branch. At 31 December 2022 the multi-currency facility was closed to new financing, and wound down in the first half of 2023. The remaining senior loan of £0.1m and subordinated loan of £0.5m was received by the Group in the year ended 31 December 2023.

**19 CASH AND CASH EQUIVALENTS**

	2023 £m	2022 £m
Cash and cash equivalents	<b>392.4</b>	583.3

Cash at bank when placed on deposit earns interest at floating rates based on daily bank deposit rates. The book value of cash and cash equivalents approximates to their fair value.

Cash is held in the following currencies; those held in currencies other than sterling have been converted into sterling at year-end exchange rates:

	2023 £m	2022 £m
Sterling	<b>143.2</b>	336.8
Chinese renminbi	<b>21.6</b>	59.8
Euro	<b>38.7</b>	26.1
US dollar	<b>166.5</b>	130.5
Japanese yen	<b>15.9</b>	4.5
Other	<b>6.5</b>	25.6
	<b>392.4</b>	583.3
<i>Included within the above:</i>		
Restricted cash	-	32.8

During 2021, the Group entered into a bilateral Revolving Credit Facility with HSBC Bank plc ("HSBC"), whereby Chinese renminbi with an initial value of £31.9m were deposited in a restricted account with HSBC in China in exchange for a £30.0m sterling overdraft facility with HSBC in the UK. The restricted cash was revalued at 31 December 2022 to £32.8m and is shown in the cash and cash equivalents value above. The cash in China cannot be withdrawn whilst the loan remains in place. During the year ended 31 December 2023, the loan was repaid and the restricted cash was released.

**20 OTHER FINANCIAL ASSETS**

	2023 £m	2022 £m
Forward currency contracts held at fair value	<b>3.3</b>	2.3
Loan assets	-	0.6
Cash held not available for short-term use	-	0.3
Other derivative contracts	-	5.6
	<b>3.3</b>	8.8
<i>Analysed as:</i>		
Current	<b>3.3</b>	8.8
Non-current	-	-
	<b>3.3</b>	8.8

The Group uses forward currency contracts to partly manage the risk associated with fluctuations in exchange rates on future sales contracts. At the reporting date these cash flow hedges are marked-to-market and any assets are shown as other financial assets in the Statement of Financial Position.

At 31 December 2022, £0.3m held in certain local bank accounts had been frozen in relation to local arbitration proceedings and the cash held in these accounts did not meet the definition of cash and cash equivalents, and therefore was classified as an other financial asset. During 2023, all amounts have been unfrozen.

At 31 December 2022, the Group held £0.5m of subordinated loan and £0.1m of senior loan assets relating to a wholesale financing facility (note 18). The facility fully closed during the year ended 31 December 2023 and the amounts were repaid to the Group. The subordinated loan is presented within financing cashflows owing to its longer term deposit time whereas movements in the senior loan are included in operating cashflow.

Other derivative contracts comprise warrant options and non-option derivatives both of which entitle the Group to subscribe for equity in AMR GP Holdings Limited, the immediate parent company of AMR GP Limited. The warrant options were recorded as an embedded option derivative asset at £2.9m on initial recognition on 31 March 2020. The fair value movement in the options for the year ended 31 December 2023 was a £7.4m increase (2022: £1.6m increase) and is recognised within the Consolidated Income Statement in administrative expenses. A corresponding liability was recognised on inception of the arrangement (see note 22) which represented an accrual for that element of future sponsorship payments.

## 20 OTHER FINANCIAL ASSETS CONTINUED

The fair value of the warrant equity option above has been established by applying the proportion of equity represented by the derivative to an assessment of the enterprise value of AMR GP Limited, which is then adjusted to reflect marketability and control commensurate with the size of the investment.

There is a further embedded derivative in the agreement in respect of an additional economic interest in the equity of AMR GP Holdings Limited which was assessed as having a carrying value of £nil at inception. This derivative entitled the Group to subscribe for further share capital in AMR GP Limited in the event that the sponsorship agreement is extended for a further five-year period. The fair value movement in this derivative for the year ended 31 December 2023 was a £3.8m increase (2022: £0.7m increase) and is recognised within the Consolidated Income Statement in administrative expenses. The movement in the value of this derivative has been estimated using the same method as the warrant equity option disclosed above. There is no corresponding liability recorded as it is a non-option embedded derivative.

The Group exercised its option and subscribed for equity in AMR GP Holdings Limited during the year ended 31 December 2023. The Group holds one further warrant which is exercisable in the event of the Group agreeing a third period of sponsorship for the period 2031 to 2035. The fair value of this warrant option is currently assessed as £nil owing to the uncertainty that the sponsorship will be renewed so far in the future.

## 21 TRADE AND OTHER PAYABLES

### Current trade and other payables

	2023 £m	2022 £m (restated*)
Trade payables	143.2	151.2
Repurchase liability	39.7	38.2
Customer deposits and advances	272.1	335.7
Accruals and other payables	356.5	346.0
Deferred income – tax relief*	13.8	14.9
Deferred income – service packages	4.7	5.2
Deferred income – other	10.4	–
	<b>840.4</b>	891.2

\* Detail on the restatement is disclosed in note 2

Trade payables are non-interest bearing, and it is the Group's policy to settle the liability within 90 days.

Accruals and other payables consist of product development and capital accruals of £115.4m (2022: £135.7m), sales and marketing accruals of £70.4m (2022: £59.0m), manufacturing accruals of £44.4m (2022: £40.7m) and administrative and other accruals of £126.3m (2022: £110.6m).

At 31 December 2023, a repurchase liability of £39.7m including accrued interest of £1.7m, has been recognised in trade and other payables and net debt (see note 24). In 2023, £31.4m of parts for resale, service parts and production stock were sold for £38.0m (gross of indirect tax) and subsequently repurchased. Under this repurchase agreement, the Group will repay a total of £40.0m (gross of indirect tax). As part of the arrangement, legal title to the parts was surrendered, however, control remained with the Group. During 2023, £40.0m had been repaid relating to the liability of £38.2m as at 31 December 2022 following further interest accrual.

### Contract liabilities

Changes in the Group's contract liabilities during the year are summarised as follows:

	At 1 January 2023 £m	Additional amounts arising during the period £m	Amounts recognised within revenue £m	Significant financing component for which an interest charge is recognised £m	Amounts returned and other changes £m	At 31 December 2023 £m
Customer deposits and advances	335.7	122.7	(156.1)	7.7	(37.9)	272.1
Deferred income – service packages	13.7	4.2	(5.2)	–	(0.2)	12.5

	At 1 January 2022 £m	Additional amounts arising during the period £m	Amounts recognised within revenue £m	Significant financing component for which an interest charge is recognised £m	Amounts returned and other changes £m	At 31 December 2022 £m
Customer deposits and advances	342.6	108.5	(111.0)	8.0	(12.4)	335.7
Deferred income – service packages	14.9	3.2	(4.7)	–	0.3	13.7



## 21 TRADE AND OTHER PAYABLES CONTINUED

Customer deposits and advances are recognised in revenue when the performance obligation, principally the supply of a Limited-Edition vehicle or service of a vehicle, is met by the Group. As part of the operating cycle of Special Vehicle projects, to which these customer deposits primarily relate, the Group expects to derecognise a significant proportion over the next three years with approximately £167.1m expected to be recognised in 2024. This unwind relates to the balance held as at 31 December 2023 and does not take into consideration any additional deposits and advances arising during 2024.

In the year ended 31 December 2023, a finance expense of £7.7m (see note 8) was recognised as a significant financing component on contract liabilities held for greater than 12 months (2022: £8.0m). Upon satisfaction of the linked performance obligation, the liability is released to revenue so that the total amount taken to the Consolidated Income Statement reflects the sales price the customer would have paid for the vehicle at that point in time.

The Group applies a practical expedient for short-term advances received from customers whereby the advanced payment is not adjusted for the effects of a significant financing component. According to the individual terms of the Special Vehicle contract and the position of the customer in the staged deposit and vehicle specification process, some deposits are contractually refundable. At 31 December 2023, the Group held £132.8m of contractually refundable deposits (before the impact of significant financing components) (2022: £102.9m). The Special Vehicle programmes are typically oversubscribed and, in the event that a customer requests reimbursement of their advanced payment, the newly created allocation is then given to an alternative customer who is required to make an equivalent advanced payment. The cumulative significant financing component associated with a reimbursed advance payment is credited in arriving at the net significant finance charge for the year. Further liquidity risk considerations are disclosed in note 23.

Deferred service package income is recognised in revenue over the service package period.

### Non-current trade and other payables

	2023 £m	2022 £m (restated*)
Trade payables**	71.7	–
Deferred income – tax relief*	42.0	34.1
Deferred income – service packages	7.8	8.5
Other payables	0.8	0.6
	<b>122.3</b>	43.2

\* Detail on the restatement is disclosed in note 2

\*\* Trade payables consists of discounted deferred payments relating to technology purchases in the year (see note 12).

## 22 OTHER FINANCIAL LIABILITIES

	2023 £m	2022 £m
Forward currency contracts held at fair value (see note 23)	2.1	0.7
Other derivative contracts (see note 20)	–	2.9
Derivative option over own shares (see note 23)	23.1	22.6
	<b>25.2</b>	26.2
Analysed as:		
Current	25.2	26.2
Non-current	–	–
	<b>25.2</b>	26.2

## 23 FINANCIAL INSTRUMENTS

### Group

The Group's principal financial instruments comprise cash and cash equivalents, Senior Secured Notes ("SSNs"), a Revolving Credit Facility ("RCF"), a finished vehicle financing facility, a bilateral RCF, loan assets, derivative options, and forward currency contracts. Additionally, the Group has trade payables and trade receivables which arise directly from its operations. Included in trade and other payables is a liability relating to an inventory repurchase arrangement. These short-term assets and liabilities are included in the currency risk disclosure. The main risks arising from the Group's financial instruments are credit risk, interest-rate risk, currency risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor adherence to limits. The Board of Directors oversees how management monitor compliance with the Group risk management policies and procedures and reviews the adequacy of the risk management framework in relation to specific risks faced by the Group.

### Credit risk

The Group sells vehicles through a global dealer network. Dealers outside of North America are required to pay for vehicles in advance of their despatch or use the wholesale financing scheme (see note 18). Credit risk on receivables purchased by CAAB under the wholesale finance facilities is borne by CAAB. The Group has no credit risk associated with the CAAB facility. The Group's remaining vehicle sales to territories where there is currently no wholesale financing are made on credit terms ranging from 30 to 180 days. The Group manages the default risk of such sales via a credit risk insurance policy. Dealers within North America are allowed ten-day credit terms from the date of invoice. In certain circumstances, after thorough consideration of the credit history of an individual dealer, the Group may sell vehicles outside of the credit risk insurance policy or on deferred payment terms. Parts sales, which represent a smaller element of total revenue, are made to dealers on net 30-day credit terms. Servicing receivables are due for payment on collection of the vehicle.

Trade and other receivables are only written off when the Group has exhausted all options to recover the amounts due and provided for in full when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of the debtor to engage in a repayment plan with the Group and a failure to make contractual payments. An expected credit loss provision is then calculated on the remaining trade and other receivables. The expected credit loss related to default of other receivables (note 18) is assessed as zero.

In generating the expected credit loss provision for trade receivables, historical credit loss rates for the preceding five years are calculated, including consideration given to future factors that may affect the ability of customers to settle receivables, and applied to the trade and other receivable ageing buckets at the year end. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group has no material contract assets.

	As at 31 December 2023			As at 31 December 2022		
	Expected loss rate %	Gross carrying amount £m	Loss allowance £m	Expected loss rate %	Gross carrying amount £m	Loss allowance £m
Current	*	180.1	–	*	129.1	–
1 – 30 days past due	*	28.2	–	*	5.8	–
31 – 60 days past due	*	3.7	–	*	1.7	–
61+ days past due	52.2%	8.8	4.6	93.8%	6.5	6.1
		220.8	4.6		143.1	6.1

\* The expected loss rates for these specific ageing categories are not disclosed, as no material loss allowance is generated when applied against the gross carrying value. The expected loss rate has reduced following the settlement of previously provided receivables.

	2023 £m	2022 £m
<b>Opening loss allowance as at 1 January</b>	<b>6.1</b>	24.6
(Reduction)/increase in loss allowance recognised in the Income Statement – administrative and other operating expenses	<b>(1.3)</b>	0.6
Receivables written off during the year as uncollectible	<b>(0.2)</b>	(19.2)
Effect of foreign exchange	–	0.1
<b>At 31 December</b>	<b>4.6</b>	6.1

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Borrowings

The following table analyses Group borrowings:

	2023 £m	2022 £m
<b>Current</b>		
Bank loans and overdrafts	89.4	107.1
<b>Non-current</b>		
Senior Secured Notes	980.3	1,104.0
<b>Total borrowings</b>	<b>1,069.7</b>	<b>1,211.1</b>

Total borrowings are denominated in the following currencies, in sterling at the year-end exchange rates:

	2023 £m	2022 £m
Sterling	89.4	107.1
US dollar	980.3	1,104.0
<b>Total borrowings</b>	<b>1,069.7</b>	<b>1,211.1</b>

#### Current borrowings

The Group has a RCF attached to the SSNs (see Non-current borrowings below). The carrying amount net of unamortised arrangement fees included in current borrowings relating to the RCF at 31 December 2023 was £89.4m (2022: £77.1m). At 31 December 2023 £90.0m of the £99.6m RCF was drawn as cash (2022: £78.5m of the £90.6m facility).

At 31 December 2022, the Group had entered into a bilateral revolving credit facility with HSBC Bank plc ("HSBC"), whereby Chinese Renminbi were deposited in a restricted account with HSBC in China in exchange for a £30.0m Sterling overdraft facility with HSBC Bank plc in the United Kingdom. The restricted cash was revalued at 31 December 2022 to £32.8m and is shown in the cash and cash equivalents. At 31 December 2022, the facility of £30.0m was shown within borrowings in current liabilities on the Statement of Financial Position. During the year ended 31 December 2023, the bilateral revolving credit facility was repaid, but remains available.

#### Non-current borrowings

In December 2020, the Group took out First Lien and Second Lien SSNs at \$1085.5m and \$335.0m, respectively. All SSNs are secured by fixed and floating charges over certain assets of the Group. In March 2021, the Group issued an additional £70.7m equivalent of 10.5% First Lien SSNs with a nominal value of \$98.5m at a premium of £6.3m. Transaction costs of £1.7m and the premium are amortised using the effective interest rate. In October 2022, the Group repurchased \$40.3m of First Lien SSNs and \$143.8m of Second Lien SSNs. The portion of unamortised fees and the redemption premium was charged to the Consolidated Income Statement at the point of redemption as an accelerated charge and presented within adjusting items (note 5). Transaction costs of £1.9m relating to the repurchase are included in adjusting items (note 5). The US dollar amounts have been converted to sterling equivalents for reporting purposes.

At 31 December 2023, the Group held £980.3m of SSNs (2022: £1,104.0m) comprising First Lien SSNs of \$1,143.7m (2022: \$1,143.7m) at 10.5% cash interest and Second Lien SSNs of \$121.7m (2022: \$229.1m) at 8.89% cash interest and 6.11% Payment in Kind ("PIK") interest respectively. The Second Lien Notes were issued at a 2% discount and include detachable share warrants (see below). The First Lien Notes are repayable in November 2025 and the Second Lien Notes in November 2026. Transaction costs and discounts on issuance are amortised using the effective interest rate. Early repayments of both First and Second Lien SSNs in the year ended 31 December 2022 and Second Lien SSNs in the year ended 31 December 2023 resulted in one off premium costs and the acceleration of transaction costs and discounts (see note 5).

#### Derivative option over own shares

The Second Lien SSNs include detachable warrants enabling the warrant holders to subscribe for a number of ordinary shares in the Company at the subscription price of £1.67 (previously £10 per share prior to the rights issue in September 2022). The warrant holders have the right to exchange their warrant options for a reduced number of warrant shares, resulting in no cash being paid to receive the shares. The ratio at which this exchange can be transacted is determined by the share price at execution of the options. A derivative option liability was initially recorded at 31 December 2020 due to the uncertain number of shares which will be issued under the agreement, which is subsequently remeasured at fair value through the Consolidated Income Statement.

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Borrowings continued

#### Derivative option over own shares continued

The warrants can be exercised from 1 July 2021 through to 7 December 2027. The issuance of debt with attached warrants required the Group to assess separately the fair value of the warrants and the debt. The fair value of the warrants was determined using a binomial model used to predict the behaviour of the warrant holders and when they might exercise their holdings. The derivative option liability was initially recognised as a derivative forward at fair value with changes in the fair value being recognised in the Consolidated Income Statement until issuance of the warrants on 7 December 2020 resulting in an initial valuation of £34.6m. Upon issuance of the \$335m SSNs, the carrying value of the debt was reduced by the same amount. The debt will be increased via an effective interest charge over the term of the SSNs. During the year ended 31 December 2023, changes to the fair value of the derivative option have resulted in a debit to the Consolidated Income Statement of £19.0m (2022: £8.4m credit to the Consolidated Income Statement) which is presented in adjusting items. A total of 29,969,927 (2022: nil warrants) were exercised, resulting in a £18.6m reduction to the liability (2022: no change to the associated liability).

#### Interest rate risk

The Group is exposed interest rate risk on the RCF attached to the SSNs and on the bilateral RCF facility with HSBC when drawn, whereby Chinese renminbi have been deposited in a restricted account with HSBC in China in exchange for a sterling overdraft facility with HSBC in the UK. The interest rate charged on both facilities is based on SONIA and compounded in arrears.

#### Profile

At 31 December the interest rate profile of the Group's interest-bearing financial instruments was:

	2023 £m	2022 £m
<b>Fixed rate instruments</b>		
Financial liabilities	980.3	1,104.0
<b>Variable rate instruments</b>		
Financial liabilities	89.4	107.1

The SSNs, are at fixed interest rates. The rate of interest on the RCF, which is attached to the SSNs, and the bilateral RCF are based on SONIA plus a percentage spread. As SONIA varies on a daily basis both the RCF and bilateral RCF are considered to be variable rate instruments. The bilateral is now drawn as at 31 December 2023.

In 2023 and 2022, the Group entered into an inventory repurchase arrangement (not included within the financial liabilities noted above). The interest charged on this arrangement is determined as the difference between the sales and repurchase value and is therefore fixed at the time of entering into the arrangement. The repayment terms of this arrangement are not in excess of 270 days.

Surplus cash funds, when appropriate, are placed on deposit and attract interest at variable rates.

#### Interest rate risks – sensitivity

The following table demonstrates the sensitivity, with all other variables held constant, of the Group's loss after tax to a reasonably possible change in interest rates on the bilateral RCF with HSBC and the RCF attached to the SSNs.

	Increase/ (decrease) in interest rate	2023 £m <b>Effect on loss after tax</b>	2022 £m Effect on loss after tax
SONIA	(3.0%)	(2.1)	(2.6)
SONIA	3.0%	2.1	2.6

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Foreign currency exposure

The Group's exposure to the risk of changes in foreign currency exchange relates primarily to US dollar sales (including inter-Group sales), Chinese renminbi sales, Japanese yen sales and Euro denominated purchases.

At 31 December 2023, the Group hedged 25% for 2024 (2022: 29% for 2023) of its US dollar denominated highly probable inter-Group sales, 53% for 2024 of its Japanese yen sales (2022: 19% for 2023) and 0% of its Euro denominated purchases for 2024 (2022: 15% for 2023). These foreign currency risks are hedged by using foreign currency forward contracts.

The Group's sterling equivalents of financial assets and liabilities (excluding borrowings analysed by currency above) denominated in foreign currencies at 31 December were:

At 31 December 2023	Euros £m	US dollars £m	Chinese renminbi £m	Japanese yen £m	Other £m	Total £m
<b>Financial assets</b>						
Trade and other receivables	94.8	22.2	38.8	41.2	17.2	214.2
Foreign currency contracts	–	3.3	–	–	–	3.3
Cash balances	38.7	166.5	21.6	15.9	6.5	249.2
	133.5	192.0	60.4	57.1	23.7	466.7
<b>Financial liabilities</b>						
Trade and other payables	(172.5)	(274.0)	(27.6)	(16.3)	(11.6)	(502.0)
Lease liabilities	(2.0)	(7.7)	(0.3)	(3.4)	–	(13.4)
Customer deposits and advances	(33.8)	(54.6)	(5.6)	(7.4)	(8.7)	(110.1)
Foreign currency contracts	–	–	–	(2.1)	–	(2.1)
	(208.3)	(336.3)	(33.5)	(29.2)	(20.3)	(627.6)
<b>Net balance sheet exposure</b>	<b>(74.8)</b>	<b>(144.3)</b>	<b>26.9</b>	<b>27.9</b>	<b>3.4</b>	<b>(160.9)</b>

At 31 December 2022	Euros £m	US dollars £m	Chinese renminbi £m	Japanese yen £m	Other £m	Total £m
<b>Financial assets</b>						
Trade and other receivables	50.8	21.7	15.2	31.0	11.4	130.1
Loan assets	0.2	–	–	–	0.1	0.3
Foreign currency contracts	0.8	1.5	–	–	–	2.3
Cash held not available for short-term use	–	–	0.3	–	–	0.3
Cash balances	26.1	130.5	59.8	4.5	25.6	246.5
	77.9	153.7	75.3	35.5	37.1	379.5
<b>Financial liabilities</b>						
Trade and other payables	(153.1)	(134.3)	(34.2)	(9.5)	(5.4)	(336.5)
Lease liabilities	(0.1)	(9.5)	(0.7)	(5.0)	(0.1)	(15.4)
Customer deposits and advances	(17.8)	(44.3)	(7.6)	(4.8)	(1.9)	(76.4)
Foreign currency contracts	–	(0.1)	–	(0.6)	–	(0.7)
	(171.0)	(188.2)	(42.5)	(19.9)	(7.4)	(429.0)
<b>Net balance sheet exposure</b>	<b>(93.1)</b>	<b>(34.5)</b>	<b>32.8</b>	<b>15.6</b>	<b>29.7</b>	<b>(49.5)</b>

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Foreign currency exposure continued

The following significant exchange rates applied:

	Average rate 2023	Average rate 2022	Closing rate 2023	Closing rate 2022
Euro	1.15	1.17	1.15	1.13
Chinese renminbi	8.75	8.26	9.04	8.36
US dollar	1.23	1.25	1.27	1.20
Japanese yen	172.09	160.24	179.72	158.72

### Currency risk – sensitivity

The following table demonstrates the sensitivity to a change in the US dollar, Euro, Chinese renminbi and Japanese yen exchange rates, with all other variables held constant, of the Group's result after tax (due to changes in the fair value of monetary assets and liabilities) assuming that none of the US dollar or Euro exposures are used as hedging instruments.

	(Increase)/ decrease in rate	Effect on result after tax 2023 £m	Effect on result after tax 2022 £m
US dollar	(5%)	(7.3)	(7.8)
US dollar	5%	8.1	8.6
Euro	(5%)	8.5	12.5
Euro	5%	(9.4)	(13.8)
Chinese renminbi	(5%)	(0.3)	(4.3)
Chinese renminbi	5%	0.4	4.8
Japanese yen	(5%)	(3.4)	(1.7)
Japanese yen	5%	3.8	1.9

### \$1,085.5m and \$335m Senior Secured Notes

In December 2020, the Group took out First Lien and Second Lien SSNs at \$1085.5m and \$335m, respectively. The Group has not hedged the SSNs since inception. Foreign currency gains/(losses) on these SSNs, due to exchange rate movements between the US dollar and sterling, are charged to the Consolidated Income Statement within finance income/(expense). A corresponding change in the translated sterling value of these SSNs is reflected in the Consolidated Statement of Financial Position. In March 2021, the Group issued additional First Lien SSNs of \$98.5m. During the year ended 31 December 2023, the Group paid down \$121.7m of Second Lien SSNs (year ended 31 December 2022: \$40.3m of First Lien SSNs and \$143.8m of Second Lien SSNs). No hedging relationship has been established in 2022 or 2023.

### \$400m Senior Secured Notes

The Group had designated \$400m of SSNs as a hedging instrument in respect of \$400m of highly probable forecast US dollar sales that are not already hedged with forward contracts. These SSNs were repaid in December 2020 and hedge accounting was discontinued from the date of repayment. As the forecast transactions are still expected to occur, the amount accumulated in the cash flow hedge reserve at the repayment date has been fully released to the Consolidated Income Statement in line with the profile of the US dollar sales to which it related.

### Hedge accounting

The Group is primarily exposed to US dollar currency variations on the sale of vehicles and parts, and Euro currency variations on the purchase of raw material parts and services. As part of its risk management policy, the Group uses derivative financial instruments in the form of currency forward contracts to manage the cash flow risk resulting from these exchange rate movements. The Group had designated the foreign exchange movement on \$400m of repaid SSNs as part of a cash flow hedging relationship, to manage the exchange rate risk resulting from forecast US dollar intercompany sales. Together, these are referred to as cash flow hedges. The cash flow hedges give certainty over the transactional values to be recognised in the Consolidated Income Statement, and in the case of the forward contracts, certainty around the value of cash flows arising as foreign currencies are exchanged at predetermined rates. The Group hedges significant foreign currency exposures as follows:

- Firstly, when practical, with currency forward contracts on a reducing basis with the highest coverage in the year immediately following the year-end date. When practicable, the Group places additional hedges on a regular basis so that the percentage of the foreign currency exposure hedged increases as the time to maturity of the foreign currency exposure reduces.
- Secondly, the Group has designated \$400m of repaid SSNs as a hedging instrument in respect of \$400m of highly probable forecast US dollar sales that are not already hedged with forward contracts. These SSNs were repaid in December 2020. The Group currently has no active currency forward contract cash flow hedges beyond 2024. The Group does not mitigate all transactional foreign currency exposures, with the unhedged proportion converted at exchange rates prevailing on the date of the transaction.

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Hedge accounting continued

#### Derivative financial instruments

Derivative financial instruments are recorded at fair value. The hedging instruments of the cash flow hedge relationship have been designated as the spot element of forward foreign exchange contract, and the forward points are excluded from the hedge relationship. The hedged items have been designated as highly probable forecast net sales or purchases denominated in foreign currencies.

Where the value of the hedging instrument matches the value of the hedged item in a 1:1 hedge ratio, the hedge is effective, and changes in the fair value of the hedging instrument attributable to the spot risk are considered an effective hedge and recognised in the cash flow hedge reserve within Other Comprehensive Income. Changes in fair value attributable to forward points are recognised in the cost of hedging reserve within Other Comprehensive Income. Where the value of hedging instrument is greater than the value of the hedged item, the excess portion is recognised as the ineffective portion of the gain or loss on the hedging instrument and is recorded immediately in the Consolidated Income Statement.

When the expected volume of hedged highly probable forecast transactions is lower than the designated volume, and a portion of the hedged item is no longer highly probable to occur, hedge accounting is discontinued for that portion. If the hedged future cash flows are still expected to occur, then the accumulated amount in cash flow hedge reserve relating to the discontinued portion remains in the cash flow hedge reserve until the future cash flows occur. If the hedged future cash flows are no longer expected to occur, then that amount is immediately reclassified from the cash flow hedge reserve to the Consolidated Income Statement as a reclassification adjustment.

#### \$400m Senior Secured Notes

The \$400m SSNs were repaid in December 2020. Prior to repayment they were recorded at amortised cost and translated into sterling at the year-end or repayment date closing rates with movements in the carrying value due to foreign exchange movements offset by movements in the value of the highly probable forecast sales when translated from US dollars to sterling. When the hedge ratio is 1:1, the value of the hedging instrument matches the value of the hedged item. In this case, the change in the carrying value of these SSNs, arising as a result of exchange differences, is recognised through Other Comprehensive Income into the hedge reserve instead of within finance income/(expense).

When the value of the hedging instrument is greater than the value of the hedged item, the excess portion is recognised as ineffective and is recorded immediately to finance expense in the Consolidated Income Statement.

The amounts recorded within the hedge reserve, including the cost of hedging reserve, are reclassified to the Consolidated Income Statement when the hedged item affects the Consolidated Income Statement. Due to the nature of the hedged items, all amounts reclassified to the Consolidated Income Statement are recorded in cost of sales (2022: all cost of sales), except for ineffective amounts relating to the \$400m SSNs which would be recorded as finance expense in the Consolidated Income Statement.

#### Main sources of hedge ineffectiveness

Other than previously described, in relation only to forward contracts designated as a hedge, the main sources of potential hedge ineffectiveness relate to potential differences in the nominal value of hedged items and the hedging instrument should they occur.

The impact of hedging instruments on the Statement of Financial Position is as follows:

	31 December 2023			31 December 2022		
	Notional value £m	Carrying value £m	Change in fair value used for measuring ineffectiveness £m	Notional value £m	Carrying value £m	Change in fair value used for measuring ineffectiveness £m
Foreign exchange forward contracts – other financial assets	94.1	3.3	3.3	96.1	2.3	2.3
Foreign exchange forward contracts – other financial liabilities	52.9	(2.1)	(2.1)	33.1	(0.7)	(0.7)
\$400m Senior Secured Notes – hedge instrument	75.2	–	–	105.6	–	–

The impact of hedged items on the Statement of Financial Position is as follows:

	31 December 2023		31 December 2022	
	Cash flow hedge reserve £m	Cost of hedging reserve £m	Cash flow hedge reserve £m	Cost of hedging reserve £m
Foreign exchange forward contracts	1.9	(0.8)	2.9	(0.9)
\$400m Senior Secured Notes – hedge instrument	–	–	3.9	–
Tax on fair value movements recognised in OCI	(0.5)	0.2	(1.8)	0.2

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Hedge accounting continued

#### Main sources of hedge ineffectiveness continued

The effect of the cash flow hedge in the Consolidated Income Statement and Other Comprehensive Income is:

Year ended 31 December 2023	Total hedging (loss)/gain recognised in OCI £m	Ineffectiveness recognised in the Income Statement £m	Income Statement line item	Fair value movement on cash flow hedges £m	Amount reclassified from OCI to the Income Statement £m	Income Statement line item
Foreign exchange forward contracts	(0.8)	–	Cost of sales	0.7	(1.5)	Cost of sales
\$400m Senior Secured Notes – hedge instrument	(3.9)	–	Cost of sales	–	(3.9)	Cost of sales
Tax on fair value movements recognised in OCI	1.2	–	–	(0.2)	1.4	–

Year ended 31 December 2022	Total hedging gain/(loss) recognised in OCI £m	Ineffectiveness recognised in the Income Statement £m	Income Statement line item	Fair value movement on cash flow hedges £m	Amount reclassified from OCI to the Income Statement £m	Income Statement line item
Foreign exchange forward contracts	1.7	(0.3)	Cost of sales	(6.1)	7.8	Cost of sales
\$400m Senior Secured Notes – hedge instrument	(4.9)	–	Cost of sales	–	(4.9)	Cost of sales
Tax on fair value movements recognised in OCI	0.9	–	–	1.5	(0.7)	–

Hedge ineffectiveness recognised within the Consolidated Income Statement relates to differences in the nominal value of the hedged items and the hedging instrument. At 31 December 2023 and 2022, there were no balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer required.

All hedging instruments recognised by the Group at 31 December 2023 have a maturity date of less than one year.

#### Liquidity risk

The Group seeks to manage liquidity risk to ensure sufficient liquidity is available to meet foreseeable needs and, when appropriate, allow placement of cash on deposit safely and profitably. During 2023, the Group undertook a share placing and retail offer to strengthen the liquidity of the business.

At 31 December 2022, the Group had entered into a bilateral revolving credit facility with HSBC Bank plc (“HSBC”), whereby Chinese Renminbi were deposited in a restricted account with HSBC in China in exchange for a £30.0m Sterling overdraft facility with HSBC Bank plc in the United Kingdom. The restricted cash was revalued at 31 December 2022 to £32.8m and is shown in the cash and cash equivalents. At 31 December 2022, the facility of £30.0m was shown within borrowings in current liabilities on the Statement of Financial Position. During the year ended 31 December 2023, the bilateral revolving credit facility was repaid. The facility remains available until 31 August 2025 and the total facility size is £50m.

At 31 December 2023 the Group held £972.7m of SSNs (2022: £1,104.0m). In November 2023, the Group repurchased \$121.7m of Second Lien SSNs. In October 2022 the Group repurchased \$40.3m of First Lien SSNs and \$143.8m of Second Lien SSNs. The premium paid on redemption was £8.0m (2022: £14.3m). The First Lien Notes are repayable in November 2025 and the Second Lien Notes in November 2026. The portion of unamortised fees and the redemption premium was charged to the Consolidated Income Statement at the point of redemption as an accelerated charge and presented within adjusting items (note 5). Transaction costs of £Nil (2022: £1.9m) relating to the repurchase are included in adjusting items (note 5). The US dollar amounts have been converted to sterling equivalents for reporting purposes.

Attached to the SSNs is a £99.6m (2022: £90.6m) RCF of which £90.0m (2022: £78.5m) was drawn in cash at the reporting date. The amount recorded in the Statement of Financial Position is net of unamortised transaction costs. £4.4m (2022: £5.2m) of the remaining ancillary facility has been utilised through the issuance of letters of credit and guarantees. The RCF attached to the SSNs is available until August 2025.

As part of the normal operating cycle of the Group, customers make advanced payments to secure their allocation of Special Vehicles produced in limited numbers. The cash from these advance payments is primarily used to fund upfront costs of the Special Vehicle project, including raw materials and components required in manufacture. In certain circumstances, according to the individual terms of the Special Vehicle contract and the position of the customer in the staged deposit and vehicle specification process, the advanced payments are contractually refundable. At 31 December 2023, the Group held refundable deposits of £132.8m (2022: £102.9m). The Special Vehicle programmes are typically oversubscribed and, in the event that a customer requests reimbursement of their advanced payment, the newly created allocation is then given to an alternative customer, who is required to make an equivalent advanced payment.



## 23 FINANCIAL INSTRUMENTS CONTINUED

### Liquidity risk continued

The maturity profile of the Group's financial liabilities at 31 December 2023 based on contractual undiscounted payments, was as follows.

	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	>5 years £m	Contractual Cash Flows Total £m
<b>Non-derivative financial liabilities</b>						
Bank loans and overdrafts	-	90.6	-	-	-	90.6
Senior Secured Notes	-	-	102.8	1,133.9	-	1,236.7
Trade and other payables	-	441.5	120.2	79.5	0.8	642.0
Refundable customer deposits and advances	132.8	-	-	-	-	132.8
<b>Derivative financial liabilities</b>						
Forward exchange contracts	-	0.3	1.8	-	-	2.1
	132.8	532.4	224.8	1,213.4	0.8	2,104.2

Included in the tables above and below are interest bearing loans and borrowings at a carrying value of £1,061.8m (2022: £1,211.1m). The liquidity profile associated with leases accounted under IFRS 16 is detailed in note 16.

The maturity profile of the Group's financial liabilities at 31 December 2022 based on contractual undiscounted payments, was as follows.

	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	>5 years £m	Contractual Cash Flows Total £m
<b>Non-derivative financial liabilities</b>						
Bank loans and overdrafts	-	109.0	-	-	-	109.0
Senior Secured Notes	-	-	117.0	1,462.4	-	1,579.4
Trade and other payables	-	443.1	138.1	8.6	0.6	590.4
Refundable customer deposits and advances	102.9	-	-	-	-	102.9
<b>Derivative financial liabilities</b>						
Forward exchange contracts	-	0.5	0.2	-	-	0.7
	102.9	552.6	255.3	1,471.0	0.6	2,382.4

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Estimation of fair values

	As at 31 December 2023			As at 31 December 2022		
	Nominal value £m	Book value £m	Fair value £m	Nominal value £m	Book value £m	Fair value £m
<b>Included in assets</b>						
<i>Level 2</i>						
Forward foreign exchange contracts	–	3.3	3.3	–	2.3	2.3
Loan assets	–	–	–	0.6	0.6	0.6
<i>Level 3</i>						
Investments	–	18.2	18.2	–	–	–
Other derivative contracts	–	–	–	–	5.6	5.6
	<b>–</b>	<b>21.5</b>	<b>21.5</b>	0.6	8.5	8.5
<b>Included in liabilities</b>						
<i>Level 1</i>						
\$1,143.7m (2022: \$1,143.7m) 10.5% US dollar First Lien Notes	<b>897.2</b>	<b>890.0</b>	<b>906.7</b>	950.8	935.0	893.0
\$121.7m (2022: \$229.1m) 15.0% US dollar Second Lien Split Coupon Notes	<b>95.4</b>	<b>90.3</b>	<b>103.6</b>	190.5	169.0	194.4
<i>Level 2</i>						
Forward exchange contracts	–	2.1	2.1	–	0.7	0.7
Derivative option over own shares	<b>33.1</b>	<b>23.1</b>	<b>23.1</b>	48.1	22.6	22.6
	<b>1,025.7</b>	<b>1,005.5</b>	<b>1,035.5</b>	1,189.4	1,127.3	1,110.7

The nominal value, book value and fair value of the Second Lien SSNs includes \$9.8m, \$10.5m, \$10.8m, \$6.8m, \$7.0m and \$7.2m of PIK notes issued in April 2021, November 2021, April 2022, November 2022, April 2023 and November 2023 respectively. The total number of Second Lien SSNs in issuance has been reduced by repayments of \$143.8m and \$121.7m in 2022 and 2023 respectively. The book value includes accrued PIK notes not issued at each reporting date.

Under IFRS 7, such assets and liabilities are classified by the way in which their fair value is calculated. The interest-bearing loans and borrowings are considered to be level 1 liabilities with forward exchange contracts being level 2 assets and liabilities. IFRS 7 defines each level as follows:

- Level 1 assets and liabilities have inputs observable through quoted prices.
- Level 2 assets and liabilities have inputs observable, other than quoted prices, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 assets and liabilities are those with inputs not based on observable market data.

Trade and other receivables, current borrowings and trade and other payables are deemed to have the same fair value as their book value and, as such, the table above only includes assets and liabilities held at fair value, and borrowings. The forward currency contracts are carried at fair value based on pricing models and discounted cash flow techniques derived from assumptions provided by third-party banks. Loan assets are held at cost less any expected credit loss provision (note 18). The SSNs are all valued at amortised cost retranslated at the year-end foreign exchange rate. The fair value of these SSNs at the current and comparative period ends are determined by reference to the quoted price on The International Stock Exchange Authority in St Peter Port, Guernsey. The fair value and nominal value exclude the impact of transaction costs.

The other derivative contracts related to one option and one issuable derivative for the Group to acquire a minority shareholding in AMR GP Holdings Limited (see note 20). Two derivatives were exercised in the period giving rise to an investment (note 15).

The derivative option over own shares reflects the detachable warrants issued alongside the Second Lien SSNs (see borrowings section of note 23) enabling the warrant holders to subscribe for a number of ordinary shares in the Company. The fair value is calculated using a binomial model and updated at each period end, reflecting the latest market conditions. The inputs used in the valuation model include the quoted share price, market volatility, exercise ratio and risk-free rate. The reduction in nominal value represents options exercised by warrant holders during the year.

For all other receivables and payables, the carrying amount is deemed to reflect the fair value.

## 23 FINANCIAL INSTRUMENTS CONTINUED

### Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain the future development of the business. Given this, the objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The capital structure of the Group consists of debt which includes the borrowings disclosed in this note, cash and cash equivalents and equity attributable to equity holders of the parent, comprising share capital and reserves as disclosed in the Consolidated Statement of Changes in Equity.

### 24 NET DEBT

The Group defines net debt as current and non-current borrowings in addition to inventory repurchase arrangements and lease liabilities, less cash and cash equivalents including cash held not available for short-term use. The additional cash flow disclosures required under IAS 7 are made in note 28.

	2023 £m	2022 £m
Cash and cash equivalents	392.4	583.3
Cash held not available for short-term use	-	0.3
Inventory repurchase arrangement	(39.7)	(38.2)
Lease liabilities – current	(8.8)	(7.4)
Lease liabilities – non-current	(88.5)	(92.4)
Loans and other borrowings – current	(89.4)	(107.1)
Loans and other borrowings – non-current	(980.3)	(1,104.0)
<b>Net debt</b>	<b>(814.3)</b>	<b>(765.5)</b>
<b>Movement in net debt</b>		
Net (decrease)/increase in cash and cash equivalents	(190.9)	164.4
Add back cash flows in respect of other components of net debt:		
New borrowings	(11.5)	-
Proceeds from inventory repurchase arrangement	(38.0)	(75.7)
Repayment of existing borrowings	129.7	172.7
Repayment of inventory repurchase arrangement	40.0	60.0
Lease liability payments	7.9	10.0
Movement in cash held not available for short-term use	(0.3)	(1.5)
(Increase)/decrease in net debt arising from cash flows	(63.1)	329.9
Non-cash movements:		
Foreign exchange gain/(loss) on secured loan	60.8	(156.2)
Interest added to debt	(14.2)	(15.7)
Borrowing fee amortisation	(26.9)	(25.4)
Lease liability interest charge	(4.1)	(4.5)
Lease modifications	(0.6)	(3.5)
New leases	(5.8)	(2.2)
Foreign exchange gain and other movements	5.1	3.7
(Increase)/decrease in net debt	(48.8)	126.1
Net debt at beginning of the year	(765.5)	(891.6)
<b>Net debt at the end of the year</b>	<b>(814.3)</b>	<b>(765.5)</b>

## 25 PROVISIONS

	2023 £m		Restructuring	2022 £m	
	Warranty	Total		Warranty	Total
At the beginning of the year	41.1	41.1	0.4	38.5	38.9
Charge for the year	29.7	29.7	–	30.9	30.9
Utilisation	(27.4)	(27.4)	(0.4)	(26.5)	(26.9)
Effect of movements in exchange rates	0.7	0.7	–	(1.5)	(1.5)
Release to the Income Statement	(0.2)	(0.2)	–	(0.3)	(0.3)
At the end of the year	43.9	43.9	–	41.1	41.1
Analysed as:					
Current	20.2	20.2	–	18.6	18.6
Non-current	23.7	23.7	–	22.5	22.5
	43.9	43.9	–	41.1	41.1

In the year ended 31 December 2020, the Group launched a consultation process to reduce employee numbers reflecting lower than originally planned production volumes resulting in an exceptional charge to the Consolidated Income Statement in 2020. The restructuring was substantially completed during 2021, with the final amounts being utilised during the year ended 31 December 2022.

The warranty provision is calculated based on the level of historical claims and is expected to be substantially utilised within the next three years.

## 26 PENSION OBLIGATIONS

### Defined contribution scheme

The Group opened a Defined Contribution scheme in June 2011. The total expense relating to this scheme in the year ended 31 December 2023 was £20.9m (2022: £17.6m). Outstanding contributions at the 31 December 2023 were £1.9m (2022: £1.5m). Contributions are made by the Group to other pension arrangements for certain employees of the Group.

### Defined Benefit scheme

The Group operates a Defined Benefit Pension Scheme. During 2017, it was agreed and communicated to its members that the scheme's benefits would be amended from a final pensionable salary basis to a career average revalued earnings (CARE) basis with effect from 1 January 2018. The scheme was closed to new entrants on 31 May 2011. The benefits of the existing members were not affected by the closure of the scheme. The assets of the scheme are held separately from those of the Group. On 31 January 2022, the scheme was closed to future accrual resulting in a curtailment loss of £2.8m (note 5).

In constructing the investment strategy for the scheme, the Trustees take due account of the liability profile of the scheme along with the level of disclosed surplus or deficit. The investment strategy is reviewed on a regular basis and, at a minimum, on a triennial basis to coincide with actuarial valuations. The primary objectives are to provide security for all beneficiaries and to achieve long-term growth sufficient to finance any pension increases and ensure the residual cost is held at a reasonable level.

The pension scheme operates under the regulatory framework of the Pensions Act 2004. The Trustee has the primary responsibility for governance of the scheme. Benefit payments are from Trustee-administered funds and scheme assets are held in a Trust which is governed by UK regulation. The Trustee comprises representatives of the Group and members of the scheme and an independent, professional Trustee was appointed during 2019.

The pension scheme exposes the Group to the following risks:

- Asset volatility – the scheme's Statement of Investment Principles targets around 22% return-enhancing assets and 78% risk-reducing assets. The Trustee monitors the appropriateness of the scheme's investment strategy, in consultation with the Group, on an ongoing basis.
- Inflation risk – the majority of benefits are linked to inflation and so increases in inflation will lead to higher liabilities (although in most cases there are caps in place which protect against extreme inflation).
- Longevity – increases in life expectancy will increase the period over which benefits are expected to be payable, which increases the value placed on the scheme's liabilities.
- Changes in bond yields – A decrease in corporate bond yields will increase the value placed on the Scheme liabilities, although this will be partially offset by an increase in the value of the Scheme's bond holdings.

The projected unit method has been used to determine the liabilities.

The pension cost is assessed in accordance with the advice of an independent qualified actuary. The latest completed actuarial valuation of the scheme had an effective date of 6 April 2020. The assumptions that make the most significant effect on the valuation are those relating to the rate of return on investments, the rate of increase in salaries and pensions and expected longevity. It was assumed that the investment return would be based on the Bank of England gilt curve plus 0.5% per annum and that salary increases would be equivalent to CPI inflation plus 1.0% per annum. At the 6 April 2020 actuarial valuation, the actuarial value of the scheme assets was £314.6m, sufficient to cover 76% of the benefits which had accrued to members.

## 26 PENSION OBLIGATIONS CONTINUED

### Defined Benefit scheme continued

On 18 December 2020, the Group agreed to increase the recovery plan contributions from £7.1m per annum to £15.0m per annum effective from 1 January 2021 through to 30 June 2027. Estimated contributions for the year ending 31 December 2024 are £15.0m, although this is subject to consideration as part of the 6 April 2023 valuation, due by July 2024.

The 6 April 2020 valuation was updated by an independent qualified actuary to 31 December 2022 for the 2022 year-end disclosures in accordance with IAS 19R. The initial results of the 6 April 2023 valuation were updated by an independent qualified actuary to 31 December 2023 for the 2023 year-end disclosures in accordance with IAS 19R. The ongoing valuation as at 6 April 2023 is due to be completed by July 2024 in line with the scheme-specific funding requirements of the Pensions Act 2004. As part of that valuation the Trustee and the Group will review the adequacy of the contributions being paid into the scheme.

Following the High Court ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others in June 2023, it was held that section 37 of the Pension Schemes Act 1993 operates to make void any amendment to the rules of a contracted out pension scheme without written actuarial confirmation under Regulation 42(2) of the Occupational Pension Schemes (Contracting Out) Regulations 1996, in so far that the amendment relates to members' section 9(2B) rights. An appeal is due to be heard on 26 June 2024 which, it is hoped, will provide further clarity on the issue.

The Trustees of the Scheme and the Plan (collectively the "Pension Schemes") have confirmed that;

- The Pension Schemes were contracted out of the additional state pension between 1997 and 2016; and
- It was possible that amendments were made to the Pension Schemes that may have impacted on the members' section 9(2B) rights.

The Trustees of the Pension Schemes and the Directors work closely together and take appropriate legal and professional advice when making amendments to the Pension Schemes. However, at 31 December 2023, it is not currently possible to determine whether any amendments to section 9(2B) rights were made to the Pension Schemes that were not in accordance with section 37 of the Pension Schemes Act 1993 requirements. Further, it is not currently possible to reliably estimate the possible impact to the defined benefit obligations of the Pension Schemes if these amendments were not in accordance with section 37 of the Pension Schemes Act 1993 requirements.

### Assumptions

The principal assumptions used by the actuary were:

	31 December 2023	31 December 2022
Discount rate	4.7%	4.85%
Rate of increase in salaries	N/A	N/A
Rate of revaluation in deferment	2.4%	2.45%
Rate of increase in pensions in payment attracting Limited Price Indexation	2.85%	2.95%
Expected return on scheme assets	4.7%	4.85%
RPI Inflation assumption	2.9%	3.00%
CPI Inflation assumption	2.4%	2.45%

The Group's inflation assumption reflects its long-term expectations and has not been amended for short-term variability. The mortality assumptions allow for expected increases in longevity. The 'current' disclosures below relate to assumptions based on the longevity (in years) following retirement at each reporting date, with "future" relating to an employee retiring in 2043 (2023 assumptions) or 2042 (2022 assumptions).

### Projected life expectancy at age 65

	Future Currently aged 45 2023	Current Currently aged 65 2023	Future Currently aged 45 2022	Current Currently aged 65 2022
Male	22.3	21.1	22.5	21.3
Female	25.1	23.7	25.3	23.9

	Years
<b>Average duration of the liabilities in years as at 31 December 2023</b>	<b>19</b>
Average duration of the liabilities in years as at 31 December 2022	19

## 26 PENSION OBLIGATIONS CONTINUED

### Assumptions continued

The following table provides information on the composition and fair value of the assets of the scheme:

	31 December 2023 Quoted £m	31 December 2023 Unquoted £m	31 December 2023 Total £m	31 December 2022 Quoted £m	31 December 2022 Unquoted £m	31 December 2022 Total £m
<b>Asset class</b>						
Overseas equities	5.6	–	5.6	25.9	–	25.9
Private debt	–	30.7	30.7	–	34.6	34.6
Asset-Backed Securities	4.3	–	4.3	37.7	–	37.7
Liability driven investment	133.3	3.3	136.6	26.3	9.5	35.8
Corporate bonds	–	–	–	24.5	–	24.5
Absolute return bonds	–	–	–	–	11.2	11.2
Diversified alternatives	–	–	–	–	0.9	0.9
Cash	30.9	–	30.9	12.8	–	12.8
Insurance policies	4.7	–	4.7	3.6	–	3.6
<b>Total</b>	<b>178.8</b>	<b>34.0</b>	<b>212.8</b>	130.8	56.2	187.0

The scheme assets and funded obligations at 31 December are summarised below:

	2023 £m	2022 £m
Total fair value of scheme assets	212.8	187.0
Present value of funded obligations	(215.9)	(188.9)
Funded status at the end of the year	(3.1)	(1.9)
Adjustment to reflect minimum funding requirements	(45.9)	(59.3)
<b>Liability recognised in the Statement of Financial Position</b>	<b>(49.0)</b>	<b>(61.2)</b>

The adjustment to reflect minimum funding requirements represents the excess of the present value of contractual future recovery plan contributions, discounted using the assumed scheme discount rate, over the funding status established through the actuarial valuation.

Amounts recognised in the Consolidated Income Statement during the year ended 31 December were as follows:

	2023 £m	2022 £m
<b>Amounts charged to operating loss:</b>		
Current service cost	–	(0.7)
Past service cost	–	(2.8)
	–	(3.5)
<b>Amounts charged to finance expense:</b>		
Net interest expense on the net Defined Benefit liability	0.2	0.1
Interest expense on the adjustment to reflect minimum funding requirements	(2.9)	(1.5)
Total expense recognised in the Income Statement	(2.7)	(4.9)

**26 PENSION OBLIGATIONS CONTINUED****Assumptions continued**

Changes in present value of the Defined Benefit pensions obligations are analysed as follows:

	2023 £m	2022 £m
At the beginning of the year	<b>(189.0)</b>	(368.4)
Current service cost	–	(0.7)
Past service cost	–	(2.8)
Interest cost	<b>(9.1)</b>	(7.2)
Experience losses	<b>(20.4)</b>	(14.7)
Actuarial (losses)/gains arising from changes in financial assumptions	<b>(3.5)</b>	190.7
Distributions	<b>4.2</b>	11.3
Actuarial gains arising from changes in demographic assumptions	<b>1.9</b>	2.8
Obligation at the end of the year	<b>(215.9)</b>	(189.0)

Changes in the fair value of plan assets are analysed below:

	2023 £m	2022 £m
At the beginning of the year	<b>187.0</b>	363.9
Interest on assets	<b>9.3</b>	7.3
Employer contributions	<b>15.0</b>	15.6
Return on scheme assets excluding interest income	<b>5.6</b>	(188.5)
Distributions	<b>(4.1)</b>	(11.3)
Fair value at the end of the year	<b>212.8</b>	187.0

	2023 £m	2022 £m
Actual return on scheme assets	<b>14.9</b>	(181.2)

Analysis of amounts recognised in the Statement of Financial Position:

	2023 £m	2022 £m
Liability at the beginning of the year	<b>(61.2)</b>	(78.7)
Net expense recognised in the Income Statement	<b>(2.7)</b>	(4.9)
Employer contributions	<b>15.0</b>	15.6
(Loss)/gain recognised in Other Comprehensive Income	<b>(0.1)</b>	6.8
Liability recognised in the Statement of Financial Position at the end of the year	<b>(49.0)</b>	(61.2)

Analysis of amount taken to Other Comprehensive Income:

	2023 £m	2022 £m
Return on scheme assets excluding interest income	<b>5.6</b>	(188.5)
Experience losses arising on funded obligations	<b>(20.4)</b>	(14.7)
(Losses)/gains arising due to changes in financial assumptions underlying the present value of funded obligations	<b>(3.5)</b>	190.7
Gains arising as a result of adjustment made to reflect minimum funding requirements	<b>16.3</b>	16.5
Gains arising due to changes in demographic assumptions	<b>1.9</b>	2.8
Amount recognised in Other Comprehensive Income	<b>(0.1)</b>	6.8

## 26 PENSION OBLIGATIONS CONTINUED

### Sensitivity analysis of the principal assumptions used to measure scheme liabilities

At 31 December 2023 the present value of the benefit obligation was £215.9m (2022: £189.0m) and its sensitivity to changes in key assumptions were:

	Change in assumption	Present value of benefit obligations at 31 December 2023 £m	Present value of benefit obligations at 31 December 2022 £m
Discount rate	Decrease by 1.00%	<b>260.3</b>	228.7
Rate of inflation*	Increase by 0.25%	<b>222.5</b>	196.7
Life expectancy increased by approximately 1 year	Increase by one year	<b>223.2</b>	194.7

\* This sensitivity allows for the impact on all inflation-related assumptions (salary increases, deferred revaluation and pension increases).

Funding levels are monitored on a regular basis by the Trustee and the Group to ensure the security of members' benefits. The next triennial valuation, as at 6 April 2023, is due to be completed by July 2024 in line with the scheme-specific funding requirements of the Pensions Act 2004. As part of that valuation the Trustee and the Group will review the adequacy of the contributions being paid into the scheme.

### Sensitivity analysis of the principal assumptions used to measure scheme liabilities continued

	2023 £m	2022 £m
<b>Expected future benefit payments</b>		
Year 1 (2023/2024)	<b>10.6</b>	11.2
Year 2 (2024/2025)	<b>10.9</b>	11.6
Year 3 (2025/2026)	<b>11.2</b>	11.9
Year 4 (2026/2027)	<b>11.6</b>	12.3
Year 5 (2027/2028)	<b>11.9</b>	12.6
Years 6 to 10 (2029 to 2033)	<b>63.7</b>	67.9
<b>History of scheme experience</b>		
Present value of the scheme liabilities (£m)	<b>(215.9)</b>	(188.9)
Fair value of the scheme assets (£m)	<b>212.8</b>	187.0
Deficit in the scheme before adjusting to reflect minimum funding requirements (£m)	<b>(3.1)</b>	(1.9)
Experience gains/(losses) on scheme assets excluding interest income (£m)	<b>5.6</b>	(188.5)
Percentage of scheme assets	<b>2.6%</b>	(100.8%)
Return on scheme liabilities (£m)	<b>(20.4)</b>	(14.7)
Percentage of the present value of the scheme liabilities	<b>9.4%</b>	7.8%
Total amount recognised in Other Comprehensive Income (£m)	<b>(0.1)</b>	6.8
Percentage of the present value of the scheme liabilities	<b>0.0%</b>	(3.6%)



## 27 SHARE CAPITAL AND OTHER RESERVES

	Number of shares	Nominal value £	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m
Allotted, called up and fully paid						
<b>Opening balance at 1 January 2022</b>	<b>116,459,513</b>		<b>11.6</b>	<b>1,123.4</b>	<b>143.9</b>	<b>9.3</b>
Private placing <sup>1</sup>	23,291,902	0.1	2.4	75.7	–	–
Rights issue <sup>2</sup>	559,005,660	0.1	55.9	498.3	–	–
<b>Balance as at 31 December 2022 and 1 January 2023</b>	<b>698,757,075</b>		<b>69.9</b>	<b>1,697.4</b>	<b>143.9</b>	<b>9.3</b>
Private placing <sup>3</sup>	28,300,000	0.1	2.8	91.7	–	–
Issuance of shares to SIP <sup>4</sup>	1,017,505	0.1	0.1	–	–	–
Exercise of warrant options <sup>5</sup>	8,990,975	0.1	0.9	14.1	–	–
Placing <sup>6</sup>	58,245,957	0.1	5.9	206.9	–	–
Consideration shares <sup>7</sup>	28,352,273	0.1	2.8	84.4	–	–
<b>Closing balance at 31 December 2023</b>	<b>823,663,785</b>		<b>82.4</b>	<b>2,094.5</b>	<b>143.9</b>	<b>9.3</b>

- On 9 September 2022, the Company issued 23,291,902 ordinary shares by way of a private placing. The shares were issued at 335p raising gross proceeds of £78.1m, with £2.4m recognised as share capital and the remaining £75.7m recognised as share premium.
- On 28 September 2022, the Company issued 559,005,660 ordinary shares by way of a rights issue. The shares were issued at 103p raising gross proceeds of £575.8m, with £55.9m recognised as share capital and the remaining £519.9m recognised as share premium. Share premium is reduced by £21.6m, reflecting transaction fees paid, of which £2.9m are accrued as at 31 December 2022. Due to the shares being issued at substantially below market price, a bonus issue is deemed to have taken place. A total of 211.6m shares issued were considered bonus shares. The weighted average shares used to calculate earnings per share (see note 11) has been adjusted accordingly.
- On 26 May 2023, the Company issued 28,300,000 ordinary shares by way of a private placing. The shares were issued at 335p raising gross proceeds of £94.8m with £2.8m recognised as share capital and the remaining £92.0m recognised as share premium. Transaction fees of £0.3m were deducted from share premium.
- On 30 May 2023, the Company issued 1,017,505 ordinary shares under the Company's Share Incentive Plan at nominal value. A transfer from retained earnings of £0.1m took place, with £0.1m recognised in share capital.
- On 4 July 2023, 3,686,017 ordinary shares were issued to satisfy the redemption of certain warrant options. Further issuances of 3,980,921 ordinary shares on 12 July 2023 and 1,324,037 ordinary shares on 31 July 2023 took place. These transactions resulted in the recognition of £0.9m of share capital with the balance of £14.1m being recognised in share premium.
- On 3 August 2023, the Company issued a total of 58,245,957 ordinary shares comprising 56,750,000 placing shares, 1,078,168 retail offer shares and 417,789 Director subscription shares. The shares were issued at 371p raising gross proceeds of £216.1m, with £5.9m recognised as share capital, the remaining £210.2m as share premium, offset by £3.3m of fees.
- On 6 November 2023, the Company issued consideration shares to Lucid Group, Inc. in part payment for access to technology. The fair value of technology was evaluated (see note 12) which determined the issue price of the shares. £2.8m was recognised in share capital with an initial £85.8m in share premium. £1.4m of transaction fees were then deducted from share premium.

## 28 ADDITIONAL CASH FLOW INFORMATION

### Reconciliation of movements of select liabilities to cash flows arising from financing activities

The tables below reconcile movements of liabilities classified within net debt (note 24) to cash flows arising from financing activities for the years ended 31 December 2023 and 2022.

Liabilities	Other borrowings and inventory arrangements £m	Lease Liabilities £m	\$1,184.0m 10.5% First Lien Notes £m	\$335m 15% Second Lien Notes £m	Total £m
<b>At 1 January 2023</b>	<b>145.3</b>	<b>99.8</b>	<b>935.0</b>	<b>169.0</b>	<b>1,349.1</b>
<i>Changes from financing cash flows</i>					
Interest paid	(3.6)	(4.1)	(97.9)	(16.9)	(122.5)
Principal lease payment	–	(7.9)	–	–	(7.9)
Proceeds from new borrowings	11.5	–	–	–	11.5
Repayment of existing borrowings	(30.0)	–	–	(99.7)	(129.7)
Premium paid on the early redemption of Senior Secured Notes	–	–	–	(8.0)	(8.0)
Inventory repurchase repayment	(40.0)	–	–	–	(40.0)
Inventory repurchase drawdown	38.0	–	–	–	38.0
Total changes from financing cash flows	(24.1)	(12.0)	(97.9)	(124.6)	(258.6)
Effect of changes in exchange rates	–	(1.0)	(54.0)	(6.8)	(61.8)
New leases under IFRS 16	–	5.8	–	–	5.8
Modifications to existing leases	–	0.6	–	–	0.6
Interest expense	11.0	4.1	106.4	51.4	172.9
Movement in accrued interest	(0.6)	–	0.5	1.3	1.2
Financing expense in the Income Statement classified as operating cash flow	(2.5)	–	–	–	(2.5)
<b>Balance at 31 December 2023</b>	<b>129.1</b>	<b>97.3</b>	<b>890.0</b>	<b>90.3</b>	<b>1,206.7</b>

## 28 ADDITIONAL CASH FLOW INFORMATION CONTINUED

### Reconciliation of movements of select liabilities to cash flows arising from financing activities continued

Liabilities	Other borrowings and inventory arrangements £m	Lease Liabilities £m	\$1,184.0m 10.5% First Lien Notes £m	\$335m 15% Second Lien Notes £m	Total £m
<b>At 1 January 2022</b>	134.0	103.4	852.5	222.4	1,312.3
<i>Changes from financing cash flows</i>					
Interest paid	(4.6)	(4.5)	(96.3)	(35.8)	(141.2)
Principal lease payment	–	(10.0)	–	–	(10.0)
Repayment of existing borrowings	(7.8)	–	(36.1)	(128.8)	(172.7)
Premium paid on the early redemption of Senior Secured Notes	–	–	–	(14.3)	(14.3)
Inventory repurchase repayment	(60.0)	–	–	–	(60.0)
Inventory repurchase drawdown	75.7	–	–	–	75.7
Transaction costs paid	–	–	(1.9)	–	(1.9)
Total changes from financing cash flows	3.3	(14.5)	(134.3)	(178.9)	(324.4)
Effect of changes in exchange rates	–	0.7	113.5	42.7	156.9
New leases under IFRS 16	–	2.2	–	–	2.2
Modifications to existing leases	–	3.5	–	–	3.5
Interest expense	12.3	4.5	103.5	82.8	203.1
Movement in accrued interest	0.9	–	(0.2)	–	0.7
Financing expense in the Income Statement classified as operating cash flow	(5.2)	–	–	–	(5.2)
<b>Balance at 31 December 2022</b>	145.3	99.8	935.0	169.0	1,349.1

## 29 SHARE-BASED PAYMENTS

### Long-term incentive schemes

On 24 May 2023, Executive Directors and certain other employees were granted conditional share awards under the Company's Long-Term Incentive Plan ("2023 LTIP"). On 12 December 2023, additional employees were granted conditional share awards under an extension to the same plan. The total charge recognised in the Consolidated Income Statement in relation to this scheme was £3.4m (2022: £nil).

On 13 and 14 June 2022, Executive Directors and certain other employees were granted conditional share awards under the Company's Long-Term Incentive Plan ("2022 LTIP"). On 15 December 2022, additional employees were granted conditional share awards under an extension to the same plan. The total charge recognised in the Consolidated Income Statement in relation to this scheme was £1.6m (2022: £0.9m).

On 14 June 2021, Executive Directors and certain other employees were granted conditional share awards under the Company's Long-Term Incentive Plan ("2021 LTIP"). On 14 December 2021, additional employees were granted conditional share awards under an extension to the same plan. The total charge recognised in the Consolidated Income Statement in relation to this scheme was £nil (2022: £0.4m).

Awards made under the 2020 LTIP lapsed during the year as the remaining qualifying criteria were not met.

The fair value of equity-settled share options and share awards granted is estimated at the date of grant using share option valuation models. The schemes are valued using the Monte Carlo model.

The following tables list the inputs to the models for share based payment costs in the year:

	2023 grant of 2023 LTIP	2022 grant of 2022 LTIP	2021 grant of 2021 LTIP
Aggregate fair value at measurement date (£m)	18.6	6.1	7.3
Exercise price (p)	£nil	£nil	£nil
Expected volatility (%)	70.0%	50.0%	50.0%
Dividend yield (%)	N/A	N/A	N/A
Risk free interest rate (%)	4.25%	2.16%	0.15%

The expected volatility is wholly based on the historical volatility of the Company's share price over a period from listing in 2018 to date.

## 29 SHARE-BASED PAYMENTS CONTINUED

### Long-term incentive schemes continued

The following table details the outstanding options under the LTIP schemes:

	2023 Number	2022 Number
Options outstanding at 1 January	5,267,164	1,019,892
Granted	8,329,424	2,177,076
Forfeited	(499,228)	(139,533)
Adjustment for rights issue	-	1,930,663
Lapsed due to non-attainment of conditions	(413,234)	-
Options outstanding at 31 December	12,684,126	5,267,164

### Free employee shares

On 19 May 2023, all UK employees of the Group were awarded up to 425 free shares in the Company under a Share Incentive Plan. A total of 1,017,505 shares were issued to the Aston Martin Employee Share Trust and immediately vested (see note 26). Employees must remain employed for a period of three years to earn the shares, otherwise they are forfeited. Employees within the Group not domiciled in the UK were awarded 425 free options under the LTIP rules. A total of 57,322 options were granted to these employees. Provided those employees remain employed by the Company for three years, the nil-cost options will vest with no other performance conditions.

The following table details the outstanding shares under both the UK and non-UK scheme combined:

	2023 Number	2022 Number
Awards/options outstanding at 1 January	-	-
Granted	1,074,827	-
Forfeited	(50,411)	-
Awards/options outstanding at 31 December	1,024,416	-

### Other share-based payments

On 31 January 2022, the Group's Defined Benefit Pension Scheme was closed to future accrual. As part of the closure cost, the affected employees were each granted 185 shares incurring a share-based payment charge of £1.0m during the year ended 31 December 2022. A cash-settled share-based payment charge is also recognised associated with the guaranteed future value of the shares awarded to the employees (note 5). In the year ended 31 December 2023, a total charge of £1.0m (2022: £1.0m) was recognised in the Consolidated Income Statement.

On 8 November 2022, a Group Director was granted 659,113 shares for nil consideration in relation to forfeited awards at a previous employer and therefore securing his employment with the Group. The award is subject to clawback provisions for a period of 12 months from the award date. The total cost incurred related to this award was £0.8m.

The total expense arising from equity-settled share-based payments is as follows:

	2023 £m	2022 £m
2023 LTIP share option charge	3.4	-
2022 LTIP share option charge	1.6	0.9
2021 LTIP share option charge	-	0.5
2020 LTIP share option credit	-	(1.4)
Grant of shares upon closure of the Defined Benefit Pension Scheme (notes 5, 26)	-	1.0
Group Director buyout	-	0.8
Employee Share Incentive Plan	0.4	-
	5.4	1.8

### 30 CAPITAL COMMITMENTS

On 27 October 2020, the Group announced that it had entered into an enhanced strategic cooperation arrangement (the "Strategic Cooperation Agreement") with one of its existing shareholders, MBAG. Under the Strategic Cooperation Agreement, the Group has agreed, over the period of time between December 2020 and July 2024 and in several tranches, to issue 458,942,744 ordinary shares of £0.009039687 each (22,947,138 ordinary shares of £0.10 each following the share consolidation in December 2020) to MBAG in exchange for access to certain technology and intellectual property to be provided to the Group by MBAG in several stages.

The first tranche of 224,657,287 ordinary shares of £0.009039687 each (11,232,864 ordinary shares of £0.10 each following the share consolidation) was issued to MBAG on 7 December 2020. A total of 11,714,274 ordinary shares remained unissued at 31 December 2022. During the year ended 31 December 2023 the Group agreed with MBAG that no further shares would be issued and no additional technology as part of the original agreement would be taken. This announcement was concurrent with entering into an agreement with Lucid Group, Inc. for access to certain aspects of BEV technology (see note 12).

Property, plant and equipment expenditure contracts to the value of £37.3m (2022: £10.8m) have been committed but not provided for as at 31 December 2023. Contracts to the value of £61.3m (2022: £51.4m) have been committed for the acquisition of intangible assets but not provided for as at 31 December 2023. Certain contracts contain financial commitments, in particular purchase commitments and guarantees, which are of a magnitude typical for the industry.

### 31 RELATED PARTY TRANSACTIONS

Transactions between Group undertakings, which are related parties, have been eliminated on consolidation and accordingly are not disclosed.

#### Transactions with Directors and related undertakings

##### Transactions during 2023

During the year ended 31 December 2023, a net marketing expense amounting to £19.4m of sponsorship has been incurred in the normal course of business with AMR GP Limited ("AMR GP"), an entity indirectly controlled by a member of the Group's Key Management Personnel ("KMP"). AMR GP and its legal structure is separate to that of the Group and the Group does not have control or significant influence over AMR GP or its affiliates. £0.7m remains due from AMR GP at 31 December 2023 relating to these transactions.

During the year ended 31 December 2023 the Group extended its sponsorship arrangements with AMR GP for a further period of five years commencing in 2026. Amounts under this arrangement are due within each financial year from 2026. The Group also exercised its primary warrant option and subscribed for reward shares under the terms of the original sponsorship arrangement giving the Group a minority stake in AMR GP Holdings Limited, the immediate parent company of AMR GP limited. The Group paid nominal value for the shares of which £nil was outstanding at year end. Further detail is included in notes 15 and 20. Under the terms of the sponsorship agreement the Group is required to provide one fleet vehicle to the two AMR GP racing drivers free of charge. This arrangement is expected to continue for the life of the contract and is not expected to materially affect the financial position and performance of the Group. One of the racing drivers is an immediate family member of one of the Group's KMP. A separate immediate family member of one of the Group's KMP incurred costs of less than £0.1m relating to the export and transport of a vehicle. The services were provided by a Group company. £nil was outstanding at 31 December 2023.

In addition, the Group incurred costs of £8.5m associated with engineering design on two upcoming vehicle programmes from Aston Martin Performance Technologies Limited ("AMPT") of which £2.8m is outstanding to AMPT at 31 December 2023. AMPT is an associated entity of AMR GP.

During the year ended 31 December 2023, Classic Automobiles Inc. purchased a vehicle for £1.8m of which £nil was outstanding at 31 December 2023. Classic Automobiles Inc. is controlled by a member of the Group's KMP.

During the year ended 31 December 2023, a separate member of the Group's KMP and Non-executive Director purchased a vehicle for £1.8m, having paid a deposit to the Group in the first half of the year. £nil was outstanding at 31 December 2023.

On 26 June 2023, the Group announced a strategic supply arrangement with Lucid Group, Inc. ("Lucid") for future access to powertrain components for future BEV models. The arrangement is considered a Related Party Transaction owing to the substantial ownership of Lucid by the Public Investment Fund ("PIF"). PIF are also a substantial shareholder of the Group and two members of the Group's KMP & Non-executive Directors are members of PIF's KMP. The Group recognised an asset of £188.5m in relation to the supply agreement. The agreement is part-settled in equity, which was issued to Lucid in November 2023. An outstanding cash liability of £71.7m relating to the supply arrangement remains at 31 December 2023, all of which is due in more than one year. The supply arrangements, commit to an effective future minimum spend with Lucid on powertrain components of £177.0m.

During the year ended 31 December 2023, the Group incurred costs of £2.0m for design and engineering work from Pininfarina S.p.A. A member of the Group's KMP and Non-executive Director is also a member of Pininfarina S.p.A's KMP. As of 19 May 2023 the individual ceased to be a member of the Group's KMP and therefore any future spend under the contract will not be disclosed as a related party transaction. £nil is outstanding as at 31 December 2023.

During the year ended 31 December 2023, the Group incurred a rental expense of £1.2m from Michael Kors (USA), Inc., a Company which is owned by Capri Holdings Limited. A member of the Group's KMP and Non-executive Director is also a member of Michael Kors (USA), Inc.'s KMP.

During the year ended 31 December 2023, the Group incurred consultancy costs of £0.2m from a member of the Group's KMP and Non-executive Director in relation to the oversight of two significant legal claims which the Group has been party to. £0.1m was outstanding as at 31 December 2023. Owing to the unique experience of the individual involved and the specifics of the legal claims, no detailed market price assessment was performed when engaging this service.

## 31 RELATED PARTY TRANSACTIONS CONTINUED

### Transactions with Directors and related undertakings continued

#### Transactions during 2023 continued

During the year ended 31 December 2023, an immediate family member of the Group's KMP & Non-executive Director provided event services at the opening of Q New York totalling less than £0.1m of expense. £nil was outstanding at 31 December 2023. No detailed market price assessment was performed when engaging this service.

#### Transactions during 2022

During the year ended 31 December 2022, a net marketing expense amounting to £20.2m of sponsorship has been incurred in the normal course of business with AMR GP Limited ("AMR GP"), an entity indirectly controlled by a member of the Group's Key Management Personnel ("KMP"). AMR GP and its legal structure is separate to that of the Group and the Group does not have control or significant influence over AMR GP or its affiliates. In addition, the Group incurred costs of £2.0m associated with engineering design on an upcoming vehicle programme from Aston Martin Performance Technologies Limited ("AMPT") of which £2.0m is outstanding to AMPT at 31 December 2022. AMPT is an associated entity of AMR GP. In addition, AMR GP acquired a vehicle from the Group at a total cost of £0.7m. Less than £0.1m remains due from AMR GP at 31 December 2022 relating to these transactions. Under the terms of the sponsorship agreement the Group is required to provide one fleet vehicle to the two AMR GP racing drivers free of charge. This arrangement is expected to continue for the life of the contract and is not expected to materially affect the financial position and performance of the Group. One of the racing drivers is an immediate family member of one of the Group's KMP. A separate immediate family member of one of the Group's KMP purchased two vehicles from a Group company for £0.4m. £nil is outstanding at 31 December 2022. During the year ended 31 December 2022, Classic Automobiles Inc. placed a deposit of £0.5m with a Group company for the future purchase of a Group vehicle. Classic Automobiles Inc. is controlled by a member of the Group's KMP.

During the year ended 31 December 2022, a separate member of the Group's KMP and Non-executive Director placed a deposit of £1.5m with a Group company for the future purchase of a vehicle.

During the year ended 31 December 2022, a further separate member of the Group's KMP and Non-executive Director transacted with a Group company to undertake service work on a vehicle for a total cost of less than £0.1m. £nil was outstanding at 31 December 2022.

During the year ended 31 December 2022, the Group incurred costs of £1.3m for design and engineering work from Pininfarina S.p.A. A member of the Group's KMP and Non-executive Director is also a member of Pininfarina S.p.A.'s KMP.

During the year ended 31 December 2022, the Group incurred a rental expense of £0.7m from Michael Kors (USA), Inc., a Company which is owned by Capri Holdings Limited. A member of the Group's KMP and Non-executive Director is also a member of Michael Kors (USA), Inc.'s KMP.

#### Terms and conditions of transactions with related parties

Sales and purchases between related parties were made at normal market prices unless otherwise stated. Outstanding balances with entities other than subsidiaries are unsecured and interest free and cash settlement is expected within 60 days of invoice. Terms and conditions for transactions with subsidiaries are the same, with the exception that balances are placed on inter-company accounts. The Group has not provided or benefited from any guarantees for any related party receivables or payables.

## 32 CONTINGENT LIABILITIES

In the normal course of the Group's business, claims, disputes, and legal proceedings involving customers, dealers, suppliers, employees or others are pending or may be brought against Group entities arising out of current or past operations. There is presently a dispute between the Group and the other shareholders of one of its subsidiary entities, which is ongoing and from which a future obligation may arise. The Group denies the claims made and is working to resolve the matter.

### 33 GROUP COMPANIES

In accordance with Section 409 of the Companies Act 2006, a full list of entities in which the Group has an interest of greater than or equal to 20%, the registered office and effective percentage of equity owned as at 31 December 2023 are disclosed below.

#### Investments in subsidiary undertakings

Subsidiary undertakings	Holding	Proportion of voting rights and shares held	Nature of business
Aston Martin Holdings (UK) Limited*	Ordinary	100%	Dormant company
Aston Martin Capital Holdings Limited**◇	Ordinary	100%	Financing company holding the Senior Secured Notes
Aston Martin Investments Limited**	Ordinary	100%	Holding company
Aston Martin Capital Limited**◇	Ordinary	100%	Dormant company – financing company that held Senior Secured Notes that were repaid in 2017
Aston Martin Lagonda Group Limited**	Ordinary	100%	Holding company
Aston Martin Lagonda of North America Incorporated**^	Ordinary	100%	Luxury sports car distributor
Lagonda Properties Limited**	Ordinary	100%	Dormant company
Aston Martin Lagonda Pension Trustees Limited**	Ordinary	100%	Trustee of the Aston Martin Lagonda Limited Pension Scheme
Aston Martin Lagonda Limited**	Ordinary	100%	Manufacture and sale of luxury sports cars, the sale of parts, brand licensing and motorsport activities
AM Brands Limited**◇	Ordinary	100%	Non-trading company
Aston Martin Lagonda of Europe GmbH**>	Ordinary	100%	Provision of engineering and sales and marketing services
AML Overseas Services Limited**	Ordinary	100%	Dormant company
Aston Martin Lagonda (China) Automobile Distribution Co., Ltd**√	Ordinary	100%	Luxury sports car distributor
AM Nurburgring Racing Limited**	Ordinary	100%	Dormant company
Aston Martin Japan GK**<<	Ordinary	100%	Operator of the sales office in Japan and certain other countries in the Asia Pacific region
Aston Martin Lagonda – Asia Pacific PTE Limited**>>	Ordinary	100%	Operator of the sales function in Singapore and certain other countries in the Asia Pacific region
AMWS Limited**◇	Ordinary	50%***	Holding company
Aston Martin Works Limited**	Ordinary	50%***	Sale, servicing and restoration of Aston Martin cars

All subsidiaries are incorporated in England and Wales unless otherwise stated.

◇ Incorporated in Jersey (tax resident in the UK)

^ Incorporated in the USA

> Incorporated in Germany

<< Incorporated in Japan

>> Incorporated in Singapore

√ Incorporated in the People's Republic of China

\* Held directly by Aston Martin Lagonda Global Holdings plc

\*\* Held indirectly by Aston Martin Lagonda Global Holdings plc

\*\*\* The Group exercises management control of these legal entities and therefore the results, assets and liabilities have been wholly included in the Consolidated Financial Statements. The individual results, aggregate assets and aggregate liabilities included within the Consolidated Financial Statements are summarised on pages 142-146.

## 33 GROUP COMPANIES CONTINUED

	Aston Martin Works Limited 2023 £m	AMWS Limited 2023 £m	Aston Martin Works Limited 2022 £m	AMWS Limited 2022 £m
Total assets	45.3	-	42.5	-
Total liabilities	(4.1)	-	(3.8)	-
<b>Net assets</b>	<b>41.2</b>	<b>-</b>	<b>38.7</b>	<b>-</b>
Revenue	42.0	-	40.6	-
Profit before tax	2.5	-	1.7	-
Group's share of profit	1.3	-	0.9	-

## Registered addresses

Aston Martin Holdings (UK) Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
Aston Martin Capital Holdings Limited	28 Esplanade, St Helier, JE2 3QA, Jersey
Aston Martin Investments Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
Aston Martin Capital Limited	28 Esplanade, St Helier, JE2 3QA, Jersey
Aston Martin Lagonda Group Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
Aston Martin Lagonda of North America Incorporated	Floor 22, 11 West 42nd Street, New York, NY, 10036-8002, United States of America
Lagonda Properties Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
Aston Martin Lagonda Pension Trustees Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
Aston Martin Lagonda Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
AM Brands Limited	28 Esplanade, St Helier, JE2 3QA, Jersey
Aston Martin Lagonda of Europe GmbH	Gottlieb-Daimler-Strasse 30, 53520 Meuspath, Germany
AML Overseas Services Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
Aston Martin Lagonda (China) Automobile Distribution Co., Ltd	Unit 2901, Raffles City Office Tower, No. 268 Xi Zang Middle Road, Huangpu District, Shanghai, China 200001
AM Nurburgring Racing Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England
Aston Martin Japan GK	1-2-3 Kita-Aoyama, Minato-ku, Tokyo 107-0061, Japan
Aston Martin Lagonda – Asia Pacific PTE Limited	Baker & McKenzie Singapore – 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981
AMWS Limited	28 Esplanade, St Helier, JE2 3QA, Jersey
Aston Martin Works Limited	Banbury Road, Gaydon, Warwickshire, CV35 0DB, England

### 34 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

#### Consolidated Income Statement

	2023 £m	2022 £m
<b>Loss before tax</b>	<b>(239.8)</b>	(495.0)
Adjusting operating expenses (note 5)	<b>31.5</b>	23.9
Adjusting finance income (notes 5, 7)	<b>-</b>	(12.5)
Adjusting finance expense (notes 5, 8)	<b>36.5</b>	32.6
<b>Adjusted loss before tax (EBT)</b>	<b>(171.8)</b>	(451.0)
Adjusted finance income (note 7)	<b>(74.3)</b>	(3.0)
Adjusted finance expense (note 8)	<b>166.4</b>	336.1
<b>Adjusted operating loss (EBIT)</b>	<b>(79.7)</b>	(117.9)
<b>Adjusted operating margin</b>	<b>(4.9%)</b>	(8.5%)
Reported depreciation	<b>102.2</b>	88.8
Reported amortisation	<b>283.4</b>	219.3
<b>Adjusted EBITDA</b>	<b>305.9</b>	190.2
<b>Adjusted EBITDA margin</b>	<b>18.7%</b>	13.8%



## 34 ALTERNATIVE PERFORMANCE MEASURES CONTINUED

## Earnings per share

	2023 £m	2022 £m
<b>Adjusted earnings per ordinary share</b>		
Loss available for equity holders (£m)	(228.1)	(528.6)
Adjusting items (note 5)		
Adjusting items before tax (£m)	68.0	44.0
Tax on adjusting items (£m)	-	-
<b>Adjusted loss (£m)</b>	<b>(160.1)</b>	<b>(484.6)</b>
Basic weighted average number of ordinary shares (million)	748.2	424.7
Adjusted loss per ordinary share (pence)	(21.4p)	(114.1p)
<b>Adjusted diluted earnings per ordinary share</b>		
Adjusted loss (£m)	(160.1)	(484.6)
Diluted weighted average number of ordinary shares (million)	748.2	424.7
Adjusted diluted loss per ordinary share (pence)	(21.4p)	(114.1p)

## Net debt

	2023 £m	2022 £m
<b>Opening cash and cash equivalents</b>	<b>583.3</b>	418.9
Cash inflow from operating activities	145.9	127.1
Cash outflow from investing activities	(383.4)	(284.7)
Cash inflow from financing activities	59.7	315.0
Effect of exchange rates on cash and cash equivalents	(13.1)	7.0
<b>Cash and cash equivalents at 31 December</b>	<b>392.4</b>	583.3
Cash held not available for short-term use	-	0.3
Borrowings	(1,069.7)	(1,211.1)
Lease liabilities	(97.3)	(99.8)
Inventory repurchase arrangement	(39.7)	(38.2)
<b>Net debt</b>	<b>(814.3)</b>	(765.5)
<b>Adjusted EBITDA</b>	<b>305.9</b>	190.2
<b>Adjusted leverage</b>	<b>2.7x</b>	4.0x

## Free cash flow

	2023 £m	2022 £m
Net cash inflow from operating activities	145.9	127.1
Cash used in investing activities (excluding interest received)	(396.9)	(286.9)
Interest paid less interest received	(109.0)	(139.0)
<b>Free cash flow</b>	<b>(360.0)</b>	(298.8)

## Parent Company Statement of Financial Position as at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 (restated*) £m	1 January 2022 (restated*) £m
<b>Non-current assets</b>				
Investments	3	1,051.5	497.3	957.4
Debtors: amounts falling due after one year	4	1,699.7	1,382.1	749.7
<b>Current assets</b>				
Debtors: amounts falling due within one year	4	-	0.3	-
<b>Total assets</b>		<b>2,751.2</b>	1,879.7	1,707.1
<b>Current liabilities</b>				
Creditors: amounts falling due within one year	5	(212.8)	(213.5)	(219.1)
<b>Net assets</b>		<b>2,538.4</b>	1,666.2	1,488.0
<b>Capital and reserves</b>				
Share capital	6	82.4	69.9	11.6
Share premium		2,094.5	1,697.4	1,123.4
Capital redemption reserve	6	9.3	9.3	9.3
Capital reserve	6	2.0	2.0	2.0
Merger reserve	6	143.9	143.9	143.9
Retained earnings		206.3	(256.3)	197.8
<b>Shareholder equity</b>		<b>2,538.4</b>	1,666.2	1,488.0

\* Details of the restatement are presented in note 1.

The Financial Statements were approved by the Board of Directors on 27 February 2024 and were signed on its behalf by

**AMEDEO FELISA**  
CHIEF EXECUTIVE OFFICER  
Company Number: 11488166

**DOUG LAFFERTY**  
CHIEF FINANCIAL OFFICER

The profit on ordinary activities after taxation amounts to £438.7m (2022 (restated): loss of £454.1m).

## Parent Company Statement of Changes in Equity for the year ended 31 December 2023

Company	Share capital £m	Share premium £m	Capital redemption reserve £m	Capital reserve £m	Merger reserve £m	Retained earnings £m	Total equity £m
<b>At 1 January 2023</b>	<b>69.9</b>	<b>1,697.4</b>	<b>9.3</b>	<b>2.0</b>	<b>143.9</b>	<b>(256.3)</b>	<b>1,666.2</b>
<b>Total comprehensive income for the year</b>							
Profit for the year	-	-	-	-	-	<b>438.7</b>	<b>438.7</b>
<b>Total comprehensive income for the year</b>						<b>438.7</b>	<b>438.7</b>
<b>Transactions with owners recorded directly in equity</b>							
Issuance of new shares	<b>11.5</b>	<b>383.0</b>	-	-	-	-	<b>394.5</b>
Issuance of new shares to SIP	<b>0.1</b>	-	-	-	-	<b>(0.1)</b>	-
Warrant options exercised	<b>0.9</b>	<b>14.1</b>	-	-	-	<b>18.6</b>	<b>33.6</b>
Group share based payment cost	-	-	-	-	-	<b>5.4</b>	<b>5.4</b>
<b>Total transactions with owners</b>	<b>12.5</b>	<b>397.1</b>	-	-	-	<b>23.9</b>	<b>433.5</b>
<b>At 31 December 2023</b>	<b>82.4</b>	<b>2,094.5</b>	<b>9.3</b>	<b>2.0</b>	<b>143.9</b>	<b>206.3</b>	<b>2,538.4</b>
Company	Share capital £m	Share premium £m	Capital redemption reserve £m	Capital reserve £m	Merger reserve £m	Retained earnings £m	Total equity £m
<b>At 1 January 2022 (restated*)</b>	11.6	1,123.4	9.3	2.0	143.9	197.8	1,488
<b>Total comprehensive income for the year</b>							
Loss for the year (restated*)	-	-	-	-	-	<b>(454.1)</b>	<b>(454.1)</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>(454.1)</b>	<b>(454.1)</b>
<b>Transactions with owners recorded directly in equity</b>							
Issuance of new shares	58.3	574.0	-	-	-	-	632.3
<b>Total transactions with owners</b>	58.3	574.0	-	-	-	-	632.3
<b>At 31 December 2022 (restated*)</b>	69.9	1,697.4	9.3	2.0	143.9	(256.3)	1,666.2

\*Details of the restatement are presented in note 1.

## 1 ACCOUNTING POLICIES

### Authorisation of Financial Statements and statement of compliance with FRS 101

The Parent Company Financial Statements of Aston Martin Lagonda Global Holdings plc (the "Company") for the year were authorised for issue by the Board of Directors on 27 February 2024 and the Statement of Financial Position was signed on the Board's behalf by Amedeo Felisa and Doug Lafferty. The Company is a public limited company incorporated and domiciled in the UK. The Company's ordinary shares are traded on the London Stock Exchange and it is not under the control of any single shareholder.

An overview of the business activities of Aston Martin Lagonda Global Holdings plc, including a review of the key business risks that the Group faces, is given in the Strategic Report on pages 2-70. The debt facilities available to the Group and the maturity profile of this debt are shown in note 23 to the Group Financial Statements.

### Going concern

The Group meets its day-to-day working capital requirements and medium term funding requirements through a mixture of \$1,143.7m First Lien notes at 10.5% which mature in November 2025, \$121.7m of Second Lien split coupon notes at 15% per annum (8.89 % cash and 6.11% Payment in Kind) which mature in November 2026, a Revolving Credit Facility (£99.6m) which matures August 2025, facilities to finance inventory, a bilateral RCF facility and a wholesale vehicle financing facility (as described in note 18 of the Group Financial Statements). As previously announced, the Group expects to refinance the outstanding debt during the first half of 2024, however, the going concern assessment is not dependent on this occurring. Under the RCF the Group is required to comply with a leverage covenant tested quarterly. Leverage is calculated as the ratio of adjusted EBITDA to net debt, after certain accounting adjustments are made. Of these adjustments, the most significant is to account for lease liabilities under "frozen GAAP", i.e. under IAS17 rather than IFRS 16. Details of this adjustment are included in note 16 of the Group Financial Statements. The Group has complied with its covenant requirements for the year ended 31 December 2023 and expects to do so for the Going Concern period.

The amounts outstanding on all the borrowings are shown in note 23 of the Group Financial Statements.

The Directors have developed trading and cash flow forecasts for the period from the date of approval of these Financial Statements through 30 June 2025 (the going concern review period). These forecasts show that the Group has sufficient financial resources to meet its obligations as they fall due, including repayment of the current RCF were it needing to be repaid on 30 June 2025 and to comply with covenants for the going concern review period. The forecasts reflect the Group's ultra-luxury performance-oriented strategy, balancing supply and demand and the actions taken to improve cost efficiency and gross margin. The forecasts include the costs of the Group's environmental, social and governance ("ESG") commitments and make assumptions in respect of future market conditions and, in particular, wholesale volumes, average selling price, the launch of new models, and future operating costs.

The nature of the Group's business is such that there can be variation in the timing of cash flows around the development and launch of new models. In addition, the availability of funds provided through the vehicle wholesale finance facility changes as the availability of credit insurance and sales volumes vary, in total and seasonally. The forecasts take into account these factors to the extent that the Directors consider them to represent their best estimate of the future based on the information that is available to them at the time of approval of these Financial Statements.

The Directors have considered a severe but plausible downside scenario that includes considering the impact of a 15% reduction in DBX volumes and a 10% reduction in sports volumes from forecast levels covering, although not exclusively, instances of reduced volume due to delayed product launches, operating costs higher than the base plan, incremental working capital requirements such as a reduced deposit inflows or increased deposit outflows and the impact of the strengthening of the sterling dollar exchange rate.

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

In addition, we also considered the circumstances which would be needed to exhaust the Group's liquidity over the assessment period, a reverse stress test. This would indicate that vehicle sales would need to reduce by more than 15% from forecast levels without any of the above mitigations to result in having no liquidity. The likelihood of these circumstances occurring is considered remote both in terms of the magnitude of the reduction and that over such a long period, management could take substantial mitigating actions, such as reducing capital spending to preserve liquidity.

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

The Parent Company Financial Statements are presented in sterling.

These Financial Statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). No Income Statement is presented for the Company as permitted by Section 408 of the Companies Act 2006. There were no gains or losses in the year (2022: £nil) in Other Comprehensive Income. The fee relating to the audit of these Financial Statements of £0.3m was borne by the Company (2022: £0.3m).

## 1 ACCOUNTING POLICIES CONTINUED

### Basis of preparation

The Parent Company Financial Statements have been prepared in accordance with FRS 101, as applied in accordance with the provisions of the Companies Act 2006. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual Financial Statements of qualifying entities that otherwise apply this recognition, measurement and disclosure requirements of UK adopted IFRS.

FRS 101 sets out amendments to UK adopted IFRS that are necessary to achieve compliance with the Companies Act and related Regulations. The following disclosures have not been included as permitted by FRS 101:

- A Cash Flow Statement and related notes as required by IAS 7 'Statement of Cash Flows'.
- Disclosures in respect of transactions with wholly-owned subsidiaries as required by IAS 24 'Related Party Disclosures'.
- Disclosures in respect of capital management as required by paragraphs 134 to 136 of IAS 1 'Presentation of Financial Statements'.
- The effects of new but not yet effective IFRSs as required by paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- Disclosures in respect of the compensation of key management personnel as required by paragraph 17 of IAS 24 'Related Party Disclosures'.
- The requirements of paragraphs 88C and 88D of IAS 12 Income Taxes in respect of the impact of Pillar Two legislation.

As the Financial Statements of the Group include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment' in respect of group-settled shared based payments.
- The requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

The accounting policies set out herein have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

### Investments

The Company recognises investments in subsidiaries at cost less impairment in its individual Financial Statements. The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses on continuing operations are recognised in the Income Statement in those expense categories consistent with the function of the impaired asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately.

Management have further considered the impact of climate change on a number of key estimates within the Financial Statements and has not found climate change to have a material impact on the conclusions reached. Climate change considerations have been factored into the Directors' impairment assessments of the carrying value of non-current assets (such as the parent company investment) through usage of a pre-tax discount rate which reflects the individual nature and specific risks relating to the business and the market in which the Group operates.

### Amounts due to Group undertakings

Amounts due to Group undertakings are initially recognised at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

### Amounts due from Group undertakings

Amounts due from Group undertakings are initially recognised at fair value and subsequently measured at amortised cost on an effective interest basis. The Company assess the loans for recoverability from surplus undiscounted cashflows from the operating Group and determined no loss provision necessary. The Company does not expect to receive payment within the next 12 months and therefore presents the loan as non-current.

### Financial assets and liabilities

Financial assets are cash or a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or liabilities with another entity under conditions that are potentially favourable to the entity. In addition, contracts that result in another entity delivering a variable number of its own equity instruments are financial assets.

Derivative financial instruments including equity options are held at fair value. All other financial instruments are held at amortised cost.

### Auditors remuneration

Auditors remuneration has been included in the group accounts. The Group accounts are required to comply with regulation 5(1)(b) of the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008.

### Prior year restatement

Following a review by the Financial Reporting Council ("FRC"), the Company revisited its assumptions used in determining the recoverability of the carrying value of the investment in subsidiaries. The original assessment had not considered the recoverability of the intercompany balances within the Company prior to assessing the recoverability of the investment valuation. When updating for this assumption, the net recoverable value of the investment is reduced from £957.4m to £497.3m at 31 December 2022. The impairment of £460.1m is reflected in the Parent Company Income Statement for the prior year.

As part of the same review it was identified the intercompany receivable was presented as current, however, the Company did not expect to receive repayment within 12 months from the balance sheet date. The intercompany receivable balance has therefore been restated as a non-current asset in the prior year Company Balance Sheet. In addition, the Expected Credit Loss provision recognised against the intercompany receivable is deemed not required. This is due to the balance being intercompany in nature and the parent company can allow the benefit of time to its subsidiary in order to recover the receivable in full from the future cashflows of the subsidiary. As there is no anticipated shortfall in repayment of the receivable over time, no expected credit loss provision is required. An opening reserves adjustment of £36.0m is made to reflect removing the provision as at 1 January 2022. A £11.2m charge is reflected in the Income Statement for the year ended 31 December 2022, reflecting the movement in the provision previously recognised between 1 January 2022 and 31 December 2022.

The restatements noted above have no impact on the previous, current or future results of the Group. The FRC's review does not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into and therefore provides no assurance that the Annual Report is correct in all material aspects.

Liabilities	As previously reported 31 December 2022 £m	Adjustment £m	Restated balance 31 December 2022 £m
<b>Non-current assets</b>			
Investments	957.4	(460.1)	497.3
Debtors: amounts falling due in more than one year	–	1,382.1	1,382.1
<b>Current assets</b>			
Debtors: amounts falling due within one year	1,357.6	(1,357.3)	0.3
<b>Capital and reserves</b>			
Retained Earnings	179.0	(435.3)	(256.3)

The loss on ordinary activities after taxation amounts to £454.1m (previously reported profit of £17.2m).

Liabilities	As previously reported 1 January 2022 £m	Adjustment £m	Restated balance 1 January 2022 £m
<b>Non-current assets</b>			
Debtors: amounts falling due in more than one year	–	749.7	749.7
<b>Current assets</b>			
Debtors: amounts falling due within one year	713.7	(713.7)	–
<b>Capital and reserves</b>			
Retained Earnings	161.8	36.0	197.8

The profit on ordinary activities after taxation amounts to £70.9m (previously reported profit of £34.9m).

## 2 DIRECTORS' REMUNERATION

The Company has no employees other than the Directors. Full details of the Directors' remuneration is given in the Directors' Remuneration Report.

### 3 INVESTMENTS

	£m
<b>Cost</b>	
At 1 January 2022	957.4
Additions	–
<b>At 31 December 2022 and 1 January 2023</b>	<b>957.4</b>
Additions	94.1
<b>At 31 December 2023</b>	<b>1,051.5</b>
<b>Impairment</b>	
At 1 January 2022	–
Impairment during 2022 (restated*)	(460.1)
<b>At 31 December 2022 and 1 January 2023 (restated*)</b>	<b>(460.1)</b>
Reversal of impairment during 2023	460.1
<b>At 31 December 2023</b>	<b>–</b>
<b>Carrying value</b>	
At 31 December 2022 (restated)	497.3
<b>At 31 December 2023</b>	<b>1,051.5</b>

\*Details of the restatement are presented in note 1.

The Company directly owns 100% of the share capital of Aston Martin Holdings (UK) Limited, a non-trading intermediate holding company registered in England and Wales. A full list of subsidiary and other related undertakings is given in note 33 to the Group Financial Statements. Additions in the year represent £88.7m for the issuance of shares to Lucid Group, Inc. in respect of the Technology sharing agreement and £5.4m in relation to Group share based payment charges for which the Company will issue shares on behalf of employees in subsidiary companies.

#### Impairment testing

The Company reviews the carrying amount of its investment when events and circumstances indicate that an asset may be impaired. Impairment tests are performed by comparing the carrying amount and the recoverable amount of the assets. The recoverable amount is the higher of the assets' fair value less costs of disposal and its value-in-use.

In assessing the value-in-use, the estimated future cash flows relating to the forecast usage period of the asset, or group of assets, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks. In performing this analysis the Company's value-in-use calculation supports the recoverability of the full cost of the Company's investment in subsidiary undertakings and therefore a reversal of the impairment recognised in the prior year has been recognised in the year ended 31 December 2023. The Group forecast and business plan as at 31 December 2023 give an increased cash flow when compared to twelve months ago, resulting in a higher value-in-use therefore supporting the reversal of the impairment.

#### Key assumptions used in value-in-use calculations

Where there are indicators of impairment, the calculation of value-in-use for the assets is most sensitive to the following assumptions:

- Cash flows are projected based on actual operating results and the current five-year plan.
- Discount rates are calculated using a weighted average cost of capital approach. They reflect the individual nature and specific risks relating to the business and the market in which the Group operates. The pre-tax discount rate used was 14.0% (2022: 14.0%).
- A long-term growth rate of 2% (2022: 2%)

#### Sensitivity analysis

- As at 31 December 2023 the discount rate would need to increase by 1.1% before the investment in subsidiary undertakings is impaired.

### 4 DEBTORS

	2023 £m	2022 £m (restated*)
Amounts due from Group undertakings	1,699.7	1,382.1
Other receivables	–	0.3
<b>Total</b>	<b>1,699.7</b>	<b>1,382.4</b>
Analysed as:		
Current	–	0.3
Non-current	1,699.7	1,382.1
	<b>1,699.7</b>	<b>1,382.4</b>

\*Details of the restatement are presented in note 1.

#### 4 DEBTORS CONTINUED

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The Company does not expect to receive repayment of the loan due from Group undertakings within the next 12 months and has therefore presented the loan as non-current.

#### 5 CREDITORS

	2023 £m	2022 £m
Amounts due to Group undertakings	187.9	187.9
Accrued expenses	1.8	2.9
Derivative option over own shares	23.1	22.7
	<b>212.8</b>	213.5

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

#### Share warrants

As part of the issue of the Second Lien SSNs by Aston Martin Capital Holdings Limited, the Company issued share warrants enabling warrant holders to subscribe for a number of ordinary shares in the Company at the subscription price of £1.67 per share (previously £10 per share prior to the rights issue in September 2022). The warrants can be exercised from 1 July 2021 through to 7 December 2027. The fair value of the warrants is determined at each period end. A charge to the Income Statement of £19.0m has been recognised in the year ended 31 December 2023 (2022: credit of £8.4m). A total of 29,969,927 warrants were exercised in the year ended 31 December 2023 (2022: no warrants exercised), resulting in the issuance of 8,990,975 ordinary shares (note 6).

#### 6 CAPITAL AND RESERVES

	2023 £m	2022 £m
<b>Allotted, called up and fully paid</b>		
823,663,785 shares of 10.0p each (2022: 698,757,075 ordinary shares of 10.0p each)	<b>82.4</b>	69.9

A full reconciliation of the Company's movement in share capital is presented in note 27 of the Group accounts.

#### Merger reserve

On 26 June 2020, the Company issued 304.0m ordinary shares through a non-pre-emptive placing and retail offer. The shares were issued at 50p raising gross proceeds of £152.1m, with £2.7m recognised as share capital and the remaining £149.4m recognised as merger reserve. The merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under the Companies Act 2006. The merger reserve value was reduced by £5.4m of transaction costs associated with the equity raise.

#### Capital reserve

The capital reserve of £2.0m arose from the share-for-share exchange on the acquisition of the entire share capital of Aston Martin Holdings (UK) Limited in 2018.



FURTHER INFORMATION  
GLOSSARY

**ADJUSTED EBITDA**

Removes depreciation, loss/(profit) on sale of fixed assets and amortisation from adjusted operating profit/(loss)

**ADJUSTED EBITDA MARGIN**

Adjusted EBITDA divided by revenue

**ADJUSTED EBT**

Profit/(loss) before tax and adjusting items as shown in the Consolidated Income Statement

**ADJUSTED EARNINGS PER SHARE**

Profit/(loss) after income tax before adjusting items, divided by the weighted average number of ordinary shares in issue during the reporting period

**ADJUSTED OPERATING MARGIN**

Adjusted operating profit/(loss) divided by revenue

**ADJUSTED OPERATING PROFIT/(LOSS)**

Profit/(loss) from operating activities before adjusting items

**AGM**

Annual General Meeting

**APM**

Alternative Performance Measures; for detail of the measures adopted see note 34 to the Financial Statements

**ASP**

Average selling price

**BEV**

Battery Electric Vehicle

**CARBON NEUTRAL**

Carbon neutral means that any CO<sub>2</sub> released into the atmosphere from a company's activities is balanced by an equivalent amount being removed

**CORE**

The Company's models in ongoing production excluding Specials. These currently comprise Vantage, DB11, DB12, DBS and DBX

**EBITDA**

Earnings before interest, tax, depreciation and amortisation

**EPS**

Earnings per share

**ERP**

Enterprise resource planning

**ESG**

Environmental, social and governance

**EY**

Ernst & Young LLP, the Company's current External Auditor

**FIXED MARKETING OR FM**

Explicit marketing costs incurred directly by the Company, such as hosting launch events

**FRC**

Financial Reporting Council

**FREE CASH FLOW**

Cash inflow/(outflow) from operating activities plus the cash used in investing activities (excluding interest received) plus interest paid in the year less interest received

**FTSE**

Financial Times Stock Exchange

**FY**

Financial year, full year

**GHG**

Greenhouse gas

**GPG**

Gender Pay Gap

**GT**

Grand Tourer, a sports car with two front seats plus smaller rear seats

**HNWIs**

High Net Worth Individuals

**HY**

Half year

**ICE**

Internal combustion engine

**IFRS**

International Financial Reporting Standards

**IPO**

Initial Public Offering

**KPIs**

Key Performance Indicators

**LTIP**

Long Term Incentive Plan

**MATERIALITY ASSESSMENT**

An assessment which determines an organisation's material sources of environmental, social and governance risk and opportunity to inform sustainability reporting processes

**MBAG**

Mercedes-Benz AG

**NED**

Non-executive Director

**NET DEBT**

Current and non-current borrowings in addition to inventory financing arrangements and lease liabilities recognised following the adoption of IFRS 16, less cash and cash equivalents, cash held not available for short term use

**NET-ZERO**

Reducing Scope 1, 2, and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C-aligned pathways and neutralising any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter

**PHEV**

Plug-in Hybrid Electric Vehicle

**PIK**

Payment-in-kind interest, whereby interest on a bond is paid by scrip issuance of further bonds, rather than in cash

**R&D**

Research and development

**RCF**

Revolving Credit Facility

**RELATIONSHIP AGREEMENTS**

Relationship Agreements between the Company and the Yew Tree Consortium dated 27 February 2020, MBAG dated 27 October 2020, the Public Investment Fund dated 29 July 2022 and Geely dated 18 May 2023 which govern the relationship between the Company and each of these shareholder groups

**RETAILS**

A volume measure of unit sales of vehicles by dealers to customers; and/or Company sales of certain Specials direct to customers

**SBTi**

Science Based Targets initiative

**SECTION 172 OR S.172**

Section 172 of the Companies Act 2006 requires the Board to consider a number of factors in its decision-making, including the interests of its stakeholders

**SID**

Senior Independent Director

**SONIA**

Sterling Overnight Index Average

**SPECIALS**

Vehicles produced in limited numbers

**V8, V12**

An eight-cylinder internal combustion engine; a twelve-cylinder internal combustion engine

**WHOLESALES**

A volume measure of unit sales of vehicles by the Company to dealers; and/or company sales of certain specials direct to customers

### GENERAL SHAREHOLDER ENQUIRIES

Enquiries relating to shareholdings, such as the transfer of shares, change of name or address, lost share certificates or dividend cheques, should be referred to the Company's registrar:

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom.

Equiniti offers a range of shareholder information and services online at [www.shareview.co.uk](http://www.shareview.co.uk).

### SHARE WARRANTS

The Company issued warrants granting rights to subscribe for ordinary shares in accordance with the terms of the Warrant Instrument dated 7 December 2020. Warrants are exercisable during the period starting on 1 July 2021 and ending on 7 December 2027. A total of 29,969,919 warrants were exercised during the financial year ended 31 December 2023.

Further information on the warrants is set out in the combined prospectus and circular dated 18 November 2020.

### ANNUAL GENERAL MEETING

Information on the Annual General Meeting, together with the Notice of Meeting containing details of the business to be conducted, will be posted on our website, [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

The voting results for the 2024 Annual General Meeting will also be accessible on [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com) shortly after the meeting.

### ELECTRONIC COMMUNICATION

Shareholders may at any time choose to receive all shareholder documentation in electronic form via the internet, rather than in paper format. Shareholders who decide to register for this option will receive an email each time a shareholder document is published on the internet. Shareholders who wish to receive documentation in electronic form should register online at [www.shareview.co.uk](http://www.shareview.co.uk).

### SHARE DEALING

Aston Martin Lagonda Global Holdings plc shares can be traded through most banks, building societies or stockbrokers. Equiniti offers a telephone and internet dealing service. Terms and conditions and details of the commission charges are available on request.

For telephone dealing, please telephone 03456 037 037 between 8.00am and 4.30pm, Monday to Friday, and for internet dealing visit [www.shareview.co.uk/dealing](http://www.shareview.co.uk/dealing).

Shareholders will need their reference number which can be found on their share certificate.

### SHAREGIFT

Shareholders with a small number of shares, the value of which makes them uneconomic to sell, may wish to consider donating their shares to charity through ShareGift, a donation scheme operated by The Orr Mackintosh Foundation. A ShareGift donation form can be obtained from Equiniti. Further information is available at [www.sharegift.org](http://www.sharegift.org) or by telephone on 020 7930 3737.

### SHARE PRICE INFORMATION

The latest Aston Martin Lagonda Global Holdings plc share price is available on the Company's website at [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

### UNAUTHORISED BROKERS (BOILER ROOM SCAMS)

Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. These are typically from overseas-based 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high-risk shares in US or UK investments. These operations are commonly known as boiler rooms.

If you receive any unsolicited investment advice, get the correct name of the person and organisation, and check that they are properly authorised by the FCA before proceeding any further. This can be done by visiting [www.fca.org.uk/register/](http://www.fca.org.uk/register/).

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme if things go wrong. If you think you have been approached by an unauthorised firm, you should contact the FCA consumer helpline on 0800 111 6768.

More detailed information can be found on the FCA website at [www.fca.org.uk/consumers/protect-yourself/unauthorised-firms](http://www.fca.org.uk/consumers/protect-yourself/unauthorised-firms).

### REGISTERED OFFICE

Aston Martin Lagonda Global Holdings plc, Banbury Road, Gaydon Warwick, CV35 0DB, United Kingdom.

Registered in England and Wales Registered Number: 11488166  
[www.astonmartinlagonda.com](http://www.astonmartinlagonda.com)

### WEBSITE

This Annual Report and other information about Aston Martin Lagonda Global Holdings plc, including share price information and details of results announcements, are available at [www.astonmartinlagonda.com](http://www.astonmartinlagonda.com).

## DISCLAIMER

The purpose of this Annual Report is to provide information to the members of Aston Martin Lagonda Global Holdings plc. This document contains certain statements with respect to the operations, performance and financial condition of the Group including, among other things, statements about expected revenues, margins, earnings per share or other financial or other measures. Forward-looking statements appear in a number of places throughout this document and include statements regarding our intentions, beliefs or current expectations and those of our officers, Directors and employees concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. By their nature, these statements involve uncertainty and are subject to a number of risks since future events and circumstances can cause actual results and developments to differ materially from those anticipated.

The forward-looking statements reflect knowledge and information available at the date of preparation of this document and, unless otherwise required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this document should be construed as a profit forecast. All members, wherever located, should consult any additional disclosures that the Company may make in any regulatory announcements or documents which it publishes. The Company and its Directors accept no liability to third parties in respect of this document save as would arise under English law. This document does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any Aston Martin Lagonda Global Holdings plc shares, in the UK, or in the USA, or under the USA Securities Act 1933 or any other jurisdiction.

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# ASTON MARTIN LAGONDA



By Appointment to  
His Royal Highness the Prince of Wales  
Motor Car Manufacturer and Repairer



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**BUSINESS**  
AMBITION FOR **1.5°C** 