

Reference: O-LE-AL-24-0163



Assured Guaranty UK Limited  
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6 Bevis Marks  
London EC3A 7BA

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1633 Broadway  
New York  
NY 10019  
USA

Ambac Assurance UK Limited  
2<sup>nd</sup> Floor, 21 Great Winchester Street  
London EC2N 2JA

28 June 2024

Dear Sirs

### **Aspire Defence Limited – Annual Report and Certificate**

We refer to Clause 5.1.3 of the Collateral Deed dated 06 April 2006 as amended and restated on 31 October 2016 and amended on 18 April 2018 and 16 June 2023.

### **Summary of Performance for the Year Ended 31 December 2023**

Solid progress has again been made during 2023 on all aspects of the Project.

The construction aspects of the original Project scope were completed in 2015. In 2016 the Company agreed with the Authority and arranged with its supply chain to include further scope associated with ABP that was required on the geographic footprint of the Project. During 2022 the ABP related construction works were completed. Minor construction works continue from time to time following instructions from the Authority.

During 2023, the Company reported turnover of £250m (2022: £257m) and a resultant profit before taxation of £33.5m (2022: £39.0m) which, after tax, increased funds available to shareholders by £25.6m (2022: £31.6m). The Company used these reserves to pay interim dividends of £36.3m (2022: £20.4m), leaving net assets of £5.9m (2022: £16.7m) at the end of the year. The decrease in revenue and profit is mainly attributable to the reduction of the Lifecycle gainshare provision caused by an increase in forecasted Lifecycle costs.

At the end of the year the Company had cash and short-term investments of £204.7m (2022: £206.3m) having paid interest of £69.5m (2022: £71.8m) and repaid principal of £42.6m (2022: £41.3m) on senior and junior funding out of positive operating cashflow from the Project, which has also reduced the Finance Asset, and the associated imputed interest receivable.

### **ASPIRE DEFENCE LIMITED**

Aspire Business Centre Ordnance Road Tidworth SP9 7QD | T 0845 168 2000 | W [www.aspiredefence.co.uk](http://www.aspiredefence.co.uk)

Aspire Defence Limited, Registered in England & Wales No. 5572542 | Registered Office: Aspire Business Centre, Ordnance Road, Tidworth SP9 7QD

The Company completes a Payment Practices Report bi-annually which is available online. It does not engage in reverse factoring for its suppliers.

The Company continues to be accredited as an “Investor in People”, and its quality and environmental management systems remain certificated to ISO standards 9001 and 14001.

### **Annual Certification**

Pursuant to Clause 5.1.3 b), Aspire Defence Limited certifies that, so far as it is aware, there are:

- No Potential Events of Default, Events of Default or Trigger Events (as such terms are defined in the Collateral Deed) subsisting on the date of this certificate, and
- No Lock-up Events (as such terms are defined in the two Ringfencing Agreements dated 18 April 2018) subsisting on the date of this certificate.

Yours faithfully,

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**A R McColl**  
Director  
Aspire Defence Limited

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**A Thomson**  
Director  
Aspire Defence Limited