

Aston Martin Lagonda Global Holdings plc
 ("Aston Martin", or "AML", or the "Company"; or the "Group")
Preliminary results for the twelve months ended 31 December 2023

Revenue growth of 18%; driven by robust volumes and record ASPs

Gross margin improved 650bps to 39.1%; driven by ongoing portfolio transformation

Adjusted EBITDA increased 61%; margin improved 490 basis points to 18.7%

Strong Q4 performance delivered record gross margin and adjusted EBITDA in the quarter

Disciplined strategic delivery supported ongoing deleveraging; net leverage ratio at 2.7x

Near- and medium-term guidance maintained

<i>£m</i>	FY 2023	FY 2022	<i>% change</i>	Q4 2023	Q4 2022	<i>% change</i>
Total wholesale volumes¹	6,620	6,412	3%	2,222	2,352	(6)%
Revenue	1,632.8	1,381.5	18%	593.3	524.3	13%
Gross Profit	639.2	450.7	42%	268.4	164.5	63%
Gross Margin (%)	39.1%	32.6%	650 bps	45.2%	31.4%	1380 bps
Adjusted EBITDA²	305.9	190.2	61%	174.8	110.4	58%
Adjusted EBIT ²	(79.7)	(117.9)	32%	55.4	10.3	438%
Operating (loss)/profit	(111.2)	(141.8)	22%	34.1	6.6	417%
(Loss)/profit before tax	(239.8)	(495.0)	52%	20.0	16.3	23%
Net debt ²	(814.3)	(765.5)	(6)%	(814.3)	(765.5)	(6)%

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

Lawrence Stroll, Aston Martin Executive Chairman commented:

"In 2023, Aston Martin delivered significant strategic milestones and further financial progress, driven by continued strong demand for our ultra-luxury, high-performance products. The rich mix of sales, driven by our ongoing commitment to product 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.

"Critical to the long-term success of Aston Martin is the strength of our iconic global brand and loyal, as well as evolving, customer base. Continued investment in both the brand and our go-to-market strategy are imperative to our success. I was extremely proud of our achievements in 2023 which included our fantastic partnership with the Aston Martin F1® Team, the global celebration of our historic 110th anniversary, and continued implementation of our renewed corporate identity across our network including the opening of our first ultra-luxury flagship location, Q New York.

"Looking ahead to 2024, I'm excited by the future development of our product portfolio with the completion of our line-up of next generation, front-engine sports cars, including the recently unveiled 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, including positive FCF generation in H2'24, as we unleash the power of our brand and continue our growth trajectory."

Aston Martin's management team will host a **video webcast presentation** at 8am (GMT) today. Details can be found on page 6 of this announcement and online at www.astonmartinlagonda.com/investors

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 outflow³ 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

³ For definition of alternative performance measures please see Appendix

- 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)

Operational Overview: Accelerating Forward.

Amedeo Felisa, Aston Martin Chief Executive Officer, commented:

"2023 was a landmark year for Aston Martin's portfolio transformation as we delivered stunning new products to market including the DBS 770 Ultimate and DB12, the first of our next generation sports cars, celebrating a new era of ultra-luxury design and high-performance. The demand for our 110th anniversary special edition Valour also demonstrated our brand's unique ability to operate at the very pinnacle of the ultra-luxury segment, something also exemplified by further Specials such as the DBR22 and Aston Martin Valkyrie. The momentum and experience our teams have amassed in 2023 to develop and deliver our ambitious plans is carried into 2024, which along with further investment in people and facilities, and a relentless focus on quality and continuous improvement, will support successful future model launches and our growth ambitions."

Heightened focus on ultra-luxury and high-performance

The success of the Company's ultra-luxury high-performance product portfolio this year is demonstrated by record total and core ASPs, and strong revenue and margin growth. In 2023, the Company completed a year-long celebration of Aston Martin's 110th anniversary, with a series of unique global events bringing its community of customers even closer to the brand, culminating in the launch of the ultra-exclusive Special, Valour. The Company also completed first deliveries of its highly acclaimed next generation sports car, DB12. The model was recently awarded "Car of the Year" for 2024 by Robb Report and confirmed by Autocar magazine as a true "Super GT", driving reappraisal of Aston Martin amongst new audiences, whilst engaging loyal customers.

The DBS 770 Ultimate, the most powerful production Aston Martin ever, was unveiled in January 2023, with all examples sold out before production commenced in 2023. The world's most powerful ultra-luxury SUV, DBX707, continued to win awards, named 'Best Exclusive & Luxury Car' at the prestigious Auto vum Joer awards in Luxembourg, and was announced as the new Official FIA Medical Car of F1[®] in conjunction with the start of the 2023 World Championship season. The transformational demand for Aston Martin's high-performance DBX707 since its launch in 2022, underpins the next phase of the model's evolution, now the sole SUV model marketed.

In June 2023, the Company proudly opened the doors to Q New York, its first ultra-luxury flagship on 450 Park Avenue. The new location brings the highest levels of the iconic British brand's bespoke service, Q by Aston Martin, to North America for the very first time, providing the most sophisticated luxury specification experience available anywhere in the world.

The Company celebrated the success of the Aston Martin F1[®] Team with the release of an exclusive AMR23 Edition DBX707. Named after the brand's 2023 F1[®] challenger, the AMR23 Edition creates a DBX707 that shares a racing identity with both the AMR23 F1[®] car and the Official Medical Car of F1[®]. The Aston Martin F1[®] Team continued to drive brand visibility and heightened product consideration, with a 7% increase in website traffic versus non-race weekends in 2023 and 20% uplift in traffic to Aston

Martin's award-winning configurator. Market research indicates that 60% of luxury car buyers strongly agree they are more likely to buy an Aston Martin because of its association with F1[®].

Further strengthening its high-performance DNA, in October 2023, Aston Martin announced it is set to enter the 2025 24 Hours of Le Mans Hypercar class with a racing prototype version of the ultimate Hypercar, the Aston Martin Valkyrie.

Looking to the year ahead, 2024 sees Aston Martin begin to complete its vision for a world-class product portfolio, with an incredible line-up of new, front-engine sports cars, joining the best performance SUV in the luxury segment. Unveiling the new Vantage in February 2024, the fastest and most driver focused in the famous nameplate's 74-year history, is testament to Aston Martin's commitment to delivering a thrilling driving experience and integrating the very best in motorsport technologies. This was exemplified by the car's launch on the same day as the 2024 Aston Martin Formula One[®] challenger and Vantage GT3 racer. Complementing the portfolio, the Company has an incredible, mid-engine supercar in Valhalla on the horizon, with prototype testing already taking place and currently on course to enter production before the end of this year.

Aligning the organisation for accelerated growth

In 2023, the Company delivered the majority of its vehicles in line with production plans, including the DBS 770 Ultimate, DBX707 and Special models. During Q3, despite initial production ramp up delays due to supplier readiness and EE platform integration issues, deliveries of DB12 commenced. This model included Aston Martin's first-ever in-house, bespoke infotainment system, where teams across the Company collaborated with suppliers to deliver this significant step forward for the product. Aligned with the Company's commitment to providing customers with the highest quality products and best user experience possible, these and other continual improvement processes will be carried forward into 2024 to support the successful launch of further new models.

In June 2023, the Company moved further forward in its ambition to create the world's most thrilling and highly desirable electric performance cars, with the formation of a landmark new supply agreement with world-leading electric vehicle technologies company, Lucid Group. This long-term relationship will help propel Aston Martin's high-performance electrification strategy, as the Company develops alternatives to the Internal Combustion Engine 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 SUVs. With Aston Martin's technical partnerships now in place, the Company's first battery electric vehicle (BEV) is now targeted for launch in 2026, benefitting from the very best high-performance technologies available.

In October 2023, a consortium working on the Company's high-performance electrification strategy was awarded £9 million of government funding through the Advanced Propulsion Centre UK, further supplementing the research and development of Aston Martin's innovative modular BEV platform, which will be propelled by world-leading electric vehicle technologies from Lucid.

Continued investment in people, skills and facilities

At the core of the Group's value is one single guiding tenet: No one builds an Aston Martin on their own. In line with this and Aston Martin's growth ambitions, the Company continued to invest in its world-class team, including the appointment of Chief Industrial Officer, Chief Procurement Officer, and BEV Chief Engineer. The Company also welcomed a breadth of new talent to complement its skilled and passionate team, increasing employment at its Gaydon headquarters to support the launch of its next generation of sports cars, as well as an enhanced early careers intake and senior appointments, notably in the area of electrification.

In 2023, Aston Martin launched new company values of Unity, Openness, Trust, Ownership and Courage through an internal and external campaign; these values are at the heart of the Company's commitment to make Aston Martin a great place to work. To solidify its community of people, the Company expanded its employee engagement programme with new internal initiatives and events, including a family weekend, which saw more than 10,000 employees and their friends and family attend. Aligned with the

Company's diversity and inclusion aspirations, progress was made this year towards the target of having women in 25% of leadership positions by 2025 and in 30% of leadership positions by 2030.

The Company also announced further progress in its *Racing.Green.* sustainability strategy, using CO₂ emission offsets to establish carbon neutral status for its Gaydon and St Athan plants. This follows an acceleration towards the goals established in the strategy announced in 2022, with targets relating to Carbon Neutral manufacturing facilities, CO₂ emissions and energy consumption, and biodiversity improvement updated in 2023.

Continued financial progress is reflected in our unchanged outlook

We remain on track to substantially achieve our 2024/25 financial targets in FY 2024. This is driven by continued strong demand for our products underpinned by the exciting new next generation launches in 2024 of Vantage and our final front-engine sports car later in the year. While recognising the ongoing geopolitical and macro economic volatility and associated inflationary and supply chain uncertainties, our world-class teams continue to collaborate with our partners, seeking to minimise potential impacts on our operations.

2024 is expected to deliver another year of significant strategic and financial progress as we continue the ongoing product portfolio transformation. Enhanced profitability and EBITDA will be driven by high single-digit percentage wholesale volume growth, gross margin further improving to achieve our longstanding target of c. 40% and EBITDA margin expansion continuing into the low 20s%.

Given the launch timings of our exciting two next generation sports cars in 2024, wholesale volumes will be heavily weighted to the second half of the year, resulting in significant H2'24 growth in gross profit and EBITDA compared with the prior year period.

Continued capital investment in new product developments to support our growth strategy is expected to total c. £350m in 2024, broadly flat across the first and second half of the year. FCF is expected to materially improve in 2024 compared with the prior year, achieving our targeted inflection point for positive FCF generation in H2'24, primarily driven by the timing of wholesale volumes.

Through disciplined strategic delivery, we expect to continue deleveraging, towards our net leverage ratio target of c. 1.5x in 2024/25. As previously announced, we expect to refinance our outstanding debt in the first half of 2024. We are in the advanced stages of preparation and look forward to launching this process in due course.

Additional 2024 guidance:

- **Depreciation and amortisation:** c. £400m
- **Net cash interest:** c. £110m, assuming current exchange rates prevail for 2024

The Group's medium-term outlook for 2027/28, remains unchanged:

- **Revenue:** c. £2.5 billion
- **Gross margin:** mid-40s%
- **Adjusted EBITDA:** c. £800 million
- **Adjusted EBITDA margin:** c. 30%
- **Free cash flow:** to be sustainably positive
- **Net leverage ratio:** below 1.0x
- **Expect to invest:** c. £2bn over FY 2023-2027 in long-term growth and transition to electrification

All metrics and commentary in this announcement exclude adjusting items unless stated otherwise and certain financial data within this announcement have been rounded.

Appointment of Corporate Broker

Aston Martin also announces the appointment of Goldman Sachs International ("Goldman Sachs") as its joint Corporate Broker, alongside Barclays Bank PLC ("Barclays"), with immediate effect.

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Results Presentation

- There will be a video presentation and Q&A for today at 08.00am GMT:
<https://app.webinar.net/50XL9z5nrwb>
- The presentation and Q&A can be accessed live via the corporate website:
<https://www.astonmartinlagonda.com/investors/results-and-presentations>
- A replay facility will be available on the website later in the day

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Aston Martin Lagonda provides no guarantee that future development and future results achieved will correspond to the forward-looking statements included here and accepts no liability if they should fail to do so. Aston Martin Lagonda undertakes no obligation to update these forward-looking statements and will not publicly release any revisions that may be made to these forward-looking statements, which may result from events or circumstances arising after the date of this release.

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FINANCIAL REVIEW

Wholesale and revenue analysis

Number of vehicles	FY 2023	FY 2022	Change	Q4 2023	Q4 2022	Change
Total wholesale	6,620	6,412	3%	2,222	2,352	(6%)
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 ³	1,994	1,508	32%	727	628	16%
APAC ³	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; 3 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

<i>£m</i>	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%
Total	1,632.8	1,381.5	18%

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 110th 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

<i>£m</i>	FY 2023	FY 2022	Q4 2023	Q4 2022
Revenue	1,632.8	1,381.5	593.3	524.3
Cost of sales	(993.6)	(930.8)	(324.9)	(359.8)
Gross profit	639.2	450.7	268.4	164.5
<i>Gross margin %</i>	39.1%	32.6%	45.2%	31.4%
Adjusted operating expenses ¹	(718.9)	(568.6)	(213.0)	(154.2)
<i>of which depreciation & amortisation</i>	385.6	308.1	119.4	100.1
Adjusted EBIT²	(79.7)	(117.9)	55.4	10.3
Adjusting operating items	(31.5)	(23.9)	(21.3)	(3.7)
Operating (loss)/profit	(111.2)	(141.8)	34.1	6.6
Net financing (expense)/income	(128.6)	(353.2)	(14.1)	9.7
<i>of which adjusting financing (expense)/ income</i>	(36.5)	(20.1)	(8.2)	(39.1)
(Loss)/profit before tax	(239.8)	(495.0)	20.0	16.3
Tax credit/(charge)	13.0	(32.7)	13.2	(26.0)
(Loss)/profit for the period	(226.8)	(527.7)	33.2	(9.7)
Adjusted EBITDA^{1,2}	305.9	190.2	174.8	110.4
<i>Adjusted EBITDA margin</i>	18.7%	13.8%	29.5%	21.1%

Adjusted (loss)/profit before tax¹	(171.8)	(451.0)	49.5	59.1
EPS (pence)	(30.5)	(124.5)		
Adjusted EPS (pence)	(21.4)	(114.1)		

¹ Excludes adjusting items; ² Alternative Performance Measures are defined in Appendix

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

<i>£m</i>	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)
Free cash (outflow)/inflow	(360.0)	(298.8)	(63.2)	36.8
Cash inflow/(outflow) from financing activities (excl. interest)	182.2	456.2	(80.6)	(210.5)
(Decrease)/increase in net cash	(177.8)	157.4	(143.8)	(173.7)
Effect of exchange rates on cash and cash equivalents	(13.1)	7.0	(7.6)	(14.8)
Cash balance	392.4	583.3	392.4	583.3

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.

<i>£m</i>	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)
Gross debt	(1,206.7)	(1,349.1)
Cash balance	392.4	583.3
Cash not available for short term use	-	0.3
Net debt	(814.3)	(765.5)

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).

APPENDICES

Dealerships

	31 Dec-23	31 Dec-22
UK	20	21
Americas	44	44
EMEA ex. UK	54	52
APAC	45	48
Total	163	165
<i>Number of countries</i>	53	54

Alternative Performance Measure

<i>£m</i>	FY 2023	FY 2022
Loss before tax	(239.8)	(495.0)
Adjusting operating expense	(31.5)	23.9
Adjusting finance expense	(36.5)	(12.5)
Adjusting finance (income)	-	32.6
Adjusted EBT	(171.8)	(451.0)
Adjusted finance (income)	74.3	(3.0)
Adjusted finance expense	(166.4)	336.1
Adjusted EBIT	(79.7)	(117.9)
Reported depreciation	102.2	88.8
Reported amortisation	283.4	219.3
Adjusted EBITDA	305.9	190.2

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

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

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
Revenue	3	1,632.8	–	1,632.8	1,381.5	–	1,381.5
Cost of sales		(993.6)	–	(993.6)	(930.8)	–	(930.8)
Gross profit		639.2	–	639.2	450.7	–	450.7
Selling and distribution expenses		(143.8)	–	(143.8)	(113.0)	–	(113.0)
Administrative and other operating expenses		(575.1)	(31.5)	(606.6)	(455.6)	(23.9)	(479.5)
Operating loss	4	(79.7)	(31.5)	(111.2)	(117.9)	(23.9)	(141.8)
Finance income	6	74.3	–	74.3	3.0	12.5	15.5
Finance expense	7	(166.4)	(36.5)	(202.9)	(336.1)	(32.6)	(368.7)
Loss before tax		(171.8)	(68.0)	(239.8)	(451.0)	(44.0)	(495.0)
Income tax credit/(charge)	8	13.0	–	13.0	(32.7)	–	(32.7)
Loss for the year		(158.8)	(68.0)	(226.8)	(483.7)	(44.0)	(527.7)
(Loss)/profit attributable to:							
Owners of the Group				(228.1)			(528.6)
Non-controlling interests				1.3			0.9
				(226.8)			(527.7)
Other comprehensive income							
Items that will never be reclassified to the Income Statement							
Remeasurement of Defined Benefit liability				(0.1)			6.8
Taxation on items that will never be reclassified to the Income Statement	8			–			(1.7)
Items that are or may be reclassified to the Income Statement							
Foreign currency translation differences				(4.0)			3.8
Fair value adjustment – cash flow hedges				0.7			(6.1)
Amounts reclassified to the Income Statement – cash flow hedges				(5.4)			2.9
Taxation on items that may be reclassified to the Income Statement	8			1.2			0.8
Other comprehensive (loss)/income for the year, net of income tax				(7.6)			6.5
Total comprehensive loss for the year				(234.4)			(521.2)
Total comprehensive (loss)/income for the year attributable to:							
Owners of the Group				(235.7)			(522.1)
Non-controlling interests				1.3			0.9
				(234.4)			(521.2)
Earnings per ordinary share							
Basic loss per share	9			(30.5p)			(124.5p)
Diluted loss per share	9			(30.5p)			(124.5p)

All operations of the Group are continuing.

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

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
At 1 January 2023 (restated*)	69.9	1,697.4	143.9	9.3	6.6	6.5	4.3	(1,233.9)	19.5	723.5
Total comprehensive loss for the year										
(Loss)/profit for the year	–	–	–	–	–	–	–	(228.1)	1.3	(226.8)
Other comprehensive income										
Foreign currency translation differences	–	–	–	–	–	(4.0)	–	–	–	(4.0)
Fair value movement – cash flow hedges	–	–	–	–	–	–	0.7	–	–	0.7
Amounts reclassified to the Income Statement – cash flow hedges	–	–	–	–	–	–	(5.4)	–	–	(5.4)
Remeasurement of Defined Benefit liability	–	–	–	–	–	–	–	(0.1)	–	(0.1)
Tax on other comprehensive income (note 8)	–	–	–	–	–	–	1.2	–	–	1.2
Total other comprehensive income/(loss)	–	–	–	–	–	(4.0)	(3.5)	(0.1)	–	(7.6)
Total comprehensive income/(loss) for the year	–	–	–	–	–	(4.0)	(3.5)	(228.2)	1.3	(234.4)
Transactions with owners, recorded directly in equity										
Issuance of new shares (note 11)	11.5	383.0	–	–	–	–	–	–	–	394.5
Issue of shares to Share Incentive Plan (note 11)	0.1	–	–	–	–	–	–	(0.1)	–	–
Warrant options exercised (note 11)	0.9	14.1	–	–	–	–	–	18.6	–	33.6
Credit for the year under equity-settled share-based payments	–	–	–	–	–	–	–	5.4	–	5.4
Tax on items credited to equity (note 8)	–	–	–	–	–	–	–	0.5	–	0.5
Total transactions with owners	12.5	397.1	–	–	–	–	–	24.4	–	434.0
At 31 December 2023	82.4	2,094.5	143.9	9.3	6.6	2.5	0.8	(1,437.7)	20.8	923.1

* Detail on the restatement is disclosed in note 2.

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
At 1 January 2022 (restated*)	11.6	1,123.4	143.9	9.3	6.6	2.7	6.7	(711.4)	18.6	611.4
Total comprehensive loss for the year										
(Loss)/profit for the year	–	–	–	–	–	–	–	(528.6)	0.9	(527.7)
Other comprehensive income										
Foreign currency translation differences	–	–	–	–	–	3.8	–	–	–	3.8
Fair value movement – cash flow hedges	–	–	–	–	–	–	(6.1)	–	–	(6.1)
Amounts reclassified to the Income Statement – cash flow hedges	–	–	–	–	–	–	2.9	–	–	2.9
Remeasurement of Defined Benefit liability	–	–	–	–	–	–	–	6.8	–	6.8
Tax on other comprehensive income (note 8)	–	–	–	–	–	–	0.8	(1.7)	–	(0.9)
Total other comprehensive income/(loss)	–	–	–	–	–	3.8	(2.4)	5.1	–	6.5
Total comprehensive income/(loss) for the year	–	–	–	–	–	3.8	(2.4)	(523.5)	0.9	(521.2)
Transactions with owners, recorded directly in equity										
Issuance of new shares (note 11)	58.3	574.0	–	–	–	–	–	–	–	632.3
Credit for the year under equity-settled share-based payments	–	–	–	–	–	–	–	1.0	–	1.0
Tax on items credited to equity	–	–	–	–	–	–	–	–	–	–
Total transactions with owners	58.3	574.0	–	–	–	–	–	1.0	–	633.3
At 31 December 2022 (restated*)	69.9	1,697.4	143.9	9.3	6.6	6.5	4.3	(1,233.9)	19.5	723.5

* Detail on the restatement is disclosed in note 2.

Consolidated Statement of Financial Position at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 (restated*) £m	1 January 2022 (restated*) £m
Non-current assets				
Intangible assets		1,577.6	1,394.6	1,384.1
Property, plant and equipment		353.7	369.9	355.5
Investments in equity interests		18.2	–	–
Right-of-use lease assets		70.4	74.4	76.0
Trade and other receivables		5.3	6.3	2.1
Other financial assets		–	–	0.5
Deferred tax asset		156.3	133.7	156.4
		2,181.5	1,978.9	1,974.6
Current assets				
Inventories		272.7	286.2	196.8
Trade and other receivables		322.2	245.7	243.4
Income tax receivable		0.9	1.4	1.5
Other financial assets		3.3	8.8	7.3
Cash and cash equivalents		392.4	583.3	418.9
		991.5	1,125.4	867.9
Total assets		3,173.0	3,104.3	2,842.5
Current liabilities				
Borrowings		89.4	107.1	114.3
Trade and other payables		840.4	891.2	735.9
Income tax payable		2.1	6.3	5.5
Other financial liabilities		25.2	26.2	34.8
Lease liabilities		8.8	7.4	9.7
Provisions		20.2	18.6	19.9
		986.1	1,056.8	920.1
Non-current liabilities				
Borrowings		980.3	1,104.0	1,074.9
Trade and other payables		122.3	43.2	43.9
Lease liabilities		88.5	92.4	93.7
Provisions		23.7	22.5	19.0
Employee benefits		49.0	61.2	78.7
Deferred tax liabilities		–	0.7	0.8
		1,263.8	1,324.0	1,311.0
Total liabilities		2,249.9	2,380.8	2,231.1
Net assets		923.1	723.5	611.4
Capital and reserves				
Share capital	11	82.4	69.9	11.6
Share premium	11	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		0.8	4.3	6.7
Retained earnings		(1,437.7)	(1,233.9)	(711.4)
Equity attributable to owners of the Group		902.3	704.0	592.8
Non-controlling interests		20.8	19.5	18.6
Total shareholders' equity		923.1	723.5	611.4

* 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
Operating activities			
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 charge/(credit) on operations	8	(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/scraps 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		(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		(7.4)	(3.5)
Cash generated from operations		151.2	132.4
Decrease in cash held not available for short-term use		0.3	1.5
Income taxes paid	8	(5.6)	(6.8)
Net cash inflow from operating activities		145.9	127.1
Cash flows from investing activities			
Interest received		13.5	2.2
Repayment of loan assets		0.5	–
Payments to acquire property, plant and equipment		(91.1)	(58.6)
Cash outflow on technology and development expenditure		(306.3)	(228.3)
Net cash used in investing activities		(383.4)	(284.7)
Cash flows from financing activities			
Interest paid		(122.5)	(141.2)
Proceeds from equity share issue	11	310.9	653.9
Proceeds from issue of warrants	11	15.0	–
Proceeds from financial instrument utilised during refinancing transactions		–	4.1
Principal element of lease payments		(7.9)	(10.0)
Repayment of existing borrowings		(129.7)	(172.7)
Premium paid upon redemption of borrowings		(8.0)	(14.3)
Proceeds from inventory repurchase arrangement		38.0	75.7
Repayment of inventory repurchase arrangement		(40.0)	(60.0)
Proceeds from new borrowings		11.5	–
Transaction fees paid on issuance of shares		(7.6)	(18.6)
Transaction fees paid on financing activities		–	(1.9)
Net cash inflow from financing activities		59.7	315.0
Net (decrease)/increase in cash and cash equivalents		(177.8)	157.4
Cash and cash equivalents at the beginning of the year		583.3	418.9
Effect of exchange rates on cash and cash equivalents		(13.1)	7.0
Cash and cash equivalents at the end of the year		392.4	583.3

1 BASIS OF ACCOUNTING

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

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

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

The financial information set out does not constitute the Company's financial statements for the years ended 31 December 2023 or 2022 but is derived from those financial statements. Financial statements for 2022 have been delivered to the registrar of companies, and those for 2023 will be delivered in due course. The auditors have reported on those accounts. Their reports for both years ended 31 December 2023 and 31 December 2022 were not qualified. Their reports did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

Climate change

In preparing the Consolidated Financial Statements, management 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 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 2023 to 2027, 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, 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 £9m 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 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. 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 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.

2 ACCOUNTING POLICIES

Adjusting items

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

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

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 corporation 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
Non-current liabilities			
Trade and other payables	9.1	34.1	43.2
Current liabilities			
Trade and other payables	876.3	14.9	891.2
Capital and reserves			
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
Non-current liabilities			
Trade and other payables	9.8	34.1	43.9
Current liabilities			
Trade and other payables	721.0	14.9	735.9
Capital and reserves			
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
Analysis by category		
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
	1,632.8	1,381.5

Revenue	2023 £m	2022 £m
Analysis by geographical location		
United Kingdom	309.9	366.0
The Americas	452.8	401.8
Rest of Europe, Middle East and Africa	547.0	260.2
Asia Pacific	323.1	353.5
	1,632.8	1,381.5

4 OPERATING LOSS

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

	2023 £m	2022 £m
Depreciation and impairment of property, plant and equipment	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 and impairment of right-of-use lease assets	9.3	11.0
Amortisation and impairment of intangible assets	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	(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	(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 ¹	(14.5)	(6.9)
Defined Benefit pension scheme closure costs ²	(1.0)	(13.5)
Director settlement and incentive arrangements ⁷	–	(3.5)
Legal settlement and costs ³	(16.0)	–
	(31.5)	(23.9)
<i>Adjusting finance income:</i>		
Foreign exchange gain on financial instrument utilised during refinancing transactions ⁴	–	4.1
Gain on financial instruments recognised at fair value through Income Statement ⁵	–	8.4
<i>Adjusting finance expenses:</i>		
Premium paid on the early redemption of Senior Secured Notes ⁴	(8.0)	(14.3)
Write-off of capitalised borrowing fees and discount upon early settlement of Senior Secured Notes ⁴	(9.5)	(16.4)
Professional fees incurred on refinancing expensed directly to the Income Statement ⁴	–	(1.9)
Loss on financial instruments recognised at fair value through Income Statement ⁵	(19.0)	–
	(36.5)	(20.1)
Total adjusting items before tax	(68.0)	(44.0)
Tax charge on adjusting items ⁶	–	–
Adjusting items after tax	(68.0)	(44.0)

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 of the SSNs in 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, 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 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	–	8.4
Total adjusting finance income	–	12.5
Total finance income	74.3	15.5

7 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	4.1	4.5
Net interest expense on the net Defined Benefit liability	2.7	1.4
Interest on contract liabilities held	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	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

8 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
<i>Tax relating to items (charged)/credited to other comprehensive income</i>		
<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
<i>Tax relating to items charged in equity – deferred tax</i>		
Effect of equity settled share based payment charge	(0.5)	–

(a) Reconciliation of the total income tax (credit)/charge

The tax charge in the Consolidated Statement of Comprehensive Income for the year is higher (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	(239.8)	(495.0)
Loss from operations before taxation multiplied by standard rate of corporation tax in the UK of 23.5% (2022: 19.0%)	(56.3)	(94.0)
Difference to total income tax (credit)/charge due to effects of:		
Expenses not deductible for tax purposes	1.2	2.0
Movement in unprovided deferred tax	43.4	100.3
Derecognition of deferred tax assets	–	25.6
Irrecoverable overseas withholding taxes	–	0.8
Adjustments in respect of prior periods	0.1	(4.3)
Difference in UK tax rates	(0.7)	1.1
Difference in overseas tax rates	0.2	1.2
Other	(0.9)	–
Total income tax (credit)/charge	(13.0)	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.

9 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the loss for the year available for equity holders by the weighted average number of ordinary shares in issue during the year. 1,017,505 ordinary shares were issued under the Group's share investment plan. 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
Basic earnings per ordinary share		
Loss available for equity holders (£m)	(228.1)	(528.6)
Basic weighted average number of ordinary shares (million)	748.2	424.7
Basic loss per ordinary share (pence)	(30.5p)	(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
Diluted earnings per ordinary share		
Loss available for equity holders (£m)	(228.1)	(528.6)
Basic weighted average number of ordinary shares (million)	748.2	424.7
Basic loss per ordinary share (pence)	(30.5p)	(124.5p)

	2023 Number	2022 Number
Diluted weighted average number of ordinary shares is calculated as:		
Basic weighted average number of ordinary shares (million)	748.2	424.7
Adjustments for calculation of diluted earnings per share: ¹		
Long-term incentive plans	–	–
Issue of unexercised ordinary share warrants	–	–
Issue of tranche 2 shares	–	–
Weighted average number of diluted ordinary shares (million)	748.2	424.7

1. The number of ordinary shares issued as part of the long-term incentive plans and the potential number of ordinary shares issued as part of the 2020 issue of share warrants 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. 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 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 14 to show performance undistorted by adjusting items to assist in providing useful information on the underlying performance of the Group and enhance the comparability of information between reporting periods.

10 NET DEBT

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

	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)
Net debt	(814.3)	(765.5)
Movement in net debt		
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)
Net debt at the end of the year	(814.3)	(765.5)

11 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						
Opening balance at 1 January 2022	116,459,513		11.6	1,123.4	143.9	9.3
Private placing ¹	23,291,902	0.1	2.4	75.7	–	–
Rights issue ²	559,005,660	0.1	55.9	498.3	–	–
Balance as at 31 December 2022 and 1 January 2023	698,757,075		69.9	1,697.4	143.9	9.3
Private placing ³	28,300,000	0.1	2.8	91.7	–	–
Issuance of shares to SIP ⁴	1,017,505	0.1	0.1	–	–	–
Exercise of warrant options ⁵	8,990,975	0.1	0.9	14.1	–	–
Placing ⁶	58,245,957	0.1	5.9	206.9	–	–
Consideration shares ⁷	28,352,273	0.1	2.8	84.4	–	–
Closing balance at 31 December 2023	823,663,785		82.4	2,094.5	143.9	9.3

- 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 the 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 1 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 the Company issued consideration shares to Lucid Group, Inc. in part payment for access to technology. The fair value of technology was evaluated 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.

12 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. 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.

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 end 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.

13 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.

14 ALTERNATIVE PERFORMANCE MEASURES

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

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

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

Consolidated Income Statement

	2023 £m	2022 £m
Loss before tax	(239.8)	(495.0)
Adjusting operating expenses (note 5)	31.5	23.9
Adjusting finance income (notes 5, 6)	–	(12.5)
Adjusting finance expense (notes 5, 7)	36.5	32.6
Adjusted loss before tax (EBT)	(171.8)	(451.0)
Adjusted finance income (note 6)	(74.3)	(3.0)
Adjusted finance expense (note 7)	166.4	336.1
Adjusted operating loss (EBIT)	(79.7)	(117.9)
Adjusted operating margin	(4.9%)	(8.5%)
Reported depreciation	102.2	88.8
Reported amortisation	283.4	219.3
Adjusted EBITDA	305.9	190.2
Adjusted EBITDA margin	18.7%	13.8%

Earnings per share

	2023 £m	2022 £m
Adjusted earnings per ordinary share		
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)	–	–
Adjusted loss (£m)	(160.1)	(484.6)
Basic weighted average number of ordinary shares (million)	748.2	424.7
Adjusted loss per ordinary share (pence)	(21.4p)	(114.1p)
Adjusted diluted earnings per ordinary share		
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
Opening cash and cash equivalents	583.3	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
Cash and cash equivalents at 31 December	392.4	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)
Net debt	(814.3)	(765.5)
Adjusted EBITDA	305.9	190.2
Adjusted leverage	2.7x	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)
Free cash flow	(360.0)	(298.8)