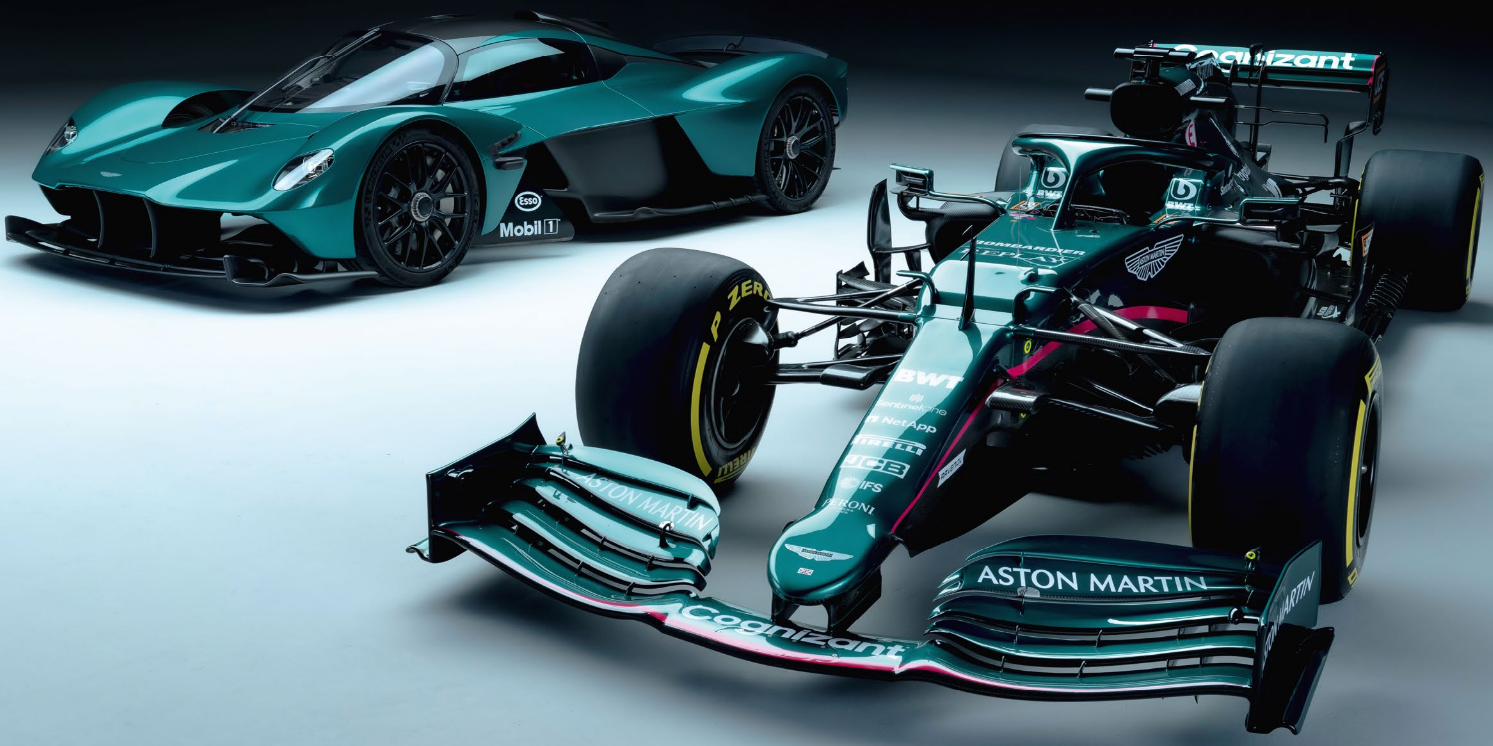
ASTON MARTIN LAGONDA

2020 ANNUAL REPORT



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ASTON MARTIN* IS ONE OF THE WORLD'S MOST ICONIC LUXURY COMPANIES FOCUSED ON THE DESIGN, ENGINEERING AND MANUFACTURE OF HIGH LUXURY CARS

* Aston Martin Lagonda Global Holdings plc. References to "Company", "Group", "we", "us", "our", "Aston Martin" and other similar terms are to Aston Martin Lagonda Global Holdings plc and its direct and indirect subsidiaries.

HIGHLIGHTS

1

AGGRESSIVE DE-STOCK OF DEALER INVENTORY

DEALER GT/SPORTS INVENTORY MORE THAN HALVED, EXPECTED TO BE LARGELY COMPLETE IN Q1 2021

GT/SPORT ORDER INTAKE AHEAD OF EXPECTATIONS

2

SUCCESSFUL LAUNCH OF DBX

1,516 UNITS SHIPPED; STRONG AND BUILDING ORDER BOOK

FIRST DERIVATIVE TO LAUNCH Q3 2021

3

NEW LEADERSHIP IN PLACE TO DRIVE TURNAROUND AND GROWTH

EXECUTIVE TEAM COMBINING LUXURY AND AUTOMOTIVE EXPERIENCE

OPERATIONAL TEAM STRENGTHENED WITH EXTERNAL APPOINTMENTS

PROJECT HORIZON LAUNCHED

4

TRANSFORMATIVE TECHNOLOGY AGREEMENT WITH MERCEDES-BENZ AG

ACCESS TO WORLD – CLASS TECHNOLOGIES: POWERTRAIN AND ELECTRIC/ELECTRONIC ARCHITECTURE

REMOVES COST AND RISKS OF DEVELOPMENT

MERCEDES-BENZ AG TO BECOME 20% SHAREHOLDER

5

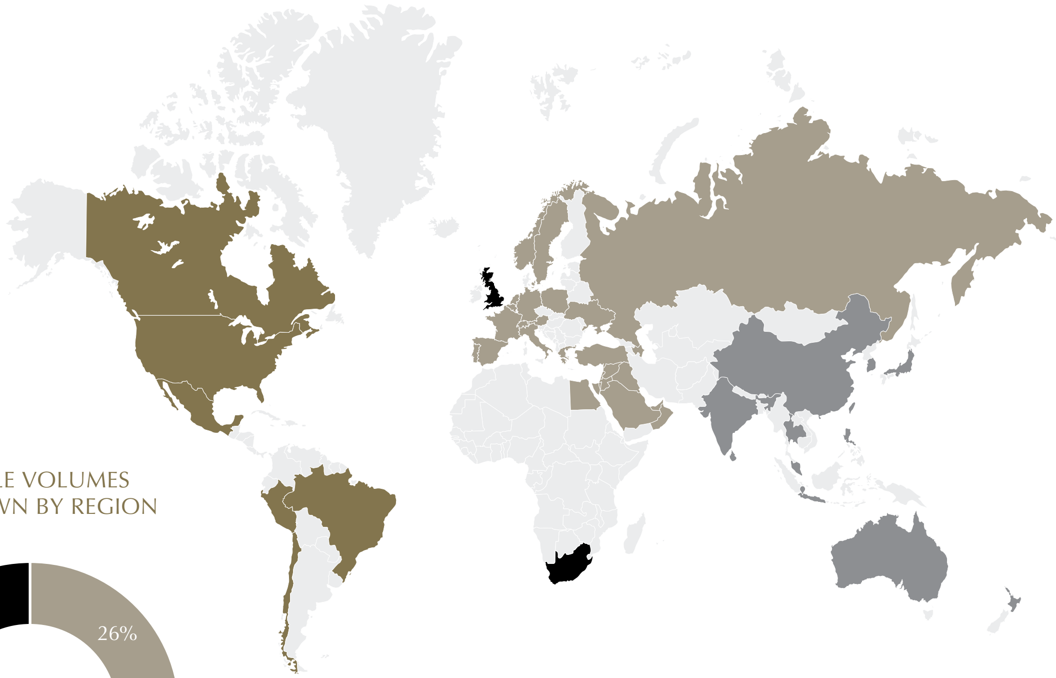
REFINANCING STRENGTHENS FINANCIAL RESILIENCE AND SUPPORTS GROWTH AMBITIONS

YEAR-END CASH OF £489M

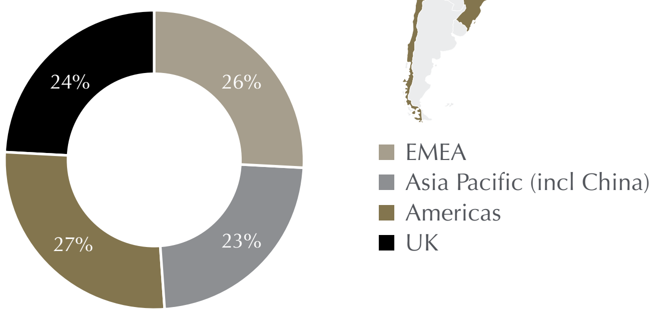
NET DEBT SIGNIFICANTLY REDUCED TO £727M

DEBT MATURITY EXTENDED TO 2025/26

OUR GLOBAL FOOTPRINT[1]



WHOLESALE VOLUMES
BREAKDOWN BY REGION



ASIA PACIFIC

NUMBER OF DEALERS: 50 (2019: 45)
WHOLESALE VOLUMES[2]: 787
DECREASE ON 2019: 40%

- 7 new dealer appointments throughout 2020, Sendai in Japan, Phnom Penh in Cambodia and Kunming, Foshan, Shanghai, Shenzhen and Xi'an in China.
- Rationalisation of the network in India and China, to improve dealer profitability and viability.
- Ongoing development of the network planned for 2021, including the relocation and redevelopment of existing facilities and rationalisation of a number of locations.

EMEA[3]

NUMBER OF DEALERS: 52 (2019: 56)
WHOLESALE VOLUMES[2]: 865
DECREASE ON 2019: 20%

- New dealer appointment in Casablanca, Morocco.
- Network rationalisation took place in Europe in 2020 to improve dealer performance and viability.
- A number of new dealer appointments are planned throughout Europe in 2021, including the introduction of new groups into the franchise.

DEALER NETWORK FOCUS

- We operate a franchise model for our dealerships which enables us to maintain strong control over brand positioning while limiting capital investment.
- Dealer network to deliver world-class luxury customer experience and consistent brand presentation.
- Maximise market potential in line with plan.
- 167 dealers across 54 countries (2019: 168 dealers in 54 countries). Expected to grow leveraging DBX market opportunities.
- Focus on growth markets, DBX new segmentation opportunities and driving sports car volumes.
- Work continued during the year to significantly strengthen and upgrade the dealer network.
- Further actions planned for 2021 to improve dealer profitability and viability.

1. Global footprint represents dealer summary as at 31 December 2020
2. Wholesale volumes include core and special models
3. EMEA includes Europe, Middle East and Africa (excluding the UK and South Africa)
4. UK includes South Africa

DEALER READINESS FOR NEW STRATEGIC PLAN

Dealer operations have been impacted by COVID-19, causing disruption and dealer closures at times during the year. Various actions were taken to provide appropriate support for dealers and customers, including guidelines for sales and servicing to prioritise customer and team safety. These actions reflected the regional risk and government requirements, and constantly evolving impacts.

The dealer network continues to operate in line with relevant government restrictions in relation to COVID-19 and to adjust to the impact on market conditions and customer behaviours. These conditions have accelerated change towards increased digitisation and a growth in online engagement. Future retail strategy is being developed to reflect an evolved customer-first luxury experience accommodating both online and in-person engagement preferences.

Aggressive and successful de-stocking actions have been undertaken within the dealer network to rebalance supply and demand and to ensure alignment to the new business plan. This will be a continued focus through 2021 to achieve ideal pipeline cover. Planned launch in 2021 of new dealer performance management processes to improve performance and recognise excellence.

UK[4]

NUMBER OF DEALERS: 22 (2019: 22)
WHOLESALE VOLUMES[2]: 820
DECREASE ON 2019: 43%

- Change of dealer partner in Edinburgh.
- No planned changes to the UK dealer footprint in 2021.
- Ongoing development of the network is planned, in alignment with regional strategy to enhance the customer experience and optimise dealer profitability and viability.

AMERICAS

NUMBER OF DEALERS: 43 (2019: 45)
WHOLESALE VOLUMES[2]: 923
DECREASE ON 2019: 55%

- Change of dealer partner in three locations, St. Louis, Dallas and Boston, to support growth in the US market.
- New dealer appointment planned in Brazil in 2021.
- Projects in 2021 will deliver further digital integration with the network, focused on the improvement of lead management opportunities.

EXECUTIVE CHAIRMAN'S STATEMENT

LAWRENCE STROLL

DEAR SHAREHOLDER,

I WRITE TO YOU AFTER WHAT HAS BEEN AN EXTRAORDINARY YEAR, BOTH GLOBALLY AND FOR ASTON MARTIN. DESPITE THESE CHALLENGES, WE HAVE MADE SIGNIFICANT PROGRESS EXECUTING ON OUR PLAN.

WE HAVE MADE NECESSARY AND EXTENSIVE CHANGES TO OUR COMPANY

I was appointed Executive Chairman at the end of April 2020, during a period of unprecedented global turmoil, and knew that significant challenges lay ahead. However, in the short amount of time since, we have made tremendous progress in positioning the Company for long-term success. While the world has grappled with the tragic impacts of the COVID-19 pandemic, I have been overwhelmed and give a heartfelt thanks to all of our employees and other colleagues who have risen to the occasion.

We, as a company, have not shied away from the hard work required and have made huge progress this year. We have appointed a world-class leadership team with deep experience of this industry. We have aggressively and successfully de-stocked the dealer network to rebalance supply to demand. We have strengthened the financial resilience of the business and have taken decisive action on costs. We have also launched, very successfully, the DBX and the Aston Martin Cognizant F1™ branded team takes to the track in 2021.

APPOINTING A WORLD-CLASS LEADERSHIP TEAM

We have made a number of appointments to build an industry-leading and world-class leadership team. Tobias Moers, formerly the CEO and acting Chief Technical Officer at Mercedes-AMG, joined as CEO in August 2020 and our new CFO, Kenneth Gregor, joined in June 2020. Kenneth was previously CFO of Jaguar Land Rover for 11 years. Together, with Marek Reichman our long-standing award winning Chief Creative Officer, they have already made great strides in leading Aston Martin's transformation.

As announced in January 2021 we have also strengthened the membership of the Board with the appointment of new non-executive directors, Anne Stevens, Robin Freestone, Richard Parry-Jones, Antony Sheriff and Stephan Unger, who have strong automotive and luxury backgrounds to support the Company in its future ambitions as well as to progress our aims relating to compliance with the UK Corporate Governance Code and diversity. Peter Espenhahn, Lord Matthew Carrington, William Tame and Amr AbouelSeoud have decided to step down and I would like to thank them for their significant contributions and support to the Board.

POSITIONING THE BUSINESS FOR GROWTH

We made substantial progress during the year towards making Aston Martin operate as a true luxury automaker, most notably in rebalancing supply to demand for front engine sports cars. The dealer network has been aggressively de-stocked, with a reduction of over 1,500 GT and sports car units from dealer stock during the year. This de-stocking is expected to be largely complete by the end of Q1 2021 as we approach our targeted stock levels, ahead of our original expectations. I have been most impressed by this achievement in a year when many of our dealers have been operationally challenged by COVID-19 which prompted closures for long periods of time. While the lower wholesale volumes required to achieve this have had an impact on our profitability, it is absolutely critical to re-establishing the exclusivity of our brand. For 2021 as we start to reach appropriate stock levels for front engine sports cars, we expect a return to a demand-led model and have been positively surprised by the strength of demand with a building order book ahead of our original expectations.

The DBX, our first SUV and a key pillar for our future growth, was successfully launched. With production re-commencing in May 2020 following a COVID-19 related hiatus, first deliveries were made in July 2020. The DBX order book is robust, in-line with our expectations and we are confident in the prospects for the SUV segment. The DBX's bespoke platform gives us many opportunities to expand our SUV range with the first variant planned for launch in Q3 2021.

We are taking decisive action on costs, which is expected to impact up to 500 employees who will leave the business, as we start to right-size the organisation for production volumes aligned to our plans. This restructuring is on track to deliver annualised savings of approximately £28m. We will continue to seek further efficiencies through Project Horizon.

SECURING THE BALANCE SHEET

Vitally, the financial resilience of the business was strengthened by capital raises during the year and I am grateful for the support from shareholders who invested further in the Company, alongside me and my co-investors in the Yew Tree Consortium, our bondholders and core relationship banks. I was also delighted to attract new investors and banking partners to the Aston Martin story. With the monies raised, we were able to commit to a new plan that will deliver the exciting future that all shareholders want and expect from this great Company.

DEVELOPING A NEW BUSINESS PLAN

This year has been one of enormous effort to position our Company for future success and to capture the huge opportunity ahead of us, as we build our Company into a world-class luxury automaker and focus on maximising shareholder value creation.

In October we announced our landmark Strategic Cooperation Agreement with Mercedes-Benz AG, taking our longstanding partnership to another level. Through this expanded agreement, we secured access to the world-class technologies that are critical to supporting our long-term product expansion plans, including electric and hybrid powertrains. This partnership underpins our confidence in the future – a truly exciting moment for Aston Martin.

We have developed a new business plan targeting revenue of c.£2bn and c.£500m of adjusted EBITDA by 2024/25. The plan incorporates our Strategic Cooperation Agreement and the delivery of new, compelling vehicles to achieve these growth ambitions. By 2024/25, our plan is to produce about 10,000 units a year, incorporating a refresh of the front-engine sports car range in 2023, an expansion of the SUV offering, launch of the mid-engine range and an exciting programme of Specials. During this period, we also plan to launch our first hybrid vehicles, underscoring our commitment to sustainability and lowering our carbon footprint, which will be a transformational moment for the Company. These vehicles will be powered by fully customisable and cutting-edge technology developed by Mercedes-Benz AG and are fundamental to ensuring Aston Martin's future success.

We recognise the importance of having a cadence of new and refreshed models, incorporating updated technology through the Strategic Cooperation Agreement, driving exclusivity and maintaining dealer profitability, supported by the marketing reach of the Aston Martin Cognizant F1™ branded team from 2021. The Company is looking forward to delivering the Aston Martin Valkyrie hypercar from the second half of 2021 which serves as ambassador for our mid-engine programme.

Improving profitability is key and this starts with our enhanced product offering and disciplined production to order model, generating a gross margin more aligned to the luxury automotive segment. This will be supplemented with enhanced operational focus on cost and controlled investment, building on the actions already taken in 2020, and with greater discipline on cash flow. Our strategy is to optimise the Company's organisational structure to deliver operational excellence in line with the updated product and business plan.

TO MAKE ASTON MARTIN A GREAT LUXURY CAR COMPANY

This has been a game-changing year and I am extremely proud of the enormous progress the team has made to date. We are ahead of plan on reducing dealer inventory, despite operating in these most challenging of times, and now have the right team, partner, plan and funding in place to transform the Company into one of the greatest luxury car brands in the world.

As I write, many parts of the world remain significantly impacted by the COVID-19 pandemic, but we look forward to the year ahead with great optimism. On behalf of the Board, I would like to thank all our shareholders, employees, customers and business colleagues for your continued support of Aston Martin.

Yours sincerely,

LAWRENCE STROLL
EXECUTIVE CHAIRMAN

24 FEBRUARY 2020

CHIEF EXECUTIVE OFFICER'S STATEMENT

TOBIAS MOERS

OUR CEO, TOBIAS MOERS, ADDRESSES SOME OF THE KEY QUESTIONS OUR STAKEHOLDERS HAVE BEEN ASKING US DURING THE YEAR

Q. HOW DID THE COMPANY PERFORM IN 2020?

Firstly, I would like to thank all of our employees for their hard work and dedication during what has been an incredibly challenging period. The health and safety of our team and partners remains our absolute priority, as we continue to work within a COVID-19 safe environment across our operations. I would also like to thank Lawrence Stroll, whose vision has enabled us to accomplish the significant steps taken during the year to give us a strong foundation for the future. I am very excited to be part of this journey.

2020 was a challenging year in terms of business performance with the impact of COVID-19 and our own actions to reset and provide a platform for future growth. Revenue was down 38% to £612m and adjusted EBITDA £(71)m. As we continued to invest in our future products we remained free cashflow negative. We have however made significant progress to enable future success.

We successfully launched the DBX and demand is strong. We have wholesaled 1,516 units with all dealers now having their demonstrator and floor plan models. We have also made significant progress de-stocking our dealer network to restore the supply/demand dynamic as we transition to a build-to-order model, and expect to have reached our targeted stock levels by the end of Q1 2021, ahead of our original expectations. As we start to reach appropriate stock levels, we are encouraged by the strength of demand we are seeing for sports/GT cars with a building order book. Specials are integral to our plan with the era defining Aston Martin Valkyrie a priority and on track for deliveries to start in H2.

The Company had been preparing carefully for the Brexit transition with a particular focus on supply chain. While both our main manufacturing facilities are in the UK we import a number of parts from Europe and globally. Given the actions taken such as securing alternative ports for access rather than Dover, we have to date not experienced any disruption to manufacturing.

Q. YOU WERE ENJOYING GREAT SUCCESS AS CEO OF MERCEDES-AMG, WHY DID YOU DECIDE TO LEAVE AND JOIN ASTON MARTIN?

I have always had a passion for performance cars and was fascinated by Aston Martin's unique brand position of representing both the luxury and performance side of automotive. No one else has this unique combination and so I think the possibilities for the brand are unlimited. I got to know the technical side of the Company at the beginning of the partnership between Aston Martin and Mercedes-Benz AG and so following Lawrence Stroll's appointment as Executive Chairman, and the substantial investment to strengthen the balance sheet, I saw there was a significant opportunity and relished the chance to harness the strengths of the brand to deliver successfully the planned product expansion.

Another key reason for my decision to join the Company is the DBX. The SUV is the largest growing segment in the luxury space, and the DBX offers the best combination of luxury and driving dynamics in the segment. Built on its own flexible platform, there will be many opportunities to expand our SUV range that simply aren't offered by the competition. This presents a great opportunity to support our growth ambitions and medium-term plan.

Q. WHAT ARE YOUR INITIAL IMPRESSIONS OF ASTON MARTIN?

I am incredibly impressed by the great work that has been delivered by the whole team here. 2020 was a pivotal year for the Company and presented many headwinds, particularly the COVID-19 pandemic, but the Company has been resilient. We started delivering the DBX in late July, despite having to close our St Athan manufacturing facility earlier in the year.

Before entering the business, I wasn't fully aware of the Company's unique and industry leading "body in white" design and manufacturing capability. I have been in the industry for quite some time and I am truly impressed by

Aston Martin's innovative and class leading capabilities to create this strong platform which will be the genesis for our product portfolio and future growth strategy. I believe that this is a point of strength for the Company and, along with the customisable and world-leading technology we will receive from Mercedes-Benz AG, differentiates the business as we move forward.

Q. SINCE ARRIVING LAST AUGUST, WHAT HAVE BEEN YOUR PRIORITIES FOR THE COMPANY?

One of my first priorities has been the successful delivery of the DBX. I slowed the planned ramp-up of the St Athan facility in August which resulted in a successful quality-led ramp-up, as is appropriate for our luxury product positioning. The full run-rate was reached by the end of September, enabling us to meet our targets for 2020 production and with a strong and building order book in line with our expectations.

Another immediate priority was to carry out a review of the business to ensure that we can deliver on our strategic plans. I launched "Project Horizon" which is a comprehensive programme to revitalise the product offer and improve efficiency, to enable us to become more agile, reduce costs and improve our profitability in line with our plans – with the ultimate aim of being the most efficient and agile in the luxury segment. As part of this we are currently evaluating our manufacturing footprint and how to best utilise the capacity we have at our manufacturing plants at Gaydon and St Athan to drive efficiency. We are also looking at opportunities for operational efficiencies in engineering and other areas of the business. It is essential that our leadership has the right automotive and luxury experience, that our decision-making processes are streamlined with fewer layers of management and that we have a right-sized organisation. For example, we are restructuring the engineering teams to ensure we optimise efficiency through increased accountability and span of control, and plan to adopt a common approach across the business. This will ensure that we maintain a small but efficient engineering team with a high level of capability and a collaborative environment to deliver the vehicles within our cycle plan. Prior to my arrival there was already a plan in place to reduce headcount by up to 500 permanent employees and the team has made good progress. The overall aim is to achieve the best and most efficient outcome for the product, the business and, most importantly, our customers.

Another priority has been our dealers and customers. Our dealer network is extremely important – as they represent Aston Martin to our customers – so I have been focusing on strengthening our relationship with our dealers. We are currently underserviced in key geographies such as Germany and Switzerland, both of which are large GT/ sports markets, and so we have been speaking with large franchisees in both locations to expand our dealer footprint. There are a few other geographies where we are looking to expand or move, but overall, the network is in a good position. I have been pleasantly surprised by the dedication of our dealers who are confident about the future of the brand, are very positive about our strategic shift to build-to-order and have been very receptive to the DBX launch.

Our customers and clients are also an important focus and so I am reviewing the whole customer journey from sales and marketing to after-sales activities. A particular focus is on our digital tools and so we are working to improve our configurator tool which enables our customers to choose their perfect Aston Martin, including the introduction of "real time" digital sessions. We will also be bringing in some additional functional expertise to strengthen this area and I look forward to being able to update you on this shortly.

We now have a strong executive leadership team to support our efforts. During the summer Kenneth Gregor joined us as our Chief Financial Officer. Kenneth has over 20 years of automotive experience, most recently as Chief Financial Officer at Jaguar Land Rover. I have also appointed Michael Straughan as Chief Operating Officer. Michael has more than 30 years' automotive and luxury experience from his time at Bentley, Nissan, Volvo, Jaguar Land Rover and most recently luxury yacht manufacturer Sunseeker International. Completing the executive leadership team are Marek Reichman, our award-winning Chief Creative Officer, and Michael Marecki, our long-standing General Counsel.

Our actions to refinance the business completed in early December. The new capital structure has further strengthened our balance sheet by extending our debt maturities until 2025/26 and has provided the additional financing needed to enable the Company to focus on executing on our medium-term plan to become a world-class luxury automotive brand. As part of the refinancing in the autumn, we entered into a Strategic Cooperation Agreement with Mercedes-Benz AG through which we secured access to their world-class technologies that are critical to supporting our long-term product expansion plans, including electric and hybrid powertrains.

Lastly, and by no means least, an important priority for me has been to engage and re-energise the team. The challenges that have been faced by the business over the past couple of years have been significant. There has been a lot of change as well as the ongoing challenges of operating through COVID-19. I have held regular "all hands" meetings, brought in new talent to bolster areas where there is need for support and I am ensuring that the whole team is clear on what is required for us to achieve our exciting plans to transform this business, including an "open door" policy to discuss any questions or concerns.

Q. WHAT WOULD YOU SAY THE KEY CHALLENGES AND OPPORTUNITIES ARE FOR ASTON MARTIN AND THE SECTOR?

The biggest challenge for Aston Martin and the industry in the short term is the impact of COVID-19 on the economy and consumer demand, and the uncertainty surrounding the duration and the unpredictable nature of when "normal" will return. Mid to longer term are the changes in technology and the growth of electrification – which present opportunities for us as a brand.

As a Company, however, we must concentrate on what we can control. In 2020, as mentioned we have taken several steps to position the Company for success in the future. We have significantly de-stocked the dealer network, strengthened the financial resilience of the Company and have taken decisive action on costs, all while also successfully delivering the DBX. Our expanded partnership with Mercedes-Benz AG is a critical step towards achieving our hybrid and EV plan, while avoiding the high investment in powertrain and electrical architecture, thereby de-risking the business plan. With our Project Horizon programme and the actions we are taking, we have the opportunity to be one of the most agile companies in the luxury automotive space.

Q. THE NEW STRATEGIC PLAN HAS AMBITIOUS TARGETS FOR CAR SALES. WHY WILL THIS PLAN BE SUCCESSFUL?

Our product portfolio is expanding to service the entire luxury space – something none of our competitors currently offer – and, through our new Strategic Cooperation Agreement with Mercedes-Benz AG, we can focus our development on the areas that truly differentiate our products to drive demand. We have three pillars to our core business: front-engine (GT/sports), SUV and mid-engine. All of these segments will drive growth, in particular the SUV, and help the Company reach the c.10,000-unit per year medium-term target. In addition, Special editions will continue to form an important part of our plans.

In 2023, the front-engine range will undergo a substantial refresh, incorporating all new Mercedes-Benz technology, and allow us to return to historical front-engine sales of 3,500 to 4,000 units per annum.

The SUV segment provides the largest opportunity. The DBX's bespoke platform gives us many opportunities to expand our SUV range with the first variant planned for launch in Q3 2021.

The mid-engine segment, the highest margin core vehicle, starts with the era defining Aston Martin Valkyrie Special. This has been a large undertaking, but the result will be excellent – it is an F1™ car on the road, truly the pinnacle of auto engineering and years of hard work. With a great team working on the Valkyrie project, we are confident deliveries will commence in early H2 2021. Descending from the Valkyrie, the Valhalla and subsequently Vanquish, our core mid-engine vehicle, will position Aston Martin firmly in this segment and will complete our range of highly engineered and beautiful sports cars.

We plan to enhance our core range by the addition of two to three Special edition models to showcase our technical excellence and perpetuate our brand uniqueness. Specials demand high price points for the enhanced features they offer, are typically fully allocated prior to any significant capital commitment, and generate higher margins than the core range. Specials are expected to be significantly weighted to H2 2021 and particulary Q4.

Q. HOW WILL THE COMPANY BENEFIT FROM THE F1™ TEAM?

The benefit of having the Aston Martin name associated with Grand Prix racing with the Aston Martin Cognizant F1™ branded team from January 2021 is significant, as it underpins the move into the more profitable segment of mid-engine cars and the marketing of the whole brand. The sponsorship agreement, with commercial terms commensurate with the Company's prior F1™ expenditure, is expected to help reignite the brand and further increase desirability.

Q. WHAT SHOULD WE EXPECT FOR 2021?

2021 will be an exciting year for the business. With a strengthened balance sheet, the dealer de-stock near complete and a strong technology partner, we can begin to execute on our medium-term plan.

We will have the first full year of the DBX, for which we have a robust order book in line with our expectations; the return to a demand led model for front engine sports cars where we have been positively surprised by the strength of demand with a building order book ahead of where we expected to be; and continued discipline around controlling investment and delivering efficiencies through the Project Horizon programme where I expect to see results from Q3 2021. 2021 will also benefit from the delivery of high value Specials such as the Aston Martin Valkyrie from H2 2021.

Q. DOES THE BUSINESS HAVE SUFFICIENT LIQUIDITY AND FINANCIAL RESOURCES?

Yes, the support of our shareholders has been imperative to the future success of the Company. We have raised gross proceeds of £813m in equity which, in addition to the extension of our debt maturity profile, has significantly strengthened the financial resilience of the business and supports the execution of this transformational plan to become a world-class luxury automotive company. We will, as you would expect, continue to review opportunities to build on this strengthened position.

Q. WHAT PLANS DO YOU HAVE TO REDUCE THE COMPANY'S IMPACT ON THE ENVIRONMENT?

Sustainability is an increasingly important issue for the business, especially when evaluating recent UK Government regulations on ICE vehicles post 2030, as well as being important to our investors and other stakeholders. We are taking steps to integrate an environmentally sustainable culture and practices across the business, and we plan to reduce carbon emissions and energy usage.

We understand that having hybrid and electric options for our vehicles is imperative to the Company's future in this industry and our partnership with Mercedes-Benz AG is fundamental to our hybrid and EV plan. Our ambition is that by 2025 every one of our cars will have an electrified powertrain (hybrid) or be pure electric driven. Our ultimate goal is that by 2030, 50% of our cars will be battery electric vehicles, 45% performance oriented electrified power and 5% carbon for track-only use.

Q. WHAT IS YOUR MESSAGE TO ASTON MARTIN SHAREHOLDERS?

2020 has been a transformational year for the Company and, although difficult, we have established a strong foundation for the future. We have identified several cost efficiencies across the whole Company, from which we expect to see results during 2021. We have de-stocked the dealer network, while securing the appropriate financing and partnership to execute on our growth ambitions and medium-term targets. We have a clear plan of execution across all areas of the business to establish operational efficiencies, product development and growth. The most successful companies in our industry, and the ones best positioned for the future, are agile. I believe that with the actions we are taking Aston Martin can be one of the most agile companies in the luxury automotive space.

This is a significant moment for Aston Martin. As we celebrate our 108th anniversary we look ahead to when all of our work comes together to create an exciting future for the Company and all of us who are part of the brand.

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER

24 FEBRUARY 2020

CRAFTING FUTURE VALUE

WHAT WE PUT IN

BRAND AND HERITAGE
Iconic luxury British sports car brand with over 100 years of heritage, known for its excellence in design, engineering and expertise in the high luxury car market.

PEOPLE, SKILLS AND INNOVATION
Strong design and engineering expertise. Highly skilled and flexible manufacturing workforce. In-house academy dedicated to training and up-skilling our manufacturing technicians. Global online learning and development platform for all employees.

EXTENSIVE DEALER NETWORK
Dealership network of 167 dealers across 54 countries at the year-end, delivering a world-class luxury customer experience and consistent brand presentation.

INNOVATIVE PARTNERSHIPS
Carefully chosen partnerships, such as the Strategic Cooperation Agreement with Mercedes-Benz AG, provide a source of technical expertise, brand strengthening, customer engagement and future growth.

WORLD-CLASS SUPPLY BASE
High quality strategic suppliers identified and sourced across multiple platforms.

ACTIONS TO TURN AROUND PERFORMANCE, STABILISE AND DE-RISK THE BUSINESS
The new business plan to turn around performance, restore price positioning and deliver a more efficient operational footprint. Significant steps to strengthen leadership, strategic partnerships and capital structure.

1. CUSTOMER-FOCUSED PRODUCTS

- Three-pillar product strategy: front engine (GT/Sports), SUVs and mid-engine, to address wide spectrum of luxury car market
- Special editions to enhance brand exclusivity and profitability
- Build-to-order strategy to balance supply and demand, strengthen order book, pricing power and margins

5. BRAND AND CUSTOMER ENGAGEMENT

- Reinvigorating brand building through customer engagement and luxury experiences and Aston Martin Cognizant F1™ branded team during 2021
- Selective, brand accretive partnerships
- Ongoing customer relationship management and targeted and responsive after-sales service

4. MARKETING AND DISTRIBUTION

- Global dealership network focused on key growth markets and improving strength of dealer network
- Dealerships and regional sales teams delivering world-class customer service and experiences
- Strategic marketing including Aston Martin Cognizant F1™ branded team, product launches, key motoring events, product placement and client events

2. DESIGN AND ENGINEERING

- Stunning design and craftsmanship
- Close collaboration between design and engineering teams to combine the best of both beauty and performance
- Modular architecture approach links design and engineering to provide "lean" consistency and efficiency
- Quality processes focus on "right first time" lean engineering
- High level of in-house expertise along with key partnerships to enhance technological capabilities, and modular-based engineering and "carry over-carry across" principle for cost savings and model synergies

3. MANUFACTURING

- Manufacturing operations based on principles of quality, craftsmanship and efficient teamwork
- Controlling production to rebalance demand and supply to build a stronger order book and regain price positioning
- Manufacturing methodology allows efficient and effective build of numerous vehicle derivatives
- Strategic approach to procurement
- Strategic footprint between both manufacturing facilities

THE VALUE WE CREATE

CUSTOMERS

Customers experience an emotional connection with the brand as product design, performance and quality ensure a high-class and unique experience. This has enabled us to build a strong and loyal customer base.

WORKFORCE

Responding to the COVID-19 pandemic, including the health and safety of our people, has been our priority. Launch of organisational restructure programme in line with strategy. "I AM Aston Martin" programme to develop people strategy and culture to ensure the Company is a great place to work. Workforce engagement focused on the challenging year for the Company.

INVESTORS

Significant steps to de-risk the business and position the Company for long-term, profitable growth for our investors.

SUSTAINABILITY/COMMUNITY

Our commitment to responsible and sustainable economic growth, and to doing business in an ethical and transparent manner. Initiatives to support the community during COVID-19 (see the Responsibility section on page 27).

OTHER STAKEHOLDERS

Further information on our stakeholders is set out in the People section on page 22.

ASTON MARTIN AND THE LUXURY MARKET

ASTON MARTIN

Aston Martin is a globally recognised luxury brand and a leader in the high luxury sports ("HLS") car market. For more than a century, the brand has symbolised exclusivity, elegance, power, beauty, sophistication, innovation, performance and an exceptional standard of styling and design. Our cars sit primarily within the HLS car market and our market leadership position is supported by award-winning design and engineering capabilities, world-class technology and modern facilities, creating distinctive model line-ups. Our rich and prestigious heritage of delivering beautiful awe-inspiring cars defines Aston Martin as something truly unique within the automotive industry.

The Company sells cars worldwide from our manufacturing facility and corporate headquarters in Gaydon, England, and our manufacturing facility in St Athan, Wales. The Company's product focus is on three key pillars: front-engine, SUV and mid-engine with an initial focus on front-engine and SUV models comprising:

- the DB11 grand tourer;
- the Vantage front-engine sports car;
- the DBS Superleggera super grand tourer; and
- the high luxury DBX SUV – with first deliveries in July 2020;

as well as derivative models of each of the above.

The third pillar, the mid-engine, takes its lead from the era-defining Aston Martin Valkyrie Special hypercar, with first deliveries planned for H2 2021, and the Aston Martin Valkyrie AMR Pro which together establish our mid-engine platform. Future plans for our mid-engine platform include the Valhalla hypercar and the core model supercar, Vanquish.

Specials form an important part of our business plan, providing a halo for our core cars and driving exclusivity and desirability due to their limited volume, world-class design and technical excellence. Special models are usually highly subscribed prior to any significant capital commitment by the Company and generally achieve a higher margin than the core model range. A customer deposit for each car is required on allocation and typically allows Specials to be cash flow positive from design to the end of the product life-cycle.

Further information on our business model is set out on page 10.

THE HIGH LUXURY SPORTS CAR MARKET

Aston Martin operates primarily within the HLS car market where it is positioned along with other key players such as Bentley, Ferrari, Lamborghini, McLaren and Rolls-Royce, while Vantage has some competitors within the luxury and performance premium market. HLS car market manufacturers typically employ a low-volume production strategy to maintain a reputation of exclusivity and scarcity among customers. This low-volume strategy, combined with the quality and performance of the cars produced, typically allows manufacturers to charge high average selling prices. Customer demand is enhanced through new product offerings, which tend to drive sales volumes even in difficult market conditions. Demand is maintained through the lifecycle of the product by introducing new derivatives, performance and quality upgrades and new personalisation options.

The market can be broken down by price range and the degree of sporting characteristics of specific car models such as hypercars, supercars, sports cars, grand tourer cars, super grand tourer cars, SUVs and sedans. Hypercars and special editions are the top models within the HLS car market. These products are produced in very limited volumes, are priced at significant premiums and can appreciate in value quickly following their initial sale. These models also enable the introduction of new technologies which can then be applied to the broader product range.

The historic growth in the HLS car market has been driven mainly by high net worth individuals ("HNWIs"), the key customer in the market, as the size and spending capacity of this key client base has grown significantly in recent years. The global HNWI population has grown by a Compound Annual Growth Rate ("CAGR") of approximately 7% between 2011 and 2019 to approximately 19.5m individuals globally in 2019 (World Wealth Report 2020 from Capgemini). HNWI wealth has also grown at a CAGR of 7% from 2012 to 2019 (World Wealth Report 2020 from Capgemini). Prior to the uncertainties of COVID-19, HNWI wealth was expected to continue to grow by an estimated CAGR of approximately 5% over 2019 to 2024 (Knight Frank 2020 Wealth Report).

The global impacts of COVID-19 have been significant and are ongoing and so the future impacts for the Company and the HLS car market as a whole are currently uncertain. However, based on past trends we believe that the Company is well-positioned with dealers in attractive key markets and the right products to take advantage of these positive trends if they continue, and to further establish the Aston Martin brand. We are one of the few luxury automotive manufacturers developing a full core model product portfolio aimed at addressing a wide spectrum of the high luxury car market. This will enable us to appeal to a more diverse range of HNWIs than our competitors (including younger and female HNWIs) and to access the important luxury SUV and mid-engine markets.

With effect from the 2021 season under an agreement with Racing Point, the Racing Point F1™ team has become the Aston Martin Cognizant F1™ branded team, bringing an Aston Martin team back to the F1™ grid for the first time since 1960. The Aston Martin Cognizant F1™ team will provide us with an improved global marketing platform particularly for our mid-engine cars, allowing us to benefit from increased global brand exposure.

COVID IMPACTS ON THE MARKET AND OUR PERFORMANCE IN 2020

The global outbreak of COVID-19 has and is likely to continue to impact the Company and many of our suppliers, dealers and customers for an indeterminable period of time. In particular, the pandemic has caused dealer and consumer demand for cars and sales of luxury goods more generally to decline significantly, in part due to lockdown measures imposed across the regions in which we operate. This included impacts on our dealer network with a significant percentage of our network closed for extended periods of time during the year. This was the primary driver of the 32% decline in our retail sales (being dealer sales to our customers) for the year.

More information on our 2020 financial performance can be found in the Group Financial Review set out on page 29.

A NEW APPROACH

VISION AND PURPOSE : TO ENRICH WHAT IS UNIQUE TO THE ASTON MARTIN BRAND – THE COMBINATION OF HIGH PERFORMANCE AND ULTIMATE LUXURY TOGETHER IN ONE AUTOMOBILE. WE WILL ACHIEVE THIS BY BECOMING THE MOST AGILE AND EFFICIENT COMPANY IN THE LUXURY SEGMENT, TO ACHIEVE THE BEST OUTCOME FOR THE PRODUCT, OUR CUSTOMERS, OUR INVESTORS AND OTHER STAKEHOLDERS.

CREATING A WORLD-CLASS LUXURY AUTOMAKER AND MAXIMISING SHAREHOLDER VALUE

In light of the Company's 2019 operational and financial performance and a challenging HLS car market, we conducted a comprehensive review of our business and longer-term strategic options and took significant steps to strengthen our leadership and capital structure. Our new leadership team of Tobias Moers and Kenneth Gregor have a wealth of automotive experience, and our Executive Chairman has world-class luxury retail experience. We strengthened our capital structure with the significant investment by the Yew Tree Consortium and other shareholders through the financing and capital transactions completed during the year. Importantly, we announced our landmark Strategic Cooperation Agreement with Mercedes-Benz AG to secure access for the Company to world-class technologies critical to supporting our long-term expansion plans. More information on the capital and financial transactions which took place during the year can be found in the Chief Financial Officer's Statement on page 28. More information on the Strategic Cooperation Agreement can be found in the Directors' Report on page 83.

Our new business plan is focused on turning around performance, restoring price positioning and delivering a more efficient operational footprint to de-risk the business and position the Company for long-term, profitable growth. We are dedicated to building on the inherent strengths of our business, including our brand, engineering prowess and the skills of our people to maintain our reputation as a pre-eminent luxury car brand and to forge the foundations for a bright future.

Delivery of improvement in profitability starts with an enhanced product offering and disciplined production to order, to generate a margin more aligned to the luxury automotive segment. This will be supplemented with an enhanced operational focus on improved manufacturing efficiency, cost and investment control and greater discipline on cash flow, driven by a strategy to optimise the Company's structure to deliver an operational level of excellence in line with the updated product and new business plan. More detail on the key strategies underpinning the business plan are set out on the opposite page.

The Company is targeting revenue of approximately £2bn and Adjusted EBITDA of approximately £500m by financial years 2024/2025, underpinned by the Strategic Cooperation Agreement with Mercedes-Benz AG and targeted annual capital expenditure of £250m to £300m per annum between 2021 and 2025.

By 2025, the plan is to produce about 10,000 units a year. Importantly, we will move into the more profitable segment of mid-engine cars, particularly leveraging the reach and branding of the Aston Martin Cognizant F1™ branded team for the performance road car business. In particular, we are looking forward to delivering the Aston Martin Valkyrie Special hypercar from the second half of 2021 which will serve as ambassador for our mid-engine programme.

KEY STRATEGIES UNDERPINNING THE BUSINESS PLAN

OFFER CORE PRODUCT FOCUSED ON A THREE-PILLAR STRATEGY: FRONT-ENGINE, SUV AND MID-ENGINE

- A three-pillar product strategy to include a core car in each segment as well as derivatives and in-cycle improvements of each core model to maintain demand over the product life cycle.
- Special editions to enhance brand exclusivity, profitability and profit margins.
- Accessing the luxury SUV segment and customers' need for a more versatile, luxurious and comfortable car, with the launch of our first SUV, the DBX in 2020.
- Addition of mid-engine cars to enhance our offering, with a core mid-engine supercar (the Vanquish) taking its lead from the Specials programme of the Aston Martin Valkyrie and the Valhalla hypercars.

TRANSITIONING TO "BUILD-TO-ORDER" AND PERSONALISATION

- Focus on restoring price positioning and delivering a more efficient operational footprint in order to de-risk the business and position it for controlled, long-term, profitable growth.
- Move towards a build-to-order strategy to manage our sports car wholesales to maintain the appropriate balance between supply and demand to regain a stronger order book, pricing power and margin enhancement.
- Strong progress in reducing global dealer inventory during 2020 with de-stocking of the dealer network by more than 1,500 sports and GT units.
- Reinvigorate marketing initiatives to raise brand awareness and drive volumes including digitally led, personalised marketing engagements, "Art of Living" experiences, the exclusive Henniker club and leveraging the Aston Martin Cognizant F1™ team during 2021. The F1™ sponsorship agreement, with commercial terms commensurate with the Company's prior F1™ expenditure, is expected to help reignite the brand and further increase its desirability.

DEVELOP SPECIALS PIPELINE TO ENHANCE FINANCIAL PROFILE

- Enhance our core range of cars by the addition of Special edition models each year to showcase our technical excellence and perpetuate our brand uniqueness, exclusivity and desirability.
- Specials demand high price points for the enhanced features they offer, are typically fully allocated prior to any significant capital commitment and generate higher margins than the core range.
- Deposits are required on allocation which typically allow Specials to be cash flow positive from design to the end of the product life cycle. This helps to maintain and control working capital swings.

ENHANCE STRATEGIC PARTNERSHIPS

- Carefully chosen partnerships are a source of technical expertise, brand strengthening and future growth.
- The Strategic Cooperation Agreement with Mercedes-Benz AG enables us to secure access to world-class technologies critical to supporting our long-term product expansion plans, including electric and hybrid powertrains.
- Our collaboration with Red Bull Advanced Technologies has resulted in the widely anticipated Aston Martin Valkyrie which represents innovative design and extraordinary performance for a road car.

CONTROL COST AND INVESTMENT

- Commitment to pursuing available revenue-generating opportunities in a manner that generates a high incremental return on our investments.
- Key priorities are to focus on new growth areas such as the SUV and the mid-engine markets to drive increased revenue and margins.
- Introduction of targeted capital investments, a new cost structure and lower sales volumes with premium pricing power to increase cash flows and margins.
- Launched a comprehensive programme ("Project Horizon") to improve efficiency, reduce costs and improve profitability in line with our plans.
- Consultation process with our employees and trade unions to implement a restructuring plan and reduce personnel by up to 500 permanent employees and 150 contractors, to enhance efficiency and reduce costs in line with lower than planned production volumes.
- We expect that advances, such as our modular based engineering which allows us to use shared systems and components to reduce engineering complexities, will result in cost-saving and model synergies going forward.

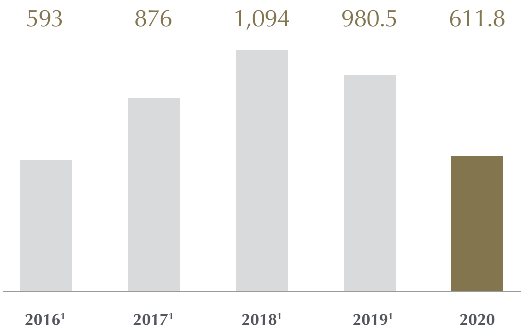
KEY PERFORMANCE INDICATORS

FINANCIAL MEASURES

We use a number of KPIs to monitor the performance of the business and measure how we are delivering against our plans to become a world-class luxury automaker. Elements of Executive remuneration for 2020 are based on performance against the Adjusted EBITDA.

Reflecting changes in metrics used by the team aligned to the medium-term plan, the KPIs of Adjusted Diluted EPS and Adjusted Return on Invested Capital have been replaced with Free Cash Flow (defined as operating cash flow less capital investment and net interest). This metric encompasses generation and uses of cash, including investment and funding costs, as the business focuses on executing its plan to become sustainably cash generating.

REVENUE (£'M)

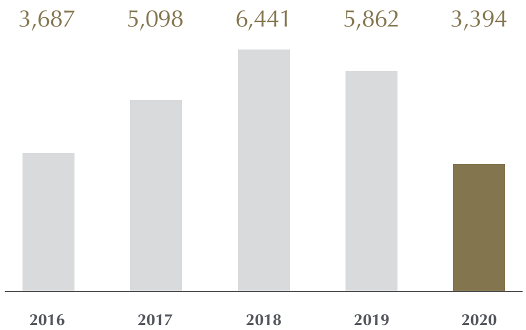


This measures the appeal of our brands, our ability to build and sustain brand equity and increase market share through product expansion.

PERFORMANCE

2020 declined by 38% due to reduced wholesale volumes.

WHOLESALE VOLUMES (UNITS)

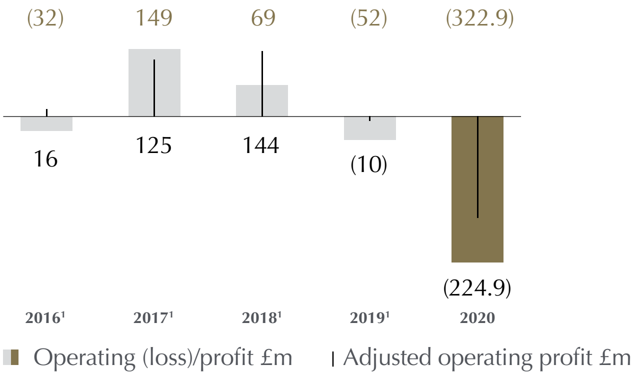


This includes sales from the Company to its dealers and measures the appeal of our products across different segments and markets and reflects actions taken to right-size dealer and Company inventories.

PERFORMANCE

Volumes decreased 42% as the Company reset GT/ sports car volumes, aligning supply to demand and COVID-19 weighed on consumer confidence and retail demand.

OPERATING (LOSS)/PROFIT (£'M)

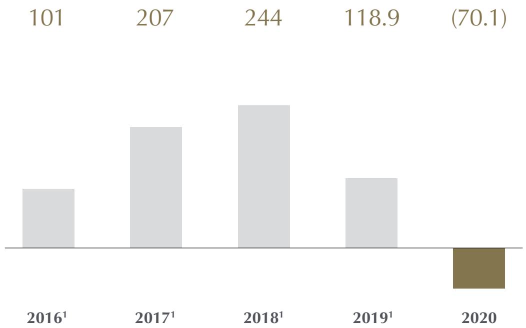


This measures our operating profitability.

PERFORMANCE

Operating loss of £323m included pre-tax adjusting operating items of £98m largely relating to impairment of capitalised development costs due to technology and cycle plan changes. The revenue decline as well as some higher costs, such as a £27m increase in depreciation and amortisation as DBX deliveries started also contributed to the year-on-year profit decline.

ADJUSTED EBITDA (£'M)

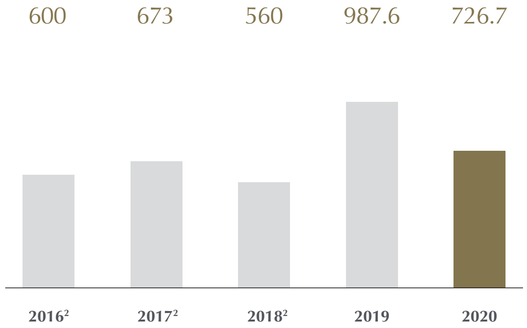


This measures our operating profitability and is an approximation of underlying cash generation prior to capital investment allocation.

PERFORMANCE

Adjusted EBITDA was £(70)m with reduced revenue due to lower volumes and elevated retail and customer financing support to aid the rapid de-stocking of the dealer network.

NET DEBT (£'M)

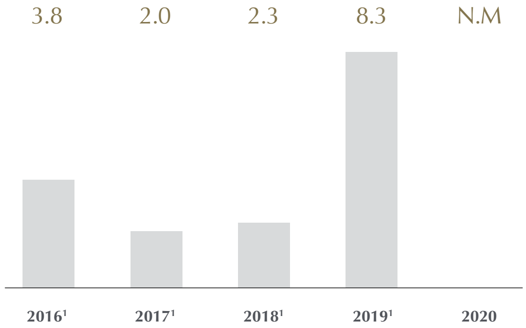


This measures our gross debt less cash and cash equivalents.

PERFORMANCE

Net debt was £727m, substantially lower due to cash inflow from financing activities, including gross proceeds of £813m in new equity and £1.1bn equivalent of US$ notes issued as part of the refinancing.

NET DEBT TO ADJUSTED EBITDA ("ADJUSTED LEVERAGE")

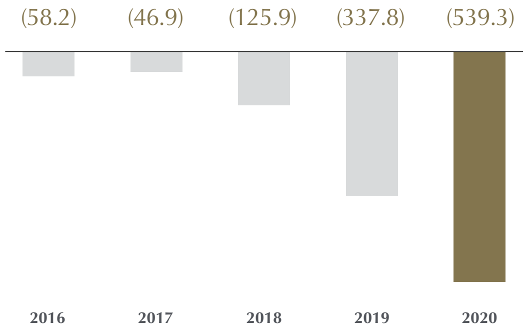


Adjusted leverage measures the Adjusted EBITDA against Adjusted Net Debt, measuring our ability to meet our financial obligations while investing for the future.

PERFORMANCE

Adjusted leverage is not measured due to the negative adjusted EBITDA for the year.

FREE CASH FLOW (£'M)



This measures generation and uses of cash, including investment and funding costs.

PERFORMANCE

Free cash outflow of £539m increased year-on-year principally due to the operating loss, sustained investment in future products with capital expenditure of £261m, a working capital outflow of £109m and net interest costs of £80m.

OTHER MEASURES

The Committee has introduced a Group scorecard of performance measures for the 2021 annual bonus to better reflect annual progress on our business plan and latest KPIs. This Group scorecard will be cascaded throughout the Company to apply to annual bonus for all employees, including the Executive Directors, providing strong alignment of focus and a 'One Team' approach. For 2021, the Scorecard will be weighted 80% on financial measures (with a 50% weighting on Adjusted EBITDA, 20% on Free Cash Flow and 10% on Wholesale volumes) and 20% on Quality performance. This will result in "Quality" being introduced as a new KPI for 2021. The definition of the quality measure is currently being considered and will be reported on in the next year's Annual Report.

Non-financial measures have an important role alongside financial measures to inform decision making and to evaluate Company performance. During the year there was a comprehensive review of the business and longer-term strategic options, the institution of an operational review and significant steps taken to strengthen the executive leadership and capital structure of the Company. As indicated above "Quality" is being introduced as a new KPI and the new executive management plan to assess appropriate additional non-financial measures with a view to establishing the key non-financial metrics for future reporting. Under review are measures relating to employee satisfaction, health and safety and customer satisfaction.

1. For the 12 months ended 31 December 2019 and 31 December 2018 the comparatives were restated. Details of this restatement are shown in note 2. 2016 and 2017 have not been restated.
2. Net debt in 2016 to 2018 did not include lease liabilities as this standard was not adopted until 1 January 2019.

PEOPLE

OUR PEOPLE

We continue to be committed to making the Company a great place to work for all our colleagues and, while FY 2020 proved to be an extremely difficult year for all of us as it did for so many globally, we are proud of our people and all we have achieved together during the year. We would like to sincerely thank all of our workforce for their efforts in FY 2020 which were exceptional, despite the ongoing uncertainty and challenging circumstances.

The key areas of people focus during FY 2020 have included:

- responding to the COVID-19 pandemic, including a focus on the health, safety and wellbeing of our people;
- launching an organisational restructure programme, in line with our business strategy; and
- communicating and engaging with our people on a regular basis and in a transparent way.

As a key element of the Company-wide turnaround, we have launched the “I AM Aston Martin” workstream as part of Project Horizon. This is a programme focusing on developing our people strategy, including our organisational structure, roles and responsibilities, communication and engagement, capabilities and diversity and inclusivity to ensure the Company is a great place to work. Further information on these areas is detailed below.

RESPONDING TO THE COVID-19 PANDEMIC

Our response to COVID-19 has been unprecedented, with the safety of our people, their families, business partners, customers and our local communities our primary concern. We are committed to operating in the safest and most responsible way that protects our people and all those connected with us, while following public health advice from relevant governments in support of their efforts to contain the spread of the virus.

All production at our UK manufacturing facilities was temporarily suspended from 25 March 2020, when the first nationwide lockdown was announced by the UK Government. We began the process of furloughing employees and accessed financial support offered by the Government’s “Job Retention Scheme”, information on the support we accessed is detailed on page 31.

From the end of March 2020, we worked closely with employees and trade unions to develop and implement protocols to protect employee health and safety in our production facilities to enable people to return to work. In early May 2020, we reopened our St Athan manufacturing site, with employees returning on a phased basis with strict “return to work” protocols issued, ensuring people who needed to be on site could return to work as safely as possible.

Production also resumed at our Gaydon site in August 2020, where learnings from the reopening of St Athan were carefully considered. The measures put in place included temperature checks on arrival on site, masks to be worn at all times except when sitting alone at a desk, social distancing of at least 2 metres to be maintained at all times, hand-washing and readily available sanitiser and PPE for those employees where social distancing is not possible. These measures have continued to evolve as we regularly review the situation whilst working closely with all of our stakeholders including employees, the trade union, the Government, public health authorities and local communities.

We continue to have many of our people working at home given the early 2021 lockdown in the UK and have implemented an on-site COVID-19 testing programme, with this now rolled out across all UK sites. Testing takes place twice a week and is administered by a nurse, healthcare professional or first aider. The rapid flow antigen test is used giving results in 15 minutes, with any positive case found helping to stop the spread of the virus among our employees, colleagues and families.

ORGANISATIONAL RESTRUCTURE PROGRAMME

We launched an organisational restructure programme during FY 2020 to right-size the Company in line with our business plan and to ensure we put the right people and structure in place to successfully deliver our strategy.

In June 2020, we began the programme by launching a number of employee consultation processes on proposals to reduce employee numbers by up to 500, reflecting lower than originally planned production volumes and improved productivity across the business. These were managed through a number of employee representative bodies for each area of the business and with our trade union stakeholders (Unite). Management’s aim continues to be to minimise the impact on employees, protecting as many jobs as possible, understanding the uncertainty and concern faced by our people.

As a result of the constructive working partnership with our representative groups and Unite, we had, by 31 December 2020, made good progress, with headcount c.300 lower than in April 2020, with 40% of this reduction due to contract and agency staff release, around 35% voluntary redundancy leavers and around 25% compulsory redundancies. All our people who left the Company through redundancy were offered outplacement support, with a high take up rate of this support. The restructure programme is ongoing and is expected to be completed by the end of June 2021.

COMMUNICATING AND ENGAGING WITH OUR PEOPLE

We recognise that open, transparent, two-way engagement with our people is of vital importance across our business. Listening to our employees is key as we seek to ensure they feel like key stakeholders of the business, their views are valued, and they feel able to speak up, be honest and be themselves at work. Communication with our people has been critical during the uncertainty of the COVID-19 pandemic and our ongoing organisational restructure programme. As part of the "I AM Aston Martin" workstream, and as we hopefully return to more "business as usual" times, we are developing and will work to a clear communication strategy for 2021 and beyond.

We launched a COVID-19 corporate update portal, providing latest information and Company actions in one place, accessible to all employees at all times. We have distributed all-employee communications regularly since the pandemic began, including from our CEO, Tobias Moers, who has given regular updates since he joined in August, including by email, video messages and live townhall meetings. Management have regularly engaged with employee representative groups and the trade union (Unite) on the impact of the COVID-19 pandemic on the business, the actions taken in response and updating on the organisational restructuring.

We have also continued to share information about Company matters with our people, including quarterly results, major business decisions and other matters which affect our workforce, through a variety of media, including our intranet, internal emails, newsletters and team briefings.

We have an Employee Engagement Group (EEG) which is a well-established group, usually meeting four times a year to discuss views, ideas and concerns raised by the workforce. Two meetings were held in the first half of the year – these were well attended, with elected members from all areas of the Company bringing forward comments and views from their populations. As we hopefully return to more business as usual conditions, EEG meetings will resume with normal frequency in FY 2021. Imelda Walsh held the role of Workforce Independent Non-Executive Director, with responsibility to directly engage with our workforce until she stepped down at the end of May 2020. Imelda attended the spring meeting of the EEG and provided feedback on this to the Board. Anne Stevens was appointed to the Board in early February 2021 and has taken up the role as the Workforce Independent Non-Executive Director, enabling us to ensure that workforce views continue to be highlighted to the Board.

Until 2019, we conducted an annual workforce engagement survey. Given all that was happening in 2020, both for the Company and externally with COVID-19, a survey was not carried out during the year. We are reviewing our approach to the engagement survey in FY 2021. A key aim of this review is to enable us to benchmark our results not only year-on-year but also against industry and FTSE peers and to report on "employee satisfaction", by adopting an engagement index as an important KPI for the business. Given the review of approach, the next engagement survey will be conducted in H2 FY 2021. Follow-up actions at Company, function and team-level will be developed and then actioned and reported on to the workforce. Accountability for actions will be cascaded through the organisation, to ensure follow-up and responses are relevant at every level through the Company.

CAPABILITY DELIVERY

We are focused on building capability across the Company to ensure our people have the right skills to deliver the business plan and we are committted to helping our workforce to develop and grow throughout their careers. Management development qualifications are offered across the Company. These include Chartered Management Institute and MBAs for our high potentials and we also operate an online global learning management system, accessible at all times to all our employees globally. Our learning and development offering proved vital to a number of our workforce who were unable to work due to the COVID-19 pandemic and were able to access and continue their studies during this period.

We operate a People Committee, which is a group of our most senior executives, responsible for overseeing people activities across the business and ensuring we have a strong talent pipeline and capability in the areas most critical to the delivery of our strategy. This Committee meets quarterly to review key people initiatives and identify high performing talent with the potential to progress into senior positions. The People Committee is a key stakeholder of the "I AM Aston Martin" workstream.

DIVERSITY AND INCLUSION

We are committed to creating, delivering and incentivising an inclusive staff experience that aligns with what the Company needs to deliver our strategy. Diversity is core to our principles of fairness and respect and drives creativity, innovation and strategic decision making. Developing and growing our diverse workforce is critical to our future success by better equipping us to deliver the needs of our customers now and in the future. We recognise that we have work to do in this area and that consistent and continuous actions to push a greater balance of diversity are vital. Broadening our diversity and inclusivity agenda is a key priority for the Company in FY 2021, as part of our "I AM Aston Martin" workstream.

We remain committed to offering equal job opportunities for all, irrespective of gender, and continue to invest in initiatives to attract and retain the best possible talent for our organisation.

Operating within the manufacturing and engineering industry has historically led to a higher proportion of men than women in our workforce. Our gender diversity figures are set out in the table below, and our Gender Pay Gap (GPG) report is available at www.astonmartinlagonda.com. Our mean pay gap has decreased from 7.0% in 2019 to 2.56% in 2020, largely due to the temporary salary and fee waivers taken by Board members and senior management during April, May and June. The full GPG report sets out and explains our numbers in detail, together with the initiatives we operate to focus on addressing gender diversity in our workforce.

EMPLOYEES BY GENDER (AS AT 31 DECEMBER 2020)^

	Male	Female	% female
Senior management team	7	–	0.0%
Senior leadership team	53	12	18.5%
Other employees	1,937	333	14.7%
Total	**1,997**	**345**	**14.7%**

EMPLOYEES BY REGION (AS AT 31 DECEMBER 2020)^

	Male	Female	% female
Asia Pacific	24	20	45.5%
EMEA	22	8	26.7%
UK	1,931	311	13.9%
Americas	20	6	23.1%
Total	**1,997**	**345**	**14.7%**

Note: Data by gender and region is shown for 2,342 permanent Company employees only

^ Values assured by ERM CVS

EXTERNAL ASSURANCE OF RESPONSIBILITY AND PEOPLE DISCLOSURES

ERM CVS has provided limited assurance over selected metrics in the "Responsibility" and "People" sections of the Annual Report, as indicated by the "^" Symbol. This is in accordance with the International Auditing and Assurance Standards Board's (ISAE3000 (Revised)) international standard. To see the ERM CVS assurance statement please visit www.astonmartinlagonda.com.

WELLBEING AND HEALTH AND SAFETY

Safeguarding the health and wellbeing of our employees is of primary importance. Our processes aim to ensure the health and safety of our workforce, visitors and the local community. Our aim is to be a centre of excellence and for the Company's Health and Safety Management System to be aligned with best practice.

To continually drive improvement in our processes, we monitor the Accident Frequency Rate (AFR) within the Company and across our various sites to identify where improvements can be made. In 2020, the Company's AFR increased (see table below). This can be attributed to two factors, first the commencement of full-scale operations at our St Athan plant and second our mature Gaydon manufacturing facility with a significantly lower AFR was not operational for five months of the year and therefore not contributing to the AFR during that time. While we are disappointed by the increase in AFR, our AFR rate of 1.44 in 2020 is still significantly below the industry standard of 3.0 and motor industry average of 6.7.

Throughout 2020 and continuing into 2021, we have increased our focus on employee wellbeing and communication as set out above. This has been particularly important during the pandemic and increase in working from home. Actions taken during the year have included the launch of a wellbeing portal, aimed at providing employees with information and support for maintaining physical, mental and financial wellbeing, offering "Positive Coping" webinars, mental health awareness training, a "Thrive" App to support mental health and an Employee Assistance Programme. We are also developing a flexible working policy to be implemented in 2021.

WELLBEING AND HEALTH AND SAFETY (AS AT 31 DECEMBER 2020)

	2018	2019	**2020**
Accident Frequency Rate*#	1.27*	1.04**	**1.44**
Sword of Honour Award	7th consecutive time	8th consecutive time	**9th consecutive time**
BSC Health and Safety audit score	95.50%	94.44%	**N/A~**

* Accident Frequency Rate (AFR) – AFR accident frequency rate for AML UK employees / 200,000 manhours (or per 100 employees). The figure for 2018 only includes loss-time incidents

** AFR rate is being restated following the inclusion of data from AML sites and adjusting the calculation in line with the Health & Safety Executive (HSE) recommendations

\# This figure only includes UK employees

~ The BSC Health and Safety Audit Score will not be completed until March 2021 due to COVID-19 pandemic delays

STAKEHOLDER ENGAGEMENT

SECTION 172 STATEMENT: THE BOARD RECOGNISES THAT OUR BUSINESS AND OUR BEHAVIOURS IMPACT OUR CUSTOMERS, PEOPLE, INVESTORS AND OTHER STAKEHOLDERS. AS DIRECTORS OF THE COMPANY, WE MUST ACT IN ACCORDANCE WITH A SET OF GENERAL DUTIES WHICH ARE SET OUT IN S172 OF THE COMPANIES ACT 2006 AND, IN DOING SO, SEEK TO CONSIDER THE INTERESTS OF OUR STAKEHOLDERS WHEN REACHING DECISIONS.

We believe that stakeholder engagement is a key element of delivering a sustainable business and this activity is undertaken across our business at different levels of the organisation. During the year much of our stakeholder engagement was driven by COVID-19 impacts as well as the significant steps the Company was taking to strengthen our leadership and capital structure. Information on our key stakeholders, their priorities and how we engaged with them during the year, is provided in the table below and throughout this Report. Regular updates were provided to the Board on these engagement activities with more information set out in the Governance Report on page 49.

Stakeholder	Stakeholder priorities	Engagement during 2020
CUSTOMERS AND ENTHUSIASTS Customers and enthusiasts are key to our brand and our business success. Their emotional connection with the brand enables us to build a strong and loyal customer base.	• Quality and safety of products • Car design and performance • Environmental commitment • Brand strength • After-sales service • Cost of ownership	• With the reduction in the number of physical events, utilisation of online channels to keep customers and fans engaged. Both V12 Speedster and Vantage Roadster were launched digitally, and the Geneva Motor Show was replaced with a live streamed event from Gaydon • Utilisation of the Company's CRM systems to engage customers digitally and keep them informed of key model and Company updates during the pandemic • COVID-19 led to an increase in social media engagement and interaction, with traffic to the web-based configurator also increasing
OUR PEOPLE Our people are the key to our success. Our performance depends on our passionate, knowledgeable, experienced and creative people.	• Job security, personal development and career opportunities • Health and safety • Engagement • Feeling valued • Reward and benefits • Diversity and inclusion • Environment and social responsibility	• Regular CEO updates to the workforce • Employee/trade union engagement on development and implementation of COVID-19 protocols for on-site health and safety • Launch of the COVID-19 employee portal with latest information and Company actions and employee wellbeing support activities • Employee and trade union consultation as part of organisation restructure programme • Launch of the "I AM Aston Martin" programme to develop our people strategy and culture • Engagement by the Workforce Independent Non-Executive Director (prior to COVID-19 restrictions) with the Employee Engagement Group (EEG) • Given events, the regular Employee Engagement Survey was suspended this year but plans to reinstate in 2021 • For more information see our People section on page 18

Stakeholder	Stakeholder priorities	Engagement during 2020
INVESTORS Continued access to capital is vital to the long-term performance of our business. Our focus is to ensure investors understand our strategy, performance, ambition and culture and to understand their priorities.	• Delivery of the Company's new strategy • Robust financing • Financial performance • Sustainability • Governance and transparency • Confidence in the leadership • Stability and predictability with no surprises	• Investor relations programme delivered remotely following the implementation of COVID-19 protocols • Increased activity around refinancing and equity raises throughout the year alongside communication of corporate events (e.g. DBX launch) and strategic updates (e.g. Mercedes-Benz AG Strategic Cooperation Agreement) • Presentations and meetings by the Executive Chairman, CEO, CFO and Director of Investor Relations • Individual shareholders engaged via direct communications, our website (including webcasts of results presentations and key announcements), press activities, Annual Reports and General Meetings and Annual General Meeting (AGM) • Retail offer to shareholders in June as part of wider equity placing • Move to principally on line engagement supported efficient global reach • For more information see our Governance Report on page 52
DEALER NETWORK Our dealers are the direct contact point for our brand to our customers. They enable us to maintain control over our brand positioning and luxury customer service in a cost-effective way.	• Brand strength and Company support • Car design and performance • Quality and safety of products • Customer satisfaction	• CEO engagement to strengthen dealer relationships and to explain build-to-order strategy • Two virtual dealer conferences held during the year • Dealer network programme to educate, develop and monitor dealers. Distance learning modules to safely maintain dealer training • Revised guidelines for sales and servicing to prioritise customer and team safety • Customer reporting system to track dealer performance • Conditions accelerated move towards increased digitisation and growth in online engagement, including highly targeted digital marketing activations • For more information see our Global Footprint section on page 2
LOCAL COMMUNITIES Building positive relationships with those we impact enables us to maintain trust and to support our communities.	• Trust and ethics • Safety • Sustainability and non-financial performance including environmental impact of our products • Career opportunities for members of the local community • Local operational impact	• Production of PPE for frontline workers including visors, and intubation shields for intensive care staff • Free emergency vehicle repairs for NHS staff through Aston Martin Works • Dedicated community investment team • Sponsorship and employee volunteering • Engagement with local councils on community matters • For more information see our Responsibility section on page 27
SUPPLIERS AND OTHER PARTNERSHIPS Our suppliers are fundamental to our business, particularly ensuring their quality and efficiency. Carefully chosen partnerships provide us with an important source of technical expertise and brand enhancement.	• Responsible procurement, trust, ethics and open dialogue • Operational improvement • Competitiveness • Strong relationships • Financial performance • Building capability and expertise • Design and technical expertise	• New Strategic Cooperation Agreement with Mercedes-Benz AG securing access to technologies critical to our long-term plans • Sponsorship of Aston Martin Cognizant F1™ team from 2021 to provide direct global marketing platform targeting key customers and enhancing the brand • Ongoing partnership with Red Bull Advanced Technologies to create the Aston Martin Valkyrie • Dedicated Supplier Quality Development team manages supplier quality and performance • Risk Management Centre actions operational responses to supplier issues • Establishing confident sources of supply for the future

RESPONSIBILITY

WE CONTINUE OUR COMMITMENT TO BE A SUSTAINABLE LUXURY AUTOMOTIVE BUSINESS. TO STRIVE FOR RESPONSIBLE AND ECONOMIC GROWTH, EMBRACING THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT AND THE TASK FORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD). WE COMMIT TO DOING BUSINESS IN AN ETHICAL AND TRANSPARENT MANNER.

The Group's Environmental, Social and Governance (ESG) Strategy embodies the United Nations Sustainability Development Goals (SDGs). Our focus is on striving for sustainable excellence and ethical decision making, with the aim of delivering both stakeholder value and a competitive advantage to the Company.

We have ambitious global ESG goals, which are adopted at a local level. These shape the Company's activities in the areas of the environment in which we operate, our social responsibility and the governance of our operations. This is set out in more detail in the diagram below.

MISSION

DELIVERING STAKEHOLDER VALUE THROUGH ETHICAL AND SUSTAINABLE EXCELLENCE, TO CREATE A LONG-TERM COMPETITIVE ADVANTAGE

ESG STRATEGIC GOALS

SUSTAINABLE PRODUCT STRATEGY

Continued Fleet CO_2 Reduction	Sustainable Product Enhancements	Portfolio Electrification	Product Safety

ENVIRONMENTAL SUSTAINABILITY	SOCIAL RESPONSIBILITY	GOVERNANCE
Integrate environmentally sustainable culture and practices across the business	Ensuring we are a socially responsible company and a great place to work	Ensuring good corporate governance and maintaining a sustainable supply chain
• Reducing carbon emissions • Reducing energy usage and increasing efficiency • Reducing waste • Increasing recycling • Reduce water consumption	• Building a sustainable culture • Promoting diversity & inclusion • Employee engagement • Health & wellbeing • Community engagement • Educational outreach • STEM* promotion • Philanthropic activities	• Materiality Analysis • Board level commitment to ESG & TCFD • Driving a responsible business culture • Modern Slavery Act commitment • Responsible and ethical sourcing • Transparency in the supply chain

* Science, Technology, Engineering, Maths (STEM)

ELECTRICITY CONSUMPTION DECREASED BY 5.5%	GAS CONSUMPTION INCREASED BY 2.7%	MANUFACTURED CO2 PER UNIT 5.01 (tCO_2e)
WATER CONSUMPTION DECREASED BY 41%	WASTE DIVERTED FROM LANDFILL 100%	WASTE RECYCLED 61%

ENVIRONMENTAL SUSTAINABILITY

External focus continues to increase on companies' environmental performance and how they respond to the threat of climate change. We take our responsibility to the environment seriously, with environmental sustainability being an important focus in line with the TCFD. We will move towards full compliance with TCFD for next year.

ENVIRONMENTAL POLICY

We are focused on our pursuit of continuous improvement in our environmental performance including the prevention of pollution and waste at source in line with our business objectives, using recognised environmental best practices wherever possible. Our Environmental Policy aligns with the Company's operations, including the design, engineering, manufacture, servicing or restoration of our products or the distribution of parts.

Our objectives and commitments to the environment and the community are the following:

- Comply as a minimum with all relevant environmental legislation as well as other environmental requirements, whilst seeking to strive beyond these wherever possible.
- Commit to ongoing reductions in energy and resource consumption in the manufacture and operation of our vehicles, and an ongoing reduction in our carbon footprint.
- Assess through a risk-based approach the threats and opportunities of climate change to the Company, our activities, products and services with the aim of ensuring the appropriate preparations are made.
- Set, monitor and attain all objectives and targets for managing our environmental performance, to control the environmental aspects of all products, processes and facilities.
- Minimise the impact of our activities, products and services through effective waste management.
- Give due consideration to environmental issues and energy performance in the acquisition, design, refurbishment, location and use of buildings.
- Promote sustainable product design and construction with consideration from a life cycle perspective, using low carbon and renewable energy resources wherever possible.
- Operate and maintain an environmental system in line with ISO 14001:2015.
- Communicate internally and externally our Environmental Policy, working with our employees, suppliers and partners to promote improved environmental performance and encourage feedback.

This policy statement represents our general position on environmental issues, and the policies and practices we will apply in conducting our business. This policy statement will be reviewed each year by the Company's Executive Committee.

GREENHOUSE GAS EMISSIONS

Our greenhouse gas emissions reported here are in accordance with the Greenhouse Gas Protocol Corporate Standard for the year to 31 December 2020. These are monitored throughout the year to enable us to make continued improvements, wherever possible. The intensity ratio is measured as tonnes of CO_2 equivalent per car manufactured as it reflects the energy intensive nature of our business and the impact of the growth of the business on our immediate surroundings.

Methodology

We calculate our greenhouse gas emissions in the following way:

Scope 1 – Includes emissions of gas, petrol on site, diesel used for emergency heating and firing pumps, refrigerant refill, LPG and fuel from Company pool cars. Figures are obtained through utility bills, direct from suppliers and through the Company's internal systems. The DEFRA emissions factor for 2020 is then used to calculate the figures.

Scope 2 – The Location-Based Assessment includes emissions from electricity consumption, sourced direct from utility bills, while the Market-based Assessment includes emissions from electricity consumption based on sources of electricity. The DEFRA/ IEA emissions factor for 2020 is then used to calculate these figures.

Scope 3 – Includes emissions from business air travel, management car miles, personal car mileage and employee commuting figures. The DEFRA emissions factor for 2020 is then used to calculate the figures.

This year we made a number of changes in our Scope 1 and Scope 2 emissions calculations, including data from our overseas operations as well as including refrigerant refill used in our vehicles in our Scope 1 calculation for the first time.

ENERGY EFFICIENCY

We continually strive to make improvements to our energy efficiency across our sites with a number of energy efficiency measures aimed at supporting our journey to carbon neutrality. Over the course of the past year we commenced full rate production at our St Athan facility, which has substantially increased our energy consumption, despite overall group volume being down. In this time we have continued to roll out a programme of replacing all of our legacy lighting for energy efficient LEDs across our portfolio. This will continue into 2021 with a focus on our St Athan site.

Our production volume in 2020 was significantly lower than in previous years (from 6,176 to 3,344 Units) due to the COVID-19 pandemic and general business restructuring. This therefore had a negative impact on our resource consumption and GHG emissions per unit which were up from 2.86 to 5.01 tCO_2e. Please see Greenhouse Gas Emissions Per Unit table on page 26.

To reduce our energy consumption, we have optimised our Building Management System, including a greater level of automation, to ensure that our lighting, heating and cooling are streamlined to times when our sites are operational. In addition to this we have re-invigorated our energy management programme across the business, with a renewed focus on site/departmental ownership of energy consumption, which has led to greater employee awareness and alignment with the Company's ambitions.

In 2018 we made the decision to source our electricity for our UK operations, through Renewable Energy Guarantees of Origin (REGO) backed sources. We further enhanced this in 2020 with the establishment of an energy partnership, which will cover Renewable Energy supply starting in 2021, with on-site generation to follow.

TOTAL GREENHOUSE GAS EMISSIONS

	2017	2018	2019	**2020**
GHG Emissions Under Scope 1 (tCO_2e)	5,596.87	6,950.92	8,981.40	**9,200.67^**
GHG Emissions Under Scope 2 (tCO_2e) – Location based*	8,045.34	7,493.70	8,683.50	**7,545.86**^**
GHC Emissions Under Scope 2 (tCO_2e) – Market based*	–	5,899.90	3,484.61	**687.28**^**
GHG Emissions Under Scope 3 (tCO_2e)	11,294.66	13,331.11	8,806.94	**6,620.37^**
UK Total Gross Scope (Scope 1 & Scope 2)	13,642.01	14,444.61	17,664.90	**16,642.17^**
ROW Total Gross Scope (Scope 1 & Scope 2)	–	–	–	**104.36^**
Total Gross Scope (Scope 1 & Scope 2)	13,642.01	14,444.61	17,664.90	**16,746.53^**

* Market-based and Location-based approach adopted to quantify Scope 2 GHG emissions from 2018
** Scope emissions calculations include ROW operations
^ Values assured by ERM CVS

GREENHOUSE GAS EMISSIONS PER UNIT

	2017	2018	2019	**2020**
Manufactured Volume (units)	5,346	6,432	6,176	**3,343^**
Total Scope 1 Emissions per unit	–	1.08	1.45	**2.75^**
Total Scope 2 Emissions per unit	–	1.17	1.41	**2.26^**

^ Values assured by ERM CVS

TOTAL ENERGY CONSUMPTION WITHIN ORGANISATION

	2017	2018	2019	**2020**
Electricity (MWh)	22,884.86	26,472.94	33,973.01	**32,144.15**^**
Gas (MWh)	26,402.93	33,733.53	43,574.51	**44,796.00^**
Diesel (MWh)~	–	–	14.92	**4.34^**
Gasoline (MWh)	3,193.32	3,236.56	2,712.98	**1,779.25^**
LPG (MWh)	–	–	563.60	**43.52^**
UK Total consumption	52,481.11	63,433.03	80,839.02	**78,573.14^**
ROW Total consumption	–	–	–	194.11
Total (MWh)	52,481.11	63,433.03	80,839.02	78,767.26

~ Values in this table have been restated as we do not have any direct diesel usage within the organisation
^ Values assured by ERM CVS
** Includes ROW operations in calculation

PRODUCT SUSTAINABILITY

We continually look to make improvements in the CO_2 footprint of our products, whilst investing in new technologies to further reduce their carbon impact. We understand that having hybrid and electric options for our vehicles is imperative to the Company's future in this industry and our partnership with Mercedes-Benz AG is fundamental to this.

Our ambition is that by 2025 every one of our cars will have an electrified powertrain either hybrid or pure electric. Our ultimate goal is that by 2030, 50% of our cars will be battery electric vehicles, 45% performance oriented electrified power and 5% carbon for track-only use.

PRODUCT CO_2 EMISSIONS

	Vantage Coupe	Vantage Roadster	DB11 V8 Coupe	DB11 V8 Volante	DB11 V12 Couple	DBS Superleggera V12	DBS Superleggera V12 Volante	DBX V8
CO_2 (g/km)#	264	263	254	257	303	306	306	323

\# Figures based on WLTP test cycle

WASTE MANAGEMENT

Working with our suppliers, partners and staff we continue to reduce our waste year on year, whilst continually looking for ways to increase our recycling rates. Office waste was down over the course of the year, but this was largely due to staff working remotely due to the COVID-19 pandemic.

	2017	2018	2019	**2020**
Total waste (tonnes)	1,320.99	1,800.00	1,566.02	**394.39**
Reused (tonnes)	46.12	43.11	40.21	**8.72**
Recycled (tonnes)	842.73	1,262.86	987.81	**243.82**
Recover (tonnes)	432.14	494.03	538.01	**141.85**

WATER CONSUMPTION

Water consumption continues to be a focus for the business following the introduction in 2018 of a water management system to measure and monitor our water consumption, recycling and discharge levels. This system has enabled us to identify areas of high usage and to implement water saving measures. Consumption in 2020 was down on 2019, largely due to the reduced volume and staff working remotely due to the COVID-19 pandemic.

WATER CONSUMPTION (M^3)

	2018	2019	**2020**
Water consumption (M^3)	54,029.25	59,233.78^	**34,477.65^**

^ Values assured by ERM CVS

Note: These figures represent the water consumption at our UK sites only.

SOCIAL RESPONSIBILITY

Ensuring Aston Martin is a socially responsible company and a great place to work is a key priority. Our people are integral to this and the "I AM Aston Martin" programme aims to ensure the Company is a great place to work, by fostering greater communication and engagement with our employees as well as seeking to develop the capability, diversity and inclusivity of the workforce and workplace. Further information is set out in the People section on page 18.

HEALTH AND WELLBEING

The health and wellbeing of our employees, visitors and communities is another critical element of our social responsibility agenda. Our processes aim to ensure the health and safety of our workforce, visitors and the local community. Our Health and Safety Policy is developed in line with ISO 45001:2018 guidance. Further details on wellbeing and health and safety can be found in the People section on page 21.

ANTI-BRIBERY AND CORRUPTION

To ensure that the Company and its employees conduct its business in an ethical and transparent way, we have a number of policies including in relation to anti-bribery and anti-corruption, gifts and hospitality and whistleblowing, that govern business conduct with our key stakeholders. These policies include the giving and receiving of gifts, meals and hospitality, invitations to government officials, our approach to facilitation payments, and matters in relation to the appointment of dealers. We have a gift and hospitality register and an annual certification process to monitor compliance whereby all employees are required to review our Standards of Corporate Conduct and certify that they have read and understood them.

COMMUNITY

As a business we actively engage in the communities in which we operate. Core to our Corporate Responsibility Strategy is partnering with local stakeholders and charities to make our communities stronger and to have a positive impact in the areas we work and live.

A key example of this was during the COVID-19 pandemic when our teams supported the NHS, through the production of PPE for frontline workers such as visors, gowns and intubation shields for intensive care staff. We also offered free emergency vehicle repairs for NHS staff through Aston Martin Works.

Annually, we support four charities. Two are selected to reflect our Company culture, heritage and brand, whilst the other two are chosen by our employees.

In 2020, we were proud to support the following two corporate charities:

- The RAF Benevolent Fund, the RAF's leading welfare charity with a proud tradition of looking after all serving and former members of the RAF as well as their partners and dependent children.
- The Prince's Trust, a youth charity that helps vulnerable young people aged 11 to 30 get into jobs, education and training.

In addition to our formal charity partnerships, we actively encourage our employees to support a range of other local charities and community projects such as the "Helping Hands Community Project" in Leamington Spa, which supports the homeless and victims of domestic abuse, and "Inspiring the Future", an educational charity aimed at connecting schools with inspirational volunteers.

SUSTAINABLE SUPPLY CHAIN

With our aim to improve the social, environmental and economic impact of our operations, we are committed to building a responsible supply chain with our partners. Our policies and practices are designed to promote quality and maintain high standards of sustainable and ethical sourcing.

Through the Aston Martin Responsible Procurement Guide we have established a set of shared commitments with our suppliers, including our expectations around working conditions, human rights, regulatory compliance, safety, ethical and environmental commitments. Our supply chain management process enables us to work closely with our suppliers to ensure all requirements are understood and supported, with performance monitored and tracked.

The Company also has a policy to assess and address the risks of violations of anti-human trafficking and anti-modern slavery laws. We adopt procedures that contribute to ensuring modern slavery does not occur in our business or supply chain. Over the course of 2020 no human rights violations were reported within the Group or our wider supply network. A copy of our Modern Slavery Act Statement can be found on our website at www.astonmartinlagonda.com.

2020 SUPPLIER BASE BY REGION

Africa	1.34%
Asia Pacific	0.01%
North America	1.05%
Europe	72.70%
UK	24.80%

EXTERNAL ASSURANCE OF RESPONSIBILITY DISCLOSURES

ERM CVS has provided limited assurance over selected metrics in the "Responsibility" and "People" sections of the Annual Report, as indicated by the "^" Symbol. This is in accordance with the International Auditing and Assurance Standards Board's (ISAE3000 (Revised)) international standard. To see the ERM CVS assurance statement please visit www.astonmartinlagonda.com.

CHIEF FINANCIAL OFFICER'S STATEMENT

KENNETH GREGOR

IN 2020 THE BUSINESS HAD TO FACE THE CHALLENGES PRESENTED BY COVID-19, WHICH EXACERBATED THE FINANCIAL PRESSURE FROM THE DE-STOCKING OF DEALER INVENTORY. WE COMPLETED THE REFINANCING OF OUR BONDS IN OCTOBER ALONGSIDE A FURTHER EQUITY ISSUANCE AND THE ANNOUNCEMENT OF THE MERCEDES-BENZ AG STRATEGIC COOPERATION AGREEMENT. THROUGH THESE ACTIONS WE HAVE SECURED FINANCING TO DELIVER ON OUR GROWTH AMBITIONS AND MEDIUM-TERM PLAN.

2020 was a challenging year but we made good initial progress on the turnaround of the business. In a short amount of time, we have aggressively de-stocked GT/sport dealer inventory, with dealer GT/sport stock levels down to less than half their opening position at the start of 2020.

Wholesale volume was 42% lower in 2020 compared to the prior year due to the de-stocking and the impact of COVID-19. In addition, to achieve the retail sell-through to drive the stock reduction, retail and customer financing support remained at elevated levels. Together, these factors weighed heavily on revenues, which were down to £612m. Performance significantly improved in the fourth quarter when the DBX, the Company's first SUV, accounted for the majority of units sold.

Although the Company took actions on costs and received benefits from the furlough credit scheme in the UK, profitability was impacted by COVID-19 and the rebalancing of supply to demand. Adjusted EBITDA declined to £(70)m. Free cashflow of £(539)m included cash net financing costs of £80m; capital expenditure of £261m with investment focused on DBX, Vantage Roadster and Aston Martin Valkyrie; and a working capital outflow (£109m) principally relating to payables. Free cash outflow is expected to reduce significantly in 2021.

The Company took decisive action and completed a series of financial transactions through the year to strengthen its financial resilience and support its growth ambitions. In April, the Company completed a capital raise of £536m, including a £171m placing to the Yew Tree Consortium. The uncertainty surrounding the duration and impact of COVID-19, however, exacerbated the financial pressure of de-stocking the dealer network and the Company raised a further £152m of equity in June. In October, in parallel with the Mercedes-Benz AG Strategic Cooperation Agreement, a further £125m was raised. In total, £813m of gross equity proceeds were raised during the year.

Alongside the announcement of the Mercedes-Benz AG Strategic Cooperation Agreement and equity raise in October, we refinanced our senior notes, due to mature in April 2022. The new US$ denominated senior notes comprise £840m equivalent first lien with a 10.5% coupon maturing in 2025 and £259m equivalent second lien with 15% mixed coupon split 8.9% cash and 6.1% PIK maturing in 2026. The second lien notes have detachable warrants representing 5% of diluted issued share capital. As a consequence of the transactions undertaken in 2020, our liquidity has significantly improved with £489m cash on the balance sheet at year-end (2019: £108m) and net debt reduced to £727m (2019: £988m). We will continue to prudently explore ways to further augment and diversify our liquidity pools, and build on our strengthened position and relationships today.

The Company is targeting revenue of c.£2bn and Adjusted EBITDA of c. £500m by financial years 2024/25, underpinned by the Mercedes-Benz AG Strategic Cooperation Agreement. Capital expenditure, principally development costs, is planned at £250m-£300m per annum and will be focused on areas that differentiate our products. We are targeting positive free cash flow (post financing costs) in 2023.

In summary, trading performance in 2020 was challenging but the Company underwent substantial changes to management, product, and balance sheet to position Aston Martin for success in the future. Following the actions taken this year, our focus will be on delivering against the medium-term plan with tighter cost controls and improved efficiency in capital investment to maximise shareholder value by executing on our goal to become a sustainably profitable world-class luxury automotive company.

KENNETH GREGOR
CHIEF FINANCIAL OFFICER

24 FEBRUARY 2020

GROUP FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

- Retail[1] sales of 4,150 vehicles (down 32%) with COVID-19 impacting dealer operations; improved performance in Q4 with full quarter of DBX sales
- Wholesales[2] of 3,394 vehicles (down 42%) reflected action to reduce dealer stock levels and COVID-19 impact; Q4 included 1,171 DBX to meet customer demand and deliver dealer stock
- Revenue declined to £612m and adjusted EBITDA to £(70)m, principally due to reduced wholesales
- Q4 strongest quarter, material improvement versus Q3, with 3% revenue growth and positive adjusted EBITDA due to full quarter of DBX, 32 Specials (Q3: 10) and reduction in total customer and retail financing support
- Operating loss of £(323)m includes £98m of adjusting operating items, largely the impairment of capitalised R&D, due to technology and cycle plan changes
- Free cashflow[3] of £(539)m reflects the operating loss, a working capital outflow of £109m, capital expenditure of £261m and net interest paid of £80m; Q4 free cashflow £(26)m
- Refinancing to strengthen financial resilience and support growth ambitions resulted in increased year-end cash of £489m (2019: £108m) and net debt substantially lower at £(727)m (2019: £(988)m) with extended debt maturity profile to 2025 and 2026.

1. Dealer sales to customers (some Specials are direct to customer).
2. Company sales to dealers (some Specials are direct to customer).
3. Operating cashflow less capital investment and net cash interest.

SALES AND REVENUE ANALYSIS

Number of vehicles	31-Dec-20	31-Dec-19	Change
Retail	**4,150**	6,136	(32%)
Core (excluding Specials)	**4,112**	5,999	(31%)

Number of vehicles	31-Dec-20	31-Dec-19	Change
Wholesales	**3,394**	5,862	(42%)
Core (excluding Specials)	**3,351**	5,798	(42%)
By region:			
UK	**820**	1,429	(43%)
Americas	**923**	2,050	(55%)
EMEA ex. UK	**865**	1,074	(19%)
APAC	**786**	1,309	(40%)
By model:			
Sports	**691**	2,250	(69%)
GT	**1,116**	3,384	(67%)
SUV	**1,516**	–	n.m.
Other	**28**	164	(83%)
Specials	**43**	64	(33%)

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

Total retails were down 32% with dealer operations and customer demand impacted by COVID-19. Performance significantly improved in Q4 from Q3 but remained down on the prior year, with increased DBX deliveries and despite a second wave of lockdowns (Q4: (15%); Q3 (34%)).

Total wholesales decreased 42%. All regions declined, due to the plan to reduce dealer inventories, which was exacerbated by the COVID-19 pandemic. The Americas faced the greatest headwind, as the region started the year with the highest stock level, wholesales were down 55% year-on-year.

With GT/Sport retails significantly ahead of wholesales in unit terms, dealer inventory more than halved, reducing by 1,580 units. Having successfully achieved this rebalance, the Company no longer plans to report retail units in FY 2021, in line with luxury disclosure. The Company now expects to largely complete the de-stock in Q1 2021, ahead of its original expectations. Following a quality-led ramp-up in Q3, DBX volumes increased to 1,171 units in Q4 fulfilling customer orders and delivering fleet vehicles to dealers. In Q4, total wholesales were ahead of retails in unit terms as the dealer DBX orders were shipped.

The 43 Specials included 19 of the 25-unit run DB5 Goldfinger Continuations and 20 DBS GT Zagatos, which included a prototype model.

REVENUE BY CATEGORY

£m	31-Dec-20	31-Dec-19[1]	Change
Sale of vehicles	**535.1**	880.8	(39%)
Sale of parts	**56.6**	63.0	(10%)
Servicing of vehicles	**6.6**	9.3	(29%)
Brand and motorsport	**13.5**	27.4	(51%)
Total	**611.8**	980.5	(38%)

1. 2019 restated see note 2 of the Financial Statements for detail.

FY 2020 revenues declined to £612m as the Company reset GT/Sports car volumes, aligning supply to demand to regain exclusivity, and COVID-19 weighed on consumer confidence and retail demand. With increasing deliveries of DBX in Q4 performance improved and revenue increased year-on-year.

To achieve the necessary re-setting of dealer stock, customer and retail financing support was elevated. While the level of support per GT/Sport unit increased in Q4 versus Q3, fewer vehicles as a proportion received support with the start of DBX deliveries.

Wholesale average selling price (ASP) was impacted by the customer and retail financing support and the de-stocking dynamic, with retails significantly greater than wholesales for the year. However, in Q4 this impact was offset by product mix and reduced de-stock impact, with core ASP increasing to £145k (Q3: £130k; Q4 2019: £127k[1]) and full year to £137k (2019: £132k[1]).

While fewer Specials were delivered year-on-year (43 vs 64 in 2019), they were on average higher priced and supported an increase in total ASP to £157k from £149k[1] in the prior year.

The decline in brand and motorsport revenue is due to lower GT race car sales, with 61 cars sold in the prior year and 19 this year. For 2021 motorsport revenues are expected to remain low.

SUMMARY INCOME STATEMENT AND ANALYSIS

£m	31-Dec-20	31-Dec-19[1]
Revenue	**611.8**	980.5
Cost of sales	**(500.7)**	(642.7)
Gross profit	**111.1**	337.8
Gross margin %	**18.2%**	34.5%
Operating expenses[1,3]	**(336.0)**	(328.7)
of which depreciation & amortisation[2]	**154.8**	128.8
Other expense	**–**	(19.0)
Adjusted operating loss[1,3]	**(224.9)**	(9.9)
Adjusted operating margin	**(36.8%)**	(1.0%)
Adjusting operating items	**(98.0)**	(42.1)
Operating loss	**(322.9)**	(52.0)
Net financing expense	**(143.1)**	(67.6)
of which adjusting financing items	**(68.6)**	(6.6)
Loss before tax	**(466.0)**	(119.6)
Taxation	**55.5**	2.0
Loss for the period	**(410.5)**	(117.6)
Adjusted EBITDA[2,4]	**(70.1)**	118.9
Adjusted EBITDA margin	**(11.5%)**	12.1%
Adjusted loss before tax[2,4]	**(299.4)**	(70.9)
EPS (pence)	**(543.0)**	(290.6)
Adjusted EPS (pence)[2,4]	**(369.9)**	(198.8)

1. 2019 restated see note 2 of the Financial Statements for detail.
2. Excludes adjusting items.
3. Includes (loss)/profit on disposal of fixed assets.
4. Alternative Performance Measures are defined in note 34.

The adjusted operating loss of £225m (2019: £10m loss) reflected:

- the flow through of the revenue reduction to gross margin;
- increased St Athan costs as facility ramped-up partially offset by planned cost efficiencies;
- a £13m benefit from furlough credits from the Government's Coronavirus Job Retention Scheme;
- higher depreciation and amortisation charges (up £27m year-on-year, as guided) principally due to start of DBX production;
- and a £15m FX headwind.

FY adjusted EBITDA was £(70)m. In Q4 profitability was significantly stronger compared with prior quarters, due to the first full quarter of DBX deliveries and Specials deliveries, adjusted EBITDA was £48m, representing a margin of 14%.

Adjusting operating items of £98m largely related to the impairment of capitalised development costs due to technology and cycle plan changes (£79m). Other adjusting operating items included restructuring costs (£12m) and £6m associated with the cessation of operating a team in the FIA World Endurance Championship.

Net adjusted financing costs of £75m were up from £61m in 2019 reflecting the $150m of new notes issued in October 2019, interest on the $68m notes from that issue drawn in June, and the first charges for the £1.1bn equivalent US$ notes issued in October 2020 as part of the re-financing. The charge includes a £31m revaluation gain due to exchange rate movements given the US$ denomination of the notes. Adjusted loss before tax was £(299)m (2019: £71m loss). Adjusting net financing charges of £69m were related to the re-financing completed in December 2020, resulting in a loss before tax of £466m (2019: £120m).

The tax credit on the adjusted loss before tax is £23m. The effective tax rate at 11.9% is lower than the 19% standard UK tax rate mainly due to a restriction on the amount of interest that the Group can deduct for tax purposes. Tax on adjusting items was recognised as appropriate and resulted in a tax credit of £33m, giving an overall tax credit to the Income Statement of £56m.

The total share count at 31 December 2020 was 115 million following a 20:1 share consolidation in mid-December. The shares outstanding reflects the issuance of shares associated with equity placings to the Yew Tree Consortium (March) and the issuance of tranche 1 shares to Mercedes-Benz AG under the terms of the Strategic Cooperation Agreement (December) in addition to April, June and December raises. The second lien notes issued in December have warrants attached which represent up to 5% of the diluted issued share capital once fully exercised. The weighted average number of shares in the period was 77.2 million giving an adjusted EPS of (369.9)p (2019[1]: (198.8)p).

1. 2019 restated see note 2 of the Financial Statements for detail.

CASH FLOW AND NET DEBT

£m	**31-Dec-20**	31-Dec-19
Cash generated from operating activities	**(198.6)**	19.4
Cash used in investing activities	**(260.7)**	(310.2)
Interest from financing activities	**(80.0)**	(47.0)
Free Cash outflow	**(539.3)**	(337.8)
Cash inflow from financing activities (excl. interest)	**922.5**	295.3
Increase/(decrease) in net cash	**383.2**	(42.5)
Effect of exchange rates on cash and cash equivalents	**(1.7)**	5.8
Cash balance	**489.4**	107.9

Net cash outflow from operating activities was £199m (2019: £19m inflow) including a net working capital outflow of £109m. A substantial payables outflow of £119m, largely in early Q2 following the completion of the initial equity raise, was the most significant contributor to the working capital outflow. Inventory increased to support the production of DBX at St Athan but this was broadly offset by reduced finished goods stock, resulting in a net inventory outflow of £5m. December deliveries were earlier in the month than in the prior year, resulting in a receivables inflow of £67m. With 43 Specials delivered and given the timing of future Special projects, the deposit balance reduced by £53m to £268m.

Capital expenditure was £261m, lower than the c.£270m guided with some re-phasing into 2021. Investment was focused on DBX, Vantage Roadster and Aston Martin Valkyrie.

Free cashflow[1] of £(539)m (2019: £(338)m). Q4 free cashflow of £(26)m shows reduced cash burn as wholesales normalise with full quarter of DBX, Specials deliveries and receivables inflow.

Cash inflow from financing (excluding interest) of £923m included proceeds from equity raises during the year and bond refinancing in December.

The net cash inflow of £383m resulted in a closing cash balance of £489m at 31 December 2020 significantly improved from £108m at 31 December 2019.

1. Operating cashflow less capital investment and net interest

£m	**31-Dec-20**	31-Dec-19
Borrowings	971.3	839.1
Inventory financing	38.2	38.9
Bank loans and overdrafts	113.5	114.8
Lease liabilities (IFRS 16)	103.0	111.4
Gross debt	**1,226.0**	**1,104.2**
Cash balance	489.4	107.9
Cash not available for short-term use	9.9	8.7
Net debt	**726.7**	**987.6**

Net debt at 31 December 2020 was down to £727m (31 December 2019: £988m) primarily due to the higher cash balance. The debt maturity profile was extended with the refinancing of US$ notes of £1.1bn equivalent completed in December (First lien of £840m at 10.5% interest maturing in 2025; Second lien of £259m at 15.0% split interest (8.9% cash; 6.1% PIK) with detachable warrants maturing in 2026). Gross debt includes a £79m drawdown of the RCF and inventory financing remained broadly unchanged year-on-year at £38m supporting working capital requirements.

RISK AND VIABILITY REPORT

OUR APPROACH TO RISK

We manage risks in the pursuit of our strategic objectives using our Enterprise Risk Management Framework and System (ERMFS) which provides the Executive Committee, Board and the Audit and Risk Committee with a robust assessment of our principal risks. The Board is ultimately responsible for oversight of our risk management and internal control systems and determines our risk appetite.

The Audit and Risk Committee has been delegated responsibility for monitoring the effectiveness of the Group's risk management and internal control systems which it does by directing and reviewing the work of executive management and the key governance functions within the Group, including the Internal Audit and Risk Management team and the Risk Management Committee. The Chair of the Audit and Risk Committee updates the Board on the Committee's activities in this regard as appropriate.

Our Internal Audit and Risk Management team maintains the ERMFS and co-ordinates risk management activities across the Group. All principal risks have risk mitigation plans incorporating management's assessments of gross, net and target risk and the effectiveness of mitigating controls and activities. These plans are updated routinely throughout the year with any changes being incorporated into the Corporate Risk Register.

The key elements and activities supporting the ERMFS include:

- Annual review and approval of the ERMFS and Risk Management Policy;
- Twice yearly review of all principal risks to assess the gross, target and net risks for potential impact and likelihood;
- Maintenance of corporate and functional risk registers;
- Undertaking top-down/bottom-up risk assessments; and
- Creating formal risk mitigation plans.

Internal Audit provide independent and objective assurance over the effectiveness of these risk mitigation plans to the Audit and Risk Committee (see Control Environment on page 60).

The Director of Internal Audit and Risk Management reports administratively to the Chief Financial Officer with an independent reporting line to the Chair of the Audit and Risk Committee.

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

- INSUFFICIENT LIQUIDITY – Risk reducing following the successful capital raises and refinancing of the Senior Secured Notes in the period.
- COMPETITIVE POSITIONING – Risk reducing following the completion of the Strategic Cooperation Agreement with Mercedes-Benz AG and the successful launch of the DBX.
- PROGRAMME DELIVERY – Risk reducing as a result of the successful commissioning of the St Athan facility and commencement of DBX production.
- ACHIEVING TARGET COST REDUCTIONS – Added as a new principal risk. The Group's ability to achieve targeted cost reductions (e.g. material cost, fixed and variable marketing, fixed manufacturing) may be inhibited by the Group's low volume strategy to maintain exclusivity and luxury positioning.
- MACRO-ECONOMIC AND POLITICAL INSTABILITY – Impact has reduced as the 2021 budget and business plan have been created after consideration of the recent macro-economic impacts of key factors such as Brexit and COVID-19.
- SUPPLY CHAIN DISRUPTION – Risk reducing due to the measures the Group has deployed in response to managing its risk suppliers, critical suppliers and Brexit. These include planning for alternative ports of entry for imports and increasing inventory levels for critical parts.

The emergence of the COVID-19 pandemic in Q1 2020 had a significant impact on the business with the temporary closure of our dealerships and factories. In response to this the Company reassessed each of its principal risks in light of the pandemic and established a COVID-19 Task Force, comprising senior management from each function, to manage the specific risks associated with the pandemic. Key activities included undertaking COVID-19 specific risk assessments, promoting and facilitating safe and secure remote working, creating Return to Work Guidelines and deploying social distancing measures in accordance with government guidelines for our operational sites. This Task Force remains in place and continues to prioritise the safeguarding and wellbeing of our employees, contractors, suppliers, customers and their families. Furthermore, each of the principal risks has been re-assessed to specifically consider the impact of COVID-19.

RISK APPETITE

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

OUR PRINCIPAL RISKS

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

The following pages set out the Group's principal risks, how these risks are linked to our strategy and the primary mitigating actions implemented for each risk during the year ended 31 December 2020. Our principal risks change over time as some risks assume greater importance and others may become less significant.

We categorise principal risks within one of the following four areas: Strategic, Operational, Compliance and Financial, and link each risk to one or more of the key strategies that underpin our business plan.

RISK MANAGEMENT GOVERNANCE WITHIN THE GROUP

BOARD OF DIRECTORS AND AUDIT AND RISK COMMITTEE

- The Board has ultimate responsibility for establishing a framework of prudent and effective controls which enable risk to be assessed and managed.
- Determination of risk appetite.
- Review effectiveness of risk mitigation plans and assurance activity.
- Monitor status of risk management activity and reporting.
- The Board has delegated oversight of the ERMFS to the Audit and Risk Committee.

RISK MANAGEMENT COMMITTEE

- Identifies new and emerging risks.
- Performs deep dive reviews of risk mitigation plans.
- Meets quarterly and reports to the Audit and Risk Committee.
- Representation from all functions across the business.
- Ensures risks are managed in accordance with the defined risk appetite.
- Champions effective risk management and control across the Group.

INTERNAL AUDIT AND RISK MANAGEMENT TEAM

- Co-ordinates deployment of the ERMFS.
- Maintains Corporate Risk Register.
- Prepares Board, Audit and Risk Committee and Risk Management Committee status updates.
- Provides resources and training to support risk management activities.
- Evaluates the design and operating effectiveness of risk mitigation plans.

FUNCTIONAL RISK CHAMPIONS AND RISK OWNERS

- Responsible for risk management at a functional level.
- Maintain functional risk registers and manage risk mitigation plans.
- Champion adherence to ERMFS principles and guidance within their function.

PRINCIPAL RISK SUMMARY

Principal risk	Risk movement	Link to strategy	Risk tolerance	Potential causes	Mitigating activities
STRATEGIC RISKS					
Macro-economic and political instability Exposure to multiple political and economic factors could impact customer demand or affect the markets in which we operate.			Moderate	• Global economic slowdown due to COVID-19. • Unfavourable movement in exchange rates. • Adverse economic global conditions could adversely impact our dealer network or supply chain.	• Operational and financial review of the business undertaken to align to the new business plan. • Monitoring global market trends to target areas for future growth. • Volume planning actions to optimise dealer network stock levels.
Competitive positioning Maintaining our competitiveness in the high luxury segment car market is critical to achieving our strategic growth objectives.			Low	• Failure to maintain leading design which customers value. • Inability to produce cars that are competitive in terms of performance, aesthetics and quality. • Competitor pricing activity resulting in the need to increase retail and customer financing expenditure to support retail sales.	• Expanding product portfolio to produce incremental new core models. • Maintain a regular pipeline of Special Editions and offer fully bespoke customisation offer through the 'Q' division. • Strategic Cooperation Agreement with Mercedes-Benz AG to provide access to advanced technologies.
Brand/Reputational damage Our brand and reputation are critical in securing demand for our vehicles and in developing additional revenue streams.			Low	• Product recall or late delivery could impact customer confidence and loyalty. • Dealer network may not be effective in raising, maintaining and promoting brand awareness. • Inadequate dealer training in new products and technologies could impair the customer experience.	• Standardised embedded quality procedures (e.g. Customer Perception Audit, Parts Approval Process) to maintain focus on vehicle quality. • Customer satisfaction audits and assessments performed and monitored by the Client Services Team. • Expanded dealer network and improved training to ensure delivery of a luxury customer experience.
Technological advancement It is essential to maintain pace with technological development to meet evolving customer expectations and remain competitive.			Low	• Reliance on third parties to support development of new and emerging technologies. • Competitors may have better access to funding to develop new technology faster and be first to market. • Changing and more stringent regulations may make current technology obsolete and increase the risk of future non-compliance.	• Strategic arrangements with key partners, including the Strategic Cooperation Agreement with Mercedes-Benz AG, to provide powertrain, electrical architecture and entertainment systems. • Commodity strategy plans developed. • Development of modular architecture "Carry Over – Carry Across" approach for key systems and components.

- Core product offering: three pillar strategy
- Control volume growth and personalisation
- Develop Specials pipeline
- Enhance strategic partnerships
- Cost and investment control

Principal risk	Risk movement	Link to strategy	Risk tolerance	Potential causes	Mitigating activities
OPERATIONAL RISKS					
Talent acquisition and retention We may fail to retain, engage and develop a productive workforce and to develop key talent.			Low – Moderate	• Failure to build the right capabilities and behaviours in our leadership team. • Key contractors leaving the business and the impact of IR35 on our contractor population. • Failure to engage or equip our teams to deliver our strategy or address key capability gaps.	• Remuneration Committee oversight of senior leadership remuneration to ensure it is aligned to the strategy and appropriate for staff retention. • Regular review of talent and resource risks leveraging succession plans and employee engagement survey results. • Benchmarking of remuneration and bonus packages to drive employee performance and behaviours.
Programme delivery Failure to implement major programmes on time, within budget and to the right technical specification could jeopardise delivery of our strategy and have significant adverse financial and reputational consequences.			Low	• Insufficient funds to support programme investment requirements. • Inability to manage third-party delivery in line with programme timelines and milestones. • COVID-19 related issues may impact our ability to conduct testing or engineering development within required timescales.	• Deployment of an established Programme Delivery Methodology (Mission 1.3) and regular Executive Committee status reporting and oversight. • Restructure of the business including engineering and project management functions. • Focus on increased levels of "Carry Over – Carry Across" to leverage existing core architecture across multiple applications to expedite delivery.
Achieving target cost reductions The Group's size and low volume strategy may inhibit its ability to deliver targeted cost reductions, or work within budget constraints whilst delivering the planned vehicle programme.	New		Low	• High levels of complexity across car lines can drive increased engineering requirements with associated increased resource and cash requirements. • Increasing material costs. • Inertia to new ways of working may inhibit our ability to deliver against agreed targets and budgets.	• CFT transformation activity to agree a cost target process with regular CEO led cost reviews. • Restructuring of the Engineering and Procurement functions to align accountability and operational procedures. • Establishment of bi-monthly cost and cash focused Executive Committee meetings.
Cyber security and IT resilience Breach of cyber security could result in a system outage, impacting core operations and/or result in a major data loss leading to reputational damage and financial loss.			Low	• Cyber attack resulting in denial of service, loss of data or other business disruption. • Legacy systems reaching end of life may no longer be supported and become more susceptible to failure of breach. • Insufficient investment in systems and resource may result in control deficiencies or vulnerabilities not being addressed in a timely manner.	• Project initiated to implement a new ERP system to transition away from end of life legacy systems and drive efficiency within the IT infrastructure. • Enhanced IT general controls for access management, perimeter security, remote access (e.g. multi-factor authentication) and password management. • 24/7 vulnerability monitoring using Darktrace and security incident response procedures.
Supply chain disruption Supply chain disruption could result in production stoppages, delays, quality issues and/or increased costs.			Low	• Suppliers may be unable to meet delivery schedules due to being in financial distress. • COVID-19 enforced closures, or customs clearance procedures impacted post Brexit, could result in disruption to delivery schedules. • Deterioration in the Group's credit rating may lead to supply restrictions or more stringent terms and conditions.	• Critical supply risk assessments performed to identify where additional stock holding or alternative sources of supply may be required. • QCDDM supplier performance metrics being developed to manage under-performance within the supply base. • Supplier financial strength and performance assessments undertaken prior to engagement.

Principal risk	Risk movement	Link to strategy	Risk tolerance	Potential causes	Mitigating activities
OPERATIONAL RISKS					
Brexit uncertainty Delays in customs processing and the interpretation and implementation of the trade deal with the EU could impact the Group's financial position, supply chain and people.			Low	• Additional costs associated with increased customs duty and tariffs. • Extended supply lead times leading to increased working capital investment requirements. • Exchange and interest rate volatility impacting Group revenues, profits and cash flows.	• Establishment of Brexit Steering Committee with regular reporting to the Executive Committee. • Consistent regular engagement by the Group with UK and EU Government and Trade Bodies. • Steps taken to prepare the supply chain and dealer network for various Brexit scenarios.
COMPLIANCE RISKS					
Compliance with laws and regulations Non-compliance with local laws or regulations may damage our corporate reputation and subject the Group to significant financial penalties.			Zero	• Non-compliance with emissions regulations could inhibit our ability to trade in certain markets. • Non-compliance with labour, human rights and environmental standards could result in financial penalty and/or brand / reputational damage. • Rapidly evolving climate and environmental regulations could result in areas of non-compliance where not addressed in a timely manner.	• Vehicle safety certification achieved for all markets and "Small Volume" Derogation status for EU emissions compliance. • Standards of Corporate Conduct define our activities in relation to key compliance areas (e.g. aniti-bribery and corruption, whistleblowing, data protection, equality and diversity, business ethics). • In-house legal and compliance team that manages ongoing investigations. • Enhanced GDPR and IT General Controls.
FINANCIAL RISKS					
Insufficient liquidity The Group may not be able to generate sufficient cash to fund its capital expenditure and debt or sustain its operations.			Low	• Significant leverage levels may inhibit our ability to raise additional capital. • COVID-19 impact could result in reduced demand and a reduction in available cash to support the product development plan. • Significant debt servicing requirements reduces cash available to support other operational needs.	• Raising of additional capital through equity issue and refinancing activity. • Daily management review of cash balances and establishment of bi-monthly Executive Committee focusing on cash and cost performance. • Ongoing transformation activity to deliver targeted cost savings and efficiencies.
Impairment of capitalised development costs The value of capitalised development costs continues to grow as we expand our product portfolio.			Zero	• Vehicle sales volumes fall below lifecycle plans and targets as a result of the impact of COVID-19 or other macro-economic factors. • Vehicle pricing and contribution reduce to levels which no longer support the carrying value of the attributable capitalised costs. • Uncertainty of "Carry Over – Carry Across" utilisation on future vehicle models and derivatives.	• Capitalisation policy and procedures reviewed annually. • Impairment reviews performed where triggering events have been identified. • Regular vehicle line reviews undertaken to monitor sales volume and contribution performance for all car lines with any concerns communicated to finance for consideration of potential impairment.

RISK MANAGEMENT ACTIVITIES IN 2020 AND PLANS FOR 2021

THE BOARD AND THE AUDIT AND RISK COMMITTEE UNDERTOOK A NUMBER OF RISK MANAGEMENT ACTIVITIES DURING THE PERIOD AS SET OUT BELOW.

IDENTIFICATION OF RISKS

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

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

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

RISK MANAGEMENT SYSTEM

The Aston Martin Enterprise Risk Management Framework and System continues to be deployed across the Group. This was subject to an annual review and was subsequently presented to, and approved by, the Executive Committee and the Audit and Risk Committee. The Risk Management Committee met three times during 2020.

RISK APPETITE

The Group's risk appetite and tolerance levels were considered and approved by the Board and are reviewed annually. These are used to set tolerance limits and target risks for each of the principal risks and refine mitigation plans where appropriate.

MANAGEMENT ACTIONS AND DEEP DIVES

The Internal Audit and Risk Management team incorporates independent validation reviews of the principal risk mitigation plans within its annual Audit Plan, the purpose being to provide independent assurance to management, the Audit and Risk Committee and the Board on the effectiveness of management actions to mitigate risks.

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

During 2020 the following key risk management activities have been undertaken:

- Three Risk Management Committees with deep dive risk reviews covering:
  - Impact of COVID-19 and the business response plans;
  - Impact of incoming Cyber-security Management System legislation for automotive Original Equipment Manufacturers; and
  - Business continuity plans.
- Establishment of the COVID-19 Task Force, with senior management representation from all functions, to undertake COVID-19 risk assessments and implement appropriate mitigating activities to manage the Group's response to the pandemic.
- Twice yearly formal validation and approval of corporate and functional risk registers.
- Annual review of Enterprise Risk Management Framework and System.
- Executive Committee review and agreement of the Group's principal and emerging risks.

The following principal risk reviews have been included within the 2021 Internal Audit plan:

- Brand/Reputational damage arising from poor quality;
- Inability to incorporate automotive technological advancement;
- Inability to deliver major programmes; and
- Inadequate protection against cyber attack.

VIABILITY STATEMENT

VIABILITY STATEMENT

The Directors have carried out a robust review of the principal risks of the Group, which are set out on pages 35 to 37, identifying the nature and potential impact of those risks on the viability of the Group, together with the likelihood of them materialising.

This analysis has then been used to carry out an assessment of the ability of the Group to continue in operation and meet its obligations. The assessment covers the five-year period from January 2021 to December 2025. This was considered appropriate by the Directors because it aligns with the new business plan, the Group's normal planning horizon and is indicative of the investment and development cycle of new products in the luxury car market. Inevitably, the degree of certainty decreases over this period.

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

- The impact of a four-week loss of production due to a lockdown or other severe impact of COVID-19
- A severe but plausible reduction in sales volumes as a result of factors such as a material reduction in the size of the High Luxury Sports car market due to external factors (such as a decrease in demand from High Net Worth Individuals (HNWIs), increased direct and indirect taxation and changes in consumer habits away from luxury vehicles)
- Incremental fixed and variable costs
- Incremental working capital requirements such as reduced deposit inflows or increased deposit outflows
- The impact of strengthening £:$ exchange rates

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

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

In addition, we have assumed that no additional legislative action will be taken that impacts the sale of our products within the viability statement time frame.

The Directors have assessed the viability of the Group over the five-year period to 31 December 2025 and, based on this assessment and the assumptions stated above, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2025.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

LAWRENCE STROLL
EXECUTIVE CHAIRMAN

Appointed Executive Chairman with effect from 20 April 2020.

COMMITTEES
Nomination Committee (Chair)

Remuneration Committee (observer)

OTHER SIGNIFICANT POSITIONS
- Member of Yew Tree Consortium
- Co-owner of BWT Racing Point F1™ team rebranded as the Aston Martin Cognizant F1™ team in 2021
- Owner of Circuit Mont-Tremblant

PAST ROLES
Mr Stroll has a long career of acquiring and building luxury brands such as Ralph Lauren, Michael Kors and Asprey and Garrard.

RELEVANT EXPERIENCE
Mr Stroll led the IPO of Michael Kors which went on to enjoy further strong growth as a publicly listed company. Mr. Stroll has also been for many years an active investor in the automotive and motorsports sectors, including the acquisition of the former BWT Racing Point F1™ team (rebranded as the Aston Martin Cognizant F1™ team in 2021).

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER

Appointed Chief Executive Officer with effect from 1 August 2020.

COMMITTEES
None

OTHER SIGNIFICANT APPOINTMENTS
None

PAST ROLES
Mr Moers spent 25 years in senior roles at Daimler AG, including most recently Chairman of the Management Board and Chief Executive Officer and Acting Chief Technical Officer of Mercedes-AMG GmbH.

RELEVANT EXPERIENCE
Mr Moers' focus on operating and portfolio expansion and cross company efficiency delivered significant margin expansion to Mercedes-AMG. He led Mercedes-AMG's profitable product expansion over seven years, with a clear pipeline of further expansion opportunities, in particular in electrification of powertrains in the performance segment.

KENNETH GREGOR
CHIEF FINANCIAL OFFICER

Appointed Chief Financial Officer with effect from 22 June 2020.

COMMITTEES
None

OTHER SIGNIFICANT APPOINTMENTS
None

PAST ROLES
Mr Gregor spent 20 years in senior financial roles at Jaguar Land Rover most latterly as Chief Financial Officer.

RELEVANT EXPERIENCE
Mr Gregor has a strong leadership track record, with more than 20 years of automotive experience. As CFO of Jaguar Land Rover for 11 years from 2008, he oversaw the evolution of the finance group into a strong business partner to support the delivery of shareholder value and the company's growth ambitions. Prior to Jaguar Land Rover, he worked in investment banking for HSBC.

ANTONY SHERIFF
SENIOR INDEPENDENT DIRECTOR

Appointed to the Board with effect from 1 February 2021.

COMMITTEES
Audit and Risk Committee

Nomination Committee

Remuneration Committee

OTHER SIGNIFICANT APPOINTMENTS
- Princess Yachts Limited (Executive Chair and CEO)
- Rivian Automotive Inc. (independent director, Chair of Nomination and Remuneration Committee)
- Pininfarina S.p.A. (independent director)
- Rimac Automobili d.o.o. (Board adviser)
- Aeromobil s.r.o (Board adviser)

PAST ROLES
- McLaren (CEO/MD)
- Fiat Auto A.p.A
- McKinsey & Company

RELEVANT EXPERIENCE
Mr Sheriff is an experienced automotive and luxury sector executive with a strong leadership track record at both Princess Yachts Limited and McLaren, where he created and built the sports car business. His executive experience and skillset span product development, marketing, and business strategy.

LORD MATTHEW CARRINGTON
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to the Board with effect from 8 October 2018.

COMMITTEES
Audit and Risk Committee
Nomination Committee
Remuneration Committee (Chair)

OTHER SIGNIFICANT APPOINTMENTS
- Arab British Chamber of Commerce (non-executive director)
- CarringtonCrisp Ltd (non-executive director)

PAST ROLES
- Saudi International Bank (senior management positions)
- Outdoor Advertising Association (Executive Chairman)
- Retail Motor Industry Federation (Chief Executive)
- Gatehouse Bank plc (Chairman)

RELEVANT EXPERIENCE
Lord Carrington has extensive experience in international business and UK public service roles, including having been the Member of Parliament for Fulham. He has a thorough understanding of the Middle East market and, as former Chief Executive of the Retail Motor Industry Federation, of the automotive industry.

PETER ESPENHAHN
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to the Board with effect from 8 October 2018.

COMMITTEES
Audit and Risk Committee (Chair)
Nomination Committee
Remuneration Committee

OTHER SIGNIFICANT APPOINTMENTS
None

PAST ROLES
- Morgan Grenfell /Deutsche Bank (senior leadership roles)
- Deloitte, Plender, Griffiths & Co (audit, tax and investigation roles)
- Telspec plc (chair, formerly non-executive director)

RELEVANT EXPERIENCE
Mr Espenhahn started his career at Deloitte, Plender, Griffiths & Co before holding various senior corporate finance and investment banking roles at Morgan Grenfell/ Deutsche Morgan Grenfell. He has a good understanding of the UK-listed company environment.

ROBIN FREESTONE
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to the Board with effect from 1 February 2021.

COMMITTEES
Audit and Risk Committee
Nomination Committee
Remuneration Committee

OTHER SIGNIFICANT APPOINTMENTS
- Moneysupermarket.com (Chair)
- Smith & Nephew plc (Senior Independent Director)
- Capri Holdings Ltd (Audit Committee Chair)
- ICAEW's Corporate Governance Committee (Chair)

PAST ROLES
- Cable & Wireless (Senior Independent Director and Audit Committee Chair)
- Pearson plc (Chief Financial Officer)
- Amersham plc (senior financial positions)
- Henkel Limited (senior financial positions)
- ICI

RELEVANT EXPERIENCE
Mr Freestone is a qualified chartered accountant and has significant financial, transformation and diversification experience within leading global businesses which are listed in the UK.

PROFESSOR RICHARD PARRY-JONES, CBE
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to the Board with effect from 1 February 2021.

COMMITTEES
Audit and Risk Committee
Nomination Committee
Remuneration Committee

OTHER SIGNIFICANT APPOINTMENTS
- Marshall Motor Holdings plc (Chair)

PAST ROLES
- GKN plc (Senior Independent Director)
- Network Rail (Chair)
- Yorkshire Water (Chair)
- Ford Motor Company (various executive roles, latterly as Group Vice-President Global Product Development and Group Chief Technical Officer)

RELEVANT EXPERIENCE
Professor Parry-Jones has extensive experience of the automotive industry, having previously worked for the Ford Motor Company for 38 years. He has significant experience of the UK-listed company environment, having served on the board of GKN plc from 2008 to 2018 and on the board of Marshall Motor Holdings plc since 2019.

DR ANNE STEVENS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to the Board with effect from 1 February 2021.

COMMITTEES

Audit and Risk Committee

Nomination Committee

Remuneration Committee

OTHER SIGNIFICANT APPOINTMENTS

- Anglo American plc (Remuneration Committee chair)

PAST ROLES

- GKN plc (non-executive director and Interim CEO)
- SA IT Services (chairman and CEO)
- Carpenter Technology Corporation (chairman and CEO)
- Lockheed Martin Corporation (non-executive director)
- Ford Motor Company (COO for the Americas)

RELEVANT EXPERIENCE

Dr Stevens has significant operational, commercial and transformational experience in global businesses. She held a number of positions during her 16-year tenure at the Ford Motor Company, culminating in COO for the Americas. Her early career was at Exxon Corporation, where she held roles in engineering, product development, and sales and marketing.

MICHAEL DE PICCIOTTO

NON-EXECUTIVE DIRECTOR

Appointed to the Board with effect from 24 April 2020.

COMMITTEES

Audit and Risk Committee (observer)

OTHER SIGNIFICANT APPOINTMENTS

- Engel & Völkers AG (vice-Chairman of the Supervisory Board)
- St James Invest SA
- L.T.E.V.

PAST ROLES

- Union Bancaire Privée (leadership and financial management positions)
- RBC Dominion Securities (leadership and financial management positions)

RELEVANT EXPERIENCE

Mr de Picciotto has extensive experience in asset management, private banking and trading. During his 27-year tenure at Union Bancaire Privée, he ran several divisions, including the High Net Worth, Trading and Treasury, the London branch and the Asian chapter.

STEPHAN UNGER

NON-EXECUTIVE DIRECTOR

Appointed to the Board with effect from 1 February 2021.

COMMITTEES

Audit and Risk Committee (observer)

Nomination Committee (member)

Remuneration Committee (observer)

OTHER SIGNIFICANT APPOINTMENTS

- Daimler Mobility AG (Member of the Board of Management and Chief Financial Officer)

PAST ROLES

- Daimler Group (Director of Corporate Controlling)
- Mercedes-AMG GmbH (Commercial Director)
- Mitsubishi Motors Corporation in Japan (when part of Daimler) (Controlling & Accounting division)

RELEVANT EXPERIENCE

An accountant, Mr Unger has held various positions in finance and risk management in his career to date. He joined the Daimler Group in 1993 and has a deep understanding of the global automotive industry. In his current role of CFO of Daimler Mobility AG, he also promotes the company’s transformation into an integrated, digitised financial services provider through strategic partnerships and investments in start-ups.

BOARD CHANGES DURING 2020 TO DATE

Name	Date of appointment	Date of cessation
Lawrence Stroll	20 April 2020	
Tobias Moers	1 August 2020	
Kenneth Gregor	22 June 2020	
Michael de Picciotto	24 April 2020	
Anne Stevens	1 February 2021	
Robin Freestone	1 February 2021	
Richard Parry-Jones	1 February 2021	
Antony Sheriff	1 February 2021	
Stephan Unger	1 February 2021	
Penny Hughes		20 April 2020
Dr. Andy Palmer		25 May 2020
Mark Wilson		30 April 2020
Richard Solomons		23 May 2020
Mahmoud Samy Mohamed Aly El Sayed		12 November 2020
Dante Razzano		20 April 2020
Peter Rogers		28 January 2020
Imelda Walsh		23 May 2020
Professor Tensie Whelan		23 May 2020
William Tame	3 June 2020	27 January 2021
Amr AbouelSeoud		18 February 2021

Lord Matthew Carrington and Peter Espenhahn will not seek re-election at the Company's Annual General Meeting ("AGM") and will step down from the Board at the close of the meeting.

EXECUTIVE COMMITTEE

Tobias Moers	(Chief Executive Officer)
Kenneth Gregor	(Chief Financial Officer)
Marek Reichman	(Chief Creative Officer)
Michael Straughan	(Chief Operating Officer)
Michael Marecki	(General Counsel)

EXECUTIVE CHAIRMAN’S INTRODUCTION TO GOVERNANCE

LAWRENCE STROLL
EXECUTIVE CHAIRMAN

THIS HAS BEEN A TRANSFORMATIONAL YEAR FOR THE COMPANY WITH BOARD FOCUS ON LEADERSHIP CHANGE AND ACTIONS TO STRENGTHEN THE FINANCIAL RESILIENCE OF THE BUSINESS AGAINST A DIFFICULT EXTERNAL ENVIRONMENT.

I took up the role of Executive Chairman on 20 April following the significant investment in the Company by my Yew Tree Consortium and a rights issue. My first priority along with that of the Board, was to strengthen executive management and to commence actions to strengthen the financial resilience of the Company. Also, to support management actions to launch the DBX, aggressively de-stock the dealer network to rebalance supply to demand and to take action on costs, all against the significant challenges presented by COVID-19.

We have appointed a world-class leadership team with Tobias Moers, formerly the CEO and acting Chief Technical Officer at Mercedes-Benz AMG, who joined as Chief Executive Officer in August and Kenneth Gregor, former CFO of Jaguar Land Rover, who joined as Chief Financial Officer in June. Together, with Marek Reichman our long-standing, award winning Chief Creative Officer, they have already made great strides in transforming the Company and assembling a strong leadership team.

Significant effort and Board activity during the year were focused on the new business plan and actions to complete our capital raise and refinancing plans, along with the Strategic Cooperation Agreement with Mercedes-Benz AG which is critical to supporting our long-term product expansion plans.

It has also been a time of significant change for the Board. With the planned stepping down of independent Non-Executive Directors Richard Solomons, Imelda Walsh and Tensie Whelan in May, the Board had commenced an independent Non-Executive Director search with the aim of identifying candidates with the skills and experience of the automotive or luxury sectors to support the Company in its future ambitions as well as to meet our aims relating to the UK Corporate Governance Code (“Code”) compliance and diversity. As a result, we announced in January 2021 the appointment of independent Non-Executive Directors Anne Stevens, Robin Freestone, Richard Parry-Jones and Antony Sheriff. We also announced the appointment of Non-Executive Director Stephan Unger, the representative director for Mercedes-Benz AG. Peter Espenhahn and Lord Matthew Carrington have decided to step down from the Board at the close of our Annual General Meeting and William (Bill) Tame stepped down on 27 January 2021. I would like to thank Peter, Matthew and Bill for their significant contributions and support to the Board. I would also like to thank former Chair Penny Hughes and Richard, Imelda and Tensie for their efforts as well as representative Directors Dante Razzano and Mahmoud Samy Mohamed Aly El Sayed who stepped down during the year and Amr AbouelSeoud who stepped down on 18 February 2021.

The Board and Committees are now compliant with the Code and the Board plans to continue to focus on its composition to continue to improve our diversity, which is important.

I would like to thank Board members for their significant efforts and flexibility during what has been an unusual and very busy year. I would also like to thank our shareholders, employees, customers and business colleagues for your continued support.

Yours sincerely,

LAWRENCE STROLL
EXECUTIVE CHAIRMAN

24 FEBRUARY 2021

GOVERNANCE REPORT

OVERVIEW

This Report sets out the Board's corporate governance structures and work from 1 January 2020 to 31 December 2020. Together with the Directors' Remuneration Report on pages 63 to 78, it includes details of how the Company has applied and complied with the principles and provisions of the 2018 UK Corporate Governance Code (the "Code"). The Code is published by the Financial Reporting Council and further information can be found on its website, www.frc.org.uk. The Code is supported by the FRC's Guidance on Board Effectiveness, which the Board uses to support its approach to governance and decision making.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The Code requires companies to describe in the Annual Report how they have applied the main principles of the Code and also any areas where companies do not comply with the Code provisions. The Directors consider that the Company has been compliant with the Code provisions as applied during the year ended 31 December 2020, other than the exceptions as set out below. It is noted that the composition of the Board is impacted by the rights of the significant shareholders under their respective Relationship Agreements (see the Directors' Report, page 82).

Code provision 9 recommends that the chair should be independent on appointment.

Lawrence Stroll assumed the position of Executive Chairman on completion of the capital raise on 20 April 2020 and was not independent on appointment as he is a member of the Yew Tree Consortium. A separate Chief Executive Officer has been in place during most of the year, with the exception being the period following the departure of Dr Andy Palmer on 25 May 2020 and the appointment of Tobias Moers with effect from 1 August 2020. During this period, the Executive Chairman worked with the Executive Committee to ensure ongoing support to executive management.

Code provision 11 recommends that at least half the board of directors of a UK-listed company (excluding the chair) should comprise 'independent' non-executive directors, being individuals determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the director's judgement.

Whilst the number of independent Non-Executive Directors comprised at least half the Board from early 2020 to late May 2020, with the retirement of a number of independent Non-Executive Directors in May the Company was not in compliance with this provision for the remainder of the year. Upon the Executive Chairman taking up his appointment, the Board commenced a detailed search process to strengthen Board membership and improve the diversity on the Board while moving towards Code compliance.

This process culminated in the appointment of Anne Stevens, Robin Freestone, Richard Parry-Jones and Antony Sheriff as independent Non-Executive Directors with effect from 1 February 2021, with the result that the Company complies with this provision. Further information regarding the search and selection process is set out on page 54.

Code provision 12 recommends that the board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders.

With the retirement of Richard Solomons in late May the Company was not in compliance with this provision until the appointment of Antony Sheriff as independent Non-Executive Director and Senior Independent Director with effect from 1 February 2021.

OUR BOARD

The composition of the Board has undergone significant evolution during 2020 and up to the date of this Report. Details of the changes to the Board during 2020 are set out on page 44. At the date of this Report our Board comprises 11 members: the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and eight Non-Executive Directors, of whom six are considered independent for the purposes of the Code. The names of the Directors and their biographies are set out on page 41 to 43.

The Directors are appointed by the Board and are subject to annual re-election by shareholders. The Company's significant shareholder groups, in line with the respective Relationship Agreements, have nominated Directors who have been appointed to the Board; further details of these arrangements are set out on page 82 of the Directors' Report.

The Board is satisfied that there is a sufficient balance between Executive and Non-Executive Directors on the Board to ensure that no one individual has unfettered decision-making powers and that Directors are able to discharge their duties and responsibilities.

It is the responsibility of the Board to establish the Company's purpose and to satisfy itself that the Company's purpose, values and strategy are aligned with its culture.

The Board's role is also to support management in the Company's strategic aims in the best interests of our shareholders and wider stakeholders. It leads and provides direction in the setting of strategy and overseeing its implementation by management. The specific activities undertaken by the Board during the year are set out on page 48. The Board also monitors the Group's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters. This is discussed further in the Risk and Viability Report on page 33.

The Board has established terms of reference that set out the matters that it must approve and the specific responsibilities that it has delegated to its principal committees: the Audit and

Risk Committee, Remuneration Committee and Nomination Committee. Each of the Committees' roles and responsibilities are set out in formal terms of reference, which are determined by the Board. These are available for review on the Company's website at www.astonmartinlagonda.com. Reports from each of these Committees are provided on the following pages.

All Board and Committee meetings are minuted and formally approved at the next meeting. Board minutes contain details of the Directors' decision-making processes and any follow up actions or concerns raised by the Directors.

The Board's terms of reference state that it must consider and approve the following:

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

EXECUTIVE CHAIRMAN

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

CHIEF EXECUTIVE OFFICER

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

CHIEF FINANCIAL OFFICER

The Chief Financial Officer, Kenneth Gregor, is a member of the executive management team reporting to the Chief Executive Officer. His role is to lead the financial management, risk and internal control teams and to oversee the Company's relationship with the investment community.

SENIOR INDEPENDENT DIRECTOR ("SID")

The Senior Independent Director, Antony Sheriff, supports the Executive Chairman in his role and leads the Non-Executive Directors in the oversight of the Executive Chairman. The SID is also available as an additional point of contact for shareholders.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors provide constructive challenge, strategic guidance, offer specialist advice and hold management to account. They monitor the performance and delivery of the strategy within the risk parameters and control framework set by the Board.

THE COMPANY SECRETARY

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

RELATIONSHIP AGREEMENTS

At the start of the financial year, the Company had two groups of significant shareholders, the Adeem/PW Shareholder Group and the Prestige/SEIG Shareholder Group. Following the corporate transactions during 2020, at the end of the year, the Company had three groups of significant shareholders namely, the Adeem/PW Shareholder Group, the Yew Tree Consortium and Mercedes-Benz AG ("MBAG"). The Adeem/PW Relationship Agreement terminated on 18 February 2021, as the Adeem/PW Shareholder Group ceased to hold 7% of the voting rights attaching to the ordinary shares.

The relationship between the Company and each of these significant shareholder groups is governed by separate Relationship Agreements. The purpose of these Relationship Agreements is to ensure that the Company can carry on its business independently and for the benefit of shareholders as a whole. Each of the Relationship Agreements provides that each significant shareholder group is entitled to nominate director(s) to the Board and the Nomination Committee and an observer to each of the Remuneration and Audit and Risk Committees subject to the size of its interest in the voting rights of the Company. The Relationship Agreements also provide that the Company will not take any action in relation to certain significant matters without the prior approval of at least two-thirds of members of the Board present and entitled to vote.

Further information on the Relationship Agreements is set out in the Directors' Report on page 82.

BOARD FOCUS

The Board has been extremely busy during 2020 having met for 8 scheduled Board meetings and an additional 28 unscheduled meetings in relation to the Yew Tree Consortium investment and rights issue; retail offer and non-pre-emptive placing; and capital raise, debt refinancing and Strategic Cooperation Agreement. Board and Committee attendance for regularly scheduled meetings during 2020 is set out below. During this period, the Board has been very mindful of our stakeholders and the possible impacts of events on them. More information on our key stakeholders is on page 22 and some examples of how the Board considered stakeholder interests is set out on page 49.

Board focus was on the following key areas/activities:

- Response to the COVID-19 pandemic, focusing in particular on the impact on the Group's workforce, the business plan, operational performance and financial position.
- Consideration and approval of the corporate actions undertaken during the year including the capital raise and rights issue (completed April 2020); the retail offer and non-pre-emptive placing (completed June 2020); and the Strategic Cooperation Agreement with Mercedes-Benz AG, refinancing and share consolidation (completed December 2020) (the "Transactions").
- CEO and CFO succession (including arrangements for the former Executive Directors) and wider Board composition and independent Non-Executive Director search.
- Approval of the new business plan and the 2021 budget.
- Preparedness for the end of the Brexit transition period, particularly in light of the COVID-19 pandemic.
- Consideration and approval of Financial Statements and announcements including the Annual Report and preliminary results announcement.
- Investor relations engagement including regular updates by the Director of Investor Relations on investor feedback, market reaction to announcements and reports from brokers and analysts.
- Regular updates on the performance of the business and transformation plans including to reduce costs and improve efficiency and impacts on the workforce and culture of the Company and plans for workforce engagement.
- Consideration of arrangements for the AGM and two General Meetings convened in connection with the Yew Tree Consortium investment and rights issue and the Transactions.
- Other standing agenda items to ensure that all aspects of the business and governance and regulatory requirements are given due consideration as appropriate.

Director	Board	Audit and Risk	Nomination	Remuneration
Directors as at 31 December 2020				
Laurence Stroll (Executive Chairman)[1]	6/6	n/a	0/0	n/a
Tobias Moers (CEO)[2]	2/2	n/a	n/a	n/a
Kenneth Gregor (CFO)[3]	3/3	n/a	n/a	n/a
Amr AbouelSeoud[4]	8/8	n/a	n/a	n/a
Lord Matthew Carrington (Chair, Remuneration Committee)[5]	8/8	4/4	0/0	5/5
Peter Ian Espenhahn (Chair, Audit and Risk Committee)[6]	8/8	6/6	0/0	3/3
Michael de Picciotto[7]	5/5	n/a	n/a	n/a
William Tame[8]	3/3	3/3	0/0	3/3
Former Directors				
Penny Hughes[9]	2/2	n/a	2/2	n/a
Dr. Andy Palmer[10]	3/3	n/a	n/a	n/a
Mark Wilson[11]	2/3	n/a	n/a	n/a
Richard Solomons[12]	3/3	2/2	2/2	2/2
Mahmoud Samy Mohamed Aly El Sayed[13]	5/6	n/a	2/2	n/a
Dante Razzano[9]	2/2	n/a	1/2	n/a
Peter Rogers[14]	n/a	n/a	n/a	n/a
Imelda Walsh[12]	2/3	2/2	2/2	2/2
Professor Tensie Whelan[12]	3/3	n/a	n/a	n/a

1. Joined the Board on 20 April 2020.
2. Joined the Board on 1 August 2020.
3. Joined the Board on 22 June 2020.
4. Joined the Nomination Committee on 1 February 2021. Ceased to be a Director on 18 February 2021.
5. Appointed Chair of the Remuneration Committee and joined the Audit and Risk Committee on 23 May 2020.
6. Appointed Chair of the Audit and Risk Committee and joined the Remuneration Committee on 23 May 2020.
7. Joined the Board on 24 April 2020.
8. Joined the Board and Nomination Committee on 3 June 2020. Joined the Audit and Risk and Remuneration Committees on 16 September 2020. Ceased to be a Director on 27 January 2021.
9. Ceased to be Directors on 20 April 2020.
10. Ceased to be a Director on 25 May 2020.
11. Ceased to be a Director on 30 April 2020.
12. Ceased to be Directors on 23 May 2020.
13. Ceased to be a Director on 12 November 2020.
14. Passed away on 28 January 2020.

TIMELINE OF KEY EVENTS AND EXAMPLES OF BOARD CONSIDERATION OF STAKEHOLDERS

Timeline	Key events	Examples of stakeholder considerations*
January 2020	• Announcement of strategic investment by Yew Tree Consortium, led by Lawrence Stroll, and rights issue	• Board considered early impacts of COVID-19 on suppliers/dealers/customers particularly in Asia, and advice on how the Company should prepare for wider COVID-19 impacts. • In considering the relative merits of strategic investment and capital raise options the Board considered the impact on the financial position and prospects of the Company and what was in the best interests of the Company including its shareholders and creditors, including the pension scheme. • Board consideration of 2019 Annual Report including agreement of protocols for how engagement with key stakeholders should be reported to the Board. • Reports to the Board on engagement with investors on strategic investment/capital raise and year-end results. • Board consideration of results of General Meeting of shareholders. • Workforce Independent Non-Executive Director meets with Employee Engagement Group and provides feedback to the Board. • Reports to the Board on organisational restructure programme and employee consultation processes (including trade union stakeholders) on proposals to reduce employee numbers.
February	• Announcement of 2019 full-year results and a reset business plan • Mark Wilson, CFO, to step down no later than 30 April	
March	• COVID-19 lockdown measures implemented in the UK; production at manufacturing facilities suspended and employees furloughed. Non-furloughed employees switch to home working wherever possible. • General Meeting of shareholders on 30 March to consider Yew Tree Consortium placing and rights issue	
April	• Lawrence Stroll appointed Executive Chairman on 20 April • Placing and rights issue successfully conclude • Volunteer staff provide emergency vehicle repairs for local NHS staff and manufacture protective visors and gowns • Partner with local organisations to provide PPE for local hospitals	• Board considered detailed management plans to deal with COVID-19 impacts on the business including suppliers, dealers, customers and workforce. Also feedback on engagement with Government on advice and possible support and plans to furlough employees. • Board considered and agreed temporary salary cuts for Directors and senior management as being in the best interests of the Company. • Engagement by new Executive Chairman Lawrence Stroll with the workforce, investors and dealers on his vision for the Company. • Board consideration of protocols developed with employees and trade unions to protect employee health and safety to enable return to work in our production facilities. • Board consideration of how the Company could support the community to deal with COVID-19 impacts including delivery of PPE equipment to NHS staff and free vehicle repairs. • Board consideration of AGM shareholder engagement given Government COVID-19 restrictions. • Executive Chairman engagement with workforce on new CEO appointment. • Regular Board updates on COVID-19 business impacts including health and safety of the workforce. • Board approves placing as being in best interests of Company/shareholders to provide additional financial flexibility to successfully emerge from the extended COVID-19 lockdown and dealers' inventory de-stocking. Board agrees a retail offer to enable retail investors to participate.
May	• St Athan manufacturing facility reopens with new safety measures • Appointment of Tobias Moers as CEO announced on 26 May • Dr Andy Palmer steps down as CEO • Board and Committee changes announced	
June	• Annual General Meeting of shareholders on 3 June • Kenneth Gregor joins as CFO on 22 June • Retail offer and non-pre-emptive placing • Lockdown measures eased and gradual return of staff from furlough • Cost efficiency action plan continues with consultation exercise to reduce employee numbers	
July	• H1 2020 financial results announced • Initial deliveries of DBX • "Job 1" DB5 completed	• Board consideration of investor feedback on H1 2020 results. • Ongoing Board consideration of COVID-19 impacts on the business and key stakeholders.
August	• Tobias Moers joins as CEO on 1 August • Gaydon manufacturing facility reopens with new safety measures • Production of new Vantage Roadster commences	• Engagement by new Chief Executive Officer, Tobias Moers, with the workforce, investors and dealers.
October	• Announcement of capital raise and refinancing of debt including an equity placing, issue of first and second lien notes and an updated revolving credit facility • Announcement of Strategic Cooperation Agreement with Mercedes-Benz AG • Announcement of Q3 2020 results	• Key stakeholder impacts considered as part of new business plan discussions. • Board approves capital raise, refinancing of debt and Strategic Cooperation Agreement with Mercedes-Benz AG as being in the best interests of Company/shareholders as strengthens financial resilience and critical to supporting medium-term growth plans under the new business plan. • Board considers shareholder engagement feedback ahead of General Meeting. • Reports to the Board on engagement with investors on capital raise, refinancing of debt, Strategic Cooperation Agreement and Q3 results.
November	• Second national UK lockdown (with tighter restrictions from December)	
December	• General Meeting of shareholders on 4 December to consider transactions announced in October • Placing, Strategic Cooperation Agreement and financing transactions successfully conclude • Capital Reorganisation effected	
January 2021	• Announcement of five Non-Executive Director appointments and Committee changes • New Aston Martin Cognizant F1™ branded team announced	

* This is to provide a sample of how the Board considered stakeholder interests during the year and is not meant to be exhaustive of all stakeholder interests considered during the year.

INFORMATION FLOW, INDUCTION AND PROFESSIONAL DEVELOPMENT

The Executive Chairman works closely with the Company Secretary to plan and schedule Board and Committee meetings. A key area of focus continues to be enhancing the Board and Committee agendas and work plans to ensure that financial, regulatory and governance requirements are met throughout the year as well as providing sufficient time to focus on strategy and key areas of the business.

In addition, the Executive Chairman and the Company Secretary work to ensure that information is made available to Board members on a timely basis and is of a quality appropriate to enable the Board to effectively carry out its duties. The Executive Chairman and the Committee Chairs continued to work with management to improve the approach to agendas and papers, and to discuss the information which would be most useful for the Board to receive including between formal meetings.

An agenda and accompanying pack of detailed papers are circulated to the Board in advance of each Board meeting. Currently these include reports from the Executive Directors, other members of senior management and external advisers. Members of senior management may be invited to present relevant matters to the Board. All Directors are able to request additional information on any of the items to be discussed. The Board and the members and observers of the Audit and Risk Committee also receive further regular and specific reports from the internal auditors to allow the monitoring of the adequacy of the Group's systems of internal controls and reports from the external auditors.

Tailored induction programmes were put in place for the Executive Chairman, the new Executive Directors and Non-Executive Directors who joined the Board during the year and continue for those who joined during 2021. These include, where possible and in line with COVID-19 protocols, visits to each of the main operational locations, meetings with senior management and information about the key areas of the business.

The Board and Committee standing agenda items include the briefing of Directors on a wide range of topics which include corporate governance and regulatory requirements. Additionally, Directors have access to the advice and services of the Company Secretary and independent and professional advice at the Company's expense should they determine that this is necessary to discharge their duties. As was appropriate, the Directors were advised on their duties in respect of the capital raise and financing transactions which took place during the year.

APPOINTMENT AND ELECTION OF DIRECTORS

All of the Directors have service agreements or letters of appointment and the details of their terms are as set out in the Directors' Remuneration Report. The Executive Chairman and Non-Executive Directors are expected to devote necessary time to perform their duties properly. This is expected to be approximately 30 days each year for the Non-Executive Directors. The Executive Chairman and Senior Independent Director may be required to spend additional time over and above this to carry out their extra responsibilities. As discussed in relation to Board attendance, Directors devoted significantly more time to Board matters during the year.

The Board considers all Directors to be effective and committed to their roles and to have sufficient time to perform their duties. All Directors will be offering themselves for election or re-election as appropriate at Company's Annual General Meeting ("AGM") with the exception of Lord Matthew Carrington and Peter Espenhahn who will be retiring from the Board at the conclusion of the AGM.

The service agreements and letters of appointment are available for inspection at the Company's registered office during normal business hours. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested existed during or at the end of the financial year other than the Relationship Agreements with significant shareholders the Yew Tree Consortium and the Adeem/PW shareholder group as set out on page 47, the F1™ Sponsorship Agreement as set out in the Prospectus dated 27 February 2020 and the Supplementary Prospectus dated 13 March 2020, and the agreement with two former directors to purchase a car at a discount as set out in note 31. The Adeem/PW shareholder group ceased to be a related party for the purposes of the Listing Rules during the year ended 31 December 2020, and their Relationship Agreement with the Company terminated on 18 February 2021.

BOARD AND COMMITTEE EVALUATION AND EFFECTIVENESS

Given the significant matters before the Board, the impacts of COVID-19 and the significant changes to the Executive and the Board during the year, it was agreed that it was more appropriate to adopt an ongoing dialogue on Board effectiveness. Consequently, there was regular dialogue concerning the difficulties experienced by the business and the appropriate Board response, including separate feedback from independent Non-Executive Directors. In addition, the Committee members were separately asked for their feedback on anything that may be top of mind in respect of the operation of the respective Committee including what went well and areas for improvement.

Given the context for the year, common themes emerged from this collective feedback. Overall, it was agreed that against the backdrop of COVID-19 and the refinancing and other actions taken to stabilise the Company, it was a challenging year in all respects including for the operation of the business and the Board/Committees. While video conferencing had been a hugely useful tool to enable meetings to take place during this time it was not as effective as face-to-face meetings as it did not foster personal relationships between participants, particularly with the addition of a new management team and new Board members. The Executive Chairman and the Board had achieved a significant amount during the year to effect leadership change, the successful completion of the actions taken to stabilise the capital structure and Strategic Cooperation Agreement with Mercedes-Benz AG. Despite the significant workload and the external challenges, the Board/Committees had performed well and flexibly with effective support from management. Specific areas of practical improvement were considered with the hope that the work of the Board/Committees could return to a more "business as usual" focus.

EXTERNAL DIRECTORSHIPS

It is recognised that non-executive directorships can provide a further level of experience for executives that can benefit the Company. As such, Executive Directors may usually take up one non-executive directorship (broadly equivalent in terms of time commitment to a FTSE 350 non-executive directorship role) subject to the Board's approval as long as there is no conflict of interest. Neither of the Executive Directors currently has any other directorship outside the Group.

BOARD SUCCESSION AND DIVERSITY

Board succession planning is focused on ensuring the right mix of skills and experience on the Board. All new appointments are based on merit, keeping in mind that to deliver our strategy we need a Board which is diverse and inclusive. Consequently, we believe in the importance of diverse Board membership, including in relation to gender, social and ethnic backgrounds, cognitive and personal strengths, tenure and relevant experience.

At the date of this Report, the Company has two significant shareholder groups with rights to nominate representative directors to the Board under their respective Relationship Agreements with the Company, as set out on page 82. In formulating the Board Diversity Policy which was adopted in 2019, the Board recognised the Davies Report and the Hampton-Alexander Review target for women to represent 33% of boards by 2020 whilst also being cognisant of the Company's Relationship Agreements. Accordingly, under the Policy the Board agreed its aim to maintain a balance so that, as a minimum, one-third of Board members not subject to significant shareholder appointments are women, provided this is consistent with the prevailing skills and diversity requirements of the Company as and when seeking to appoint a new Director. Consequently, under the Board Diversity Policy, as at the date of this Report, there is one woman out of eight relevant Board members (being the two Executive Directors and six independent Non-Executive Directors), thereby comprising 12.5% of the Board. The ongoing evolution of the Board has impacted Board diversity in 2020, however the Board remains committed to continuing to strengthen Board membership and to enhance diversity which is very important.

DIRECTORS' CONFLICTS OF INTEREST

Directors have a statutory duty to avoid situations in which they may have interests that conflict with those of the Company unless that conflict is first authorised by the Board. As permitted under the Companies Act 2006, the Company's Articles of Association allow Directors to authorise conflicts of interest and, in accordance with its terms of reference, the Board has established a policy and set of procedures for managing and, where appropriate, authorising actual or potential conflicts of interest. This is monitored by the Nomination Committee.

Prior to approval of this Report, the Committee has reviewed all situational conflicts that it has authorised and concluded that the potential conflicts had been appropriately authorised, no circumstances existed which would necessitate that any prior authorisation be revoked or amended, and the authorisation process continued to operate effectively.

RELATIONSHIP WITH SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS

OUR APPROACH

The Board recognises that our business and our behaviours impact our shareholders and other stakeholders and that stakeholder engagement is a key element of delivering a sustainable business. This activity is taken across our business at different levels of the organisation with steps taken to ensure that the Board is aware of this activity and can also engage with stakeholders as appropriate. The Board receives regular updates from the Chief Executive Officer and the Chief Financial Officer on these matters, as well as from senior executives within the business with particular expertise or responsibility for dealing with the stakeholders involved. With the impact of COVID-19, a particular area of focus for the Board during the year was on understanding the impact on those external stakeholders critical to our business – our dealers, customers, suppliers and other partners. Examples of how the Board considered stakeholder interests during the year are set out on page 49. Information on our key stakeholders and the Board's s172 statement is set out on page 22.

INVESTORS

The Board is committed to maintaining good communications with existing and potential shareholders. The Executive Chairman, Chief Executive Officer and Chief Financial Officer met, in line with COVID-19 protocols, with a large number of shareholders in the period since their appointments after each announcement relating to the Company's financial performance. The Executive Chairman has engaged with institutional shareholders to discuss the Company's performance and Board governance matters and communicated their views to the Board.

In relation to investor relations activity, a combination of the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Investor Relations team held over 550 meetings with 278 individual investors and analysts during the year. About 60% of the meetings included the executive management team. The Director of Investor Relations was a regular Board attendee to provide feedback from these meetings and updates on other market matters.

The management team also hosted webcasts for all reported results and market updates to take questions from investors and analysts to ensure an open dialogue with the market.

Presentations given to analysts and investors covering the Group's annual and interim results, along with all results and other regulatory announcements as well as further information for investors, are included on the investor relations section of our website at www.astonmartinlagonda.com. Further information on our engagement with shareholders is set out below under Annual and General Meetings of shareholders.

WORKFORCE

As part of the Board's work to better understand the views of its people, Imelda Walsh, the Remuneration Committee Chair and Workforce Independent Non-Executive Director (until she ceased to be a Director on 23 May 2020), was responsible to the Board for directly engaging with the Company's workforce. During the period Imelda attended the Company's Employee Engagement Group ("EEG") and listened to views raised by the workforce and the Company's responses and reported on this to the Board. The Chief Financial Officer and Imelda (during her tenure) engaged with the Chair of the Trustee of the Aston Martin Pension Scheme, a key creditor of the Company, and the Pension Regulator. Measures taken in response to COVID-19 made face-to-face engagement difficult but other methods of engagement were adopted to ensure that the workforce continued to receive regular communications about the business and concerning workforce health and safety in response to the pandemic. On Imelda stepping down workforce engagement continued, led by the Chief Executive Officer and Directors of HR and Reward who provided regular updates to the Board and Committees. More information on our workforce engagement is set out in our People section on page 19.

Anne Stevens, who will be our Remuneration Committee Chair following the announcement of our year-end results, joined the Board on 1 February 2021 and became the Workforce Independent Non-Executive Director. The Board remains committed to a constructive two-way dialogue with our workforce, to enable us to better reflect their interests in future Company and strategic decisions, and to help ensure that the Company is a great place to work.

WHISTLEBLOWING

There is an appropriate mechanism for employees and contractors to report any concerns regarding suspected wrongdoing or misconduct. The "Confidential Reporting and Whistleblowing" policy is made available to all employees and contractors on joining the business and is published on the Group intranet together with annual mandatory training. Whistleblowing reports are investigated by the Internal Audit and Risk Management team with significant findings reported to the Audit and Risk Committee and Board. Further information on this is in the Audit and Risk Committee Report on page 61.

ANNUAL AND GENERAL MEETINGS OF SHAREHOLDERS

All shareholders may ask questions by contacting us and we usually encourage them to attend our AGM where they will have the opportunity to interact with Board members and ask questions. Following UK Government guidelines in response to the ongoing COVID-19 pandemic, it was not possible for our shareholders to attend our 2020 AGM and the General Meetings we held in March and December. We provided shareholders with the opportunity to ask questions ahead of the meeting with the answers published on our website, and were able to make the proceedings of our General Meeting in December available by video to shareholders who had registered in advance. If the pandemic continues to impact shareholder attendance at our upcoming AGM, we will continue to keep under review ways to ensure engagement with our shareholders. A further update will be provided in the Notice of AGM.

The Notice convening the 2021 AGM will be made available to shareholders in advance of the meeting. This will provide shareholders with the appropriate time, as set out in the FRC's Guidance on Board Effectiveness, to consider matters.

Separate resolutions will be proposed on each substantially separate matter. The results of the proxy votes on each resolution will be collated independently by the Company's registrar and will be published on the Company's website after the meeting.

FAIR, BALANCED AND UNDERSTANDABLE

The Annual Report and Accounts is required, as a whole, to be "fair, balanced and understandable" and to provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Audit and Risk Committee considered, on behalf of the Board, whether the "fair, balanced and understandable" statement could properly be given on behalf of the Directors. The Committee considered the associated assurance processes (as set out on page 62) and provided a recommendation to the Board that the fair, balanced and understandable statement could be given on behalf of the Directors. Based on this recommendation, our Board is satisfied that it has met this obligation.

A summary of the Directors' responsibilities in relation to the Financial Statements is set out on page 85. The report of the external auditors on page 87 includes a statement concerning their reporting responsibilities.

NOMINATION COMMITTEE REPORT

LAWRENCE STROLL
CHAIR, NOMINATION COMMITTEE

DEAR SHAREHOLDER

As Nomination Committee Chair, I am pleased to present the Committee's Report for the year ended 31 December 2020.

ROLES AND RESPONSIBILITIES

The role of the Committee is to establish formal, rigorous and transparent procedures for the appointment of Directors to the Board and senior executive officers of the Company. In addition, it is responsible for reviewing the succession plans for the Executive and Non-Executive Directors.

This involves:

- The regular review of the structure, size and composition of the Board to ensure it has the proper balance of skills, experience, independence, and diversity;
- Succession planning for Directors and senior executives, including oversight of the development of a diverse pipeline for succession, with a view to addressing the leadership needs of the Company to ensure that it can continue to compete effectively in the market place;
- Identifying and nominating candidates to fill Board vacancies including managing the search process; and
- Keeping under review potential conflicts of interests of Directors disclosed to the Company and developing appropriate processes for managing such conflicts where necessary.

The Committee meets at least twice a year and has formal terms of reference which can be viewed on the Company's website www.astonmartinlagonda.com. The Committee had two formal meetings during 2020 and met in early January 2021 and engaged frequently in addition to these meetings on Board appointment matters. Committee attendance is set out on page 48.

This report sets out the work of the Committee in 2020 in more detail.

MEMBERSHIP

The Committee presided over, and was subject to, significant change during 2020. In addition to myself as Chair, the Committee currently comprises independent Non-Executive Directors Peter Espenhahn and Lord Matthew Carrington who joined the Committee on 23 May, and more recently Robin Freestone, Richard Parry-Jones, Antony Sheriff and Anne Stevens who joined the Committee on 1 February 2021. It also comprises Non-Executive Director Stephan Unger who also joined on 1 February 2021, as the Relationship Agreements with the significant shareholder groups (see page 82) provide that each may appoint a director to the Committee. During the year, Penny Hughes was Chair of the Committee and Dante Razzano a member until they stepped down on 20 April, and Richard Solomons and Imelda Walsh were members of the Committee until 23 May when they stepped down from the Board. William (Bill) Tame was a member from 3 June until he stepped down from the Board on 27 January 2021, Mahmoud Samy Mohamed Aly El Sayed until he stepped down from the Board on 12 November and Amr AbouelSeoud was a member from 1 February 2021 until he stepped down from Board on 18 February 2021. I would like to thank Penny, Dante, Richard, Imelda, Bill, Amr and Mahmoud for their significant contributions.

The Company Secretary is secretary to the Committee and the Chief Executive Officer, Director of HR, Director of Reward and other members of the senior management team may be invited to attend for all or part of a Committee meeting as appropriate.

EXECUTIVE MANAGEMENT CHANGE

I took up the role of Executive Chairman on 20 April 2020 following the significant investment in the Company by my Yew Tree Consortium and a rights issue. My first priority, along with that of the Board, was to strengthen executive management.

The Company had previously announced at the end of February that Mark Wilson had decided to step down as Chief Financial Officer and so the process to find a new CFO was already underway with the Committee confirming the appointment of executive search company Savannah Group to commence the search. The Committee agreed the search brief which was to consider candidates with a focus on listed company finance experience in a global industrial/manufacturing context, combined with broader business acumen and a balance of strategic vision and hands-on style. Specific corporate "turn-around" experience was also regarded as valuable. An important element of the search was a focus on the gender diversity of the Board as part of candidate considerations and it is noted that Savannah is a signatory to the Voluntary Code of Conduct for Executive Search Firms which seeks to address gender diversity on boards and best practice for the related search processes. Following an extensive process which included the review of a "long list" of candidates a "short list" was agreed and members of the Committee and other Board members met with a number of the short-listed candidates. This process culminated in the appointment of Kenneth Gregor on 22 June.

With the significant difficulties experienced by the Company during 2019, the Board concluded that it was time to put in place new leadership to lead the urgent turnaround plans, including actions to stabilise the Company's capital and debt structure. Given the nature of the role of Chief Executive Officer in a unique company like Aston Martin as well as the significant difficulties being faced by the Company, it was clear that the candidate would need to be of high calibre, with strong leadership capabilities and a unique skill set and ideally able to join the Company within an accelerated timescale. Given those very specific requirements and the urgent and sensitive nature of the search a small group of candidates was considered by the Board. Tobias Moers was an obvious top candidate as a highly successful and experienced automotive professional with more than 25 years in senior roles at Mercedes, highly experienced in performance cars and with a successful track record of implementing business transformation in a competitive environment. On 26 May the Company announced that Tobias Moers would join the Company as Chief Executive Officer on 1 August.

BOARD COMPOSITION

With a desire to strengthen the Board and with the planned stepping down of independent Non-Executive Directors Richard Solomons, Imelda Walsh and Tensie Whelan, the Committee retained Savannah over the summer to conduct a wide-ranging independent Non-Executive Director search. The brief was to identify candidates with relevant automotive or luxury industry background and track record in either an executive or non-executive capacity, combined with board-relevant qualities and skills. These factors were considered critical to support the Company in its future ambitions as well as to meet our aims relating to the UK Corporate Governance Code ("Code") compliance and diversity.

As a result of this process, we announced in January 2021 the appointment of independent Non-Executive Directors Anne Stevens, Robin Freestone, Richard Parry-Jones and Antony Sheriff. We also announced the appointment of Non-Executive Director Stephan Unger, the representative director for Mercedes-Benz AG. Peter Espenhahn (Audit and Risk Committee Chair) and Lord Matthew Carrington (Remuneration Committee Chair) will step down from their Chair roles on the publication of our year-end results on 25 February and from the Board at the close of the AGM. Robin Freestone will become Audit and Risk Committee Chair and Anne Stevens will become Remuneration Committee Chair. Antony Sheriff is Senior Independent Director.

The Board and Committees are currently compliant with the Code (see page 46 of the Governance Report). The Committee will continue to focus on Board composition to continue to improve diversity, which is very important.

DIVERSITY

The Board acknowledges that the Board's perspective and approach can be greatly enhanced through diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, tenure and relevant experience. There is also a recognition that to deliver our strategy it is important to promote a high-performing culture, characterised by a diverse and inclusive workforce.

In formulating the Board Diversity Policy which was adopted during 2019, the Committee recognised the Davies Report and the Hampton-Alexander Review target for women to represent 33% of Boards by 2020 whilst also being cognisant of the Company's Relationship Agreements with its significant shareholder groups with rights to nominate representative directors to the Board (see page 82). Accordingly, it was agreed that the Board intends to maintain a balance so that, as a minimum, one third of Board members not subject to significant shareholder appointments are women, provided this is consistent with the prevailing skills and diversity requirements of the Company as and when seeking to appoint a new Director. Consequently, under the Board Diversity Policy, as at the date of this Report, there is one woman out of eight relevant Board members (being the 2 Executive Directors and 6 independent Non-Executive Directors), thereby comprising 12.5% of the Board. We acknowledge the need to do more in the area of diversity including in relation to the senior management of the Company, and so this will be a continued focus for the Committee.

COMMITTEE EFFECTIVENESS

Committee Effectiveness Review feedback is summarised on page 51. Given events during the year with evolving circumstances and changes to Committee membership, the Chair received ongoing feedback from Committee members on Committee effectiveness.

LAWRENCE STROLL
CHAIR, NOMINATION COMMITTEE

24 FEBRUARY 2021

AUDIT AND RISK COMMITTEE REPORT

PETER ESPENHAHN
CHAIR, AUDIT AND RISK COMMITTEE

DEAR SHAREHOLDER

I took up the role of Audit and Risk Committee Chair on 23 May 2020 when Richard Solomons stepped down from the Board. I am pleased to present the Committee's report for the period.

ROLES AND RESPONSIBILITIES

The Committee's responsibilities include:

- Assessing the integrity of the Group's Financial Statements and formal announcements of the Group's performance;
- Consideration of the Group's viability statement;
- Reviewing the Annual Report to determine whether it is fair, balanced and understandable;
- Receiving and reviewing reports from the Company's external auditors, monitoring their effectiveness and independence and making recommendations to the Board in respect of their remuneration, appointment and dismissal. Overseeing policies on the engagement of the external auditors for the supply of non-audit services;
- Reviewing the Group's internal financial, operational and compliance controls and risk identification and management systems and considering Group policies for identifying and assessing risks and arrangements for employees to raise concerns (in confidence) about possible improprieties; and
- Reviewing the annual internal audit programme and discussing the findings of any internal investigations and management's response.

The Committee meets at least three times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Committee has formal terms of reference which can be viewed on the Company's website www.astonmartinlagonda.com. Committee attendance for the period is set out on page 48.

MEMBERSHIP

This has been a year of transition for the Committee. In addition to myself as Chair, the Committee currently comprises independent Non-Executive Directors Lord Matthew Carrington and more recently Robin Freestone, Richard Parry-Jones, Antony Sheriff and Anne Stevens who joined on 1 February 2021. Richard Solomons and Imelda Walsh were members of the Committee during the year until 23 May when they stepped down from the Board. William (Bill) Tame was a member from 3 June until he stepped down from the Board on 27 January 2021. I would like to thank Richard, Imelda and Bill for their significant contributions.

In accordance with the Relationship Agreements with the significant shareholder groups (see page 82), each may appoint an observer of the Committee with no voting rights. Michael de Picciotto and Stephan Unger currently serve as observers. Amr AbouelSeoud ceased to be an observer on 18 February 2021.

I have decided to step down as Chair of the Committee on the publication of the Company's preliminary results and from the Board and Committees at the close of the Annual General Meeting. Consequently, Robin Freestone will become Committee Chair on my stepping down. Matthew Carrington has also confirmed that he will step down from the Board and Committees at the close of the Annual General Meeting.

The Company Secretary is secretary to the Committee. The Board Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the General Counsel, the Director of Internal Audit and Risk Management, the external auditor and other senior members of the finance team also routinely attend meetings.

The Code stipulates that:

- the Committee, as a whole, shall have competence relevant to the sector in which the Company operates. All Committee members have past employment experience in either finance or accounting or engineering roles and have knowledge of financial reporting and/or international businesses. As such the Board is satisfied that the Committee, as a whole, has the competence relevant to the business sector. Details of the Committee members' experience can be found in their biographies from page 41;
- at least one Committee member should have recent and relevant financial experience. Each of Richard Solomons and William Tame met this requirement during their tenure and Robin Freestone meets this requirement as he was previously Chief Financial Officer of Pearson plc and is a qualified chartered accountant.

The Committee is considered to be independent for Code purposes as it is made up solely of independent Non-Executive Directors.

This Report sets out the work of the Committee in more detail.

MAIN ACTIVITIES

During the period from 1 January 2020 until 31 December 2020, the Committee had six meetings. The Committee focused on the following key areas.

- Review of the UK Corporate Governance Code requirements relating to year-end matters including, among others, the review of the Group's accounting policies, key accounting judgements, significant financial reporting matters, principal risks, going concern and viability, the effectiveness of the Group's risk management and internal control systems and "fair, balanced and understandable" reporting in the 2019 Annual Report;
- Financial Statements, announcements and other financial reporting matters including the approval of the interim results announcement, trading updates and the review and approval of the 2019 Annual Report;
- Support for the significant financial and capital transactions which took place during the year including review of the relevant working capital, Financial Position and Prospects Procedures (FPPP) financial and other reports and relevant transaction documents;
- Regular updates on treasury, tax, litigation and whistleblowing activity. Updates on COVID-19 impacts, Brexit readiness, the pension scheme and the renewal of the Group's insurance programme;
- Review and approval of the external audit plan, audit fees, reports from the external auditor and subsequent audit findings;
- Review of the internal audit function, the risk management and corporate risk register and approval of the internal audit plan;
- Considering the outcome of the Financial Reporting Council's (FRC) Audit Quality Team review of the 2018 audit undertaken by KPMG and correspondence from the FRC who had included our 2019 Annual Report as part of their sample for the thematic review of companies' reporting on the impact of climate change;
- Review and approval of new and/or amended policies including the Non-Audit Services Policy and Foreign Exchange Hedging Policy;
- Committee annual calendar and agenda planning;
- Review of the Committee's terms of reference; and
- Corporate governance matters and regulatory updates.

At each meeting the Committee held a private session with the external auditor and the Director of Internal Audit and Risk Management without members of management being present.

FINANCIAL REPORTING AND SIGNIFICANT FINANCIAL JUDGEMENTS

The Annual Report seeks to provide the information necessary to enable an assessment of the Company's position and performance, business model and strategy.

The Committee assists the Board with the effective discharge of its responsibilities for financial reporting, and for ensuring that appropriate accounting policies have been adopted and that management has made appropriate estimates and judgements.

In preparing the Financial Statements for the period, there were a number of areas requiring the exercise of a high degree of estimation. These areas have been discussed with the external auditor to ensure the Group reaches appropriate conclusions and provides the required level of disclosure. The significant issues considered by the Committee in respect of the Annual Report are set out on page 58.

Significant matters for the year ended 31 December 2020	How the Committee addressed these matters
Impairment assessment of goodwill and other intangible assets	The Committee considered the Group's process in determining whether any asset, covered within the scope of IAS 36 Impairment of Assets, requires impairment. The key judgement in relation to assessing the carrying value of intangible assets with indefinite useful lives (goodwill and brands) largely related to the achievability of the Group's forecasts from 2021 to 2025, which underpin the valuation process. The Committee also considered whether there were any indicators of impairment of assets with a finite life. On 27 October the Group announced an expanded and enhanced Strategic Cooperation Agreement with Mercedes-Benz AG, giving access to powertrain architecture (for conventional, hybrid, and electric vehicles) and future oriented electric/electronic architecture for all product launches through to 2027. The Committee reviewed the impact on the carrying value of assets of this enhanced partnership, and other cycle plan updates following the strategic review of the business plan independently. The carrying value of intangible development costs have been impaired by £69.4m to reflect the change in future vehicle powertrains and electronic architecture. The Committee concluded that the assumptions made, conclusions reached and disclosures given were appropriate.
Accounting for defined benefit pension obligations	The Committee considered the financial statement disclosures in respect of the defined benefit pension scheme including the judgements made and the sensitivity analysis in relation to actuarial assumptions including discount rates, inflation and longevity as set out in note 26 to the Financial Statements. The Committee noted that the judgements, including the impact of future committed pension contributions, made on the pension scheme were all based on advice from the Group's pension adviser. The final calculations in respect of the Group's defined benefit pension scheme liability were performed by the pension scheme actuary. The Committee discussed with the auditor the assumptions applied, in particular the findings of the auditor's own pension specialist, and concluded that the assumptions made and disclosures given were appropriate.
Going concern and Viability statement reporting	The Committee discussed the Group's considerations in assessing the appropriateness of adopting the going concern basis of accounting and considered the financial statement disclosures in respect of adopting the going concern basis in preparing the financial information. The Committee concluded that adopting the going concern basis and the disclosures given were appropriate. The Committee discussed the key assumptions used in evaluating the long-term viability of the Group, the time period for the viability statement and the stress and reverse stress testing used as a basis for conducting the overall assessment. The Committee concluded that the assumptions made and the wording included in the viability statement were appropriate.
Other matters	At the December 2020 and February 2021 meetings, the Committee also considered management's papers on the following subjects and concluded that the assumptions made and the approaches adopted were appropriate: • capitalisation and amortisation of development costs; • recognition and measurement of deferred tax assets; • the Group's revenue recognition policies; • recognition and measurement of the Group's warranty provision; • recognition and measurement of adjusting items; • accounting for the financing and capital arrangements; • accounting for the Strategic Cooperation Agreement with Mercedes-Benz AG; • the prior period error corrected in the year related to the timing of accounting recognition of the retail incentive element of variable marketing expenditure within the US market; • the Group's treasury policy and other treasury related matters; and • the Group's tax strategy.

FINANCIAL REPORTING COUNCIL

As part of its normal processes the FRC's Audit Quality Team met with the former Chair of the Committee to review the 2018 audit undertaken by KPMG. The FRC confirmed that the purpose of the review was to monitor the quality of the audits of listed and other major public interest entities. Discussions with audit committees support that objective by enabling the FRC to develop a better understanding of the interaction between the committee and the audit firm.

The Company received a letter from the FRC confirming that the Company's 2019 Annual Report and Accounts had been included as part of their sample for the thematic review of companies' reporting on the impact of climate change. This review does not provide assurance that the Annual Report and Accounts are correct in all material respects as the FRC's role is not to verify the information but to consider compliance with reporting requirements. No questions were raised concerning the Company's climate disclosures, but a small number of matters were noted where the Company could make improvements to its existing disclosures. These have been taken into account in the preparation of this Annual Report.

EXTERNAL AUDITORS

OVERSIGHT OF EXTERNAL AUDIT

The Committee oversees the work undertaken by Ernst & Young LLP ("EY"). EY was appointed as external auditors with effect from 24 April 2019, following an audit tender process. Shareholders approved EY's appointment at the Company's Annual General Meeting on the 25 June 2019. The external auditor is required to rotate the audit engagement partner every 5 years. The current engagement partner, Simon O'Neill, began his appointment from the 2019 financial year.

The Committee's responsibilities include making a recommendation on the appointment, reappointment and removal of the external auditor and overseeing their effectiveness and independence. The Committee assesses the qualifications, expertise, resources and independence of the external auditors and the effectiveness of the audit process. During the period the Committee approved the external audit plan, the proposed audit fee and terms of engagement of EY for FY 2021. It has reviewed the audit process and the quality and experience of the audit partners engaged in the audit and has also considered the extent and nature of challenge demonstrated by the external auditor in its work and interactions with management. The Committee has considered the objectivity of the auditor including the nature of other work undertaken for the Group as set out below.

The Committee considers that the Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

NON-AUDIT SERVICES

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

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

The total value of non-audit services that can be billed by the external auditor is normally restricted by a cap set at 70% of the average audit fees for the preceding three years. This cap will become effective for the year commencing 1 January 2022 at which point the current external auditors will have been engaged for the previous three years. During 2020 the Committee approved non-audit fees in excess of this limit as a result of the financing and capital raise transactions which took place during the year.

The approval of the Committee must be obtained before the external auditor is engaged to provide any permitted non-audit services. For permitted non-audit services that are clearly trivial, the Committee has pre-approved the use of the external auditor for cumulative amounts totalling less than £200,000 on the approval of the Chief Financial Officer and Chair of the Committee. During FY 2020 the Company's external auditor was engaged to provide permitted non-audit services in relation to the equity placing and rights issue transactions completed at the end of April (£725,000), the half year review (£45,000) and the further capital, finance and strategic cooperation transactions which took place in the latter part of the year (£785,000). These fees primarily related to the provision of working capital reports and comfort letters. (2019: £0.1m of non-audit services fees were paid.)

Details of the fees paid to the external auditor during the financial year can be found in note 4 to the Financial Statements.

EVALUATION OF INTERNAL CONTROLS

The Board is ultimately responsible for the Group's system of internal controls and risk management and it discharges its duties in this area by:

- determining the nature and extent of the principal risks it is willing to accept in achieving the Group's strategic objectives (the Board's risk appetite); and
- challenging management's implementation of effective systems of risk identification, assessment and mitigation.

The Committee is responsible for reviewing the effectiveness of the Group's internal control framework and risk management arrangements. The system of internal controls is designed to manage rather than eliminate the risk of not achieving business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. This process complies with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council. It also accords with the provisions of the Code.

Details of the Group's risk management process and the management and mitigation of principal risks together with the Group's viability statement can be found in the Risk and Viability Report on page 33.

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

During the year the new management team have enhanced the procedures and controls associated with budget and forecasting. Transformation workstreams have been established to further improve business performance, manage finished vehicle inventory to successfully reduce Group and dealer stock levels, and enhance the controls deployed to manage the authorisation, monitoring and effectiveness of marketing expenditure. These workstreams continue and are expected to complete in H1 2021. A project has commenced to replace a number of the Group's core IT systems with a new Enterprise Risk Planning system to enhance the underlying IT general controls and drive better process efficiencies across a number of core areas and activities. Phase 1 of the project is due to complete within the first half of 2022.

During the H1 results preparation process, the Company identified that an adjustment should be made in respect of the timing of accounting recognition of the majority of customer and retail incentive support associated with supporting lease and other incentive programs in the US. As a result, the balance sheets of the Group as at 31 December 2018, 30 June 2019 and 31 December 2019 and the income statements for the six months ended 30 June 2019 and the year ended 31 December 2019 were restated to correct this error. This was a non-cash adjustment and had no impact on historic or future cash flows. Full details are set out in note 2. Management have remediated this control deficiency during the period through the deployment of a comprehensive technical accounting review and thorough review of the application of IFRS 15 with respect to retail incentives and changes in the controls around the future operation of variable marketing programmes.

CONTROL ENVIRONMENT

Our internal control framework is built upon established entity-level controls which include mandatory training in relation to the Group's Code of Conduct (which consist of 14 Standards of Corporate Conduct). The Group defines its processes and ways of working through documented standards and procedures which guide the way the Group operates. The key corporate policies include the following areas:

- Code of Conduct;
- Confidential Reporting and Whistleblowing;
- Conflicts of Interest;
- Anti-Bribery and Corruption;
- Gifts and Hospitality;
- Anti-Money Laundering; and
- Equality, Diversity and Inclusion.

There are established procedures for the delegation of authority to ensure that decisions are made at an appropriate level within the business dependent on either the magnitude or nature of the decision. In particular, access to our IT systems and applications is provided subject to formal access provisioning processes with the objective being to limit access, as appropriate, to enable an individual to perform their role and to enforce appropriate segregation of duties within business processes.

During the year, we were re-awarded ISO 9001 accreditation for our quality management system which ensures that policies, standards and procedures are appropriate for our business, that they are reviewed on a regular basis and made available to applicable employees and contractors through the Group intranet. On joining the Group all employees are provided with the Standards of Corporate Conduct policies and are asked to confirm that they have read and understood them. Existing employees are required to annually re-certify that they have read and understood these policies.

The Group continues to strengthen the control environment by embedding the Enterprise Risk Management Framework and System which is supported by "Risk Champions" within each function. A summary of the key risk management activities undertaken by the Group is included within the "Risk and Viability Report" on pages 33 to 34.

The Internal Audit and Risk Management function is responsible for administering the Enterprise Risk Management Framework and System and for providing independent assurance to the Board, the Committee and senior management.

The Group continues to develop its "three lines of defence" assurance model with the objective of embedding effective risk management and control throughout the business and providing assurance to the Board and the Committee of the effectiveness of internal control and risk management across the organisation.

This comprises the following:

- First line of defence – Functional management who are responsible for embedding risk management and internal control systems into their business processes.
- Second line of defence – Functions that oversee or specialise in risk management and compliance-related activity. They monitor and facilitate the implementation of effective risk management and control activities by the first line. These functions include Financial Control, Quality Audit, Security, IT, Health & Safety, Legal and the risk management activities performed by the Internal Audit and Risk Management team.
- Third line of defence – Functions that provide independent objective assurance to the Board, Audit and Risk Committee and senior management regarding the effectiveness of the first and second lines of defence. This includes Internal Audit and Risk Management and the external auditor's provision of reports on the results of the audit.

INTERNAL AUDIT

The vision and mission for the Internal Audit and Risk Management function was approved by the Committee under its Internal Audit and Risk Management Charter, which is consistent with the Institute of Internal Auditors guidance. The Charter is subject to annual review and approval by the Committee.

The Internal Audit and Risk Management function provides independent, objective assurance to the Board, the Committee and senior management on whether the existing control and governance frameworks are operating effectively to meet the Group's strategic objectives. The Director of Internal Audit and Risk Management reports to the Chief Financial Officer with an independent reporting line to the Committee Chair. The Director provides regular reports to the Committee on the function's activities. The Committee assesses the effectiveness of the Internal Audit and Risk Management function on an annual basis.

To ensure that it is meeting its objectives, the Internal Audit and Risk Management function has an annual work plan comprising risk-based cyclical audits, reviews of risk mitigation plans and assessments of emerging risks and business change activity, together with work mandated for compliance purposes. The audit plan for 2021 was approved by the Committee and the Committee will monitor progress against the plan in the coming year, as well as whether the plan remains focused on the evolving key risks facing the business. Such reviews will consider any changes to risk registers, hot spots and emerging risks in the industry as well as changes based on engagement with the business.

WHISTLEBLOWING

It is important to ensure there is an appropriate mechanism for employees and contractors to report any concerns regarding suspected wrongdoing or misconduct. The "Confidential Reporting and Whistleblowing" policy is made available to all employees and contractors on joining the business and is published on the Group intranet together with annual mandatory training.

Any concerns raised are managed by the Internal Audit and Risk Management team and investigated with support from Human Resources and/or Legal teams depending on the nature of the concern. The Group continues to use a third-party managed global hotline and online reporting tool to facilitate reporting of concerns. This hotline provides for confidential reporting where required. The investigation outcomes, significant findings and status are reported to the Committee on a regular basis.

FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external reporting purposes.

The financial reporting internal control system covers the financial reporting process and the Group's process for preparing consolidated accounts. It includes policies and procedures which require the following:

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

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

FAIR, BALANCED AND UNDERSTANDABLE ASSURANCE FRAMEWORK

The Board recognises its duty to ensure that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Board requested that the Audit and Risk Committee undertake a review and report to the Board on its assessment.

The key elements of the assurance framework for the assessment are as follows:

- the process by which the Annual Report and Accounts were prepared, including detailed project planning and a comprehensive review process;
- review of the drafting and verification processes for the Annual Report and Accounts by the Disclosure Committee;
- comprehensive reviews undertaken by the Executive Directors, members of the Executive Committee and other members of senior management comprising the Annual Report and Accounts drafting team to consider content accuracy, regulatory compliance, messaging and balance;
- the review of the Annual Report and Accounts by the Audit and Risk Committee placing reliance on the experience of the Committee members;
- reports prepared by senior management regarding critical accounting judgements and key financial areas; and
- discussions with, and reports prepared by, the external auditor.

The Committee received confirmation from management that the assurance framework had been adhered to for the preparation of the 2020 Annual Report.

The Committee provided a recommendation to the Board that the "fair, balanced and understandable" statement could be given on behalf of the Directors. The Board's confirmation is set out on page 85.

COMMITTEE EFFECTIVENESS

The Committee carried out an Effectiveness Review with the feedback summarised on page 51. Given events during the year the Chair also sought regular soundings from Committee members on Committee effectiveness so that the Committee could remain effective in evolving circumstances.

PETER ESPENHAHN
CHAIR, AUDIT AND RISK COMMITTEE

24 FEBRUARY 2021

DIRECTORS' REMUNERATION REPORT

LORD MATTHEW CARRINGTON
CHAIR, REMUNERATION COMMITTEE

DEAR SHAREHOLDER,

I am pleased to present the Directors' Remuneration Report (DRR) for the year ending 31 December 2020, which has been approved by both the Remuneration Committee (the Committee) and the Board.

The pandemic has required the Company to respond in an unprecedented way. The health and safety of our people, their families, our business partners, customers and our local communities remain our absolute priority, as we continue to work within a COVID-19 safe environment across our operations. While FY 2020 proved to be a difficult year for Aston Martin, as it did for so many globally, we have made great progress in positioning the Company for long-term success and are proud of our people and the work that has been delivered by the whole team during the year. Despite a year of uncertainty due to the COVID-19 pandemic, the Company has been resilient and we have made significant progress, not least in strengthening the financial resilience of the business by capital raises, successfully launching the DBX, de-stocking the dealer network in-line with targets to rebalance supply to demand and in taking decisive action on costs. We have developed a new business plan with significant growth ambitions, incorporating a strategic cooperation agreement with Mercedes-Benz agreed during the year.

SENIOR LEADERSHIP BOARD-LEVEL CHANGES

As set out by the Executive Chairman, there have been changes to the leadership team at Aston Martin. We have made a number of key appointments to build a world-class senior team, Tobias Moers joined the Board as CEO in August and Kenneth Gregor joined as CFO in June. Tobias and Kenneth bring industry leading experience that is invaluable to the delivery of our strategy and have already made great strides in directing Aston Martin's transformation. The Committee approved the remuneration packages for the new executive directors and full details are set out on page 74, including on the discretion used to determine a buyout award for the CEO.

Dr Andy Palmer and Mark Wilson stepped down from the Board on 25 May 2020 and 30 April 2020 respectively and details of the final payments to both Andy and Mark are set out on page 75. As disclosed last year, neither former executive director participated in the annual bonus or LTIP in 2020.

FY 2020 REMUNERATION APPROACH

During April 2020, among the various actions taken to manage the challenges of COVID-19, the senior leadership team agreed to a voluntary reduction in pay with the objective of helping to conserve cash in the short-term and to help protect the longer-term financial security of the business. This included all Non-Executive Directors waiving 35% of their fees, Executive Committee members waiving 20% of their salaries and other members of senior management waiving 5% to 10% of their salaries, depending on salary level. These changes were applied for a three-month period from 1 April to 30 June 2020 and we thank the senior team for their support in accepting these waivers.

Also, during April 2020, we announced that in his role as Executive Chairman, Lawrence Stroll elected to receive only a nominal salary, of £1 per annum, with no further elements of remuneration.

Given the unprecedented uncertainty and change faced during 2020, the Committee decided to delay deciding on 2020 incentives and so no annual bonus or LTIP arrangements were put in place for the senior employees at the start of the year. Once the new leadership team was established and the updated business plan developed, the Remuneration Committee were able to determine the most appropriate approach to annual bonus and the LTIP for 2020.

FY 2020 ANNUAL BONUS

The Committee considered it was important to operate some form of annual bonus for FY 2020, to incentivise and recognise the significant efforts of the senior team (including the new CEO and CFO since they joined Aston Martin) in a challenging year of business turnaround. The Committee gave considerable thought to how any approach for the senior team must be appropriate in the context of the challenges of 2020 and the actions taken in relation to the wider employee population (including the restructure of the organisation as part of the turnaround programme and the furloughing of employees during the pandemic) and decided that no payment would be made against the element of bonus based on financial measures (accounting for 80% of the total opportunity). It was therefore decided to limit the 2020 annual bonus to 20% of maximum for the whole senior team, with only the non-financial element of bonus (as per the Remuneration Policy) to apply to the CEO and CFO. This approach allowed specific strategic objectives, crucial to the delivery of the business plan and turnaround programme and for which the CEO and CFO were directly accountable for during their period of 2020 service, to be incentivised. Full details of the 2020 annual bonus approach and outcome are set out on page 68. All non-management employees continued to receive their contractual annual bonus payments in respect of 2020 (which were not subject to Company performance).

FY 2020 LTIP

As with the 2020 annual bonus, the 2020 LTIP grant was delayed. The Committee was able to determine the most appropriate approach and approved the 2020 LTIP grant at the October 2020 meeting. The LTIP awards were then granted at the first opportunity post this approval, following the General Meeting held on 4 December 2020 and on the first dealing day of the consolidated shares (which was 14 December 2020).

The Committee selected Adjusted EBITDA as the most appropriate measure of profit for the 2020 LTIP (accounting for 80% of the total award), given market and internal focus on this key metric which is now used to manage the business. The Adjusted EBITDA target range was carefully calibrated based on Aston Martin's business plan and was set to be stretching (extremely so at the maximum vesting level) yet motivating in the context of our business plan and the uncertainty in the current environment. Relative total shareholder return (TSR) was selected as a second measure (accounting for 20% of the total award), recognising the importance of shareholder alignment and also the self-calibrating nature of TSR as an objective measure of performance, particularly in a period of uncertainty. TSR will be measured against a group of luxury companies, with the aim to incentivise elevation of the Aston Martin brand, by out-performance of these high-end luxury global peers.

The Committee gave considerable thought to and discussed in detail the appropriate LTIP award levels to grant to the CEO and CFO, given the external environment, the performance of the Company both in terms of financial outcomes and share price, and the need to incentivise new leadership and commitments made on appointment. The Committee therefore decided to grant LTIP awards of 300% and 200% of salary to the CEO and CFO respectively (at a maximum) to recognise and incentivise the size of the task and effort required from these new executives to turnaround the business.

Full details of the 2020 LTIP awards are set out on page 69.

BROADER WORKFORCE REWARD

Passionate, motivated and professional people are critical to the success of Aston Martin and, to attract and retain the best talent available, our pay and benefits must be competitive. When considering the remuneration of the Executive Directors and the Executive Committee, the Committee considers remuneration across the whole Company.

The Committee was kept fully informed of the key areas of focus around Aston Martin's people during FY 2020. These were around responding to the COVID-19 pandemic, including a focus on the health, safety and well-being of Aston Martin's people, launching an organisational restructure programme, communicating and engaging with our people and the launch of the 'I AM Aston Martin' turnaround workstream, a programme focusing on developing our people strategy and culture to ensure Aston Martin is a 'Great Place to Work'.

On workforce reward more specifically, during the year the Committee considered information on the policies and practices which are in place throughout the Company. In particular, it looked at the Aston Martin employee population, salary increases and ranges, incentive approach (including the cascade of a new Group KPI scorecard – more on this below) and opportunities, pension and other non-cash benefits. We also discussed our approach to, and results of, Aston Martin's Gender Pay Gap (GPG) reporting. Our aim is to foster a culture where everybody feels valued, motivated and rewarded to achieve their best work – detailed information on our People, including our Gender Pay Gap figures, can be found on pages 18 to 20. There is also information on the Board's engagement with our workforce in the People section and with our other stakeholders in the Governance section on page 52.

COMMITTEE MEMBERSHIP CHANGES

The composition of the Remuneration Committee has changed during the year and I would like to thank Imelda Walsh for her leadership of the Committee as Chair and Richard Solomons for his contribution as a member up until 23 May 2020, when both Directors stepped down from Board. I took over from Imelda as Chair of the Committee and was joined by fellow independent non-executive directors Peter Espenhahn and Bill Tame during FY 2020 who I would like to thank for their support.

As announced on 28 January 2021, it has been all change for the Committee in 2021, with Anne Stevens, Robin Freestone, Richard Parry-Jones and Antony Sheriff having joined the Committee on 1 February 2021, with Anne taking up the role of Remuneration Committee Chair following publication of the 2020 financial results. Bill stepped down on 28 January 2021 and Peter and I will step down from the Board at the close of the 2021 AGM.

FY 2021 REMUNERATION APPROACH

Our approved remuneration policy will reach the end of its three-year life at our 2022 AGM. We are planning a complete review of our policy during 2021 and to seek approval at the 2022 AGM. This timing works out particularly well, with the review to be carried out with the new Committee, led by Anne Stevens as Chair, and gives us the opportunity to ensure we have a forward-looking policy that is aligned with our turnaround programme, new business plan and growth ambitions. We will look to engage with our larger shareholders on the policy review during 2021.

For 2021, the Committee has determined an approach to the annual bonus and LTIP within the current policy, although we have rebalanced the performance measures in the annual bonus based on our latest business plan (but within the flexibility of the policy).

The Committee has introduced a Group scorecard of performance measures for the 2021 annual bonus to better reflect annual progress on our new business plan and latest KPIs. This Group scorecard will be cascaded throughout the Company to apply to annual bonus for all employees, providing strong alignment of focus and a 'One Team' approach. For 2021, the scorecard will be weighted 80% on financial measures (with a 50% weighting on Adjusted EBITDA, 20% on Free Cash Flow and 10% on Wholesale volumes) and 20% on Quality performance. The Committee will continue to have the discretion to adjust bonus outcomes to ensure they are appropriate and reflect underlying business performance/ any other relevant factors. Full details of the 2021 annual bonus approach are set out on page 69.

The Committee has decided to operate the 2021 LTIP on the same basis as in 2020, albeit with updated Adjusted EBITDA targets which reflect the new three-year period (1 January 2021 to 31 December 2023) of the business plan. Full details of the 2021 LTIP approach are set out on page 71.

The Committee has had a considerable workload over the course of FY 2020 and this has continued into FY 2021. We take our responsibility to our shareholders and other stakeholders seriously and I would like to thank you for your continued support and understanding during this unprecedented and challenging period. If you have any questions on any element of this report, please email company.secretary@astonmartin.com in the first instance and I hope we can rely on your support at our forthcoming AGM.

LORD MATTHEW CARRINGTON
CHAIR, REMUNERATION COMMITTEE

24 February 2021

EXECUTIVE DIRECTORS' REMUNERATION AT A GLANCE

Our Remuneration Policy was approved by shareholders at the AGM on 25 June 2019 and is set out in full in the 2018 DRR. This can be found in the Annual Report FY 2018 at www.astonmartinlagonda.com. We will review our Policy during FY 2021 and seek approval for a new Policy at the 2022 AGM (when the current Policy is due to expire).

This section explains the outcomes from the implementation of our Policy during FY 2020.

REMUNERATION OUTCOMES FOR FY 2020

FY 2020 TOTAL SINGLE FIGURE REMUNERATION FOR EXECUTIVE DIRECTORS

The table below sets out the 2020 single figure of total remuneration received by the Executive Directors.

Element	**Tobias Moers CEO** from 1 August 2020 (£'000s)	**Kenneth Gregor CFO** from 22 June 2020 (£'000s)	**Andy Palmer CEO** until 25 May 2020 (£'000s)	**Mark Wilson CFO** until 30 April 2020 (£'000s)
Salary	354	224	417	135
Benefits	48	7	14	3
Pension	37	24	44	14
Annual bonus	142	67	–	–
Total	**581**	**322**	**476**	**152**
Prior company incentives buyout	**901**			
Total	**1,482**			

2020 ANNUAL BONUS APPROACH AND OUTCOME

The 2020 annual bonus was limited to 20% of the maximum bonus opportunity, with only the non-financial element of the bonus operated. This allowed specific objectives that were considered crucial to the delivery of the business plan to be incentivised. The specific objectives that the CEO and CFO were directly accountable for during their period of 2020 service are set out below.

Performance measure	2020 approach	2020 achieved
Financial measures (80%)	No payment to be made for FY 2020	N/A
CEO strategic objectives (20%)	(1) Secure strategic technology agreement with Mercedes-Benz AG (2) De-stocking of dealer network (3) Organisational restructure cost reduction targets	All met
CFO strategic objectives (20%)	(1) Execution of refinancing (mezzanine debt-raise) to required level (2) Execution of revolving credit facility credit facility to required level (3) Organisational restructure cost reduction targets	All met

The Committee considered the bonus outcome for 2020 and determined that the strategic objectives as set out above had been met in full and so 20% of bonus would be paid (pro-rata for period of 2020 service). As both the CEO and CFO are new to the business, they are yet to meet their shareholding guideline and so 50% of the net 2020 bonus payment will be delivered in shares deferred for three years.

ALIGNMENT BETWEEN EXECUTIVE DIRECTORS AND SHAREHOLDERS

The new CEO and CFO are subject to shareholding guidelines of 300% and 200% of salary respectively, which drives long-term alignment with investors. Having only recently joined the Company, the CEO held 4,315 shares (value of £86.7k) and the CFO held no shares as at 31 December 2020. As mentioned above, 50% of the net 2020 bonus payment will be delivered in deferred shares to both the CEO and CFO and these shares will count towards their respective guideline.

REMUNERATION POLICY AND IMPLEMENTATION IN FY 2021

The implementation of our Remuneration Policy for FY 2021 is set out in the following section (Annual Report on Remuneration).

ANNUAL REPORT ON REMUNERATION

FY 2020 TOTAL SINGLE FIGURE REMUNERATION FOR EXECUTIVE DIRECTORS (AUDITED)

The table below sets out the single figure of total remuneration received by the Executive Directors in respect of FY 2020 (and the prior financial year). The subsequent sections detail additional information for each element of remuneration.

Shown in £'000s	Salary	Benefits	Pension	Total fixed	Annual bonus[1]	LTIP	Total variable	**Total**	Prior company incentive buyout[2]	**Total**
Executive director										
Lawrence Stroll[3]										
Year to 31 December 2020	£1 (one)			£1 (one)						**£1 (one)**
Tobias Moers[4]										
Year to 31 December 2020	354	48	37	439	142	n/a	–	**581**	901	**1,482**
Kenneth Gregor[5]										
Year to 31 December 2020	224	7	24	255	67	n/a	–	**322**	–	**322**
Former executive directors										
Dr Andy Palmer[6]										
Year to 31 December 2020	417	14	44	475	–	n/a	–	**475**	–	**475**
Year to 31 December 2019	1,200	26	127	1,353	–	n/a	–	**1,353**	–	**1,353**
Mark Wilson[7]										
Year to 31 December 2020	135	4	14	153	–	n/a	–	**153**	–	**153**
Year to 31 December 2019	425	23	45	493	–	n/a	–	**493**	–	**493**

Notes:
1. The 2020 annual bonus was limited to 20% of normal maximum, with only the non-financial element of bonus operated, and payments are pro-rata for period of service and will be delivered 50% (net) in deferred shares, as detailed on page 68
2. As compensation for incentives he forfeited on leaving his previous employer, Tobias Moers received a cash payment of €500,000 on joining and will receive a further €500,000 on 1 August 2021 – the full amount has been recognised in 2020, his year of appointment. The buyout is subject to clawback provisions should Tobias leave the Company under certain circumstances and full details are set out on page 74
3. Lawrence Stroll became Executive Chairman on 20 April 2020, and elected to receive a nominal salary only, of £1 per annum and receives no other elements of remuneration
4. 2020 remuneration for Tobias Moers relates to the period since joining, 1 August to 31 December 2020
5. 2020 remuneration for Kenneth Gregor relates to the period since joining, 22 June to 31 December 2020
6. 2020 remuneration for Andy Palmer relates to the period 1 January to 25 May 2020, when he stepped down from the Board, full details of all final payments agreed with Andy Palmer are shown on page 75
7. 2020 remuneration for Mark Wilson relates to the period 1 January to 30 April 2020, when he stepped down from the Board, full details of all final payments agreed with Andy Palmer are shown on page 75

SALARY (AUDITED)

Tobias Moers's salary from date of appointment was £850,000 and Kenneth Gregor's was £425,000. These salaries reflect the experience both executives have as proven talented automotive leaders and, although appear high in a UK FTSE250 context, were set at these levels to secure the individuals with the skills the business requires to deliver the turnaround of the business to achieve its full potential. These salaries are considered to be appropriate by the Committee and are supported by the Executive Chairman. No increases will be applied to these salaries during 2021.

In his role as Executive Chairman, Lawrence Stroll has elected to receive a nominal salary only, of £1 per annum and receives no other elements of remuneration.

Andy Palmer and Mark Wilson did not receive any increase to their salaries during 2020 and these were £1,200,000 and £425,000 respectively as at the date they stepped down from the Board.

PENSION (AUDITED)

Each Executive Director receives a cash allowance in lieu of participation in the defined contribution scheme. They receive an allowance of 10.6% of salary, which is the maximum of 12% of salary with a deduction for an amount equal to the employer's National Insurance contribution.

As disclosed in our Remuneration Policy, the Executive Directors' pension allowances are in line with the majority of employees. The maximum level of employer pension contribution throughout the organisation is the same regardless of seniority at 12% of salary (a defined benefit scheme was operated pre-2011).

No Director has a prospective entitlement to receive a defined benefit pension.

ALLOWANCES AND BENEFITS (AUDITED)

FY 2020 Shown in £'000s	Car allowance and personal mileage	Life assurance	Insurance (private medical and travel)	Relocation allowance	Total
Tobias Moers	5	3	2	38	48
Kenneth Gregor	4	2	1		7
Former executive directors					
Dr Andy Palmer	7	7	1		14
Mark Wilson	2	1	1		4

ANNUAL BONUS

ANNUAL BONUS OUTCOMES FOR FY 2020 (AUDITED)

As detailed in the Committee Chair's letter, given the unprecedented uncertainty and change faced during 2020 (both specifically for Aston Martin and externally due to COVID-19), the Committee decided to delay discussions to determine an approach to 2020 incentives and so no annual bonus or LTIP arrangements were put in place for the senior population at the start of the year (which would otherwise have been the normal timing). Once the new leadership team and an updated business plan were established, the Committee were able to determine the most appropriate approach to annual bonus and LTIP for 2020. The Remuneration Committee were mindful that any approach must be appropriate in the context of 2020 as an unprecedented year and the actions taken in relation to the wider employee population, including the organisational restructure programme and the furloughing of employees during the year (due to the pandemic).

The Committee decided that no payment would be made against the element of bonus based on financial measures (80% of the total opportunity), therefore limiting any payment to 20% of the maximum, subject to performance against a range of strategic objectives. The Committee considered it important to operate some form of annual bonus for 2020, to incentivise and recognise the significant efforts of the senior team (including the new CEO and CFO since they joined Aston Martin) in a challenging year of business turnaround and the Executive Chairman shared the Committee's view. This approach allowed specific objectives that were crucial to the delivery of the business plan and turnaround programme to be incentivised, those which the CEO and CFO were directly accountable for during their period of 2020 service (as set out below).

Performance measure	2020 approach	2020 achieved
Financial measures (80%)	No payment to be made for FY 2020	N/A
CEO strategic objectives (20%)	(1) Secure strategic technology agreement with Mercedes-Benz AG (2) De-stocking of dealer network to be achieved in-line with target value (3) Organisational restructure cost reduction – by December 2020 Board meeting, provide set-up and first estimate of cost savings for turnaround and restructure of whole Company	(1) Announced 27 October 2020 (2) Destocked GT/Sport dealer inventory, with dealer GT/Sport stock levels down to less than half the 2020 opening position by 31 December 2020, ahead of targets set (3) Delivered at 4 December 2020 Board meeting
CFO strategic objectives (20%)	(1) Execution of refinancing (mezzanine debt-raise) to required level by FY 2020 year-end (2) Execution of revolving credit facility credit facility with 5 banks to required level by FY 2020 year-end (3) Organisational restructure cost reduction – by December 2020 Board meeting, provide set-up and first estimate of cost savings for turnaround and restructure of whole Company	(1) Refinancing of debt announced 27 October 2020, transactions concluded 14 December 2020 (2) Updated RCF announced 27 October 2020, transactions concluded 14 December 2020 (3) Delivered at 4 December 2020 Board meeting

The Committee considered the bonus outcome for 2020 and determined that the strategic objectives as set out above had been met in full and so 20% of bonus would be paid (pro-rata for period of 2020 service). As both the CEO and CFO are new to the business, they are yet to meet their shareholding guideline and so 50% of the net 2020 bonus payment will be delivered in deferred shares.

In determining this outcome, the Committee noted that the rest of the senior team was eligible to receive up to 20% of their 2020 bonus and all non-management employees would be eligible to receive 100% of their contractual annual bonus for FY 2020.

Annual bonus for FY2020	Maximum bonus opportunity (% of salary)	Performance measures/ targets	Level of 2020 achievement	2020 bonus payment (% of maximum)	2020 bonus payment (% of salary)	**2020 bonus payment* (£'000s)**
Tobias Moers	200%	Strategic objectives (see above)	Met in full	20%	40%	**£142**
Kenneth Gregor	150%		Met in full	20%	30%	**£67**

* Pro-rata for period of 2020 service

Dr Andy Palmer and Mark Wilson did not participate in the FY 2020 annual bonus plan and so no 2020 annual bonuses were paid to the former executive directors.

ANNUAL BONUS FOR FY 2021

The Committee has introduced a Group scorecard of performance measures for the 2021 annual bonus to better reflect annual progress on our new business plan and latest KPIs. This Group scorecard will be cascaded throughout the Company to apply to annual bonus for all employees, providing strong alignment of focus and a 'One Team' approach. For 2021, the scorecard will be weighted 80% on financial measures (including a 50% weighting on Adjusted EBITDA, 20% on Free Cash Flow and 10% on Wholesale volumes) and 20% on Quality performance. The Committee believes these are the right measures to make annual progress towards delivering our long-term strategy. The new Group KPI scorecard is set out below, the actual targets remain commercially sensitive and will be disclosed retrospectively in the 2021 DRR, when the 2021 performance year is complete.

GROUP KPI SCORECARD TO APPLY TO 2021 ANNUAL BONUS

Area	Profit	Cash	Volumes	Quality
Measure	Adjusted EBITDA	Free Cash Flow (FCF)	Wholesale volumes	In-house quality External quality
Weighting	50%	20%	10%	20%

The Committee will continue to have the discretion to adjust bonus outcomes to ensure they are appropriate and reflect underlying business performance/ any other relevant factors.

LONG-TERM INCENTIVE PLAN

The following section sets out details of:

- 2020 LTIP awards granted during FY 2020
- Approach to 2021 LTIP awards

2020 LTIP AWARDS GRANTED DURING FY 2020 (AUDITED)

As per the 2020 annual bonus, the 2020 LTIP grant was delayed, with the Remuneration Committee determining an approach and approving the 2020 LTIP grant at the October 2020 meeting, with input from the new leadership team and an updated business plan in place. The LTIP awards were then granted at the first opportunity post this approval, following the General Meeting held on 4 December 2020 and on the first dealing day of the consolidated shares (which was 14 December 2020).

The table below summarises the LTIP share awards that were granted to the Executive Directors during FY 2020.

2020 LTIP SHARE AWARDS

FY 2020	Type of award	Basis of award	Shares awarded	Face value at grant (£'000s)
Tobias Moers	LTIP share award	300% of salary	211,618	£2,550
Kenneth Gregor		200% of salary	70,539	£850

Notes:
1. The LTIP shares were granted on 14 December 2020 and will vest subject to the performance conditions and vesting schedule outlined below
2. Awards were granted in the form of nil-cost options
3. The face value of each award was calculated using the 3-month average price prior to the date of grant, multiplied by 20 to reflect the share consolidation (£12.05)
4. Adjusted EBITDA will be assessed over three financial years to 31 December 2022 and TSR will be measured over a three-year period from the date of grant to 13 December 2023
5. Subject to performance, the element of awards subject to EBITDA performance will vest following the announcement of results for 2022 (early March 2023) and the element of awards subject to relative TSR performance will vest three years from grant, following the Remuneration Committee's determination of the performance outcome
6. The CEO and CFO will be required to hold at least 75% of any shares that vest (net of tax) until they have met their shareholding guidelines under the shareholding policy

Whilst the LTIP design has been agreed, the Remuneration Policy allows a degree of flexibility around a number of the LTIP design elements. This flexibility allows the Committee to determine the most appropriate approach to the performance measures, targets, ranges and payout schedules ahead of each annual award, to align to the latest business plan.

The Committee selected Adjusted EBITDA as the most appropriate measure of profit for the 2020 LTIP, given market and internal focus on this key metric, which is now used to manage the business. The Committee believes strong performance in Adjusted EBITDA is key to delivering strong shareholder returns. The Adjusted EBITDA targets were carefully calibrated based on Aston Martin's latest business plan and external expectations. The range was set to be stretching (extremely so at the maximum vesting level) yet motivating in the context of our business plan and the uncertainty in the current environment. Total shareholder return (TSR) was selected as a second measure, recognising the importance of shareholder alignment and also the self-calibrating nature of TSR as an objective measure of performance, particularly in a period of uncertainty. TSR will be measured on a relative basis, against a select group of luxury companies, which aims to incentivise elevation of the Aston Martin brand, by out-performance of these high-end luxury companies. Ultimately, the successful delivery of our business plan and strategy (detailed on pages 14 to 15) will be reflected in our Adjusted EBITDA and TSR performance.

As detailed in the Committee Chair's letter, the Committee gave considerable thought and discussed in detail the appropriate LTIP award levels to grant to the CEO and CFO, given the external environment, the performance of the Company both in terms of financial outcomes and share price, and the need to incentivise new leadership and commitments made on appointment. With support from the Executive Chairman, the Committee decided to grant LTIP awards of 300% and 200% of salary to the CEO and CFO respectively (at a maximum) to recognise and incentivise the size of the task and effort required from these new executives to turnaround the business. The Committee was mindful of the need to balance evolving governance trends with the need to recognise, incentivise and reward the critical periods of the business turnaround with 3-year rolling LTIP awards. After careful consideration and with the full support of the Executive Chairman, the Committee decided that no self-standing 2-year post vesting holding period would be applied to the award but rather the open ended requirement to hold at least 75% of any LTIP shares that vest (net of tax) until the CEO and CFO have met their shareholding guidelines will apply.

The 2020 LTIP awards are subject to the performance conditions and malus and clawback provisions as detailed below, and these are in line with the Remuneration Policy approved in 2019.

2020 LTIP PERFORMANCE MEASURES AND TARGETS

		2020 LTIP targets	Vesting* (as a % of maximum)
Adjusted EBITDA (£m in FY22) (80% of award)	Threshold	200	20%
	Stretch	**300**	**80%**
	Maximum	350	100%
Relative TSR (vs. luxury peers) (20% of award)	Threshold	Rank 6th (median)	20%
	Maximum	Rank 3rd or above (80th percentile)	100%

* Vesting will be on a straight-line basis between each of threshold and stretch, and stretch and maximum for the EBITDA element and threshold and maximum for the TSR element

- TSR performance will be measured on a ranked basis against the following luxury companies: Burberry, Capri Holdings, Compagnie Financiere Richemont, Ferrari, Hermes International, Kering, LVMH, Moncler, Prada and Ralph Lauren.
- The Remuneration Committee retains discretion to adjust the vesting levels to ensure they reflect underlying business performance and any other relevant factors to ensure that the value at vesting is fully reflective of the performance delivered and executives do not receive unjustified windfall gains.

MALUS AND CLAWBACK:

- Malus and clawback provisions will be operated at the discretion of the Remuneration Committee in respect of awards granted under the LTIP where it considers that there are exceptional circumstances. Such exceptional circumstances may include serious reputational damage, a failure of risk management, an error in available financial information, which led to the award being greater than it would otherwise have been or personal misconduct.
- Clawback may be applied for a period of up to three years for any LTIP awards.

The former executive directors, Dr Andy Palmer and Mark Wilson, were not granted awards under the LTIP in FY 2020.

2021 LTIP AWARDS

The Committee has decided to apply the same performance measures and weightings for 2021 LTIP awards as those recently determined for the delayed grant of the 2020 LTIP. The targets have again been carefully calibrated based on Aston Martin's business plan and external expectations and are considered stretching (extremely so at the top end) yet motivating in the context of our business plan and the current environment. It is anticipated that 2021 awards will be granted in May 2021, with awards at the following levels:

- Tobias Moers (CEO) – 300% of salary
- Kenneth Gregor (CFO) – 200% of salary

These award levels have been determined to recognise and incentivise the size of the task and effort required from these executives to turnaround the business. The Committee gave considerable thought to the appropriate levels and while recognising the 2020 LTIP awards were also granted at these levels, in-light of the need to incentivise performance over the new 3-year period and the challenging business plan and turnaround programme, decided to grant 2021 LTIP awards at these levels. The Adjusted EBITDA targets for the new period were carefully calibrated based on the latest business plan and external expectations and are stretching (extremely so at the maximum vesting level) yet motivating in the context of our business plan and the continued uncertainty in the current environment. As for 2020 awards, no self-standing 2-year post vesting holding period will be applied for 2021 LTIP awards (as explained in the previous section).

2021 LTIP PERFORMANCE MEASURES AND TARGETS

		2020 LTIP targets	Vesting* (as a % of maximum)
Adjusted EBITDA (£m in FY23) (80% of award)	Threshold	300	20%
	Stretch	**425**	**80%**
	Maximum	500	100%
Relative TSR[**] (vs. luxury peers) (20% of award)	Threshold	Rank 6th (median)	20%
	Maximum	Rank 3rd or above (80th percentile)	100%

* Vesting will be on a straight-line basis between each of threshold and stretch, and stretch and maximum for the EBITDA element and threshold and maximum for the TSR element

** TSR peers as per 2020 LTIP, detailed at the top left of this page

- The Remuneration Committee retains discretion to adjust the vesting levels to ensure they reflect underlying business performance and any other relevant factors to ensure that the value at vesting is fully reflective of the performance.

Performance period

- Adjusted EBITDA will be measured over three financial years to 31 December 2023.
- Relative TSR will be measured over a three-year period from grant.

The CEO and CFO will be required to hold at least 75% of any shares that vest (net of tax) until they have met their shareholding guidelines under the shareholding policy.

SHARE INTERESTS AND SHAREHOLDING GUIDELINES (AUDITED)

The current CEO and CFO are subject to shareholding guidelines of 300% and 200% of salary respectively, which drives long-term alignment with investors.

The following table sets out the total beneficial interests of the executive directors (and their connected persons) in ordinary shares of Aston Martin Lagonda Global Holdings plc as at 31 December 2020 (or at the date of stepping down), as well as the status against the shareholding guidelines. The table also summarises conditional interests in share or option awards.

Having only recently joined the Company during FY 2020, the CEO and CFO were yet to achieve their shareholding guidelines as at 31 December 2020. As mentioned above, 50% of the net 2020 bonus payment will be delivered in deferred shares to both the CEO and CFO and these shares will count towards their respective guidelines.

As at 31 December 2020 (or at the date of stepping down)	Shares owned outright	Shares vested but subject to lock-up arrangements[1]	**Total shares owned outright or vested[2]**	As a % of salary[3]	Shareholding guideline (as % of salary)	Guideline met?	LTIP award shares unvested and subject to performance[4]
Tobias Moers	4,315	–	**4,315**	10.2%	300%	No	211,618
Kenneth Gregor	–	–	**–**	–	200%	No	70,539
Lawrence Stroll[5]	24,799,964	–	**24,799,964**	n/a			n/a
Former executive directors							
Dr Andy Palmer	92,421	156,832	**249,253**	146.4%	800%	No	13,106
Mark Wilson	2,712	21,956	**24,668**	66.5%	300%	No	3,094

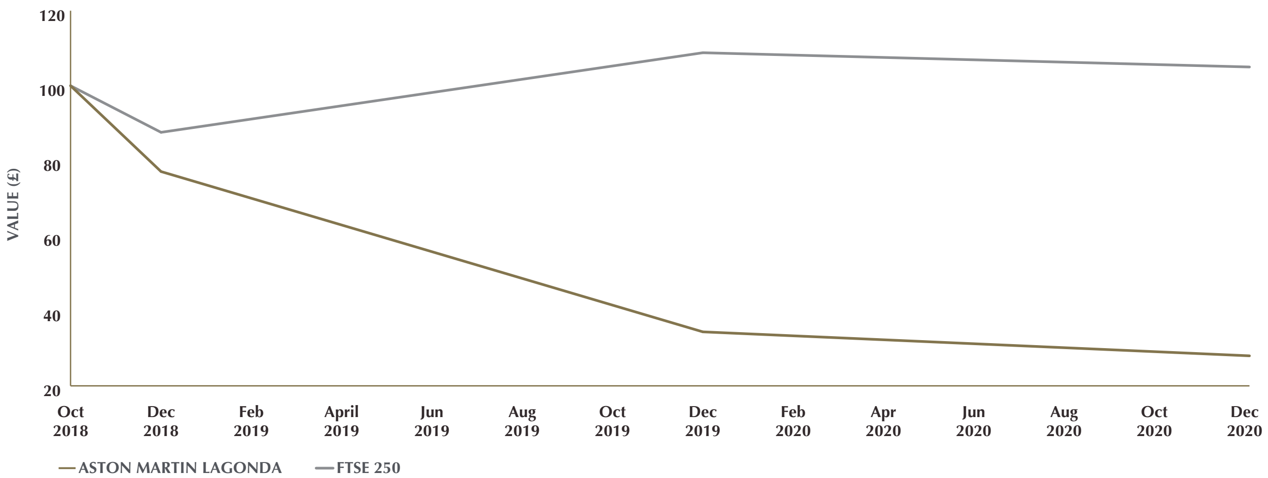
Notes: All numbers of shares and share prices have been adjusted for December 2020 consolidation
1. These vested shares were granted under the Legacy IPO LTIP (details of which can be found in the 2018 DRR) and remained subject to lock-up arrangements as at date of stepping down from the Board
2. There have been no changes in the period up to and including 24 February 2021
3. Based on the closing share price on 31 December 2020 of £20.09 for Tobias Moers and on date of stepping down from the Board for Dr Andy Palmer (£7.09 on 25 May 2020) and Mark Wilson (£11.46 on 30 April 2020) (adjusted to reflect the December 2020 1 for 20 share consolidation as appropriate)
4. These shares were granted under the 2020 LTIP award for Tobias Moers and Kenneth Gregor and under the 2019 LTIP award for Dr Andy Palmer and Mark Wilson (the 2019 LTIP awards lapsed in full upon their leaving the Company)
5. The number of shares shown for Lawrence Stroll includes both direct and indirect interests

TSR PERFORMANCE GRAPH AND CEO REMUNERATION

The Company's shares started trading on the London Stock Exchange's main market for listed securities on 8 October 2018.

The graph below shows the TSR performance of £100 invested in the Company's shares since listing, compared to the FTSE 250 index which has been chosen because the Company has been a constituent of this index since listing.

TSR VS. THE FTSE250



The table below shows the total remuneration earned by the incumbent CEO over the same period, along with the percentage of maximum opportunity earned in relation to each type of incentive. The total amounts are based on the same methodology as used for the single figure of total remuneration for FY 2020 on page 67.

CEO TOTAL REMUNERATION

Dr Andy Palmer (AP, CEO to 25 May 2020), Tobias Moers (TM, CEO from 1 August 2020)

FY	2018[1] (AP)	2018[2] (AP)	2019 (AP)	2020 (AP)	2020 (TM)
Total remuneration (£'000s)	407	1,347	1,353	476	1,482
Bonus (% of maximum)	0%	0%	0%	0%	20%
LTIP[3] (% of maximum)	n/a	n/a	n/a	n/a	n/a

Notes:
1. FY 2018 remuneration shown is for the period 8 October to 31 December 2018, annual bonus was restated to zero as set out in the 2019 DRR
2. The amounts shown for FY 2018 in the second column have been annualised, as if the Remuneration Policy operated since IPO had been in place for the full year (as disclosed in the 2018 DRR, with bonus restated to zero)

DIRECTOR REMUNERATION RELATIVE TO EMPLOYEES

The table below compares the total salary/ fees, benefits and bonus received by each Director during FY 2020 compared to the prior year. The year-on-year change is also shown for the UK employee population. For comparison purposes, only Directors who had periods of service in both 2019 and 2020 have been included and 2020 amounts have been adjusted to reflect a full year equivalent to enable a meaningful reflection of year-on-year change.

		Executive Directors		Non-Executive Directors								
Year-on-year change (%)	Average employee	Dr Andy Palmer	Mark Wilson	Amr Abouel Seoud	Lord Matthew Carrington	Peter Espenhahn	Mahmoud Samy Mohamed El Sayed	Penny Hughes	Dante Razzano	Richard Solomons	Imelda Walsh	Professor Tensie Whelan
Salary/fees	+3%	-34%	-17%	-34%	-17%	-17%	-37%	-27%	-34%	-35%	-35%	-29%
Bonus	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Benefits	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:
1. The comparator group includes all UK employees. This group represents the majority of Aston Martin employees and is the same group used for the pay ratio reporting below.
2. For the comparator group of employees, the salary year-on-year change is shown for non-management employees only and includes the annual salary review from 1 January 2020 but excludes any additional changes made in the year, for example on promotion. Management employees did not receive a general salary increase during 2020. The decrease to executive director salaries year-on-year reflects the waiver during April, May and June 2020.
3. The decrease to NED fees year-on-year reflects both the reduction in fee levels applied from 1 January 2020 and the waiver during April, May and June 2020.
4. The year-on-year change in bonus is also shown for non-management employees only – this population will be eligible to receive their contractual annual bonus payments in respect of 2020. Management bonuses were zero in 2019 and will be limited to 20% of opportunity for 2020, including for the new CEO and CFO as detailed on page 68 (and note zero bonus payment to the prior CEO and CFO for both 2019 and 2020)
5. For benefits, there were no changes to benefit policies or levels during the year
6. The increase in the value of benefits shown for the CEO reflects an increase in the cost of the same benefits.

CEO PAY RATIOS

The ratios, set out in the table below, compare the total remuneration of the incumbent CEO (as included in the single figure table on page 67) to the remuneration of the median UK employee as well as employees at each of the lower and upper quartiles. Due to the change of CEO during the year, the FY 2020 values are derived from the total single figure of remuneration table on page 67 for the periods that each of Tobias Moers and Andy Palmer held the CEO role (and added together).

CEO pay ratios (Options A)	25th percentile (P25)	Median (P50)	75th percentile (P75)
FY 2020	53 to 1	45 to 1	37 to 1
FY 2019	34 to 1	29 to 1	24 to 1

The ratios are calculated using 'option A' as set out in the disclosure regulations. The employees at the lower quartile, median and upper quartile (P25, P50 and P75) were determined based on total remuneration for FY 2020 using a calculation approach consistent with that used for the incumbent CEO in the single figure table on page 67. The Committee chose to use option A on the basis that it would provide the most accurate approach to identifying the median, lower and upper quartile employees. The calculation was undertaken on a full-time equivalent basis, adjusting pay for part-time workers to a 39-hour week equivalent. The total remuneration in respect of FY 2020 for the employees identified at P25, P50 and P75 was £37k, £43k, and £50k, respectively. The base salary for FY 2020 for the employees at P25, P50 and P75 was £35k, £41k and £53k respectively.

The Committee considers pay ratios as one of many reference points when considering remuneration. Throughout Aston Martin, pay is positioned to be fair and market competitive in the context of the relevant talent market for each role.

RELATIVE IMPORTANCE OF SPEND ON PAY FOR FY 2020

The table below sets out the total payroll costs for all employees for FY 2020 compared to distributions to shareholders by way of dividend and share buyback. Adjusted EBITDA is also shown as context.

		FY 2020	FY 2019
Adjusted EBITDA	£m	**(70.1)**	118.9
	% change	**n/a**	
Distributions to shareholders	£m	**–**	–
	% change	–	
Payroll costs for all employees	£m	**149.5**	156.7
	% change	**(4.6%)**	

SERVICE AGREEMENTS

The table below sets out information on service agreements for the executive directors.

Executive Director	Title	Effective date of service agreement	Notice period to and from the Company
Lawrence Stroll	Executive Chairman	20 April 2020	Mr Stroll's appointment is terminable in accordance with the Yew Tree Relationship Agreement
Tobias Moers	Chief Executive Officer	25 May 2020	12 months
Kenneth Gregor	Chief Financial Officer	20 June 2020	12 months

The service agreements for Executive Directors are available for inspection by shareholders at the registered office of the Company.

EXTERNAL APPOINTMENTS

It is recognised that Non-Executive Directorships can provide a further level of experience that can benefit the Company. As such, Executive Directors may usually take up one Non-Executive Directorship (broadly equivalent in terms of time commitment to a FTSE 350 Non-Executive Directorship role) subject to the Board's approval as long as there is no conflict of interest. A Director may retain any fee received in respect of such Non-Executive Directorship. Neither the CEO nor the CFO has any Non-Executive Directorships.

FURTHER INFORMATION ON REMUNERATION FOR NEW EXECUTIVE DIRECTORS

REMUNERATION FOR THE CEO (TOBIAS MOERS)

Tobias Moers's 2020 remuneration for his role as CEO (from 1 August 2020) is detailed below:

- Base salary of £850,000 reflecting his experience as an exceptionally talented automotive professional and a proven business leader with a strong track record which will be invaluable to the delivery of our strategy for the business to achieve its full potential
- An annual cash allowance of £50,000 for a period of 5 years as relocation assistance (the Company will also meet tax payable on this allowance)
- A pension allowance of 10.6% of salary (which is the maximum of 12% of salary with a deduction for an amount equal to the employer's NI) and other non-cash benefits in accordance with the Remuneration Policy
- Annual performance-based bonus opportunity of up to 200% of salary, pro-rata for period of employment in 2020
- Eligible to participate in the performance-based LTIP and a 2020 award of 300% of salary was granted as detailed on page 70

Buyout award

In order to secure Tobias Moers's appointment and to allow him to join Aston Martin at the earliest opportunity, and as disclosed on appointment, the Committee agreed to buyout awards forfeited on leaving his previous employer. Accordingly, he was awarded €1,000,000, payable in cash 50% on joining Aston Martin and 50% on the first anniversary of his start date, subject to continued employment. In determining the value of this award, the Committee considered the value at that time of the outstanding awards that Tobias would forfeit, the relevant performance conditions and historical performance outcomes. The Committee considers the buyout award to be appropriate in light of the terms of the awards forfeited. The full value of this buyout award is included in the 2020 single figure of remuneration table as although the second payment is only payable in August 2021 and is subject to Tobias's continued employment, there are no other performance conditions attached to it.

The buyout award is subject to clawback provisions in the event that Tobias leaves the Company. Should he resign during his first year of appointment, he would have to repay the first 50% payment in full. Should he resign during his second year of appointment, he would have to repay a pro-rata amount of the second 50% payment, with the repayable amount decreasing by 1/12 of the total of the second payment for each complete additional month worked before his resignation.

REMUNERATION FOR THE CFO (KENNETH GREGOR)

Kenneth Gregor's 2020 remuneration for his role as CFO (from 22 June 2020) is detailed below:

- Base salary of £425,000 reflecting his experience as a seasoned financial professional with a strong leadership track record gained from over 20 years in the automotive industry
- A pension allowance of 10.6% of salary (which is the maximum of 12% of salary with a deduction for an amount equal to the employer's NI) and other non-cash benefits in accordance with the Remuneration Policy
- Annual performance-based bonus opportunity of up to 150% of salary, pro-rata for period of 2020 service
- Eligible to participate in the performance-based LTIP, and a 2020 award of 200% of salary was granted as detailed on page 70

FURTHER INFORMATION ON REMUNERATION FOR EXECUTIVE DIRECTORS WHO LEFT DURING THE YEAR

REMUNERATION FOR THE PRIOR CEO (DR ANDY PALMER)

The single figure of remuneration table (on page 67) details the remuneration Dr Andy Palmer received for the period of 2020 that he served as an executive director. He stepped down as an executive director of the Company and as CEO on 25 May 2020. The following remuneration arrangements applied in connection with the termination of Dr Palmer's employment:

- Dr Palmer had a 12-month notice period which began on 25 May 2020. During his notice period he remains on garden leave and as such will be paid his normal salary and receive benefits.
- If Dr Palmer's employment ends prior to the expiry of his 12-month notice period, he will receive a payment in lieu of notice for his unserved notice period, calculated by reference to his base salary in respect of any unserved notice period, to be paid in equal monthly instalments over the relevant period and to be reduced if Dr Palmer were to find alternative employment within this period.
- Dr Palmer will not receive any bonus payment in respect of any part of 2020 or for any unserved notice period.
- Dr Palmer's 2019 LTIP award would lapse and he would not be granted any award in respect of 2020.
- In respect of the shares that Dr Palmer held pursuant to the grants he was made prior to the IPO under the Legacy IPO LTIP, the terms of that plan treated him as ceasing employment for a Good Reason so that all vested shares which had not yet been released to him would be released on their respective release dates. These shares were to be released to him on subsequent anniversaries of the IPO as follows: 347,026 shares released on 8 October 2020, 347,026 shares released on 8 October 2021 and 347,027 on 8 October 2022 (pre-December 2020 share consolidation numbers). Dr Palmer is committed to hold the shares acquired through the rights issue in April 2020 in respect of these shares on the same terms.
- It was agreed that Dr Palmer would maintain a shareholding with a value of 150% of his base salary for two years from the date he stepped down as a director.
- Dr Palmer would continue to be covered by the Company's D&O insurance and received a contribution towards his legal advice of £5,000 plus VAT.
- No payments for loss of office were paid to Dr Palmer.

REMUNERATION FOR THE PRIOR CFO (MARK WILSON)

The single figure of remuneration table (on page 67) details the remuneration Mark Wilson received for the period of 2020 that he served as an executive director. He stepped down as CFO and as an executive director of the Company on 30 April 2020. Mr Wilson remained available to the Company to assist with the transition in the period through to 30 June 2020.

The following remuneration arrangements applied in connection with the termination of Mr Wilson's employment:

- Mr Wilson continued to be paid salary and received benefits as an employee in the period to 30 June 2020. In line with other Executive Committee members, Mr Wilson waived 20% of his base salary that he would otherwise have received in that period.
- Mr Wilson was entitled to 12 months' notice, and so he received a payment in lieu of notice for his unserved notice period calculated by reference to his base salary, to be paid in equal monthly instalments over the period to 27 February 2021 and to be reduced if Mr Wilson were to find alternative employment
- Mr Wilson would not receive any bonus payment in respect of 2019 or any part of 2020.
- Mr Wilson's 2019 LTIP award would lapse and he would not be granted any award in respect of 2020.
- In respect of the shares that Mr Wilson held pursuant to the grants he was made prior to the IPO under the Legacy IPO LTIP, he was treated as an Intermediate Leaver and so retained an entitlement to a time pro-rated number of shares. These shares were to be released to him on subsequent anniversaries of the IPO as follows: 41,927 shares released on 8 October 2020, 27,984 shares released on 8 October 2021 and 20,989 shares released on 8 October 2022 (pre-December 2020 consolidation numbers). Mr Wilson committed to hold any shares acquired through the rights issue in April 2020 in respect of these shares on the same terms.
- Other than shares that he has forfeited under the Legacy IPO LTIP, Mr Wilson was required to retain all those shares in the Company that he held as at 30 June 2020 for a period of two years until 30 June 2022.
- Mr Wilson would continue to be covered by the Company's D&O insurance and received a contribution towards his legal advice of £5,000 plus VAT.
- No payments for loss of office were paid to Mr Wilson.

NON-EXECUTIVE DIRECTORS' REMUNERATION (AUDITED)

The Policy on remuneration for Non-Executive Directors is set out in the 2018 DRR (which can be found in the Annual Report FY 2018 at www.astonmartinlagonda.com)..

The table below sets out the single figure of total remuneration received or receivable by the Non-Executive Directors in respect of FY 2020 (and the prior financial year). As noted in the Committee Chair's letter, the Non-Executive Directors waived 35% of their fees for a 3-month period from 1 April to 30 June 2020 and Michael di Picciotto waived his fee from appointment to 31 December 2020.

Shown in £'000s	Total fees[1]
Non-Executive Directors	
Amr AbouelSeoud	
Year to 31 December 2020	**55**
Year to 31 December 2019[2]	83
Lord Matthew Carrington	
Year to 31 December 2020[3]	**71**
Year to 31 December 2019	85
Peter Espenhahn	
Year to 31 December 2020[4]	**71**
Year to 31 December 2019	85
Michael de Picciotto[5]	
Year to 31 December 2020	**0**
Bill Tame[6]	
Year to 31 December 2020	**39**
Former Non-Executive Directors	
Mahmoud Samy Mohamed Aly El Sayed	
Year to 31 December 2020[7]	**50**
Year to 31 December 2019[7]	85
Penny Hughes	
Year to 31 December 2020[8]	**77**
Year to 31 December 2019	350
Dante Razzano	
Year to 31 December 2020[9]	**19**
Year to 31 December 2019[9]	93
Peter Rogers	
Year to 31 December 2020[10]	**10**
Year to 31 December 2019	83
Richard Solomons	
Year to 31 December 2020[11]	**34**
Year to 31 December 2019	135
Imelda Walsh	
Year to 31 December 2020[7,12]	**29**
Year to 31 December 2019	115
Professor Tensie Whelan	
Year to 31 December 2020[13]	**21**
Year to 31 December 2019	75

Notes:
1. Total fees include basic fees and additional Committee Chair and membership fees
2. Amr AbouelSeoud was a member of the Remuneration Committee until 8 October 2019
3. Lord Carrington became Chair of the Remuneration Committee and a member of the Audit and Risk Committee and Nomination Committee on 23 May 2020
4. Peter Espenhahn became Chair of the Audit and Risk Committee and a member of the Remuneration Committee and Nomination Committee on 23 May 2020
5. Michael de Picciotto joined the Board on 24 April 2020 and elected to waive his fee for 2020
6. Bill Tame joined the Board and became a member of the Nomination Committee on 3 June 2020 and became a member of the Audit and Risk Committee and Remuneration Committee on 16 September 2020
7. Penny Hughes stepped down from the Board and as Chair from 20 April 2020
8. Mahmoud Samy Mohamed Aly El Sayed was a member of the Audit Committee until 8 October 2019 and became a member of the Nomination Committee from 8 October 2019. He stepped down from the Board from 12 November 2020
9. Dante Razzano was a member of the Remuneration Committee until 8 October 2019 and stepped down from the Board from 20 April 2020
10. Peter Rogers was a member of the Audit Committee until 8 October 2019 and sadly passed away in January 2020
11. Richard Solomons stepped down from the Board from 23 May 2020
12. Imelda Walsh stepped down from the Board from 23 May 2020
13. Tensie Whelan stepped down from the Board from 23 May 2020

SUMMARY OF NON-EXECUTIVE DIRECTORS' FEES FOR FY 2021

The table below sets out the fee structure for the NEDs for 2021 (there are no changes to the fee levels that applied in 2020).

NED role	FY 2020 fee (£'000s)	**FY 2021 fee (£'000s)**
Non-Executive Chair of the Board*	270	**n/a**
Basic NED fee	60	**60**
SID fee	15	**15**
Committee Chair	15	**15**
Committee member	5	**5**

* This was the annual fee for the Non-Executive Chair of the Board role and was paid to Penny Hughes until she stepped down on 20 April 2020 On the same date, Lawrence Stroll became Executive Chairman and elected to receive a nominal salary only, of £1 per annum and receives no other elements of remuneration.

CHAIR AND NON-EXECUTIVE DIRECTOR SHAREHOLDINGS (AUDITED)

The table below summarises the total interests of the Chair and Non-Executive Directors (and their connected persons) in ordinary shares of Aston Martin Lagonda Global Holdings plc as at 31 December 2020 (or at the date of stepping down, if earlier).

	Total number of shares owned[1]
Non-Executive Directors	
Amr AbouelSeoud[2]	116,324
Lord Matthew Carrington	–
Peter Espenhahn	131
Michael de Picciotto[3]	769,285
Bill Tame	–
Former Non-Executive Directors	
Mahmoud Samy Mohamed Aly El Sayed[4]	196,477
Penny Hughes	1,500
Dante Razzano	1,315
Peter Rogers	–
Richard Solomons	131
Imelda Walsh	131
Tensie Whelan	–

Notes:
1. There have been no changes in the period up to and including 24 February 2021 and all shares are shown adjusted for the share consolidation (of 14 December 2020)
2. Includes indirect interests through Venus Limited
3. The interests are those of a PCA, Saint James Invest SA which is also interested in warrants over 28,353 shares
4. Includes indirect interests through MSY Limited

LETTERS OF APPOINTMENT

The Non-Executive Directors have letters of appointment. All Non-Executive Directors' appointments and subsequent re-appointments are subject to annual re-election at the AGM. Dates of the letters of appointment of the Non-Executive Directors as at the date of this report are set out in the table below.

Non-Executive Directors	Date of appointment	Notice period
Amr AbouelSeoud	7 September 2018	3 months
Lord Matthew Carrington	8 October 2018	3 months
Peter Espenhahn	8 October 2018	3 months
Robin Freestone	1 February 2021	3 months
Richard Parry Jones	1 February 2021	3 months
Michael de Picciotto	24 April 2020	1 month
Antony Sheriff	1 February 2021	3 months
Anne Stevens	1 February 2021	3 months
Stephan Unger	1 February 2021	1 month

The terms and conditions of appointment for Non-Executive Directors are available for inspection by shareholders at the registered office of the Company.

REMUNERATION COMMITTEE IN FY 2020

COMMITTEE MEMBERSHIP

The following Directors served as members of the Committee during FY 2020:

- Lord Matthew Carrington (Chair from 23 May 2020)
- Peter Espenhahn (from 23 May 2020)
- Bill Tame (from 16 September 2020)
- Imelda Walsh (until 23 May 2020, Chair until this date)
- Richard Solomons (until 23 May 2020)

COMMITTEE REMIT

The Committee's Terms of Reference are published on www.astonmartinlagonda.com.

In addition to setting the remuneration of the Executive Directors, the Committee continues to directly oversee the remuneration arrangements for the Executive Committee.

SUMMARY OF MEETINGS

The Committee typically meets four to six times a year. During FY 2020, the Committee met five times and the agenda items discussed at these meetings are summarised below.

Early February	• Review of draft FY 2019 DRR • Consideration of 2020 remuneration approach
Late February	• Remuneration-related terms for outgoing CFO • FY 2019 annual bonus outcome • Consideration of FY 2020 remuneration approach • Impact of rights issue on 2019 LTIP • Gender Pay Gap report • Approval of FY 2019 DRR
July	• Executive Committee (non-Board level) leavers – remuneration-related terms • Update on 2020 incentives – proposed timing • Update on organisational restructure and COVID-19 response
October	• Executive Committee (non-Board level) changes • Approval of 2020 incentive approach (annual bonus and LTIP)
December	• Update on 2021 remuneration priorities and 2020 DRR reporting • Broader employee reward overview

In addition, the full Board considered and approved remuneration arrangements for the incoming CEO and outgoing CEO in May 2020 and for the incoming CFO in June 2020.

ADVICE TO THE COMMITTEE

The Chair of the Board and members of the management team are invited to attend Committee meetings where appropriate, except when their own remuneration is being discussed. During the year the Executive Chairman and former Chair of the Board, current and former CEOs, current and former CFOs, VP and General Counsel, Company Secretary, Director of Reward and former Chief HR Officer attended meetings at the Committee's invitation.

The Committee has received independent advice on remuneration from Willis Towers Watson (WTW). WTW is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the Remuneration Consultants' Group Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that the advice provided by WTW is independent and objective. WTW has no other connection with the Company. Total fees received by WTW in relation to remuneration advice provided that materially assisted the Committee during FY 2020 were £27,250, which had been charged on a time spent basis.

Freshfields also provided advice to the Committee in relation to the operation of the Company's share plans, employment law considerations and compliance with legislation.

REMUNERATION VOTING RESULTS

The table below shows the results of the shareholder votes at the 2020 AGM on the DRR and at the 2019 AGM on the Directors' Remuneration Policy.

AGM voting results	Votes for	Votes against	Votes withheld
2020 AGM: To approve the DRR for the year ending 31 December 2019	990,194,165 (99.98%)	163,423 (0.02%)	295,139
2019 AGM: To approve the Directors' Remuneration Policy	198,266,590 (93.39%)	14,022,935 (6.61%)	299

APPROVAL

This report has been approved by the Board and signed on its behalf by:

LORD MATTHEW CARRINGTON
CHAIR, REMUNERATION COMMITTEE

24 February 2021

DIRECTORS’ REPORT

ABOUT THE DIRECTORS’ REPORT

The Directors’ Report comprises the Governance section (pages 41 to 78), the Directors’ Report (pages 79 to 84) and the Shareholder Information section (page 150). Other information that is relevant to the Directors’ Report, and which is incorporated by reference into the Directors’ Report, is disclosed as follows.

- Likely future developments of the Company (throughout the Strategic Report)
- Human rights (page 27)
- Greenhouse gas emissions (pages 25 and 26)
- Relationship with employees (pages 18 to 21)
- Disabled persons (page 79)
- Health and safety (page 21)
- Financial instruments (note 23)
- s.172 disclosure (page 22)
- Post balance sheet events (note 32)

STRATEGIC REPORT

Aston Martin Lagonda Global Holdings plc is required by the Companies Act 2006 to prepare a Strategic Report that includes a fair review of the Company’s business, the development and performance of the Company’s business during the period, the position of the Company at the end of year ended 31 December 2020, and a description of the principal risks and uncertainties faced by the Company. The Strategic Report on pages 1 to 39 is incorporated by reference and shall be deemed to form part of this Directors’ Report.

RESULTS AND DIVIDEND

Revenue from the continuing business during the period amounted to £611.8m (2019*: £980.5m). A review of the Group’s consolidated results is set out from page 96.

* 2019 was restated see note 2 of the Financial Statements for details.

It is the Directors’ intention to retain the Group’s cash flow to finance growth and to focus on delivery of its new business plan. The Directors intend to review, on an ongoing basis, the Company’s dividend policy and will consider the payment of dividends as the Group’s strategy matures, depending upon the Group’s free cash flow, financial condition, future prospects and any other factors deemed by the Directors to be relevant at the time.

GOING CONCERN

The going concern statements for the Group and Company are set out on pages 101 and 148 of the Financial Statements and are incorporated by reference and shall be deemed to be part of this Report.

RESEARCH AND DEVELOPMENT

The Group spent £182m (2019: £226m) on research and development during the year. See note 4 to the Financial Statements.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PEOPLE

The Group has policies on equal opportunities and the employment of disabled people which, through the application of fair employment practices, are intended to ensure that individuals are treated equitably and consistently regardless of age, race, creed, colour, gender, marital or parental status, sexual orientation, religious beliefs and nationality.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment with the Group is continued and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

HEALTH AND WELLBEING

The health and wellbeing of employees is central to operating an effective and successful business. The Group also relies on the health and stability of the communities in which it operates. The Group recognises its responsibility and the opportunity to make a positive contribution and is actively engaged with local areas to foster a sense of partnership with the Group.

The Group continues to educate employees on its approach to, and specific requirements of, human rights in business operations. In 2020, no human rights violations within the Group were reported, nor were any relevant reports received regarding the supply network.

The health and safety of its workforce, visitors and the local community is of paramount importance. The Group aims to be a centre of excellence and for the Aston Martin Health and Safety Management System to be aligned with best practice within the automotive industry. Further details are set out on page 21.

TAX STRATEGY

The Group is committed to complying with its statutory obligations in relation to the payment of tax including full disclosure of all relevant facts to the appropriate tax authorities. In managing its tax affairs, the Group recognises its responsibilities as a taxpayer and the need to protect the corporate reputation inherent in the brand.

The Board has ultimate responsibility for the Group's tax strategy although the day-to-day management rests with the Executive Committee which comprises the senior operational personnel of the Group.

The Chief Financial Officer is the Executive Committee member with ultimate responsibility for tax matters and is the Senior Accounting Officer of the Group. The Chief Financial Officer advises the Board on the tax affairs and risks of the Group to ensure:

- the proper control and management of tax risk;
- the tax position is planned in line with the Group's strategic objectives;
- the tax charge is correctly stated in the statutory accounts and tax returns; and
- all tax compliance is completed in a timely manner to HMRC and other tax authorities.

Further information on the Group's tax strategy is available on the Company's website.

ARTICLES OF ASSOCIATION

The Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors, and the conduct of the Board and general meetings. Copies are available from the Company Secretary. In accordance with the Articles of Association, directors can be appointed or removed by the Board or by shareholders in general meeting. Amendments to the Articles of Association must be approved by at least 75% of those voting in person or by proxy at a general meeting of the Company. Subject to UK company law and the Articles of Association, the directors may exercise all the powers of the Company, and may delegate authorities to committees, and may delegate day-to-day management and decision making to individual Executive Directors. Details of the Board Committees can be found on page 47.

The rules governing the appointment and removal of a Director are set out in the Articles of Association of the Company. Specific details relating to the significant shareholder groups and their right to appoint directors are set out on page 82.

DIRECTORS

The names and details of the Directors as at the date of this Report are set out on pages 41 to 43.

The names of the individuals who became or ceased to be Directors during the year ended 31 December 2020 are set out below.

Name	Date of appointment	Date of cessation
Laurence Stroll (Executive Chairman)	20 April 2020	
Tobias Moers (CEO)	1 August 2020	
Kenneth Gregor (CFO)	22 June 2020	
Michael de Picciotto	24 April 2020	
William Tame	3 June 2020	
Penny Hughes		20 April 2020
Dr. Andy Palmer		25 May 2020
Mark Wilson		30 April 2020
Richard Solomons		23 May 2020
Mahmoud Samy Mohamed Aly El Sayed		12 November 2020
Dante Razzano		20 April 2020
Peter Rogers		28 January 2020
Imelda Walsh		23 May 2020
Professor Tensie Whelan		23 May 2020

As stated elsewhere in the Annual Report, William Tame and Amr AbouelSeoud ceased to be Directors with effect from 27 January 2021 and 18 February 2021 respectively. Anne Stevens, Robin Freestone, Richard Parry-Jones, Antony Sheriff and Stephan Unger joined the Board with effect from 1 February 2021. Lord Matthew Carrington and Peter Espenhahn will not seek re-election at the Company's Annual General Meeting ("AGM") and will step down from the Board at the close of the meeting.

Kenneth Gregor, Tobias Moers, Anne Stevens, Robin Freestone, Richard Parry-Jones, Antony Sheriff and Stephan Unger will be offering themselves for election and all remaining members of the Board (excluding those individuals noted) will be offering themselves for re-election at the AGM.

DIRECTORS' INSURANCE AND INDEMNITIES

The Company maintains directors' and officers' liability insurance, which gives cover for legal actions brought against its Directors and officers. Each Director of the Company also has the benefit of prospectus liability insurance which provides cover for liabilities incurred by Directors in the performance of their duties or powers in connection with the issue of the following documents (as applicable).

- The Company's prospectus dated 20 September 2018 in relation to the Company's listing on the premium listing segment of the Financial Conduct Authority's Official List and admission to trading on the Main Market for listed securities of the London Stock Exchange.
- the Company's combined prospectus and circular dated 27 February 2020 (together with the two supplementary prospectuses) in relation to the placing of ordinary shares and the rights issue.

No amount was paid under any of these indemnities or insurances during the year other than the applicable insurance premiums. In accordance with section 236 of the Companies Act 2006, qualifying third party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the year ended 31 December 2020 and up to the date of this Report.

SHARE CAPITAL

Details of the issued share capital, together with details of movements in the issued share capital of the Company during the year, are shown in note 27. This is incorporated by reference and deemed to be part of this Report.

As at 31 December 2020, the Company had one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The ordinary shares are listed on the premium listing segment of the Financial Conduct Authority's Official List and traded on the Main Market for listed securities of the London Stock Exchange. As at 31 December 2020, the Company had 114,933,587 ordinary shares of £0.10 in issue. The Company does not hold any shares in treasury.

Specific powers relating to the allotment and issuance of ordinary shares and the ability of the Company to purchase its own securities are included within the Articles and such authorities must be submitted for approval by the shareholders, at the AGM each year.

Following shareholder approval at the general meeting on 4 December 2020, the Company issued warrants granting rights to subscribe for up to 126,647,852 ordinary shares of £0.009039687 (or, following completion of the capital reorganisation on 14 December 2020, 6,332,393 ordinary shares of £0.10) in accordance with the terms of the warrant instrument dated 7 December 2020. Warrants are exercisable during the period starting on 1 July 2021 and ending on 7 December 2027. The warrant instrument sets out the rights of warrantholders, including the right to receive shareholder documents and notifications and the right to requisition the Company to convene a meeting of warrantholders. Further information on the warrants is set out in the Combined Prospectus and Circular dated 18 November 2020.

Dividend waivers are in place in respect of shares issued but not allocated under the Legacy IPO LTIP.

SHAREHOLDERS' RIGHTS

Holders of ordinary shares have the rights accorded to them under UK company law, including the rights to receive the Company's Annual Report and Accounts, attend and speak at general meetings (subject to certain restrictions in light of the COVID-19 pandemic), appoint proxies and exercise voting rights. No shareholder holds ordinary shares carrying special rights relating to the control of the Company and, other than as previously publicly disclosed in relation to the Yew Tree Consortium, the voting rights of which are exercised in accordance with instructions of Lawrence Stroll, the Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on voting rights.

RESTRICTIONS ON TRANSFER OF ORDINARY SHARES

The Articles do not contain any restrictions on the transfer of ordinary shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share. All issued share capital of the Company at the date of this Annual Report is fully paid. Certain restrictions are also imposed by laws and regulations (such as insider trading and marketing requirements relating to closed periods) and requirements of the Market Abuse Regulation whereby Directors and certain employees of the Company require prior approval to deal in the Company's securities.

Under the Strategic Cooperation Agreement (as defined below), MBAG (as defined below) has agreed not to dispose of any consideration shares issued and to be issued to it pursuant to the Strategic Cooperation Agreement until the earlier of: (i) 365 days after the date of admission of all such consideration shares to listing on the Official List of the Financial Conduct Authority and to trading on the Main Market for listed securities of the London Stock Exchange; (ii) the termination of the Strategic Cooperation Agreement; and (iii) 31 December 2023, subject to the exceptions set out in the Combined Prospectus and Circular dated 18 November 2020.

SUBSTANTIAL SHAREHOLDINGS

The Company has received notifications of major interests in its issued ordinary share capital in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules. Details of the position as at the end of the financial year are as follows:

Shareholder	Number of ordinary shares[1]	% of total voting rights
Lawrence Stroll	24,799,964[2]	21.58%
Yew Tree Overseas Ltd	19,375,559	16.86%
Mercedes-Benz AG	13,615,299	11.85%
Adeem/Primewagon Shareholder Group	8,398,767[3]	7.31%
Invesco Limited	5,215,730	4.54%
Permian Investment Partners, LP	3,454,018	3.01%

1 Where the disclosure was made prior to 14 December 2020 (the effective date of the Share Consolidation), the Company has recalculated the number of shares to reflect the disclosed interest in ordinary shares of £0.10 each.
2 Includes 19,375,559 shares also disclosed by Yew Tree Overseas Ltd.
3 As per the Combined Prospectus and Circular dated 18 November 2020.

In the period from 1 January 2021 to 24 February 2021, there have been no changes notified to the Company in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules to the holdings as disclosed above.

SIGNIFICANT CONTRACTS – CHANGE OF CONTROL

At 31 December 2020, the Group had a Revolving Credit Facility of £87m which contains a change of control clause. The Group also had US$1,085.5m of 10.50% Senior Secured Notes due 2025, and US$335m Second Lien Split Coupon Notes which contain change of control provisions. In aggregate, these financing arrangements are considered significant to the Group and, in the event of a takeover (i.e. a change of control) of the Company, the amounts outstanding under the Revolving Credit Facility may be cancelled or become immediately payable and the holders of the Senior Secured Notes and Second Lien Notes may require the Group to repurchase their notes.

All the Company's share plans contain provisions relating to a change of control. In the event of a change of control or winding up of the Company (other than an internal reorganisation), LTIP awards will vest subject to the extent to which the performance conditions have been satisfied. Pro-rating for service will apply unless the Remuneration Committee decides otherwise. Outstanding deferred bonus awards will vest in full as soon as practicable.

In the event of an internal corporate reorganisation, deferred bonus and LTIP awards may (with consent from any acquiring company) be replaced by equivalent awards. Alternatively, the Remuneration Committee may decide that deferred bonus and LTIP awards will vest as in the case of a change of control described above.

In the event of a demerger, special dividend or other corporate event that will materially impact the share price the Committee may, at its discretion, allow deferred bonus and LTIP awards to vest on the same basis as for a change of control as described above. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

The Company currently has two groups of significant shareholders, namely the Yew Tree Consortium and Mercedes-Benz AG ("MBAG"). The relationship between the Company and each of these significant shareholder groups is governed by two separate relationship agreements. The purpose of these relationship agreements is to ensure that the Company can carry on its business independently and for the benefit of shareholders as a whole.

The relationship agreements also provide that the Company will not take any action in relation to certain significant matters without the prior approval of at least two-thirds of the members of the Board present and entitled to vote. The relationship agreements will terminate upon the relevant significant shareholder group ceasing to have the entitlement to exercise a minimum percentage of the voting rights in the Company or the Company's shares ceasing to be admitted to the Official List of the Financial Conduct Authority and traded on the Main Market for listed securities of the London Stock Exchange.

Each of the relationship agreements provides that each significant shareholder group is entitled to nominate director(s) to the Board and the Nomination Committee and an observer to the Remuneration and Audit and Risk Committees, subject to the size of its respective interest in the voting rights of the Company as set out below:

Significant shareholder group	% of voting rights to nominate 2 Directors	% of voting rights to nominate 1 Director	% of voting rights to nominate 1 Director as a member of the Nomination Committee and an observer to the Remuneration and Audit and Risk Committees
Yew Tree Consortium	10% or above	Between 7% and 10%	7%
Mercedes-Benz AG	15% or above	Between 7.5% and 15%	7.5%

On 27 October 2020, the Company announced that it had entered into an enhanced strategic cooperation arrangement (the "Strategic Cooperation Agreement") with one of its existing shareholders, MBAG. Under the Strategic Cooperation Agreement, the Company has agreed, over the period of time between December 2020 and the first quarter of 2023 and in several tranches, to issue 458,942,744 ordinary shares of £0.009039687 each (22,947,138 ordinary shares of £0.10 each following the share consolidation) to MBAG in exchange for access to certain technology and intellectual property to be provided to the Company by MBAG in several stages. The first tranche of 224,657,287 ordinary shares of £0.009039687 each (11,232,864 ordinary shares of £0.10 each following the share consolidation) has been issued to MBAG on 7 December 2020. Further details of the terms of the Strategic Cooperation Agreement are set out in the Combined Prospectus and Circular dated 18 November 2020.

In addition to the terms agreed in the Strategic Cooperation Agreement, the Group has a long-standing technical partnership with Daimler for the provision of engines, electrical architecture and entertainment systems. This partnership began in 2013, when Daimler became one of Aston Martin Holdings (UK) Limited's shareholders. The agreements governing this relationship contain provisions that provide that where a strategic Daimler competitor or one of its affiliates acquires an interest in the Group, Daimler is entitled to terminate these operational agreements on three years' prior notice.

TRANSACTIONS WITH RELATED PARTIES

During the year ended 31 December 2020, the significant shareholder groups agreed to subscribe for shares in the Company as follows:

	Number of Shares	
Significant Shareholder Group	June 2020 Placing	October 2020 Placing
Yew Tree Consortium	75,999,277	40,000,000
Adeem/PW shareholder group[1]	9,000,000	None
Prestige/SEIG shareholder group[2]	23,662,788	N/A

1 The Adeem/PW shareholder group ceased to be a related party for the purposes of the Listing Rules during the year ended 31 December 2020.
2 The Prestige/SEIG shareholder group ceased to be a related party for the purposes of the Listing Rules during the year ended 31 December 2020.

Other related party transactions are detailed in note 31.

POLITICAL DONATIONS

It is the Company's policy not to make political donations and no such political donations were made during the period since the IPO. In line with 2020 and reflecting the practice of many other London-listed companies, the Board will be seeking shareholder approval for political donations at the forthcoming AGM. This is a precautionary measure, for the Company and its subsidiaries to be able to make donations and/or incur expenditure which may be construed as "political" by the wide definition of that term included in the relevant legislation. Further details are provided in the Notice of this year's AGM.

DISCLOSURE TABLE PURSUANT TO LISTING RULE LR9.8.4R

In accordance with LR 9.8.4R, the table below sets out the location of the information required to be disclosed, where applicable.

Applicable sub-paragraph within LR 9.8.4R	Page(s)
(1) Interest capitalised by the Group	n/a
(2) Unaudited financial information	n/a
(4) Long-term incentive scheme only involving a Director	n/a
(5 Directors' waivers of emoluments	64
(6) Directors' waivers of future emoluments	n/a
(7) Non pro-rata allotments for cash (issuer)	139
(8) Non pro-rata allotments for cash (major subsidiaries)	n/a
(9) Listed company is a subsidiary of another company	n/a
(10) Contracts of significance involving a Director	50
(11) Contracts of significance involving a controlling shareholder	n/a
(12) Waivers of dividends	n/a
(13) Waivers of future dividends	81
(14) Agreement with a controlling shareholder	n/a

NON-FINANCIAL INFORMATION STATEMENT

The pages referenced in the table below provide information as required by section 414CB of the Companies Act.

Non-financial information	Section(s)	Page
Environmental matters	Responsibility	24
Employees	People and Stakeholder Engagement	18
Social matters	Responsibility People and Stakeholder Engagement	24 18
Human rights	Responsibility	27
Anti-bribery and anti-corruption	Risk and Viability Report Responsibility	37 27
Business model	Business Model	10
Non-financial KPIs	Key Performance Indicators	17
Principal risks	Risk and Viability Report	33

DISCLOSURE OF INFORMATION TO THE COMPANY'S AUDITOR

Each person who is a Director at the date of approval of this report and of the Financial Statements confirms that:

(i) so far as such Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(ii) such Director has taken all the steps that they ought to have taken as a Director, in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Strategic Report (from pages 1 to 39) and the Directors' Report (as described on page 79) have been approved by the Board on 24 February 2021.

By order of the Board

CATHERINE SUKMONOWSKI
COMPANY SECRETARY
AND DIRECTOR OF GOVERNANCE

24 FEBRUARY 2021

Aston Martin Lagonda Global Holdings Plc
Registered Office:
Banbury Road, Gaydon
Warwick CV35 0DB

Registered in England and Wales Registered number: 11488166

STATEMENT OF DIRECTORS' RESPONSIBILITIES

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report which includes the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the Group and parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and have elected to prepare the parent Company Financial Statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework. Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, group Financial Statements are required to be prepared in accordance with international financial reporting standards (IFRSs) adapted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group Financial Statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs adapted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- for the parent Company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company Financial Statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on pages 41 to 43, confirm that, to the best of their knowledge:

- that the consolidated Financial Statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs adopted pursuant to Regulation (EC) 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

These statements were approved by the Board on 24 February 2021 and signed on its behalf by

TOBIAS MOERS
CHIEF EXECUTIVE OFFICER

KENNETH GREGOR
CHIEF FINANCIAL OFFICER

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASTON MARTIN LAGONDA GLOBAL HOLDINGS PLC

OPINION

In our opinion:

- Aston Martin Lagonda Global Holdings plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aston Martin Lagonda Global Holdings (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2020	Balance sheet as at 31 December 2020
Consolidated statement of comprehensive income for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 6 to the financial statements including a summary of significant accounting policies
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 34 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- Understanding and walking through management's process for and controls related to assessing going concern including discussion with management to ensure all key factors were taken into account;
- Obtaining management's going concern assessment, which covers the period to 30 June 2022, and which includes details of facilities available, forecast covenant calculations, and the results of management's scenario planning, and testing its efficacy including clerical accuracy;
- Confirming to the debt agreements both the maturity profile of the debt and the covenants that are required to be met within the going concern period;
- Assessing the reasonableness of forecasts underpinning the going concern model which are based on the Board-approved budget and the Board-approved strategic plan;
- Understanding how these forecasts reflect the impact of COVID-19;
- Analysing the historical accuracy of budgets to actual results to determine whether forecast cash flows are reliable based on past experience;
- Comparing management's forecasts to actual results through the subsequent events period and performing inquiries to the date of this report;
- Considering external factors including reliance on suppliers, recoverability of debtors, employees' ability to continue to work safely, and the threat of potential litigations and claims;
- Considering the downside scenario identified by management in their assessment on page 39, assessing whether there are any other scenarios which should be considered, and assessing whether the quantum of the impact of the downside scenario in the going concern period is realistic;
- Performing reverse stress testing on the going concern model by understanding what reduction in wholesale volumes would be required before covenants are breached. This included comparing this to the downside scenario contemplated by management and considering the likelihood of the events required to breach the covenants, given covenants would be breached prior to liquidity being exhausted;
- Evaluating the Group's ability to undertake mitigating actions should it experience a severe downside scenario, considering likely achievability of both timing and quantum particularly with respect to constraining capital spending if required; and
- Assessing the going concern disclosures in the financial statements to ensure they are in accordance with International Financial Reporting Standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for the period to 30 June 2022 from when the financial statements are authorised for issue.

In relation to the group and parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Audit scope	• We performed an audit of the complete financial information of five components and audit procedures on specific balances for a further one component. • The components where we performed full or specific audit procedures accounted for 99% of Gross Margin, 100% of Revenue and 100% of Total assets.

Key audit matters	• Revenue recognition, specifically;
	  • There is a risk that revenue is overstated due to errors in cut-off, including bill and hold arrangements; and
	  • There is also a risk of overstatement of revenue through inappropriate manual journal entries.
	• Capitalisation and amortisation of development costs
	• Impairment of capitalised development costs

Materiality	• Overall Group materiality of £2.2m which represents 2% of Gross Margin.

AN OVERVIEW OF THE SCOPE OF THE PARENT COMPANY AND GROUP AUDITS

TAILORING THE SCOPE

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 7 reporting components of the Group, we selected 6 components covering entities within the UK, America, Japan and China, which represent the principal business units within the Group.

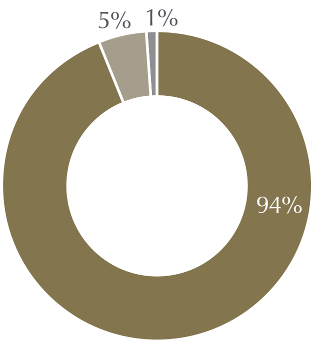
Of the 6 components selected, we performed an audit of the complete financial information of 5 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining one component ("specific scope component"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 99% of the Group's Gross Margin (2019: 100% of the Groups Adjusted EBITDA, the basis for materiality in the prior year), 100% (2019: 100%) of the Group's Revenue and 100% (2019: 100%) of the Group's Total assets. For the current year, the full scope components contributed 94% of the Group's Gross Margin (2019: 97% of the Groups Adjusted EBITDA), 99% (2019: 96%) of the Group's Revenue and 100% (2019: 94%) of the Group's Total assets. The specific scope component contributed 5% of the Group's Gross Margin (2019: 3% of the Groups Adjusted EBITDA), 1% (2019: 4%) of the Group's Revenue and 0% (2019: 6%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage for the Group.

With respect to the remaining one component that represents 1% of the Group's Gross Margin, we performed other procedures, including analytical review to respond to any potential risks of material misstatement to the Group financial statements.

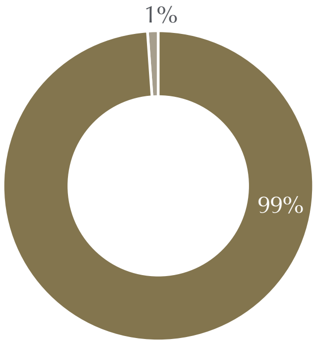
The charts below illustrate the coverage obtained from the work performed by our audit teams.

Gross Margin



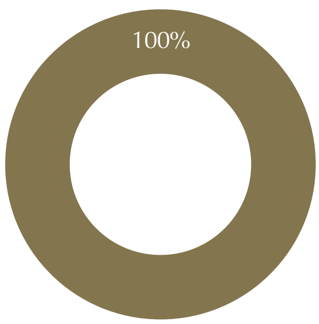
- Full scope components
- Specific scope components
- Other procedures

Revenue



- Full scope components
- Specific scope components
- Other procedures

Total assets



- Full scope components
- Specific scope components
- Other procedures

CHANGES FROM THE PRIOR YEAR

One component designated as specific scope in the prior year was classified as full scope in the current year as a result of an increase in the level of contribution to the groups' gross margin.

INVOLVEMENT WITH COMPONENT TEAMS

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the 5 full scope components, audit procedures were performed on 3 of these directly by the primary audit team. For the components not audited by the primary audit team we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole. For the one specific scope component, audit procedures were performed directly by the primary audit team.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor or his designate visits all full and specific scope components. In FY 2020, these visits were conducted virtually due to the COVID-19 pandemic. During the current year's audit cycle, virtual visits were undertaken by the primary audit team to the component teams in the UK and China. These virtual sessions involved meeting with our local component teams to discuss and direct their audit approach, understanding the significant audit findings in response to the key audit matters and reviewing key audit working papers.

Specifically, in addressing the impact of COVID-19 government restrictions and safe working protocols on our audit, we interacted regularly with the component teams during various stages of the audit. We ensured they had adequate time and resources to complete the audit procedures, reviewed working papers in significant risk areas and were responsible for the scope and direction of the audit process. All components except for one performed inventory observations in person. For the component which performed inventory observations virtually, we designed our observation procedures in conjunction with the component team to address the additional risks presented in a virtual count. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue Recognition (£611.8m, 2019: £980.5m) Refer to the Audit Committee Report (page 56); Accounting policies (page 101); and Note 3 of the Consolidated Financial Statements (page 110) There is a risk that revenue is overstated due to errors in cut-off, including bill and hold arrangements whereby revenue is recognised on a completed vehicle before delivery is made to the customer based on the customer's request. There is also a risk of overstatement of revenue through inappropriate manual journal entries.	• We confirmed the existence and the design effectiveness of controls within the sales process, paying particular attention to those around cut-off and bill and hold transactions. • For a sample we considered the terms per the contracts and deliveries to ensure revenue has been recognised in accordance with IFRS 15 and is recorded in the correct period. • For a sample of bill and hold sales we have confirmed the vehicle was completed before year end by obtaining the signed quality check documentation. For that sample we also confirmed the transfer of control had occurred by obtaining the customer requests to hold the vehicles on their behalf. • For a sample of bill and hold sales we have confirmed the transaction directly with the third party dealer. • We performed physical verification on the finished vehicles and agreed these to either the inventory or the bill and hold listings. We ensured the manufacturing process was complete for each vehicle and that the vehicle was not double counted in revenue and inventory. • We performed cut-off testing by tracing a sample of transactions around the period end to third party delivery note documentation. • We performed data analytical procedures of the double entries in the general ledger to test the postings from Revenue to Cash, correlating the cash conversion of sales. We investigated and obtained evidence for any unusual items identified. • We performed journal testing procedures to identify unusual journal entry postings. We obtained audit evidence for unusual and/or material revenue journals. • We performed full and specific scope audit procedures over this risk area in four locations, which covered 100% of the risk amount.	Our audit procedures did not identify evidence of material misstatements in revenue recognition arising from the risk of cut-off, bill and hold or management override through journal entries.
Capitalisation and amortisation of development costs (Net book value of development costs: £784.1m, 2019: £769.5m) Refer to the Audit Committee Report (page 56); Accounting policies (page 101); and Note 13 of the Consolidated Financial Statements (page 118) There is a risk that costs are capitalised which do not meet the criteria set out within IAS 38 or that the amortisation period is inappropriate. There is also a risk of overstatement of capitalised development costs through inappropriate manual journal entries.	• We confirmed the existence and the design effectiveness of controls around the intangibles process and in particular around the approval of capitalised development expenditure. • For a sample of costs capitalised we confirmed that the costs incurred were; capitalised against the correct project; measured correctly; eligible for capitalisation, and the timing of the expense capitalisation was appropriate. • For a sample of projects we compared the actual spend against the budgeted spend to ensure the projects continue to meet the IAS 38 criteria for capitalisation and remain commercially viable. • For capitalised development costs we confirmed the amortisation period was aligned to the period over which commercial benefits are expected to be received and is consistent with the groups business plan. • We considered the appropriateness of the amount/percentage of costs which are transferred between models as a result of the carry over carry across principle ('COCA'). • We recalculated the amortisation recognised to confirm this was in line with expectations. • We performed journal testing procedures to identify unusual journal entry postings. We obtained audit evidence for any unusual and/or material journals related to capitalised development costs. • We performed full and specific scope audit procedures over this risk area in two locations, which covered 100% of the risk amount.	Our audit procedures did not identify evidence of material misstatement in the amounts of development costs capitalised in the year or through inappropriate manual journal entries.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment of capitalised development costs (Net book value of development costs: £784.1m, 2019: £769.5m) Refer to the Audit Committee Report (page 56); Accounting policies (page 101); and Note 14 of the Consolidated Financial Statements (page 118) There is a risk that the value of development costs is not supported by the future forecast cashflows from the sale of vehicles to which the costs relate.	• We have examined management's methodology and impairment models for assessing the recoverability of the capitalised development costs to understand the composition of management's future cash flow forecasts, and the process undertaken to prepare them. This includes confirming the underlying cash flows are consistent with the Board approved business plan. • We have re-performed the calculations in the model to test the mathematical integrity. • We have assessed the discount rate used by obtaining the underlying data used in the calculation and benchmarking it against comparable organisations and market data with the support of our valuation specialists. • We have analysed the historical accuracy of budgets to actual results to determine whether forecast cash flows are reliable based on past experience. • We calculated the degree to which the key assumptions would need to fluctuate before an impairment arose and considered the likelihood of this occurring. • Where changes have been made to the development programmes following completion of the Strategic Cooperation Agreement with Mercedes-Benz AG, we met with the Project Leads to understand the impact of the new technology on the development programmes. • We have audited the disclosures in respect of impairment of capitalised development costs with reference to the requirements of IAS 36 and IAS 1 and confirmed their consistency with the audited impairment models. • We performed full and specific scope audit procedures over this risk area in two locations, which covered 100% of the risk amount.	Our year end audit procedures did not identify evidence of material misstatement regarding the carrying value of capitalised development costs or the impairment charge recognised in the year.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £2.2 million (2019: £2.6 million), which is 2% of Gross Margin (2019: 1.9% of Adjusted EBITDA). We believe that Gross Margin provides us with an appropriate basis for materiality given the results of the year. The materiality basis has changed from Adjusted EBITDA in the prior year to Gross Margin in the current year as the Group Adjusted EBITDA is a loss in the current year.

We determined materiality for the Parent Company to be £13.9 million (2019: £5.5 million), which is 1% (2019: 1%) of Equity.

During the course of our audit, we reassessed initial materiality and updated this for actual results.

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2019: 50%) of our planning materiality, namely £1.1m (2019: £1.3m). We have set performance materiality at this percentage due to the level of audit adjustments identified in the prior period.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.24m to £1.1m (2019: £0.26m to £1.3m).

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.11m (2019: £0.13m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the annual report set out on pages 1 to 150, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 79;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 39;
- Directors' statement on fair, balanced and understandable set out on page 85;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 39;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 60; and;
- The section describing the work of the audit committee set out on page 57

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 85, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union, FRS 101, the Companies Act 2006 and UK Corporate Governance Code). In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to health and safety and employee matters.
- We understood how Aston Martin Lagonda Global Holdings plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management and internal audit to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations; enquiries of legal counsel, Group management, internal audit, and full and specific scope management; reviewing internal audit reports and whistleblowing summaries provided to the Audit Committee and performing focused testing, as referred to in the key audit matters section above.

- Specific enquiries were made with the component teams to confirm any non-compliance with laws and regulations and this was reported through their audit deliverables based on the procedures detailed in the previous paragraph. Further, the Group team communicated any instances of non-compliance with laws and regulations to component teams through regular interactions with local EY teams. There were no significant instances of non-compliance with laws and regulations.

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

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- Following the recommendation from the audit committee we were appointed by the company on 24 July 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the years ending 2019 to 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee

USE OF OUR REPORT

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

SIMON O'NEILL (SENIOR STATUTORY AUDITOR)
FOR AND ON BEHALF OF ERNST & YOUNG LLP,
STATUTORY AUDITOR

Birmingham

24 February 2021

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

				2020			2019 *restated* *
	Notes	**Adjusted £m**	**Adjusting items** £m**	**Total £m**	Adjusted £m	Adjusting items** £m	Total £m
Revenue	3	**611.8**	**–**	**611.8**	980.5	–	980.5
Cost of sales		**(500.7)**	**–**	**(500.7)**	(642.7)	–	(642.7)
Gross profit		**111.1**	**–**	**111.1**	337.8	–	337.8
Selling and distribution expenses		**(79.6)**	**–**	**(79.6)**	(95.0)	–	(95.0)
Administrative and other operating expenses		**(256.4)**	**(98.0)**	**(354.4)**	(233.7)	(42.1)	(275.8)
Other expense	5	**–**	**–**	**–**	(19.0)	–	(19.0)
Operating loss	4	**(224.9)**	**(98.0)**	**(322.9)**	(9.9)	(42.1)	(52.0)
Finance income	8	**33.1**	**6.9**	**40.0**	16.3	–	16.3
Finance expense	9	**(107.6)**	**(75.5)**	**(183.1)**	(77.3)	(6.6)	(83.9)
Loss before tax		**(299.4)**	**(166.6)**	**(466.0)**	(70.9)	(48.7)	(119.6)
Income tax credit/(charge)	10	**22.6**	**32.9**	**55.5**	(6.8)	8.8	2.0
Loss for the year		**(276.8)**	**(133.7)**	**(410.5)**	(77.7)	(39.9)	(117.6)
(Loss)/profit attributable to:							
Owners of the Group				**(419.3)**			(126.4)
Non-controlling interests				**8.8**			8.8
				(410.5)			(117.6)
Other comprehensive income							
Items that will never be reclassified to the Income Statement							
Remeasurement of defined benefit liability	26			**(59.1)**			(1.4)
Taxation on items that will never be reclassified to the Income Statement	10			**12.3**			0.2
Items that are or may be reclassified to the Income Statement							
Foreign exchange translation differences				**0.8**			(2.7)
Fair value adjustment – cash flow hedges	23			**6.6**			9.0
Amounts reclassified to the Income Statement – cash flow hedges	23			**9.7**			15.6
Taxation on items that may be reclassified to the Income Statement	10			**(3.1)**			(3.4)
Other comprehensive (loss)/income for the year, net of income tax				**(32.8)**			17.3
Total comprehensive loss for the year				**(443.3)**			(100.3)
Total comprehensive (loss)/income for the year attributable to:							
Owners of the Group				**(452.1)**			(109.1)
Non-controlling interests				**8.8**			8.8
				(443.3)			(100.3)
Earnings per ordinary share							
Basic loss per share	12			**(543.0p)**			(290.6p)
Diluted loss per share	12			**(543.0p)**			(290.6p)

All operations of the Group are continuing.

* Detail on the restatement of the comparative period is disclosed in note 2 and the impact on Earnings Per Share in note 12.

** Adjusting items are defined in note 2 with further detail shown in note 6.

The notes on pages 101 to 145 form an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share Capital £m	Share Premium £m	Merger Reserve £m	Capital Redemption Reserve £m	Capital Reserve £m	Translation Reserve £m	Hedge Reserves £m	Retained Earnings £m	Non-controlling Interest £m	Total Equity £m
At 1 January 2020	**2.1**	**352.3**	**–**	**–**	**6.6**	**(0.4)**	**(2.3)**	**(42.8)**	**14.1**	**329.6**
Total comprehensive loss for the year										
(Loss)/profit for the year	–	–	–	–	–	–	–	(419.3)	8.8	(410.5)
Other comprehensive income										
Foreign currency translation differences	–	–	–	–	–	0.8	–	–	–	0.8
Fair value movement – cash flow hedges (note 23)	–	–	–	–	–	–	6.6	–	–	6.6
Amounts reclassified to the Income Statement – cash flow hedges (note 23)	–	–	–	–	–	–	9.7	–	–	9.7
Remeasurement of defined benefit liability (note 26)	–	–	–	–	–	–	–	(59.1)	–	(59.1)
Tax on other comprehensive income (note 10)	–	–	–	–	–	–	(3.1)	12.3	–	9.2
Total other comprehensive (loss)/income	**–**	**–**	**–**	**–**	**–**	**0.8**	**13.2**	**(46.8)**	–	**(32.8)**
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**–**	**–**	**0.8**	**13.2**	**(466.1)**	**8.8**	**(443.3)**
Transactions with owners, recorded directly in equity										
Issue of ordinary shares (note 27)	18.7	755.9	144.0	–	–	–	–	–	–	918.6
Capital reduction	(9.3)	–	–	9.3	–	–	–	–	–	–
Credit for the year under equity settled share-based payments (note 29)	–	–	–	–	–	–	–	4.2	–	4.2
Dividend paid to non-controlling interest (note 11)	–	–	–	–	–	–	–	–	(6.6)	(6.6)
Tax on items credited to equity (note 10)	–	–	–	–	–	–	–	1.6	–	1.6
Total transactions with owners	**9.4**	**755.9**	**144.0**	**9.3**	–	–	–	**5.8**	**(6.6)**	**917.8**
At 31 December 2020	**11.5**	**1,108.2**	**144.0**	**9.3**	**6.6**	**0.4**	**10.9**	**(503.1)**	**16.3**	**804.1**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

Group	Share Capital £m	Share Premium £m	Merger Reserve £m	Capital Reserve £m	Translation Reserve £m	Hedge Reserves £m	Retained Earnings £m	Non-controlling Interest £m	Total Equity £m
At 1 January 2019	2.1	352.3	–	6.6	2.3	(23.5)	97.2	10.2	447.2
Correction of errors	–	–	–	–	–	–	(16.1)	–	(16.1)
At 1 January 2019 *restated* *	**2.1**	**352.3**	**–**	**6.6**	**2.3**	**(23.5)**	**81.1**	**10.2**	**431.1**
Total comprehensive loss for the year									
(Loss)/profit for the year *	–	–	–	–	–	–	(126.4)	8.8	(117.6)
Other comprehensive income									
Foreign currency translation differences	–	–	–	–	(2.7)	–	–	–	(2.7)
Fair value adjustment on cash flow hedges (note 23)	–	–	–	–	–	9.0	–	–	9.0
Amounts reclassified to the Income Statement – cash flow hedges (note 23)	–	–	–	–	–	15.6	–	–	15.6
Remeasurement of defined benefit liability (note 26)	–	–	–	–	–	–	(1.4)	–	(1.4)
Tax on other comprehensive income (note 10)	–	–	–	–	–	(3.4)	0.2	–	(3.2)
Total other comprehensive income/(loss)	**–**	**–**	**–**	**–**	**(2.7)**	**21.2**	**(1.2)**	**–**	**17.3**
Total comprehensive income/(loss) for the year*	**–**	**–**	**–**	**–**	**(2.7)**	**21.2**	**(127.6)**	**8.8**	**(100.3)**
Transactions with owners, recorded directly in equity									
Credit for the year under equity settled share-based payments (note 29)	–	–	–	–	–	–	3.7	–	3.7
Dividend paid to non-controlling interest	–	–	–	–	–	–	–	(4.9)	(4.9)
Tax on items credited to equity (note 10)	–	–	–	–	–	–	–	–	–
Total transactions with owners	**–**	**–**	**–**	**–**	**–**	**–**	**3.7**	**(4.9)**	**(1.2)**
At 31 December 2019*	**2.1**	**352.3**	**–**	**6.6**	**(0.4)**	**(2.3)**	**(42.8)**	**14.1**	**329.6**

* Detail on the restatement is disclosed in note 2.