BOARD OF DIRECTORS

An experienced management team with **strong offshore energy** pedigree

Bill Shannon
Independent Chairman and Non-Executive Director

Committees
A R N

Skills
- Extensive financial expertise
- Sound practical understanding of corporate governance
- Deep appreciation of investor sentiment
- Extensive plc Chairman experience

Experience
Bill has over 28 years of experience in plc board roles across businesses in branded retail and leisure, property, gaming and financial services. He is a Chartered Accountant (Scotland) and, after qualifying, began his career with Whitbread PLC in 1974, where he served as a Board Director for 10 years until his retirement in 2004.

Bill has served as Chairman of the boards of LSL Property Services plc, Johnson Service Group plc, St. Modwen Properties plc, Aegon UK plc and Gaucho Grill Holdings Ltd. Bill has also served on the boards of Barratt Developments plc, Matalan plc and Rank Group plc.

Allan Pirie
Chief Executive Officer

Committee
N

Skills
- Sound, proven leadership skills and a considered strategic approach
- Detailed understanding of the subsea market and sector with significant knowledge of commercial, customer and operational matters
- Customer and supplier relationship management
- Successful transaction and M&A experience

Experience
Allan has 27 years of experience in the offshore energy industry. Allan joined the Group in 2009 as Chief Financial Officer, before becoming Chief Executive Officer in 2012.

Prior to joining the Group, Allan was Chief Financial Officer at Triton Group, a Commercial Director at Viking Offshore Services, a Business Strategy Manager at ASCO and qualified as a Chartered Accountant (Scotland) with KPMG.

Ingrid Stewart
Chief Financial Officer

Skills
- Significant experience in corporate finance
- Successful transaction and M&A experience
- Strong technical acumen on financial matters
- Wide, in depth knowledge of business management

Experience
Ingrid has 25 years of experience in the offshore energy industry. Ingrid joined the Group in January 2021 as Chief Financial Officer.

Prior to joining the Group, Ingrid was a Corporate Development Director at EnerMech, a Director at Simmons & Company International and an Associate, Manager and Assistant Director at Deloitte. Ingrid is a qualified Chartered Accountant (Scotland).

Joe Connolly
Non-Executive Director

Committee
N

Skills
- Deep understanding of investor sentiment
- Broad industry experience
- Successful transaction and M&A experience
- Strong knowledge of the business and its history

Experience
Joe has over 22 years of experience in the energy & resources industry and has served on the board of various Ashtead Technology Group companies since 2016. Joe was one of the founders of Buckthorn Partners and currently serves as its Chief Financial Officer.

A qualified Chartered Accountant, Joe was previously the CFO of listed mining company, Sierra Rutile. After qualifying as a Chartered Accountant with Deloitte within its energy and resources group, he joined Morgan Stanley as an Equity Analyst in Morgan Stanley's industrial team.

Thomas Thomsen
Independent Non-Executive Director

Committees
A R N

Skills
- Deep knowledge of the renewable energy market
- Deep understanding of strategic processes
- Business development and customer focus

Experience
Thomas has over 23 years of experience in the wind sector. Since April 2022 Thomas has served as Senior Vice President of Semco Maritime's renewables division.

Thomas previously served as the Chief Strategy Officer of GE Onshore Wind International and was an Executive Director of AH Industries, Senior Vice President of VESTAS A/S and Chief Sales Officer at AREVA Wind.

Tony Durrant
Independent Non-Executive Director

Committees
A R N

Skills
- Sound practical understanding of corporate governance
- Extensive financial reporting experience
- Significant understanding of audit processes and risk management
- Deep understanding of investor sentiment

Experience
Tony Durrant has 35 years of experience in the energy & resources industry. Tony was Chief Executive Officer of Premier Oil Plc until December 2020, a position he had held since June 2014. He joined Premier Oil as Finance Director and a Director of the Board in June 2005.

After qualifying as a Chartered Accountant with Arthur Andersen, he joined Lehman Brothers, as an Analyst before joining their investment banking division.

Committee membership key
- A Audit Committee
- R Remuneration Committee
- N Nomination Committee

ROLES AND RESPONSIBILITIES

Remuneration Committee
- determines directors' and senior management remuneration strategy and policy
- oversees the implementation of our Remuneration Policy
- reviews workforce remuneration, related policies and the alignment of incentives and rewards with culture

Read more on **page 34**

Audit Committee
- promotes governance and our risk management framework
- ensures the accuracy of our financial reporting
- monitors the external auditors

Read more on **page 31**

Nomination Committee
- recommends to the Board for executive and non-executive appointments and succession planning
- promotes employee engagement and diversity

Read more on **page 33**

CHAIRMAN'S INTRODUCTION

Committed to **high standards of governance**

The Board acknowledges the importance of high standards and is committed to effective corporate governance, focused on delivering long-term value and meeting stakeholder expectations around leadership and oversight.

As Chairman of the Board, I am responsible for corporate governance within the Group and we have a clear governance structure centred around the QCA Corporate Governance Code for small- and mid-size quoted companies 2018, which ensures that the Board and the business act responsibly in decision-making, risk management and delivery of objectives. This section of the Annual Report outlines how we apply the principles of the QCA Code.

During 2022, our Board met regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information in advance of Board meetings.

We will continue to review and update our governance framework and our approach as the Group continues to grow and we will update the Corporate Governance statement in the AIM rule 26 section of the Company's website. Additional information is contained in our Section 172 Statement on page 16.

Board structure and composition

My role as Chairman of the Board is separate to, and independent of, that of the Chief Executive and each of us has clearly defined responsibilities. These, along with the terms of reference for all the Committees of the Board, can be found on the Investor Relations section of the Ashtead Technology Holdings plc website.

The Board comprises six Directors consisting of two Executive Directors, three independent Non-Executive Directors and one Non-Executive Director (non-independent). The Board ensures that there is a clear balance of responsibilities between the executive and the non-executive functions, and that no individual (or small group of individuals) can dominate the Board's decision making. The Board also believes that it currently has a desirable range of different skills, experiences and backgrounds, further details of which can be found in the Board biographies on pages 26 to 27.

Stakeholder engagement

The Executive Directors spent considerable time engaging with stakeholders. A full review of stakeholder engagement can be found at pages 16 to 17.

Bill Shannon
Chair of the Board
2 May 2023

CORPORATE GOVERNANCE STATEMENT

Focused on effective corporate governance

The Board is committed to effective corporate governance. In this section we set out the arrangements the Board has put in place to ensure that it fulfils its corporate governance obligations, including compliance with the QCA Corporate Governance Code.

Strategy and long-term shareholder value

One of our Board's key roles is to set and monitor the implementation of our Group strategy. This includes support and constructive challenge to management on how the Group intends to deliver long-term shareholder value. Our strategy remains largely unchanged from the prior year and is summarised below:

- Supporting the energy transition whilst being mindful of the global need for energy security and affordability
- Maintaining Ashtead Technology's position as a leading independent subsea equipment rental business
- Continuing to broaden the range of complementary equipment and services to support our customers' operations
- Leveraging Ashtead Technology's global footprint
- Augmenting organic growth through a clear and focused merger and acquisition strategy.

We have made positive progress on all of the key pillars of our strategy through 2022 and remain focused on continued delivery through 2023.

More detail on our strategy can be found on page 5.

Meeting shareholder needs and expectations

We are committed to engaging with our shareholders to ensure their needs and expectations are understood and our strategy and business model are clearly articulated.

We have engaged with our investors at multiple points during the year supplementing our full- and half-year road shows with investor calls and meetings where requested. The Annual General Meeting is also an opportunity for the Company's Directors to meet with and address shareholders' questions.

The Board is kept informed of the views and opinions of shareholders and analysts. We were delighted that since our prior year results announcement, an additional five research analysts have initiated research on our business providing both existing and potential investors with a broader view of the business and its prospects.

Directors receive regular updates from the CEO and CFO, as well as share register analyses and market reports from the Company's Nominated Advisor, Numis.

Stakeholder and social responsibilities

The Group has a number of stakeholders, including, but not limited to our shareholders and employees, and our long-term success is dependent on us maintaining a positive relationship with all stakeholders as well as ensuring we act responsibly at all times. The Board's approach to stakeholder engagement is presented in pages 16 to 17.

Effective risk management

The Board recognises the need for an effective and well-defined risk management process. The risk management framework and key risks facing the business are set out in pages 22 to 25 of this report.

Our internal Risk Management Committee has continued to meet quarterly ensuring that there is a robust process in place for identifying, managing, and monitoring risks relevant to the Group. The internal Risk Management Committee assesses the risk profile of the Group and how the risks arising from the Group's businesses are controlled, monitored and mitigated.

The Audit Committee has responsibility for reviewing the effectiveness of the Group's internal controls as set out in pages 31 to 32 and reports directly to the Board on these matters. The Audit Committee reviews and challenges the output from the internal Risk Management Committee at least once per year.

The Group does not currently have an internal audit function as day-to-day control is sufficiently exercised by the Group's Board of Directors. However, the Board will continue to monitor the need for an internal audit function as the Group grows and develops.

Recognising that there are inherent limitations in any control system and that any such system can only provide reasonable and not absolute assurance, the Board considers the controls in place are reasonable for a Group of its size and complexity.

Maintain the Board as a well-functioning, balanced team, led by the chair

The Board comprises two Executive Directors, Allan Pirie and Ingrid Stewart, three non-executive directors, Bill Shannon, Tony Durrant and Thomas Thomsen whom the Board believes are independent, and, one non-executive director, Joe Connolly who is not considered independent due to his relationship with Buckthorn Partners.

The Board aims to meet at least six times per year with the Board meeting ten times in FY22, with all Board members in attendance. All meetings have been attended by all Directors. Board meetings are open and constructive, with every Director participating fully.

The Board is satisfied that it is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders and that all Directors of the Board have sufficient time, availability, skills and expertise to perform their roles.

Board skills, capabilities and experience

Pages 26 to 27 set out the biographies of the current Board members. The Board is deliberately represented by a diverse mix of individuals with varied experience across a number of industries and in both private and public companies.

The Board is not dominated by any person or group of people. The Non-Executive Directors meet without the presence of the Executive Directors during the year, and also maintain ongoing communications with the Executive Directors between formal Board meetings.

All Board members remain professionally active and are given the opportunity to keep in touch with relevant developments through appropriate seminars to ensure the continued development of each Board member's skills and capabilities. All the Directors have appropriate skills and experience for the roles they perform, including as members of the Board Committees.

If required, the Directors are entitled to take independent legal advice and if the Board is informed in advance, the Group will reimburse the cost of the advice.

Our annual report includes an audit committee report which can be found in pages 31 to 32, and a remuneration committee report in pages 34 to 35.

CORPORATE GOVERNANCE STATEMENT *CONT.*

Evaluation of Board performance

The Nomination Committee is responsible for reviewing the composition of the Board, as required under QCA code point 7, including evaluating the skills, knowledge and experience of Board members. The Committee seeks to take into account any Board imbalances for future nominations.

The Nomination Committee met in December 2022 and the Chair confirmed that the performance of each of the Non-Executive Directors continues to be effective and each demonstrates commitment to their role, providing distinct and valuable input to the overall operation of the Board. No training activities or requirements were identified. The nomination committee report can be found on page 33.

The Committee will meet again during FY23.

Promoting a corporate culture based on ethical values and behaviours

The Group's core values of Agility, Collaboration and Excellence are at the heart of everything we do, they define who we are, how we operate and what we stand for. A large part of the Group's success is due to continued and respectful dialogue with its employees, customers and other key stakeholders. The Group has a zero-tolerance approach to any form of discrimination, or any inappropriate unethical behaviour relating to bribery, corruption or business conduct in all territories in which it operates.

The Board sets the tone and promotes an ethical corporate culture by having documented policies, including:

- Modern slavery policy
- Anti-money laundering and counter terrorism policy
- Market Abuse Regulation Procedure
- Personal relations and conflict of interest policy
- Employee handbook
- Whistle-blowing policy

These policies, as well as regular training, assist in embedding a culture of ethical behaviour for all employees. The Group has a zero-tolerance approach to any form of discrimination, or any inappropriate unethical behaviour relating to bribery, corruption or business conduct in all territories in which it operates.

The Group has adopted a Share Dealing Policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation (EU) No 596/2014). The Group takes all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that Share Dealing Policy.

Maintaining governance structures and processes that are fit for purpose and supporting good decision making

The Board is committed to, and ultimately responsible for, high standards of corporate governance. It has a formal schedule of meetings and matters reserved for its attention, including approval of strategic plans and acquisitions, ensuring maintenance of sound risk management and internal controls, delegation of authority and other corporate governance matters.

The Board and its Committees have a formal agenda in place for each meeting, they receive appropriate and timely information and appropriate time is allotted to ensure that s.172 factors are discussed and taken account of during Board discussions and decision-making.

The role of each member of the Board is clearly defined. The Chairman's principal responsibilities are to ensure that the Group and its Board are acting in the best interests of shareholders. His leadership of the Board is undertaken in a manner which ensures that the Board retains integrity and effectiveness and includes creating the right Board dynamic and ensuring that all important matters, in particular strategic decisions, receive adequate time and attention at Board meetings.

The day-to-day management of the Group is carried out by the executive directors (CEO and CFO). The Independent Non-Executives are tasked with constructively challenging the decisions of executive management and satisfying themselves that the systems of business risk management and internal financial controls are robust.

The Group has Audit, Nomination and Remuneration Committees and reports from each are included within this Annual Report. Their respective purposes are as follows:

- Audit Committee – primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to its accounting and internal controls, in all cases having due regard to the interests of shareholders. The Audit Committee meets at least twice a year.
- Nomination Committee identifies and nominates, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The Nomination Committee meets at least once per year.
- Remuneration Committee reviews the performance of the executive directors and determines their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of shareholders. The Remuneration Committee meets at least once per year.

The Committees have the necessary skills and knowledge to discharge their duties effectively.

The Chair and the Board continue to monitor and evolve the Company's corporate governance structures and processes, and maintain that these will evolve over time, in line with the Company's growth and development.

Communicating how the Group is governed and performing with shareholders and other relevant stakeholders

The Group maintains an active dialogue with its shareholders through a planned programme of investor relations. A range of information is included on the Group's website (www.ashtead-technology.com) and further information can be requested via Investor Relations (contact details included on website).

The Group communicates with its shareholders through:

- Annual Report and Accounts
- Half-year report announcements
- Regulation News Service ("RNS") announcements
- Its Annual General Meeting
- One-to-one meetings with existing or potential new shareholders
- Webinar meetings/results presentations

AUDIT COMMITTEE REPORT

Monitoring risk and financial **integrity**

As the Audit Committee, we assist the Board in its oversight of financial reporting, internal control and risk management. This report summarises our membership and activities over the year.

Membership

Our Audit Committee met three times during 2022 and comprises three independent Directors, Bill Shannon, Thomas Thomsen and myself, Tony Durrant, as Chair of the Committee.

Committee activities

The Committee undertook the following activities during FY22:

- Oversaw and scrutinised the preparation of the financial statements for the year ended 31 December 2021.
- Approved the approach taken with regards to audit input and scrutinised the content of the half-year statements to 30 June 2022.
- Discussed key areas of financial judgement, including capitalised development costs.
- Reviewed and commented on trading updates given throughout FY22.
- Reviewed the Group's evaluation of principal risks and uncertainties, including emerging risks.
- Reviewed the effectiveness of BDO LLP as external auditors.
- Discussed and agreed the Group's approach to internal audit.
- Reviewed the Committee's performance since Admission, its composition and Terms of Reference.

Financial reporting

The primary role of the Committee in relation to financial reporting is to review and monitor the integrity of the financial statements, including annual and half-year reports, and any other formal statements relating to the Group's financial performance.

In preparation of the Group's 2022 financial statements, the Committee assessed the accounting principles and policies adopted, and whether management had made appropriate estimates and judgements. The Committee also reviewed the reports prepared by the external auditors on the 2022 Annual Report.

The Committee, together with management, identified significant areas of financial statement risk and judgement as described in the table:

Fair, balanced and understandable

At the request of the Board, the Committee has reviewed the content of the 2022 Annual Report and considered whether, taken as a whole, in its opinion it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy. The Committee reviewed the application and appropriateness of the Group's accounting policies and procedures and whether the Group has made appropriate estimates and judgements, taking into account the external auditor's views as well as the Group's attitude to risk. This included the financial reporting responsibilities of the Directors under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as well as considering the interests of other stakeholders which will have an impact on the Company's long-term success.

Following the Committee's review, the Directors confirm that, in their opinion, the 2022 Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Description of significant area	Audit Committee action
Provision for bad debts The Group's debtors balance includes debtors from foreign jurisdictions and with a history of slow payment. The Group applies IFRS 9 to measure the lifetime expected credit loss of trade receivables. The lifetime expected credit loss is based upon historic loss experience and known factors regarding specific debtors.	As this was a focus for 2021, debtor recoverability has been discussed in the Board meetings during the year to allow the Board to obtain as much comfort as possible on the status of payments and adequacy of the provision for 2022. As part of the year-end discussions, Management's doubtful debt calculations were reviewed and challenged by the Board. The Committee is satisfied that the provision for doubtful debts is reasonable as at 31 December 2022.
Impairment of goodwill The Group has a significant value of goodwill on the balance sheet and this has further increased in 2022 with the acquisitions of WeSubsea and Hiretech. There is a risk that impairment of the goodwill balance has not been identified by management.	Management performed an impairment review at the year end date for each group of CGUs (cash generating units) to which goodwill is allocated. The carrying value of each group of CGUs to which goodwill is allocated is compared to the recoverable amount, which is determined through a value in use calculation. The value in use is based on certain assumptions, including future forecast cash flows, discount rates and growth rates. The value in use calculation including assumptions made was challenged by corroborating the assumptions made and determining whether there is any contrary evidence to indicate the conclusion reached may not be appropriate. The Audit Committee is satisfied with the carrying value of goodwill as at 31 December 2022.
Carrying value and useful lives of property, plant and equipment Management makes assumptions on the useful economic lives of property, plant and equipment. The significant value and high volume of assets increases the risk that the assumptions made on the useful lives of property, plant and equipment are incorrect and that the carrying value of property, plant and equipment requires impairment.	Management reviewed the estimated useful lives of property, plant and equipment at the year-end date based on the condition of those assets and these were deemed to be appropriate. Management's review of impairment indicators was challenged by corroborating assertions made and determining whether there is any contrary evidence to indicate the conclusion reached may not be appropriate. The Committee is satisfied with the useful lives of property, plant and equipment and its carrying value at 31 December 2022.

AUDIT COMMITTEE REPORT *CONT.*

<table>
<tr><th>Description of significant area</th><th>Audit Committee action</th></tr>
<tr><td>Alternative performance measures
The Directors have included reference to certain Alternative Performance Measures ("APMs") within the Annual Report, including Adjusted EBITDA, Adjusted EBITA and Adjusted Profit After Tax. The Directors consider that these provide useful financial information in addition to those provided under IFRS.</td><td>The Committee considered the disclosures are APMs to satisfy itself that these are appropriate, including:
• Whether definitions are clear
• Whether there is a clear reconciliation to IFRS measures
• Ensuring balanced prominence of APMs and IFRS measures taken across the Annual Report as a whole</td></tr>
<tr><td>Foreign jurisdictions and general compliance with laws and regulations
The Group has ten operating locations globally and undertakes projects across multiple jurisdictions. Trading in foreign jurisdictions presents an increased risk of non-compliance with laws and regulations including tax legislation.</td><td>The Group has worked in the jurisdictions in which it operates for many years and is familiar with local laws and regulations. The Group makes regular use of local advisors including lawyers, tax advisors and other relevant experts to support them when doing business and to monitor ongoing compliance with relevant laws and regulations, including taxes.

The Group has a well-established process for training and monitoring of compliance risk such as anti-bribery, corruption and sanctions and operates consistent standards globally.

The Committee is satisfied that appropriate procedures are in place.</td></tr>
<tr><td>Acquisitions of WeSubsea and Hiretech
Ashtead Technology completed two acquisitions in the year, WeSubsea AS and Hiretech Limited. These acquisitions are aligned with Ashtead Technology's strategy of consolidating the fragmented mechanical solutions market and delivering a wider offering to its customers.</td><td>The Committee has reviewed the purchase price allocation performed for each of the WeSubsea and Hiretech acquisitions. As a result of the PPAs the following assets and related values were identified and recorded at acquisition:
<table><tr><th></th><th>WeSubsea</th><th>Hiretech</th></tr><tr><td>Customer relationships</td><td>926</td><td>3,488</td></tr><tr><td>Non-compete</td><td>–</td><td>274</td></tr><tr><td>Goodwill</td><td>3,982</td><td>12,870</td></tr></table>
The residual goodwill reflects the significant opportunity for future growth in integrating the acquisitions within Ashtead Technology's business, and in particular, the international growth opportunities through adding the equipment and services into Ashtead Technology's international network.

Having regard to the rationale for acquisition and the approach adopted on previous acquisitions, the Committee concluded that the PPA had been appropriately assessed.</td></tr>
</table>

Internal controls and risk management environment

The Board is ultimately responsible for the operation of an effective system of internal control and risk management appropriate to the business. The Committee's responsibilities include assisting the Board in its oversight of risk management within the Group. The Committee has reviewed the effectiveness and is satisfied that the Group has appropriate internal controls and risk management systems in place in relation to its financial reporting processes and preparation of consolidated accounts.

Internal control environment

The following key elements comprise the internal control environment which has been designed to identify, evaluate and manage, rather than eliminate, the risks faced by the Group in seeking to achieve its business objectives and ensure accurate and timely reporting of financial data for the Company and the Group:

- An appropriate organisation structure with clearly defined lines of responsibility;
- Systems of control and delegated authorities which are appropriate for the size of the business;
- A robust financial control, budgeting and forecasting system which includes a weekly three month revenue forecast, quarterly reforecasting, variance analysis and monitoring of KPIs;
- Established procedures by which the Group's consolidated financial statements are prepared including clear reporting deadlines and monitoring of key financial reporting risks arising from changes in the business or accounting standards;
- Key contracting processes, procedures and principles in place in order to minimise contractual risk, including an experienced and commercially focused legal function;
- Established policies and procedures setting out expected standards of integrity and ethical standards including mandatory annual training on anti-bribery and corruption and sanctions controls;
- An experienced and qualified finance function which regularly assesses the possible financial impact of the risks facing the Group; and
- A Group risk framework and internal Risk Management Committee to monitor and minimise risk.

Risk management framework

The risk management framework and risks identified are presented on pages 22 to 25. The Committee reviews the internal control systems, risk management processes and corporate risk register on behalf of the Board and assesses the actions being taken by senior management to monitor and mitigate risk.

External audit

The Committee is satisfied that BDO LLP maintained its independence during 2022. During the year, the Auditors provided non-audit services to the Company in a review of the half-year report for the six-month period ended 30 June 2022. The fee for this service was £5,000. BDO has not received any other fees from the Group other than in relation to the audit.

The Committee reviewed BDO LLP's findings in respect of the audit of the financial statements for the year ended 31 December 2022. The Committee met with representatives from BDO LLP without management present and with management without representatives of BDO LLP present, to ensure that there were no issues in the relationship between management and the external auditors which it should address. There were none. The year ended 31 December 2022 is the second year for which Mark McCluskey will sign the auditors' report as senior statutory auditor. As relatively new auditors to the Group, no consideration has been given as yet to the rotation of auditors and this will be reviewed in the future based on audit tender rules applying to the Company from time-to-time.

On behalf of the Audit Committee

Tony Durrant
Chair of the Audit Committee
2 May 2023

NOMINATION COMMITTEE REPORT

Evaluating the balance of skills

The Nomination Committee comprises myself, Bill Shannon (Chair), Tony Durrant and Thomas Thomsen, all of whom are considered independent and are considered to have relevant commercial and operating experience. The Committee met once during FY22 with all members present.

Duties

The Committee is responsible for evaluating the balance of skills, knowledge and experience of the Directors as well as the composition, structure and effectiveness of the Board. It is the Committee's responsibility to make recommendations to the Board on retirements and appointments of additional and replacement Directors, including succession planning.

Board composition and evaluation

The Board of the Company was elected in November 2021 prior to admission of the Company on AIM. A number of changes took place at this point, including the appointment of myself as Chair and both Tony Durrant and Thomas Thomsen as independent non-executive directors. The appointment followed a formal recruitment process after assessing the skills and character profiles that would be required. This included candidates meeting ongoing Directors prior to their recommendation for appointment.

The Committee undertook its first evaluation of the Board in December 2022 which involved the Chair of the Nominations Committee obtaining feedback from each Board member through individual meetings as well as a wider Board discussion on the effectiveness of the Board and any identified gaps. The feedback from this review was discussed in depth by the Nominations Committee. The review confirmed that the Board had integrated well during its first year and it had an appropriate mix of skills that provide a sufficient mix of governance, strategy, financial and industry knowledge, being the key criteria required. It was also confirmed that the Board had a sufficient number of independent non-executive directors given the independence of the three members of the Nomination Committee.

As part of this review, the Nomination Committee and Board also discussed succession planning.

2023

The Committee is scheduled to meet at least once in 2023 and will continue to review the balance of skills and diversity of the Board.

On behalf of the Nominations Committee

Bill Shannon
Chair of the Nomination Committee
2 May 2023

REMUNERATION COMMITTEE REPORT

Ensuring **fair and responsible** reward

As Chair of the Remuneration Committee, I am pleased to present on behalf of the Committee the Report on Director's Remuneration (the "Report") for the year ended 31 December 2022.

Role of the Remuneration Committee

The Committee comprises myself as Committee Chair, Thomas Thomsen, independent non-executive director and Bill Shannon, the Chair of the Board.

The role of the Committee is to assist the Board to fulfil its responsibility to shareholders to ensure that:

- remuneration policy and practices of the Company are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance, having regard to statutory and regulatory requirements; and
- executive remuneration is aligned to company purpose and values and linked to delivery of the Group's long-term strategy.

The Committee met three times during 2022 with all members in attendance.

Committee activities during 2022

- consideration of feedback from investors and proxy agencies from the 2022 AGM
- review of market and governance updates and impact on the Company
- determination of 2022 bonus targets
- sought guidance from external advisors on overall Executive Director remuneration and approved pay reviews for Executive Directors and Group senior management
- approved overall pay increase for employees as part of budgeting process

Since the year-end the remuneration committee has:

- approved a new rolling 3-year LTIP including introduction of shareholding guidelines and bonus/malus language.
- approved 2023 bonus weightings, targets and measures applicable for the Executive Directors and Group senior management.

Business performance

The underlying performance of the business has given rise to a record set of results. Revenue grew by 31% year-on-year with Adjusted EBITA growing by 47% and Adjusted Earnings Per Share growing by 53%. In addition, the Company has seen significant share price growth, a broadening of its shareholder base, an increase in its exposure to the renewables market and has made two strategic acquisitions. The business has made significant strides forward in achieving its strategic goals and has delivered results significantly ahead of market forecasts, demonstrating management's ability to execute and outperform the ambitious growth targets set out at IPO.

Further details on our overall financial performance during 2022 are set out in the CFO Statement on pages 18 to 19.

Fixed remuneration

Executive Directors receive an amount of fixed pay made up of a base salary, a benefits package and pension contribution. Allan Pirie receives a pension allowance of 8.9% of salary in lieu of Group pension contribution. Ingrid Stewart receives a contribution to the Group pension scheme equating to 10% of salary. There are no excess retirement benefits of Directors or past Directors of the Group.

The Executive Directors salaries were reviewed as of January 2023 with the next review in January 2024. Details of 2023 remuneration are included below.

Annual bonus

The Executive Directors are entitled to participate in the annual bonus scheme. The bonuses are payable subject to the achievement of financial targets relating to the Group as well as personal targets.

The annual bonus becomes available once 90% of budget Adjusted EBITDA is achieved and is maximised at 110% of budget Adjusted EBITDA. In addition to the financial targets, 10% of the eligible bonus is aligned to a Group-wide safety target with 20% dependent on achievement of personal objectives. This is aligned with all participants in the bonus scheme.

The maximum bonus potential for the Executive Directors is 100% of base salary. As a result of the exceptionally strong financial and strategic performance of the business, the business has significantly surpassed the financial targets to achieve maximum bonus. The Group safety target and two personal objectives were also met therefore both Executive Directors will receive full pay-out in May 2023. The Committee was pleased with progress made against the strategic plan and in particular, the strategic investment decisions made by Executive Directors during the year.

The formal annual bonus scheme was reintroduced in 2022 having been suspended in prior years due to COVID-19. As such, there was no payment in 2022 in relation to 2021 bonus. However, both executive directors received payments in 2021 to cover the cost of purchase of shares under the previous (pre-IPO) MIP.

Service contracts

In accordance with general practice, and Group policy, the Executive Directors have contracts with an indefinite term and a notice period of six months. The contracts are held with Ashtead Technology Limited. Ashtead Technology Limited may elect to place each Executive Director on garden leave for all or part of the notice period and/or terminate the employment of each Executive Director by making a payment in lieu of notice.

Executive Directors' contracts of service (which include details of their remuneration) will be available for inspection at the Annual General Meeting. In addition to their basic salary, Executive Directors receive certain benefits comprising a car allowance, private medical, life insurances and pension contributions (or cash in lieu of such contributions).

LTIP awards

The Ashtead Technology long-term incentive Plan ("LTIP") was adopted at IPO and will continue to operate indefinitely. The purpose of the LTIP is to retain and incentivise Executive Directors and senior employees whose contributions are essential to the continued growth and success of the business.

IPO LTIP

As agreed at the time of the IPO, both the CEO and CFO were entitled to grants on admission of up to 200% of base salary (by reference to the offer price at admission). These awards were made during 2022. The IPO LTIP award equates to 406,389 shares for the CEO and 246,914 for the CFO.

The awards took the form of an option which will vest in three equal tranches following the date of grant in proportion to the attainment of an Adjusted EPS (see table).

The first tranche of awards will vest on release of this Annual Report. In total 365,919 options are expected to vest of which 135,463 relate to Allan Pirie and 82,305 relate to Ingrid Stewart. These can be exercised at any time up until 10 years post award.

An option may only be exercised if the relevant participant is an employee or director of any company within the Group, unless the Board exercises its discretion to allow otherwise. Certain leavers may be permitted to retain all or a proportion of their options, subject to a potential requirement to exercise them during a limited period, depending on the circumstances of their cessation.

2023 LTIP

LTIP awards are due to be granted in 2023 with a performance period of three years with vesting on announcement of annual results for 31 December 2025. The awards will be limited to 150% of salary for the CEO and 125% of salary for the CFO and will vest dependent on criteria to be set on a three-year rolling basis to be measured 50% by EPS growth, 25% by ROI and 25% by relative Total Shareholder Return.

The 2023 LTIP rules will contain standard clauses regarding malus and clawback.

The targets have been set based on organic growth only and the Board have the right to adjust these if the Company does further M&A.

The Executive Directors are entitled to potential future awards at the discretion of the Board and it is intended that the Options will be granted each year within six weeks of the announcement of annual results.

Non-Executive Director remuneration

All Non-Executive Directors have specific terms of engagement and are for an initial term of three years, unless terminated earlier by either party giving to the other three months' prior written notice.

Non-executive Directors are paid fees appropriate to time commitments and responsibilities of the role. This includes a base fee plus a fee for any role as chair of committee. The 2022 fees were agreed prior to IPO and were reviewed for the first time in January 2023. At each review, the Board will be guided by any market movements. In addition, reasonable business expenses may be reimbursed.

The Non-Executive Directors are expected to attend a minimum of six Board meetings per annum and be available for ad hoc support as required.

The highest paid Director in 2022 was Ingrid Stewart.

No Director has received compensation for loss of office. No sums have been paid to third parties in respect of Directors' services.

Directors remuneration for the year commencing 1 January 2023

The Committee reviewed the Executive Directors' base salaries taking account of the external market, timing of last pay increases and the increases given to the wider workforce. It was agreed to increase the CEO salary by 7% and the CFO salary by 12.5%. The increase results in base case salaries of £353,100 and £225,000 respectively.

The FY23 bonus structure and maximum opportunity levels (100% for both Executive Directors) remain the same as FY22. 0% of bonus is payable on achievement of 90% of budgeted Adjusted EBITDA, 50% payout on achievement of budgeted Adjusted EBITDA and 100% on achievement of 110% of budgeted Adjusted EBITDA (with linear extrapolation between 90%-100%). Once total bonus is determined, 10% is then dependent on achieving Group safety targets with 20% dependent on achieving agreed personal targets. The personal targets were agreed and approved by the Committee. Other participants in the scheme have a similar construct but with bonus maximum at a lower percentage dependent on seniority.

The FY23 LTIP grant awards will be restricted to a maximum of 150% and 125% of salary for each of the CEO and CFO as noted above.

Wider employee context

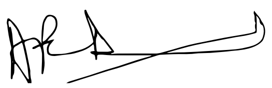
Whilst our focus is predominantly on the pay and benefits offered to the Executive Directors, we take an active interest in the pay and benefits offered to the wider employee base, as well as other related workforce policies and practices.

Closing remarks

We have closed FY22, the first full financial year since listing, with strong performance against our financial KPIs and business strategy. The Committee is satisfied that the remuneration outcomes for FY22 demonstrate a strong link between pay and performance and that the remuneration policy for FY23 continues to support the growth of the business.

On behalf of the Committee, thank you for reading this report and I look forward to receiving your support at the AGM on 8 June 2023 in relation to the advisory resolution to approve this Annual Report on Remuneration.

On behalf of the Remuneration Committee



Tony Durrant
Chairman of the Remuneration Committee
2 May 2023

IPO LTIP

	Year ending 31 December 2022	Year ending 31 December 2023	Year ending 31 December 2024
Adjusted EPS needed for full vesting	18.30p	20.61p	23.59p
Adjusted EPS needed for 25% hurdle vesting	15.96p	17.17p	19.15p

Total Directors' remuneration for 2022

Director	Salaries and fees £'000	Additional payment £'000	Other benefits £'000	Long-term incentives[2] £'000	Total £'000
Allan Pirie	330	–	41	–	371
Ingrid Stewart	200	200	31	–	431
Bill Shannon	110	–	–	–	110
Thomas Thomsen	45	–	–	–	45
Joe Connolly[1]	45	–	–	–	45
Tony Durrant	60	–	–	–	60

1 Additional payment for Ingrid Stewart by way of IPO bonus dependent on valuation of MIP on conversion to shares at IPO paid in January 2022.

2 Nil value attributed to long-term incentives for 2022 as whilst LTIP was granted in year, none vested. 33.3% of the IPO LTIP award made in September 2022 is due to vest on issuing of this annual report.

Total Directors' remuneration for 2021

Director	Salaries and fees £'000	Annual bonus £'000	Other benefits £'000	Long-term incentives £'000	Total £'000
Allan Pirie[1]	275	9	36	–	320
Ingrid Stewart[2]	200	259	31	–	490
Bill Shannon[3]	12	–	–	–	12
Thomas Thomsen[3]	5	–	–	–	5
Joe Connolly[3]	5	–	–	–	5
Tony Durrant[3]	6	–	–	–	6

1 Annual bonus for Allan Pirie paid to fund purchase of MIP shares prior to IPO.

2 Annual bonus for Ingrid Stewart agreed to fund initial purchase of MIP shares prior to IPO.

3 Remuneration in regard to the non-executive directors was from IPO only. Joe Connolly did not receive any remuneration for any directorships held within the Group prior to IPO.

Directors' interests in shares

The interests of the Directors in the shares of the Company as of 31 December 2022 were:

Director	Shares	% of issued shares	Options to vest on release of Annual Report	Options unvested and subject to performance conditions
Allan Pirie[1]	2,166,600	2.7%	135,463	270,926
Ingrid Stewart	300,786	0.4%	82,305	164,609
Bill Shannon	49,382	0.1%	–	–
Thomas Thomsen	–	–	–	–
Joe Connolly[1]	124,969	0.2%	–	–
Tony Durrant	10,000	<0.1%	–	–

1 The interests are held directly and indirectly via an interest in BP INV2B Bidco Ltd.

DIRECTORS' REPORT

Delivering on expectations

The Directors present their Annual Report and audited financial statements for the Group and the Company for the year ended 31 December 2022. The comparative results are for the year ended 31 December 2021.

Principal activities

Ashtead Technology Holdings plc is an AIM-quoted company. The principal activity of the Group is the provision of subsea equipment rental and solutions to the global offshore energy sector.

Strategic Report

The Strategic Report is a requirement of the Companies Act 2006 and can be found on pages 1 to 25. Ashtead Technology has chosen, in accordance section 414C(11) of the Companies Act 2006, to include other matters of strategic importance that would otherwise be disclosed in the Directors' Report in other sections of this Annual Report (see below table). This information should be read in conjunction with this Directors' Report.

Future development and prospects

Whilst significant investment in renewable sources of energy continues, there is also an increased importance globally on energy security and affordability which has created tightness in the markets in which Ashtead Technology operates. This market dynamic has highlighted the need for traditional energy sources to play a part in the energy transition as well as the need to accelerate investment in greener energy.

Ashtead Technology has been operating in the offshore energy market for 38 years and with its highly fungible fleet of equipment and services is ideally positioned to support both the rapidly growing offshore renewables market and the strategically important oil and gas market.

Ashtead Technology's commitment to service excellence and the provision of leading edge technology, as well as its position in a large and growing addressable market, puts it in a strong position as it looks to the future. Through 2022 and early 2023, Ashtead Technology has continued to invest in both organic and inorganic growth opportunities to allow it to increasingly meet the needs of its customers, helping them to continue to adapt through the energy transition.

Results and dividends

The audited financial statements of the Group and of the Company are set out on pages 46 to 50 and pages 82 to 83 respectively.

The Directors' see an opportunity to reinvest profits to finance the continued development and expansion of the business through both organic and M&A growth opportunities. At the same time, the importance of dividends both to the Company's shareholders and in maintaining capital discipline is recognised. In this regard, the directors have recommended a full and final dividend of 1 pence per share for the year ended 31 December 2022, payable on 23 June 2023 with a record date of 26 May 2023. Going forward, the Directors' will seek to pay a progressive annual final dividend.

Going concern

Full consideration of the going concern assessment is included in note 1.5 to the accounts. In assessing the appropriateness of adopting the going concern basis in the preparation of these financial statements, the Directors have prepared cash flow forecasts and projections for a two-year period ending 31 December 2024. Following careful consideration of the base case forecasts and the application of severe but plausible downside scenarios to these forecasts, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate within the level of its current facilities for a period of at least 12 months from the date of this Report. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the Group and Company financial statements.

Directors and their interests

The Directors of the Company who were in office during the year and up to the date of signing the Group financial statements were:

- Bill Shannon (Chair)
- Allan Pirie (CEO)
- Ingrid Stewart (CFO)
- Joe Connolly (Non-Executive Director)
- Tony Durrant (Independent Non-Executive Director)
- Thomas Thomsen (Independent Non-Executive Director)

Biographical details of the current Directors are included in pages 26 to 27.

As at 31 December 2022, some of the Directors who held office during the year held interests in the Ordinary Shares of the Company. These are included in the table below.

On 5 September 2022 Allan Pirie and Ingrid Stewart were granted options of 406,389 and 246,914 respectively under the IPO LTIP. The options had been noted in the IPO documentation and in the 2021 annual report as having been promised but not granted. The detailed vesting requirements under these options are included in the Remuneration Report on pages 34 to 35.

On 14 December 2022, Tony Durrant, Non-Executive Director, acquired 10,000 shares at £3.17 each.

Directors' insurance

The Company maintains Directors and Officers liability insurance, which was in force during the period under which the Company was part of the Group and remains in force as at the date of this report.

Directors' indemnity

Pursuant to the Company's articles of association, the Company has granted an indemnity for the benefit of Directors of the Group or Directors and officers of associated companies under which the Company will indemnify them, subject to the relevant article, against all costs, charges, losses and liabilities incurred by them in the performance of their duties. There were no qualifying pension scheme indemnity provisions.

	At 31 December 2022		At 31 December 2021	
	Shares	Options	Shares	Options
Bill Shannon[1]	49,382	–	49,382	–
Allan Pirie	2,166,600	406,389	2,166,600	–
Ingrid Stewart	300,786	246,914	300,786	–
Joseph Connolly[1]	124,969	–	124,969	–
Tony Durrant[1]	10,000	–	–	–
Thomas Thomsen[1]	–	–	–	–

1 Denotes Non-Executive Director.

Employee involvement

The Group's policy is to consult and discuss with employees, primarily at meetings, on matters likely to affect employees' interests. The Group is an equal opportunity employer and provides training, performance evaluation and opportunities for advancement and career development. The Group recognises its responsibility to employ disabled persons in suitable employment and gives full and fair consideration to such persons, including any employee who becomes disabled, having regard to their particular aptitudes and abilities. Where practicable, disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion. Further details on how the Company communicates with its employees as a key stakeholder group and has regard to their interests can be found in the Section 172 Statement on pages 16 to 17.

Business relationships

The Board recognises the importance of considering all stakeholders in its decision-making, as set out in Section 172 of the Companies Act, and is committed to engaging effectively and working constructively with all of our stakeholders. To date, this has the positive impact of promoting the success of the Group as a whole. More information on how we engage, along with steps taken to evolve relationships with stakeholders, can be found in the Section 172 Statement on pages 16 to 17.

Research and development

The Group is continually looking at ways to enhance its offering to its customers, including innovating and enhancing its technology and applications.

Streamlined energy and carbon reporting (SECR)

The Group and the Company are currently exempt from energy and carbon reporting under SECR requirements as none of the entities within the Group qualify at an individual level due to falling below the reporting threshold. Notwithstanding this exemption, the management team have started to monitor and test the appropriate metrics in order to report on these in future periods.

See page 15 for more detail.

Share capital and voting

Details of the Company's share capital are shown in note 23 of the Group accounts and note 8 of the Company accounts. The Company has one class of Ordinary Shares which carry no right to fixed income. Each share carries the right to one vote at a general meeting of the Company.

Significant shareholders

As at 31 March 2023 the Company has been advised, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority, notifiable interests in 3% or more of its voting rights (see table below).

BP INV2B Bidco Limited is controlled by Buckthorn Partners ("Buckthorn") and Arab Petroleum Investments Corporation ("APICORP"). During 2022 and in early 2023, Buckthorn and APICORP have sold down their respective positions in Ashtead Technology and now hold less than 10% on a combined basis.

The relationship agreements put in place at IPO ("Relationship Agreements"), a summary of which was included in the Directors' Report for the year ended 31 December 2021, were automatically terminated on 19 January 2023 due to the parties no longer being considered a Significant Shareholder under the terms of the Relationship Agreements.

Whilst Buckthorn Partners and APICORP are no longer entitled to appoint a Nominee Director, the Board have confirmed they welcome Joe Connolly's continuation on the Board. Mr Connolly is not considered independent given his relationship with BP INV2B Bidco Limited and from time-to-time, is requested to step out of the Board meeting so as not to compromise independence.

The Group complied with the independence provisions and, insofar as it is aware, Buckthorn and APICORP complied with the independence provisions during the year ended 31 December 2022 and upto and including 19 January 2023 whilst these were still in place.

Significant Shareholders

BP INV2B Bidco Limited	7,301,656	9.1%
Fidelity Management & Research	7,272,000	9.1%
abrdn	5,024,637	6.3%
Amati Global Investors	4,887,249	6.1%
Columbia Threadneedle Investments	4,811,948	6.0%
JP Morgan Asset Management	4,269,397	5.3%
Schroder Investment Management	3,389,178	4.2%
Blackrock	3,292,982	4.1%
Chelverton Asset Management	3,077,156	3.9%
Jupiter Asset Management	2,937,366	3.7%
Vermeer Partners	2,719,704	3.4%
Lothian Pension Fund	2,460,000	3.1%

Lock up arrangements

Following the placement of shares on 19 January 2023 BP INV2B Bidco Limited, Allan Pirie and Ingrid Stewart entered into lock up deeds pursuant to which they agreed that, subject to certain customary exceptions during the period of 120 days (in respect of Allan Pirie and Ingrid Stewart) and 60 days (in respect of BP INV2B Bidco Limited), they will not, without prior written consent dispose, or agree to dispose, of any shares.

Employee benefit trust

The Ashtead Technology Holdings Employee Benefit Trust (the "EBT") was established by a declaration of trust between the Company and Intertrust Employee Benefit Trustee Limited (the "Trustee") on 1 June 2022.

As at 31 December 2022, no shares were held by the EBT. In March 2023, the Company issued 365,919 newly authorised shares each at a subscription price of £0.05 (being nominal value) to the EBT in anticipation of the vesting of the first tranche of IPO LTIP share options. The aggregate subscription price has been funded through a loan facility arrangement between the Company and the Trustee.

Prior to the exercise of any options, the shares are held by the EBT on general trust but the Trustee has agreed to satisfy any option that is exercised by transferring the relevant number of shares directly to the exercising shareholder. Prior to the exercise of any options, the Trustee may vote or abstain from voting shares, or accept or reject any offer relating to shares, in any way it sees fit without incurring any liability and without being required to give reasons for its decision. Once option holders choose to exercise their options, the legal and beneficial interest in the relevant number of shares will be transferred from the EBT to the option holder.

DIRECTORS' REPORT *CONT.*

Political donations
It is the Group's policy not to make political donations. The Directors confirm that no donations for political purposes were made during the year (2021: nil).

Articles of association and powers of the Directors
The Company's Articles of Association (the "Articles") contain the rules relating to the powers of the Company's Directors and their appointment and replacement mechanisms. The Articles may only be amended by special resolution at a general meeting of the shareholders. Subject to the Articles and relevant regulatory measures, including the Companies Act 2006, the day-to-day business of the Group is managed by the Board which may exercise all the powers of the Company. In certain circumstances, including in relation to the issuing or buying back by the Company of its shares, the powers of the Directors are subject to authority being given to them by shareholders in general meeting.

Notice of Annual General Meeting
The Annual General Meeting (AGM) will be held at 11.00am on Thursday 8 June 2023 at the offices of White & Case, 5 Old Broad Street, London, EC2N 1DW. The Notice of Meeting will be posted to shareholders along with the Annual Report on 2 May 2023. The Notice of Meeting will be available on the website on that date and will set out the business of the meeting and an explanatory note. In line with good governance, voting on all resolutions at this year's AGM will be conducted by way of a poll.

Corporate governance
The Group's statement on corporate governance can be found in the Corporate governance section of this Annual Report on pages 29 to 30, which is incorporated by reference and forms part of this Directors' Report. It can also be found on the Company's website.

Post balance sheet events
On 13 March 2023, the Company issued 365,919 newly authorised shares at a subscription price of £0.05 (being nominal value) to the EBT in anticipation of the vesting of the first tranche of IPO LTIP share options. The shares are held by the EBT on the behalf of certain option holders and are non-voting until each of the option holders choose to exercise their options at which point they will be transferred to the option holder and become voting shares. As of 31 March 2023 the Company has 79,947,919 shares in issue representing a nominal value of £3,997,396.

On 5 April 2023 the revolving credit facility was increased from £60m to £100m and the accordion facility was increased from £nil to £50m. The RCF is fully repayable by April 2027 with an option to extend the facilities by 1 year. The terms of the facilities are substantially the same terms with ABN AMRO Bank N.V. and Citibank N.A. joining Clydesdale Bank plc and HSBC UK Bank plc as lenders.

On 10 March 2023, Alpha Subsea LLC was merged into Aqua-Tech Solutions LLC and thereafter Aqua-Tech Solutions LLC was merged into Ashtead Technology Offshore Inc.

On 10 February 2023, the name of Welaptega Marine Limited was changed to Ashtead Technology (Canada) Limited.

Branches outside of the United Kingdom
Neither the Company nor any of its subsidiaries has any branches outside of the United Kingdom.

Directors' statement as to disclosure of information to auditors
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself 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 s418 of the Companies Act 2006.

Auditor
The auditors, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the AGM.

Directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with UK adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law. 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 company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication
The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Approved by the Board and signed on behalf of the Board.

Allan Pirie
Chief Executive Officer
2 May 2023

INDEPENDENT AUDITOR'S REPORT
To the members of Ashtead Technology Holdings plc

Opinion on the financial statements
In our opinion:

- 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 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ashtead Technology Holdings plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated cash flow statement and notes 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 and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the Group and the Parent Company 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 entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- understanding the processes relating to the assessment of the appropriateness of the going concern assumptions through the review of the Director's assessment, assumptions made and cashflow forecasts underpinning their conclusion;
- testing the arithmetic accuracy of the cashflow forecast model, checking that the logic of any calculations are performed as designed;
- analysing the current and forecast performance of the Group including working capital requirements, by assessing the Directors' assumptions against market data and the Group's post year end performance;
- re-performing the Directors sensitivity testing and performing reverse stress testing on Directors' forecasts over the going concern period and assessing the likelihood of the scenario occurring and mitigating actions available to the Board;
- assessing whether the financing options that are available to the group including the post year end refinancing, are sufficient to support plausible downside scenarios;
- recalculating current loan covenants under both the base case and sensitised scenarios, in order to assess compliance over the going concern period;
- using various external data sources to identify indicators of potential going concern risks at the Group and industry level; and
- assessing whether the going concern disclosures are appropriate, consistent with the Directors going concern assessment and in conformity with the applicable 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 the Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT *CONT.*

To the members of Ashtead Technology Holdings plc

Overview

Coverage[1]	97% (2021: 95%) of Group profit before tax 97% (2021: 97%) of Group revenue 97% (2021: 99%) of Group total assets		
Key audit matters		2022	2021
	Revenue recognition – Revenue from rental equipment	✓	✓
	Carrying value of rental fleet	✓	✓
	Listing event and group structure rationalisation*		✓
	Acquisition accounting	✓	
	* The listing event and group structure rationalisation is no longer considered to be a key audit matter because it related to the year of listing only, being the prior year.		
Materiality	**Group financial statements as a whole** £800,000 (2021: £558,00) based on 5% (2021: 1%) of Profit before tax (2021: Revenue).		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group's finance function is managed from a single location in the UK and has common financial systems, processes and controls covering all significant components.

We determined that six significant components, Ashtead Technology Holdings plc, Ashtead Technology Limited (UK), Ashtead Technology Offshore Inc (USA), Ashtead Technology (SEA) Pte Ltd (Singapore), Underwater Cutting Solutions Limited (UK) and TES Survey Equipment Services LLC (UAE) represented the principal business units within the Group. A full scope audit was undertaken on these components by the group audit team, who also carried out specific procedures on balances arising on consolidation. The non-significant components were subject to desktop review and specific procedures on certain financial statement areas by the group audit team.

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, including 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 forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition – Revenue from the rental of equipment Refer, Accounting policies Note 2.8 (page 54) and Note 4 of the consolidated financial statements (page 60).	Revenue from rental of equipment is recognised over time as the contract progresses based on a daily rate. There is a potential risk of fraud as revenue from rental equipment could be manipulated through inappropriate application of the cut-off principle, incorrect calculation of accrued income or the posting of top-side manual journals. Revenue recognition was an area of focus for our audit in considering possible areas of management bias and fraud. Given the significance of this balance in the context of the financial statements and the risks identified, we considered this was an area requiring significant auditor attention and therefore was considered to be a key audit matter.	We tested the operating effectiveness of general controls within the IT system which management have implemented to ensure that the IT environment has appropriate access, program change and logical access controls. We tested accrued income by tracing a sample of year-end income accruals to the underlying sales order and asset utilisation reports where appropriate, recalculating the number of days to be accrued and comparing to post-year end invoices raised. We tested the appropriate application of the cut-off principal through testing revenue recognised in the month before and after year-end by tracing a sample of items to supporting documentation to confirm the revenue is being recorded in the correct period. We performed journal entry testing, applying a particular focus to individually unusual and/or material manual journals posted to the revenue account throughout the year. We agreed journals meeting predetermined criteria to supporting evidence to confirm that the revenue recognised was appropriate, had an appropriate business rationale and was in line with the Group's accounting policy. **Key observations:** Based on the procedures performed we considered that the calculation of accrued income was appropriate, that revenue was appropriately recorded in the correct period, and that top-side manual adjustments were supported.

Key audit matter		How the scope of our audit addressed the key audit matter
Carrying value of rental fleet Refer, Accounting policies Note 2.2 (page 53) and Note 11 of the consolidated financial statements (page 65).	The Group owns a significant number of assets included within its rental fleet. Assets included in the rental fleet are used across all jurisdictions and are regularly transferred between companies by way of intercompany transfer. As many of the assets are specialised in nature, with the frequency of their use not being directly linked to their value in use, management uses a discounted cash flow to assess the rental fleet for impairment indicators. This assessment requires the application of judgement by management about future forecast income and costs, as well as other inputs such as the discount rate. The carrying value of the asset fleet was a key area of focus for our audit due to the large fleet, frequent intercompany sales and judgement required in assessing impairment indicators.	We obtained an understanding of the key controls management have implemented throughout the process for identifying impairment indicators within the rental fleet. We tested the operating effectiveness of general controls within the IT system which management has implemented to ensure that the IT environment has appropriate access, program change and logical access controls. We further tested the operating effectiveness of application controls which ensure intercompany asset sales are recorded at net book value and the useful life of the asset is not altered. We performed testing to confirm the existence of assets including physical verification of a sample of assets at year-end while attending on site visits or tracing to documentation confirming existence of assets that were on hire. We obtained managements discounted cash flow supporting their value in use calculation and tested the assumptions inherent in the model by • testing forecasting accuracy by comparing recent budgets to actual results as well as comparing the forecast period to date with post-year end performance • engaging with our internal valuations experts to assist us in assessing the appropriateness of the discount rate utilised • testing the sensitivity of headroom returned by the model by stressing growth and discount rate assumptions to determine the effect plausible changes in assumptions would have to the headroom • performing reverse stress testing to determine the required scenarios for headroom to be eliminated and assessing the likelihood of the scenarios coming to fruition **Key observations:** Based on the procedures performed we consider that the judgements made by management in accounting for the carrying value of its rental fleet is appropriate.
Acquisition accounting Refer, Accounting policies Note 1.7 (page 52) and Note 27 of the consolidated financial statements (page 78).	On 28 September 2022 the Group completed its acquisition of WeSubsea AS for a total consideration of £6.7m and on 5 December 2022 acquired Hiretech Limited for a total consideration of £27m. The Group has recorded the assets and liabilities acquired at fair value. Attributing fair values to assets acquired and liabilities assumed as part of business combinations is considered to be a key judgement and, together with the calculated purchase consideration, directly impact the calculation of any goodwill recognised upon acquisition. Furthermore, the financial statement disclosure requirements associated with acquisitions are extensive and there is a risk that the disclosures within the financials statements do not comply with the requirements of the accounting standards. The acquisition accounting was therefore an area of audit focus and was determined to be a key audit matter in the current year.	We obtained and reviewed the agreement for the sale and purchase of WeSubsea AS and Hiretech Limited, signed by both parties, together with any related documents to determine whether the Group had obtained the requisite control over all entities to be included upon consolidation. We agreed the consideration to be paid to the agreement for the sale and purchase of WeSubsea AS and Hiretech Limited. We challenged the analysis and assumptions used by management in identifying and determining the fair value of intangible assets which had not previously been recognised within each of the acquired companies. We assessed the recognition of the intangible assets with reference to the requirements and guidance detailed in the relevant accounting standards to assess whether intangible assets recognised are appropriate and engaged our internal valuation experts to assist in challenging the assumptions and methodology used by management to determine the fair value against recognised valuation techniques and independent industry benchmarks. We assessed the fair value of the remaining assets acquired and liabilities assumed included in the acquisition date balance sheet with reference to the applicable account standards, the nature of the asset acquired or liability assumed and the rationale supporting the fair value adjustments. We recalculated the goodwill recognised upon acquisition as the surplus of the purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed. We assessed the disclosures within the financial statements with reference to the accounting standards. **Key observations:** Based on the procedures performed we consider the judgements made by management in accounting for the acquisition of the WeSubsea AS and Hiretech Limited and the related disclosures to be appropriate.

INDEPENDENT AUDITOR'S REPORT *CONT.*
To the members of Ashtead Technology Holdings plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2022 £m	2021 £m	2022 £m	2021 £m
Materiality	800,000	558,000	490,000	230,000
Basis for determining materiality	5% of profit before tax	1% of Revenue	62% of Group materiality	42% of Group materiality
Rationale for the benchmark applied	We considered profit before tax to be the users principal consideration in assessing the performance of the Group. Historic volatility in this measure prevented the use of this measure as a benchmark.	We considered revenue to be the users principal consideration in assessing the financial performance of the Group as this also demonstrated less volatility than other performance measures.	Materiality was set at 62% of Group materiality taking into consideration component aggregation risk.	42% of Group materiality taking into consideration component aggregation risk.
Performance materiality	560,000	390,000	343,000	161,000
Basis for determining performance materiality	70% of the above materiality threshold.	70% of the above materiality threshold.	70% of the above materiality threshold.	70% of the above materiality threshold.
Rationale for the percentage applied for performance materiality	Based on our expectation of total value of known and likely misstatements, our knowledge of the Group's internal controls and management's attitude towards proposed adjustments.	Based on our expectation of total value of known and likely misstatements, our knowledge of the Group's internal controls and management's attitude towards proposed adjustments.	Based on our expectation of total value of known and likely misstatements, our knowledge of the Parent Company's internal controls and management's attitude towards proposed adjustments.	Based on our expectation of total value of known and likely misstatements, our knowledge of the Parent Company's internal controls and management's attitude towards proposed adjustments.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 21% and 80% (2021: 10% and 89%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £170,000 to £640,000 (2021: £57,000 to £496,000). In the audit of each component, we further applied performance materiality levels of 70% (2021: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £32,000 (2021: £22,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	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. In the light of the knowledge and understanding of the Group and 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.
Matters on which we are required to report by exception	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 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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's and the 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.

Extent to which the audit was 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management, those charged with governance and the audit committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting frameworks, UK tax legislation, AIM Listing Rules and the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT *CONT.*
To the members of Ashtead Technology Holdings plc

Non-compliance with laws and regulations cont.
The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be General Data Protection Regulation, Employment Rights Act 1996, Health and Safety at Work etc Act 1974, Management of Health and Safety at Work Regulations 1999 and the QCA Code.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit to assess compliance with relevant tax legislation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Direct confirmation with the Group's legal council for confirmation of any outstanding litigation relating to matters of non-compliance with laws and regulations.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance and the audit committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, revenue recognition on rental equipment through inappropriate application of the cut-off principle, incorrect calculation of accrued income or the posting of top-side manual journals, carrying value of rental fleet and acquisition accounting.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in the audit to assist in our identification of areas that may be susceptible to fraud and the design of the audit approach to address the identified areas;
- Assessing significant estimates made by management for bias, including those set out in the key audit matters section of the report;
- Agreeing balances and reconciling items in Management's key control account reconciliations to supporting documentation as at 31 December 2022;
- With regards to the risk of fraud in revenue recognition on rental equipment through inappropriate application of the cut-off principle, incorrect calculation of accrued income or the posting of top-side manual journals, carrying value of rental fleet and acquisition accounting, performing the procedures set out in the key audit matters section of the report; and
- Performing a stand back review of misstatements identified, to determine whether these were indicative of management bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report
This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark McCluskey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Glasgow, UK

2 May 2023

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