ASOS Plc Annual Report and Accounts 2024

Our mission is to be the world's number one fashion destination for fashion-loving 20-somethings.

Our values

Our behaviours

We are customer-first

Authentic

We are in it together

We are honest and transparent

We bring our authentic self to work

Brave

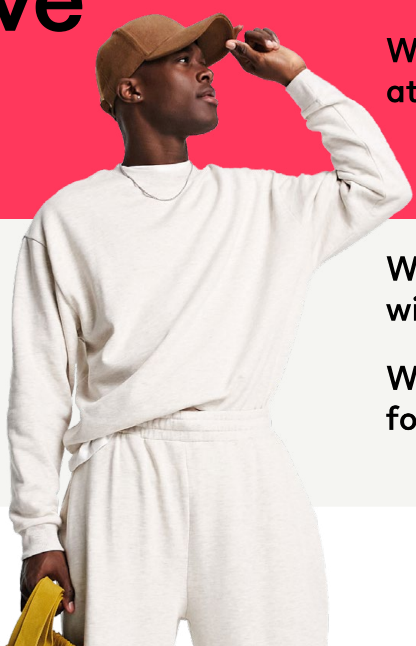
We challenge each other (with kindness)

We aim high

Creative

We inspire

We move fast and innovate at speed



Deliver

We keep it simple and lead with data

We take ownership and aim for excellence

STRATEGIC REPORT

GOVERNANCE REPORT

FINANCIAL STATEMENTS

ASOS brands and labels

DESIGN

Our largest in-house brand, designed and sold exclusively for ASOS.com. Serving up all the major trends of the season for our fashion-loving 20-somethings, this is the go-to destination for your fashion fix. We create trends, head to toe looks and the ultimate pieces for your wardrobe.

LUXE

Asos Luxe is serving elevated glam looks for those "standout" moments. Whether it's a birthday outfit or a poolside look – ASOS Luxe is the go-to brand for making a showstopping entrance.

EDITION

As our in-house premium brand, we create timeless essentials and unique occasion pieces with a feminine slant. From the perfect white tee to floor-sweeping showstoppers, everything is designed, draped and pattern cut in-house. Elevated but accessible too, in sizes 4-30. It's all in the detail. Bold embellishments, hand-painted prints, clean lines, premium fabrics. Craftsmanship and considered design run through every piece.

asos 4505

4505 is our in-house activewear brand that covers your everyday uniform of workout essentials across studio, gym, run and winter sports. Inspired by the latest workout trends and culture, our fashion forward active product is designed for functionality, performance, and versatility – it's everything you need to keep you motivated, looking great, and feeling great on your wellness and fitness journey.

COLLUSION ×

A brand for the coming of age, created for a new generation, pioneered for everyone. Collusion is diverse, authentic, fashion creditable and is competitively priced, delivering good quality. At the heart of the brand is inclusivity.

Miss Selfridge

Miss Selfridge is about embracing your vibe with effortless feminine dreamy casual silhouettes, designed for a new generation. Soft girl meets blends of heritage boho with a fresh girl next door aesthetic. We take the latest trends and make them fun, wearable and a representation of you.

WEEKEND COLLECTIVE

Weekend Collective is the brand that personifies off-duty glam leisurewear. Our range of quality everyday essentials are perfect for the "it" girl of today, focusing on signature logo branded pieces.

RECLAIMED VINTAGE

Throwing it back to past eras, inspired by nostalgia, encouraging individualism and creativity. Each piece is created to be loved, worn and worn again, filling your wardrobe with eclectic favourites and forever pieces.

TOPSHOP TOPMAN

Leading fashion authority. Iconic brands deeply rooted in fashion and culture alike. The creative direction ensures the brand heritage is cherished and evolved into the new era, remaining relevant to our customers.

Partner brands

4TH & RECKLESS
Abercrombie & Fitch
adidas
ALLSAINTS
& Other Stories
ARKET
asics sound mind, sound body
Barbour
BERSHKA
BESTSELLER
BIRKENSTOCK
Calvin Klein
carhartt WORK IN PROGRESS
CHEAP MONDAY
CONVERSE
COTTON ON
Dickies
Dr. Martens AirWair
HOLLISTER
KAIIA
LACOSTE
LIONESS
MANGO
MONKI
MOTEL
MURCI
new balance
NEW LOOK
THE NORTH FACE
PULL&BEAR

Face + Body

PUMA
Ray-Ban
STRADIVARIUS
TALA
Timberland
TOMMY JEANS
VANS
VEJA
VRG GRL
WEEKDAY

CAUDALÍE
(MALIN+GOETZ) new york.
Charlotte Tilbury
MARC JACOBS
CLINIQUE
Milk MAKEUP
Dr.Jart+
NARS
e.l.f. eyes.lips.face.
The Ordinary.
hudabeauty
OUAI
LANEIGE
SOL DE JANEIRO
L'ORÉAL
Too Faced
MAC

2024 highlights

Revenue 2023: £3.5bn

£2.9bn

Adjusted EBITDA[1] 2023: £124.5m

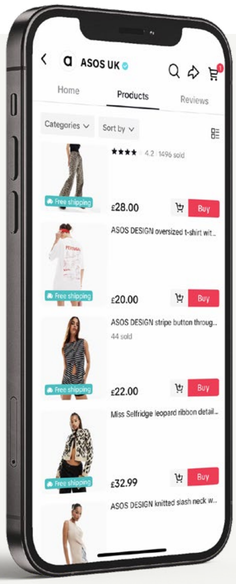
£80.1m

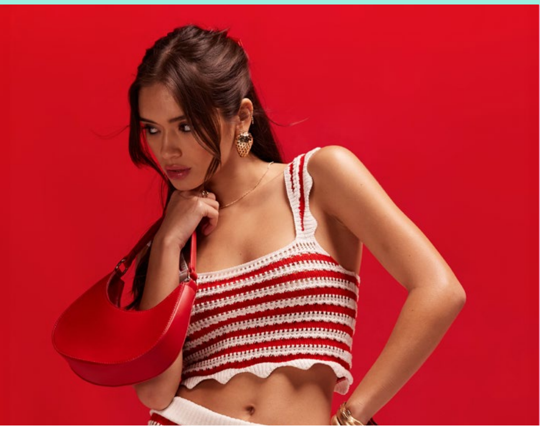
Operating (loss) 2023: (£248.5m)

(£331.9m)

Reaching our community of fashion lovers

We invested in impactful marketing activity including our first-ever ASOS pop-up shop, as well as brand partner and ASOS Media Group initiatives with the likes of adidas, Nike, On Running, and Sol de Janeiro. Plus, we've grown our gifted influencer base to c.1,500 influencers across the UK, US and EU – all helping us grow our connection with our customers.





Delivering the best product

Our Test & React programme, which brings product from design to site in less than three weeks, met its FY24 target with over 10% of own-brand sales. We introduced over 50 new partner brands including customer favourites like Veja, TALA, Hugo Blue, Murci, and Laneige. Plus, we've expanded Partner Fulfils to reach c.5% of Gross Merchandise Value across c.100 brands, bringing customers even greater breadth and depth of products, fulfilled directly by our brand partners.

Active customers

19.6m

2023: 23.3m

Total orders

67.2m

2023: 83.7m

Net average basket value

£41.07

2023: £40.33

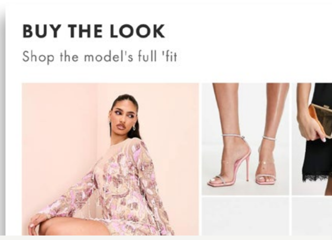
Total visits

2.3bn

2023: 2.7bn

Building a destination for style

We launched our new Buy the Look feature, allowing customers to shop for entire outfits curated by ASOS in one click. Over 124,000 Looks have been created to date, with c.14 million unique visitors to ASOS interacting with the feature since it launched, driving higher basket size and value.



Reducing cost to serve

We enhanced our customer experience with improvements to sizing, how we display products, and greater use of videos and 360 imagery. We reduced our returns rate, while continuing to make free returns available to all customers in all our core markets subject to our fair use policy.

Using data and AI

We rolled out AI tools to improve productivity and efficiency across the business – including better demand forecasting, data-driven decision-making, and testing a customer-facing AI Stylist – all adding to our use of AI for the billions of product recommendations we deliver to our customers every day.

1 Adjusted EBITDA is an alternative performance measure. Refer to pages 188 to 193 for reconciliation to statutory measures.

Chair's statement

"FY24 was about delivering on the next stage of ASOS' Driving Change agenda, and accelerating the transition to becoming a faster, more agile, and more profitable business."

Jørgen Lindemann Chair

FY24 was about delivering on the next stage of ASOS' Driving Change agenda, and accelerating the transition to becoming a faster, more agile, and more profitable business. Some of these changes have impacted revenue growth in the short-term, but we have made considerable progress towards becoming a business that can deliver sustainably profitable growth in the future.

A detailed analysis of our performance in the year is contained in the following pages, but I am pleased that ASOS has delivered on its profitability and strategic targets for the year.

Notably:

- Delivering positive adjusted EBITDA of £80.1m, and reaching a second half adjusted EBITDA margin of 6.9%, despite significant volume de-leverage.
- Reducing the cost to serve through fundamental efficiency improvements, particularly across both our fixed and variable warehousing and distribution costs.
- Reducing stock levels by c.30% since the start of the year as a result of more disciplined buying and strong clearance through ASOS.com and third-party channels.
- Further embedding a faster stock model and improving speed to market, including achieving our target of scaling Test & React to >10% of own-brand sales, bringing product from design to site within three weeks.
- Scaling flexible models to bring customers even greater breadth and depth of products, including doubling our flexible fulfilment business to c.5% of third-party GMV[1] across c.100 brands.
- Reviewing and revising our approach to Fashion with Integrity to ensure we're aligning with the latest best practice, focusing on the right issues, and preparing the business for future regulation.
- Strengthening our balance sheet by improving our financial flexibility through our re-financing and demonstrating our efficient and disciplined capital allocation with the recent Topshop and Topman joint venture[2] in early FY25.
- Reinvigorating our company leadership, both at the Management Committee and Board levels.

I would like to thank our ASOSers for their hard work and passion which are the driving force behind the considerable progress ASOS has made over the last 12 months, and our shareholders for their support. I would also like to take this opportunity to thank Mai Fyfield who stepped down from the Board on 7 February 2024 and welcome the new Board members who have joined us during the year. More details on our Board changes are included on pages 90 to 91.

Our Right to Win comes from leveraging our unique capabilities – having the best product, providing a destination for style, having a compelling and distinct brand, offering competitive convenience, and all underpinned by disciplined capital allocation. Having the best product is at the heart of this flywheel and, following two years of significant focus and hard work, we leave FY24 with stock in the best position it has been in many years. At the same time, we've fundamentally improved the foundations of our business to be able to deliver sustainably profitable growth. This transition away from our old operating model while scaling our new commercial model has been our greatest challenge over the last two years, but it now represents our greatest opportunity. Fashion has the power to excite and inspire, and into FY25, we look forward to providing our c.20m customers with a market-leading destination for style.

Jørgen Lindemann
Chair
5 November 2024

1 Gross Merchandise Value.
2 The arrangement with Heartland, whilst referred to as a joint venture throughout this report, will be accounted for as an associate, as detailed in Note 30 of the Financial Statements.

Chief Executive Officer's statement

"From the start of this journey, we've been determined to take the 'medicine' required and face our problems head on, even when it has been painful or unpopular. I'd like to describe that journey – what we've done as well as what's next – and why I'm more confident than ever that we're on the right path to be the number one destination for fashion-loving 20-somethings."

José Antonio Ramos Calamonte CEO

This journey of rebuilding ASOS started two years ago. In previous letters, I've described some of the challenges facing the business and some of the actions we're taking to build ourselves back faster, more agile, and better able to serve our fashion-loving 20-something customers. We know that by having the most exciting product, by focusing on inspiration over transaction, by providing an exciting customer journey enabled by a fast and agile operation, we can build a sustainable, profitable business and return to growth.

From the start of this journey, we've been determined to take the 'medicine' required and face our problems head on, even when it has been painful or unpopular. I'd like to describe that journey – what we've done as well as what's next – and why I'm more confident than ever that we're on the right path to be the number one destination for fashion-loving 20-somethings.

What have we achieved so far?
Since October 2022, with our Driving Change agenda, we were determined to make ASOS a healthy business ensuring that our operations were efficient and effective, and that all our efforts were creating value for our customers, our brand partners, our ASOSers and our shareholders. Internally, I spoke about this as a two-step plan: starting with 'Back to Basics', which was about bringing stability and laying solid foundations both operationally and financially, and 'Back to Fashion' which is focused on recapturing the hearts and minds of our target customers. ASOS needed time to cleanse and rebuild – such a transformation could only be built over a disciplined revision of everything we do, bringing a refreshed level of rigour to each process in our value creation chain. Only then would we be in a position to grow again.

At the core of this process has been the transformation of our stock model and we can be proud that today our stock is in the strongest position it has been for many years. Two years ago, we had far too much inventory – c.£1bn for c.£4bn of sales, with a very large intake of new inventory arriving over the following year. We faced the problem head on and cut intake dramatically, we restructured the way that we buy, we prioritised speed and net realised margin, we incubated new commercial models like Test & React, which we have scaled to over 10% of our own brand mix, and scaled our flexible fulfilment models – Partner Fulfils and ASOS Fulfilment Services – to c.5% of partner brand Gross Merchandise Value (GMV).

We have reduced stock levels by c.50% over the last two years, and completely refreshed our offering now with c.80% of fashion stock being product that has been on site for less than six months. We've also fundamentally restructured the way we buy and manage our inventory so that we never find ourselves back in such a heavily overstocked position. At the same time, we've cut our over-reliance on discounting and built a business focused on selling the best fashion at full-price. This has helped us attract exciting new brands for our customers like Arket, Laneige and Veja, all joining in recent months.

We have cleansed our logistics operation, rationalising excess space to increase efficiency, rebuilding our processes with increased visibility and speed to bring our customers a better experience. Over the last two years we have improved our missed customer delivery promise by halving the share of parcels delivered late. We transformed our performance marketing model, removing inefficient spend to increase return on advertising spend (ROAS) by +18% in Q4.

We rethought the economics of our international markets last year and all of our markets now deliver a positive contribution profit, with dedicated efforts in North America to restore profitability. In order to achieve this, we had to make changes to our propositions targeted at unprofitable customers and revenues. This resulted in a shrinking of the business, but was the right decision so that we can build from the strongest possible foundations.

We also continued the evolution of our leadership team to prepare for the next phase of our journey. We welcomed Anthony Ben Sadoun as Executive Vice President (EVP) Digital Product in February, Dave Murray as Chief Financial Officer in April, and Ras Vaghjiani as EVP of People Experience in July. We also welcomed Rishi Sharma as Interim General Counsel and Company Secretary in May (Emma Whyte is on maternity leave) and Hugh Williams as Interim EVP Technology in June.

In recent months, we have seen signs that the changes we have implemented are starting to bear fruit. We have seen a consistent evolution on Key Performance Indicators (KPIs) with 24% growth in sales of new product over the last 3 months from 6% higher stock, 30% faster stock turn, and variable contribution margin up c.4ppts. In September, we also delivered a major milestone in this journey with the strengthening of our balance sheet through the formation of a Topshop Topman joint venture and our successful refinancing, bringing to ASOS the right level of balance sheet flexibility to complete this journey.

What's next?

As we enter FY25, we now feel that the major blocks of our foundations are largely built. While we will maintain our obsession with operational efficiency and speed, our focus shifts to relentlessly improving on the pillars of our "Right to Win" – the best & most relevant product, being a destination for style, delivering an engaging customer journey and competitive convenience. Clearly, the logical consequence of completing this journey will be to bring the company back to revenue growth, but this must be sustainable, profitable growth. In the past, ASOS' growth was built over an ambitious geographic expansion, with a wide base of customers globally, but a relatively small share of wallet. In my opinion, the future growth of ASOS should be built over different pillars – with a greater focus on share of wallet from our core customers in our core markets.

Our ultimate goal is to delight our customers so much that they give us more of their time, love, and fashion spend. We believe this is the best way to build a good economic business and cannot be delivered through a solitary action, but by putting customers at the heart of everything we do. Internally, we now talk about our growth strategy by planting seeds. We want to model bamboo, with strong roots that first grow deep and allow the plant to then grow sustainably for many years, and stay strong. These seeds can be something as small as a new feature on our site such as Buy the Look (which 14m customers engaged with last year) or the addition of an exciting new brand. And we have begun to develop a culture of innovation, instilling in our teams the desire to plant seeds, minimising risk by testing before committing.

We have already begun planting the seeds that will underpin the next chapter of our transformation. Test & React transforms our own brand model to ensure we are the first place that customers can access the best product. Our shift from performance marketing to social media & influencer marketing, which we've already scaled to working with c.1,500 influencers per month over the last year, ensures we can communicate our fashion message efficiently and consistently off-site as well as on-site. We're excited to re-launch Topshop.com which will provide customers a destination for the brand beyond the current ASOS ecosystem. Following the appointment of our first EVP of Digital Product, we have also begun transforming our Technology and Digital Product models, simplifying our structure, reorganising into smaller, autonomous units aligned to customer focus areas. We're adding 100 software engineers, increasing our capacity by 25% to empower faster innovation of our on-site customer experience with the cost off-set through the simplification of our structure.

Understandably, we will be asked by analysts or investors, "when will ASOS grow again?" so I wanted to share my framing here. At ASOS we have to focus on the inputs – which for the last two years has been weighted towards taking the painful medicine of reducing stock, exiting unprofitable activities and the disciplined revision of everything we do.

As we move into Phase 2 of our journey, the year ahead and beyond will be increasingly weighted towards taking actions that delight our customers to win more of their time, love and fashion spend. However, from experience we know that exactly when that results in growth in revenue is not something we should try to manage. We could, for example, decide to grow next month by re-engaging promotional marketing or discounting product, but that would not be in the long-term interests of the business. We want to spend our time and energy building experiences that deserve for our customers to say "wow". We will do things in the right way and we're going to be patient. We have already seen the green shoots in the performance of our new stock in recent months, providing confirmation that we have taken the right action for our customers.

While there is still work to do, I am energised by the progress we have made so far and am excited for the next stage of our journey. I am absolutely convinced that ASOS can grow again, that we have something incredibly unique to offer our customers, and that we now have the right team, the right foundations and the necessary rigour, passion and the energy to do so.

José Antonio Ramos Calamonte
Chief Executive Officer
5 November 2024

Business model

ASOS is a leading global destination for fashion-loving 20-somethings, with 20m active customers in over 200 markets worldwide.

Our right to win

Our proposition is unique in the world of mass market fashion, set apart from peers by the combination of our strategic priorities:

01 The best and most relevant product

from both exclusive own brands manufactured to strong ethical standards, and a curated assortment from selected partner brands which resonate with our target audience.

02 A destination for style

with items from different brands styled into outfits, in context, and in our differentiated visual language.

03 A compelling and distinct brand

famous for fashion, with widespread recognition, a clear point of difference, and a high level of engagement with our customers.

04 Competitive convenience

offering a delivery, returns and payment experience at least comparable with our best competitors.

05 Disciplined capital allocation

Our distinct model is enabled by disciplined allocation of capital with a focus on four key areas:

Operational excellence

in all parts of our business, from buying and managing stock through the value chain to our products arriving with our customers, all underpinned by our commitment to Fashion with Integrity.

Our tech and data

with continuous innovation at the right level of cost.

Our international model

which efficiently allocates capital to generate the best returns from our overseas operations, influencing decisions such as the degree of localisation in the assortment to the level of investment in marketing in non-UK markets.

Our people, culture and values

with a refreshed leadership team, a strong Board and disruptive mindset at all levels of the business, and a focus on driving positive change, diversity, equity and inclusion for all our people.

Creating stakeholder value

Delivering on our right to win creates value for our stakeholders.

Our Customers

who benefit from access to quality fashion at an attractive price, a market-leading selection of brands and inspirational, targeted styling.

Our ASOSers

who are empowered to contribute, learn, and grow through our open and entrepreneurial culture.

Our Suppliers

with whom we collaborate to foster trusted, mutually beneficial partnerships over the long term and support in continuous improvement to meet our FWI standards.

Our Brand Partners

who gain access to a large, global and often hard-to-reach customer base as well as the flexibility to work with us under a range of different models, including our direct-to-consumer offering, and the opportunity to work and learn from other brands on sustainability and ethical trade.

Our Shareholders

who will benefit from a focus on delivering profitable growth and sustainable cash generation through the efficient allocation of capital.

Our Communities

both through our work on human rights and modern slavery in partnership with NGOs and unions in our sourcing countries, and through the ASOS Foundation and long-term charity partnerships aimed at breaking down barriers for young people by instilling confidence and unlocking talent.

Stakeholder engagement on pages 22 to 27.
Financial review on pages 56 to 61.

Strategic review

Our mission is to be the number one destination for fashion-loving 20-somethings. We know that by having the most exciting product, by focusing on inspiration over transaction and by providing an exciting customer journey enabled by a fast and agile operation, we can build a sustainable, profitable business and return to growth.

What have we achieved?
ASOS is unequivocally a faster, more agile and more efficient business than when we started our Driving Change transformation two years ago. This has been made possible by a significant effort from ASOSers to deliver against our strategic priorities.

1. Product is in a great place, through disciplined stock management and an obsession with speed

Our mission is to be the world's number one fashion destination for fashion-loving 20-somethings. Having the best product is at the core of our flywheel. We want to delight our customers with the hottest and freshest products and brands, at the right price, delivered in a reliable and consistent way - great products lead to positive customer experiences and inspire loyalty. We can drive better unit economics from selling full-price products, and a better return on marketing investment when directing people to the best product. The more efficient we get, the better the experience we are able to deliver.

At the core of this process has been the transformation of our stock model and the transition to our new commercial model. We can be proud that today our stock position is in the strongest position it has been for many years. At the beginning of our transformation, our stock levels had more than doubled to over £1bn due to Covid-related disruption and poor commercial practices which led to the build-up of old and aged stock. Over the last two years, we have reduced stock levels by c.50% to £520m and c.80% of our current fashion stockholding is in product that has been on site for less than six months.

This hasn't been an easy journey, and we have operated through 'peak pain' over FY23 and FY24 as we've cleared through high levels of excess aged inventory built up under our old operating model, reduced our intake of new and exciting product and shifted to a model of clearing through any underperforming stock as we go. During the second half of the year, we began testing the removal of the remaining old stock on our site to see how it would affect customer engagement and sales. The trial was a success: sell through of new stock increased dramatically, conversion rates improved, and we almost halved discounting on site. In Q4, we decided to permanently remove the remaining excess stock from site, which we subsequently wrote-down and will clear through alternative channels. This write-down mainly relates to stock over 12 months old, and means that we finished FY24 with a more compelling customer proposition and the right level of newness to excite our customers again. The results are clear. Over the last 3 months (July-September) sales of newness increased 24% year-on-year (YoY) with only 6% more stock, turning 30% faster, and with c.4ppts higher variable contribution margin.

Our new commercial model ensures this build-up of old inventory never happens again. We have significantly improved our speed to market (the lead time between buying and selling stock), meaning we can make better choices on our intake. We focus on selling the best fashion at full-price and clearing through any underperforming stock in-season, improving gross margin, avoiding deeper discounts, releasing cash to invest in new stock, and ensuring a better customer experience by presenting more fresh and relevant product.

Our market-leading Test & React model is fundamental to our new commercial model, bringing product from design to site within three weeks, ensuring our own brands always offer the most exciting product and set the trends for our fashion-loving customers. Having developed the model during FY23, we have now successfully scaled to more than 10% of our own-brand sales mix at the end of FY24 and remain on track to scale to 30% over the mid-term. We test product before 'reacting' and committing to volume. When we do commit, given the speed to market, we typically aim to hold just three weeks of stock, supporting a cleaner stock profile. Despite the higher sourcing costs that small batch sizes incur, the high customer demand and full-price mix means the product generates higher gross margin.

Our obsession with speed spans our entire portfolio, and is indicative of an evolution in our broader culture. The development of flexible fulfilment models, Partner Fulfils and ASOS Fulfilment Services ('AFS'), enable us to be more agile in how we collaborate with our third party brands while bringing our customers increased width (i.e. expanding the product range available on the ASOS platform) and depth (i.e. allowing us to continue fulfilling orders on our bestsellers when our wholesale stock is depleted). As planned, we successfully doubled the share of third-party GMV to c.5% and the number of brands using flexible fulfilment to c.100 over FY24.

2. We're faster and more agile, after reducing our cost to serve, removing waste and improving our use of data

It is critical that we invest in the areas that matter most to our customers. We have simplified processes and removed wasted time and cost to reinvest into productive commercial activities. This has laid the foundations for future growth without sacrificing margins – in other words, to be able to deliver sustainable, profitable growth.

While there are many initiatives driving improvement, it is worth highlighting our progress in two particular areas – our logistics operations and customer returns – which helped improve our distribution and warehousing cost ratios by a combined c.2ppts YoY, despite volume deleverage.

In logistics, we have undertaken a significant transformation rationalising excess space and re-building our processes with increased visibility and speed to bring our customers a better experience. This was driven by a range of initiatives, reflecting our shift in business culture prioritising continuous improvements, such as:

- Improved customer experience: Through better use of granular and near-time data to identify trends and patterns in our delivery experience, we have halved the percentage of orders that were missing our customer delivery promise over the last eighteen months, significantly improving our customer experience while reducing our costs.
- Warehouse optimisation: We lowered our variable warehousing costs through increased automation, reducing our labour cost per unit by c.10%, whilst the reduction in stock levels has enabled the consolidation of our warehouse infrastructure, reducing fixed costs by c.25%.
- Delivery cost efficiencies: Through optimising our delivery partners and renegotiating contracted rates, we have lowered our variable delivery costs. The cessation of split orders from our two UK distribution centres in H1 FY23, alongside improved rates from carriers, has further reduced our distribution costs.

Minimising unnecessary returns remains a central focus for ASOS. During our rapid expansion period, we focused on reducing the friction in the returns process to maximise the customer experience. More recently, we have turned our attention to lowering the returns rate and eliminating needless pain points for our customers. This has involved making improvements to our size and fit and how clothing and accessories are displayed on product pages, including greater use of videos and 360 imagery as well as introducing AI to better understand and address reasons for returns, creating a feedback loop for improvement. As an e-commerce business, we understand that there is such a thing as 'good returns' that enhance the customer experience, and we continue to offer free returns to all customers in our core markets. For customers with an exceptionally high returns rate, this is now subject to keeping to a minimum net order threshold.

There is still work to do in this area, but we have been pleased to see these initiatives begin to have a positive impact for our customers, reducing our underlying returns rate by more than 1ppt YoY.

Strategic review continued

3. We're better placed to deliver great customer experiences

In the past, ASOS built its growth through an ambitious geographic expansion. This created a wide base of customers globally, but with a relatively small share of wallet. The growth engine of the coming years will be our core customers in our core markets. This means strengthening our relationship with customers, bringing more engagement and excitement to take a greater share of wallet and greater penetration of our core demographic.

In the UK, we have our highest brand awareness, our greatest penetration of our core demographic and our highest share of wallet. On average our UK customers spend £214 per annum at ASOS and our returning customers (i.e. excluding customers acquired during the year) shop on average seven times per annum. In the initial stages of our transformation, we saw two clear headwinds to order frequency and churn: i) reduction in intake to clear through excess stock carried forward, meaning less new and exciting product; ii) heightened levels of clearance which detracted from the overall experience and attracted non-core ASOS shoppers making one-off purchases to take advantage of discounts being offered.

Outside the UK, our brand awareness is significantly lower as is our order frequency and average customer spend. In these markets we have also undertaken a more significant rebalancing of the customer proposition to invest in the areas that really matter to our customers. This has meant a shift away from differentiating through our delivery and returns proposition and into product and inspiration. This journey will take time to bear fruit, but we believe by creating win-win relationships with our customers we can both improve our profitability and grow.

These headwinds also made our marketing investment less efficient during this transition, driving traffic towards a sub-optimal customer experience. However, we made significant optimisations in our performance media model, allowing us to reduce investment year-on-year while delivering a net positive impact on variable contribution generated through performance channels. We were able to identify and remove the tail of inefficient spend from paid search, social and affiliate channels leading to an increase in media return on advertising spend (ROAS) at Group level of +18% in Q4.

Concurrently, we have rebalanced our marketing investment towards brand marketing. In order to build lasting, engaged relationships with our core customers we need to deliver consistent brand messaging both on-and-off-site. Having tested a variety of marketing approaches earlier in the year, including full funnel campaigns, we found our always-on influencer programme to be the most effective and efficient, which following successful testing, we scaled to working with c.1,500 influencers per month by the end of the year. This meant we spent less than the £30m incremental brand budget initially planned.

In recent months, we have also seen improved customer engagement. As we have removed clearance stock from our site, increased newness and rolled out our social media and influencer marketing programme, we have seen improving customer reactivations and retention. As we have improved the reliability of our delivery proposition, we have also seen improvements in our corresponding Net Promoter Scores (NPS) which demonstrates the focus on strengthening our core customer proposition.

Underpinned by efficient and disciplined capital allocation

Our strategy is underpinned by efficient capital allocation, allowing us to invest behind our strengths in a disciplined way, and relentlessly removing waste to invest into opportunity. At the beginning of FY25 we announced three key updates which significantly increased our balance sheet strength and financial flexibility:

i) TSTM JV: In October 2024, we formed a joint venture (JV)[1] with Heartland A/S that purchased the Topshop and Topman brands, with Heartland taking a 75% stake for £135m cash consideration. Through the JV, we continue to be part of the brands' future potential while improving the efficiency of our capital allocation today. We will explore new opportunities, both online and offline, to bring the best of TSTM to customers globally, providing an exciting growth avenue. Through either partner or owned stores, we will strive to return TSTM to the high street and, within the next six months, will re-launch Topshop.com, giving the brand an opportunity to further expand its customer base.

ii) Convertible bond re-financing: We successfully extended our maturity profile while reducing our net debt through the placement of convertible bonds due 2028 and concurrent repurchase of outstanding convertible bonds due 2026 at a discount to par. This was funded, in part, by the sale of a majority stake in TSTM, demonstrating our focus on efficient capital allocation.

iii) Bantry Bay re-financing: We also announced an amendment and extension of our existing facilities agreement with Bantry Bay Capital to May 2027, with an option for a 12 month extension. As part of the amendment, we switched £50m of term loan into a revolving facility to effectively reduce our blended interest rate as we improve our financial flexibility.

During the year we also continued the evolution of our leadership team to prepare for the next Phase of our journey. We welcomed Anthony Ben Sadoun as our first EVP Digital Product in February, Dave Murray as CFO in April, and Ras Vaghjiani as EVP of People Experience in July. We also welcomed Rishi Sharma as Interim General Counsel and Company Secretary in May (Emma Whyte is on maternity leave), and Hugh Williams as Interim EVP Technology in June.

Where are we going?

The last two years have necessarily been focused on putting the right foundations in place. As we enter FY25, we now feel that the major blocks of our foundations are largely in place. While we will maintain our obsession with operational efficiency and speed, our focus now shifts to relentlessly improving on the pillars of our Right to Win – the best & most relevant product, being a destination for style, delivering an engaging customer journey, and competitive convenience – in order to delight our customers so much that they give us more of their time, love and fashion spend.

We believe that delighting our customers is the best way to build a good economic business. Delighting customers is not delivered through a solitary action, but by putting customers at the heart of everything we do. Internally, we now talk about our growth strategy by planting seeds. We want to model bamboo, with strong roots that first grow deep and allow the plant to then grow sustainably for many years, and stay strong. These 'seeds' can be something as small as a new feature on our site such as 'Buy the Look' (which 14m customers engaged with last year) or the addition of an exciting new brand. We have also begun to cultivate a culture of innovation, instilling in our teams the desire to plant seeds, minimising risk by testing before committing. We have already begun to plant many of the seeds across our four pillars that will underpin the next chapter of our transformation:

1. **Best & most relevant product:** While Test & React has been pivotal to improving inventory management, it also transforms our fashion offering, ensuring we are the first place that customers can access the best product. With the support of AI, we will further scale Test & React from 10% to 20% of own-brand sales over FY25.

We successfully tested AFS with our first brand over FY24 and will expand further in FY25. We recently appointed a new Partner Brands Director, Shazmeen Malik, to lead our partner brand team and will create a brand acquisition team to focus on bringing exciting new partners to our platform following the launch of Arket, Veja and Mango Man.

2. **Destination for style:** Following the appointment of Anthony Ben Sadoun, our first EVP of Digital Product, we have begun to transform our Technology and Digital Product models, reorganising into smaller, autonomous units aligned to customer focus areas. We're adding 100 software engineers, increasing our capacity by 25% to empower faster innovation of our on-site customer experience with the cost off-set through the simplification of our structure.

3. **Engaging customer journey:** We have improved the efficiency of our marketing activity through the optimisation of our performance marketing model and already begun deploying these savings into our social media and influencer marketing to communicate our fashion message efficiently and consistently off-site as well as on-site. Over Q4, we have seen a 14% increase in our earned media value and will continue to scale our programme over the next 12 months. We will also test incentives to improve customer loyalty, including the launch of a new loyalty programme in H2. Finally, the launch of Topshop.com will provide the brand a destination for customers beyond the current ASOS ecosystem.

4. **Competitive convenience:** Our work on size and fit and the use of AI to learn from our customer experience has had a positive impact on our underlying returns rate. We will continue to improve the convenience of our customer experience by tackling the causes of unnecessary returns.

Our goal is to build a business that delights customers so much that they give us more of their time, love and fashion spend. We know that by having the most exciting product, by focusing on inspiration over transaction, and by providing an exciting customer journey, enabled by a fast and agile operation, we can build a sustainable, profitable business and return to growth. Our business model affords us competitive advantages in these areas, which has been core to our success. However, we must continue to relentlessly improve across each of them. While there is still work to do, we are motivated by the progress we have made so far and are excited for the next stage of our journey. We have something incredibly unique to offer our customers, and now have the right team, the right foundations and the necessary rigour, passion and the energy to do so.

1 The arrangement with Heartland, whilst referred to as a joint venture throughout this report, will be accounted for as an associate, as detailed in Note 30 of the Financial Statements.

Our people

Great work doesn't happen by chance. It takes facts and data to help us make decisions with conviction. It's about doing what we say and owning what we do until it's done, and using data to bring everyone on the journey with us. It's a strategy that allows us to create an ASOS that's built for future success.

Learning
In October 2023, we rebranded learning and development activities under Learning@ASOS for a refreshed learning experience that was relevant, accessible, inclusive and engaging.

Learning@ASOS includes a wide range of activities and programmes, such as our ASOS Develops learning events, which we run twice a year for all ASOSers. Our April 2024 edition spanned three days and included 80 sessions across six sites.

One of our focus areas over the year was to increase our expertise in using data. As well as delivering 19 Data Apprenticeships, we upskilled over 1,200 ASOSers on tools such as Excel, Power Bi, and SQL, covering everything from planning and governing to gaining insights and storytelling with data.

To help drive innovation, productivity, and efficiencies, we launched an internal Work Smarter campaign, delivering learning content on new and existing tools within AI, automation, and virtual workshop tooling across Microsoft and Miro. We also delivered over 70 sessions in Commercial Tech, AI & Data Science, Customer Experience, and Core Services to 140 engineers, including several cycles of the eight-module "Software Crafters" training, teaching software development best practices and further enhancing technical knowledge across our teams. To keep the knowledge of our Tech teams up to the minute, stand-alone Tech Develops sessions were run monthly by the Tech team to share new skills and learning, sponsored by our Executive Vice President - Technology.

New learning to support new systems roll-outs, processes, or business issues is always key to support our day-to-day operations. Over the year we ran learning programmes for ASOSers and key partners on Intake, Product Lifecycle Management, Customer Care, Returns, and more.

In December 2023, we launched our leadership curriculum, Liberating Leaders, and our development curriculum, Liberating Self, providing a mix of personal, career and business skills development. We saw over 350 ASOSers take part in the foundation programme, Self-Leadership, which was highly successful: those taking part gave it an effectiveness rating of 97%, and we saw a significant shift in competence and confidence in their development mindset, helping them to identify potential development blockers.

We also run business skills sessions every six weeks, giving all ASOSers a great foundational learning on what they need to do their jobs well. This curriculum is reviewed annually in line with our ASOS-wide Skills Gap employee survey.

Finally, we launched our new learning management system, Thrive, in July 2024 providing a platform that is much more modern, accessible and relevant. This new system now provides a far more personal learning experience for ASOSers enabling learning to be part of their day-to-day.

Apprenticeships

FY24 saw the launch of our route-to-hire programmes, providing a much-needed access point for young adults and those who face barriers to work to begin their careers. Our 13 new hires joining us under this programme did so through a variety of pathways including creative, commercial, business administration, and finance. They joined the 566 ASOSers we have enrolled on the programme since 2017, and the 130 currently studying across 15 apprenticeship standards.

This year we enhanced our offering for emerging talent by creating opportunities to experience more of ASOS, from getting hands on in our supply chain operations through to understanding life in studios. This combined with workplace application of learning and study towards recognised qualifications increased our apprenticeship completion rate.

We're passionate about recognising success and raising the profile of apprenticeships across the UK. In the year, we hosted our biggest National Apprenticeship Week celebration to date, attended by our CEO, José, recognising and celebrating our apprentices' achievements.

Our commitment in this area was recognised in July 2024 as we were listed 79th in the Best 100 Apprenticeship Employers by Rate My Apprenticeship. Our position was based on the reviews and experiences of our apprentices and it was the first time we've appeared in these rankings. Over 3,500 employers are on the platform, with only 100 being shortlisted, demonstrating the quality of our delivery and success in this space. We're the only online fashion retailer to make the list.

We believe in the power of apprenticeships to unlock potential and build future capability. We've pledged to invest further in this space by continuing to create new opportunities and provide education for all, supporting the growth of lifelong skills for our ASOSers.

Attracting and retaining amazing people

We have continued to focus on retaining high-performing talent. Our internal-first approach provides our people with a platform to grow and develop in their career and we've seen a 5% rise in internal moves from the previous financial year. We piloted our first internal talent event, Shape Your Career, where over 1,600 of our people registered and attended a range of talks and coaching sessions with the objective to empower career development. We also delivered workshops on the ASOS behaviours and values across teams, reaching over 2,000 ASOSers to further embed and embrace our culture.

A key part of our attraction and retention strategy is to engage and attract diverse, international talent. We developed our existing partnerships this year to enable us to connect with and inspire diverse talent communities. Our internal Talent Acquisition team and Diversity, Equity & Inclusion team collaborated to ensure ASOS is an inclusive employer of choice, bringing to life our brand purpose – giving potential hires the confidence to be whoever they want to be. We've upskilled our existing people leaders on best practices in hiring, and we've continued to add to our interview committee, through which individuals can volunteer to take part in interviews and help ensure a diverse interview panel.

Celebrating success

July saw the return of the "ASOS Aces" Annual Awards ceremony, celebrating success across the business. We introduced a total of 11 award categories geared to individuals that over the financial year demonstrated our values and behaviours, exhibited strong leadership and delivered results successfully as a team. All employees could nominate any ASOSer under categories such as, "Leader of the Year", "Customer Champion", "Authentic", "Brave", "Team of the Year", and "Ace of Aces". Over 850 nominations were received over 10 working days, with finalists shortlisted by a community of ASOSers and winners determined by the Management Committee. ASOSers from around the world gathered for the celebratory event in our London HQ, which was a great success.

Our people continued



Celebrating Pride
In June 2024, our THEYSOSers (our internal LGBTQIA+ network) once again led ASOS' representation for the Pride in London and Belfast Pride parades. Additionally, our Studios team conducted an internal shoot campaign in our HQ and Leavesden offices, featuring around 50 ASOSers who are members of the LGBTQIA+ community as part of our annual Pride celebrations. We also launched an ASOS Design Pride range created in collaboration with LGBTQIA+ artists and in support of Just Like Us, LGBTQIA+ young people's charity.

Diversity, Equity & Inclusion (DEI)
Over FY24, we invested time and resource into strengthening the foundation of our DEI networks with a redesign and relaunch, adding two new networks: Fertility & Baby Loss and Women's+. Our nine DEI networks now have full core operational teams, including Chair and Co-Chair positions, alongside an allocated budget and clear targets that align to our central strategic focus as a business to drive change. Key activities carried out by these groups since their refresh include campaigns in recognition of International Women's Day, Mental Health Awareness Week, Pride Month, and more. Our newest network, Fertility & Baby Loss, has already made a significant impact by inputting into crucial policy work and improvements.

We're dedicated to enhancing our policies and benefits to support ASOSers, and we've recently enhanced our parental leave policy. We'll continue to review our overall offering.

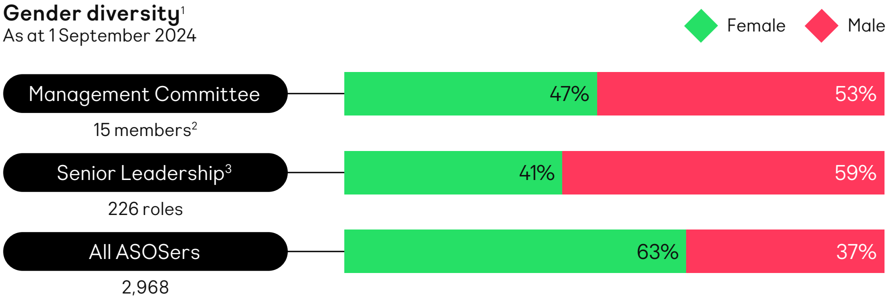
We're committed to inclusive hiring practices where interview panels must have diverse representation, supported by an Interview Committee made up of ASOSers from underrepresented groups. Hiring managers receive Hiring @ ASOS training, with learnings about how to run an inclusive and equitable process. Our external partners are crucial to this work. We've signed up to the Race at Work Charter and are working with The Outsiders Perspective, who support people from ethnically diverse backgrounds getting into the fashion industry.

Our THEYSOSers network for LGBTQIA+ inclusion is backed up by a partnership with myGwork, the largest business community for LGBTQIA+ professionals, where we advertise jobs and have access to training and event opportunities. This includes an Employee Resource Group Workshop, delivered to our network core teams, to set them up for success.

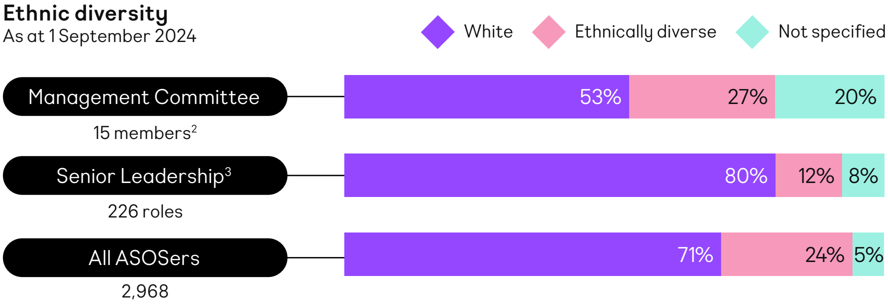
We are level 1 Disability Confident Committed and are continuing to work with Scope to attract talent by advertising all jobs on its job board, to reach the disability and neurodiversity community. We've also had training delivered by Autism NI, our charity partner in Belfast which has helped to train an additional 26 ASOSers across different site locations as Autism Champions.

Wellbeing and mental health are still a huge focus for us. We've recently introduced Unum, a new Employee Assistance Programme which provides mental and physical health support. We now have over 30 ASOSers trained to a Mental Health First Aid standard, through Mental Health England and Byrne-Dean. Our Mental Health First Aiders support ASOSers and work to break down the stigma about mental health through our Reach Out Rep community.

Gender diversity[1]
As at 1 September 2024



Ethnic diversity
As at 1 September 2024



1 The gender data is taken from legal sex data disclosed by employees in out Workday people platform. This data is available for 100% of employees. We're working towards being able to measure and report on gender data more accurately through gender identity with internal DEI data disclosure campaigns.
2 Data includes both Emma Whyte, General Counsel and Company Secretary (maternity leave) and Rishi Sharma, Interim General Counsel & Company Secretary.
3 Defined as "Head of" and above positions. Please see pages 92 to 93 of our Nomination Committee Report for further information on our Senior Leaders' diversity.

Stakeholder engagement

Our mission is to be the world's number one destination for fashion-loving 20-somethings.

Our key stakeholders play a fundamental role in helping us achieve this mission, and therefore strong stakeholder engagement is pivotal in achieving our long-term objectives and driving long-term value creation.

Details of how we engaged with our stakeholders, considering the long-term goals for each, are set out on pages 23 to 27 and 88 to 89. How the Board considered our key stakeholders in their principal decision-making during the year can be found on page 86.

S.172(1) statement and stakeholder engagement

The Directors continue to ensure they act in a way which is in good faith and most likely to promote the success of the Group over the long term for the benefit of shareholders, and in doing so, also having regard for the Group's key stakeholders and other matters set out in section 172(1) (a) to (f) of the Companies Act 2006, being:

- the likely consequences of any decision in the long term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board is accountable to its stakeholders and understands the importance of incorporating stakeholder considerations into the Board discussions and decision-making.

The Directors have identified the Group's key stakeholders to be our customers, ASOSers, shareholders, suppliers and communities. Each stakeholder group has their own individual priorities, of which the Directors are aware and have regard to. These priorities are considered, where appropriate, in the Board's decision-making. This is not only the right thing to do but is also vital in achieving the Group's long-term objectives.

Our Customers

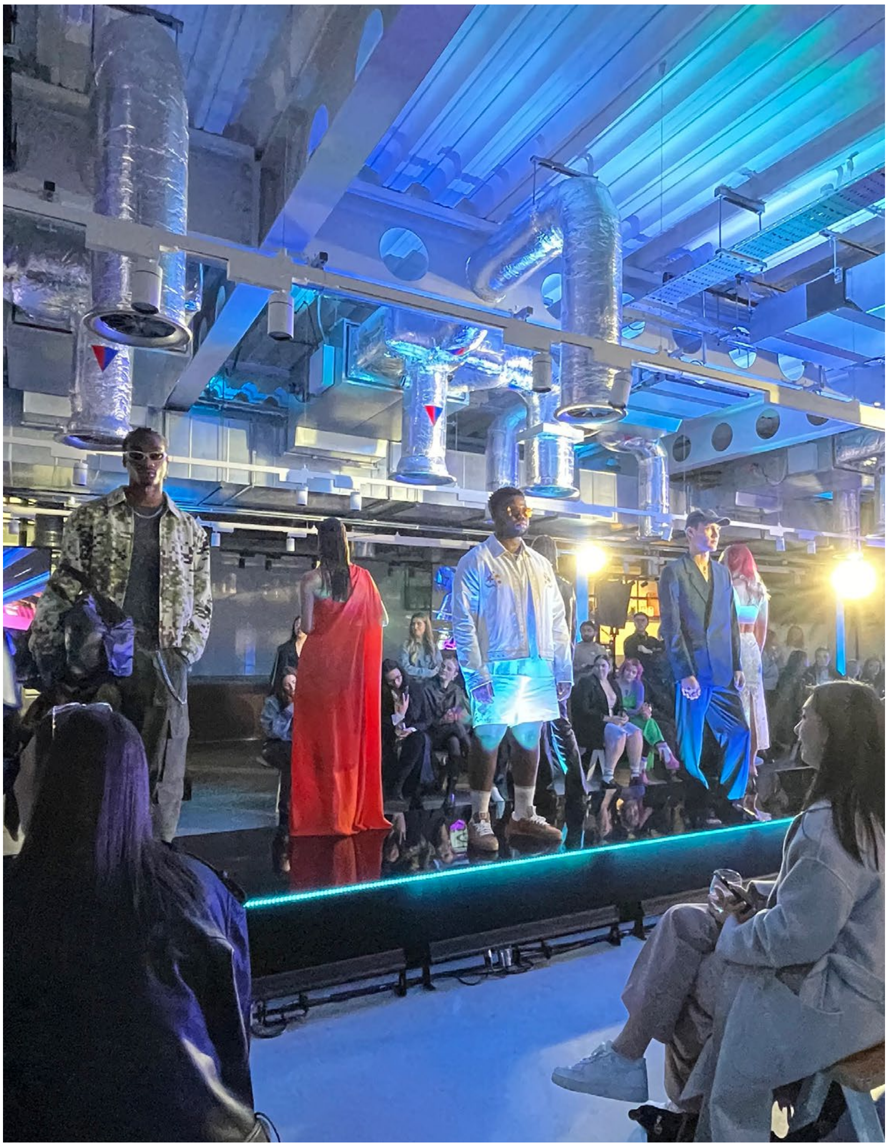
Why they are important...

Our goal is to create and curate products and experiences to inspire fashion-loving 20-somethings. To stay relevant to our 20-something audience, it is essential we never lose touch with what matters to them, whoever and wherever they are. It's vital we engage frequently with our customers to ensure we can provide them with what they want, when they want it. Being in regular contact with our customers helps us to tailor our product offering and content to stay relevant to our customers, which is key to our long-term success.

How ASOS engaged during the year

- We invited customers to engage with ASOS in real life through:
  - Our first pop-up store in London;
  - Curated fashion-focused events for our Premier customers such as an ASOS Design new season catwalk preview and Face & Body days at our London HQ;
  - Our ASOS Media Group partners tapped into ASOS' engaged customer base to invite brand superfans to various events including a creative workshop with Nike.

  Engaging with our customers face-to-face helps us to gain a better understanding of what they love about ASOS, and how to build experiences that better meet their needs.
- We continued to engage with customers through various Net Promoter Score (NPS) Customer Experience surveys – capturing satisfaction data on our end-to-end journey and post customer care interaction. Our end-to-end journey survey has now expanded to include all four core markets – UK, France, Germany, and US.
- Our Customer Care team provides help for customers and gathered feedback through our Virtual Assistant and advisors across c.6.5m contacts in FY24 to help improve the shopping experience. Insights have been shared with our Management Committee through immersive Customer Experience sessions and initiatives taken have resulted in improvements in customer satisfaction, NPS and customer resolution rates.
- To further understand our customers, we conducted bi-annual market surveys to capture perceptions and behaviours across core markets. We also conducted ad-hoc surveying and focus groups to gain additional insights to answer key business questions.



- We launched our As Seen on You user generated content program on-site to showcase our customers' style choices in addition to expanding our influencer programme on social media platforms to act as further outfit inspiration for customers.
- Our design teams continue to use insights from social and from our Test & React products to lead on emerging trends and stay in touch with customers.

How the Board engaged during the year

- Throughout the year, our Board received periodic updates on brand performance and customer health metrics at Board meetings and at the Board Strategy Day. The Board tracks progress against actions and initiatives in this area to improve performance.

Stakeholder engagement continued

Our ASOSers

Why they are important…

We're determined to create an employee experience like no other, where our ASOSers can be whoever they want to be. An experience that ASOSers love, where they learn, collaborate, embrace change, and can be authentic, brave, creative and deliver in everything they do. Where ASOSers can push boundaries, challenge expectations and help drive our journey to becoming the world's number one destination for fashion-loving 20-somethings and, ultimately, our long-term success.

How ASOS engaged during the year

- We received feedback through our bi-annual ASOS Vibe employee engagement survey which helped us to identify key focus areas for improvements. A full ASOS Townhall was held to share the ASOS Vibe results with immediate quick wins and a wider action plan to act on the feedback received.
- We continued to work with our employee forum, the Voices Network, on both a company-wide and a functional level, providing a platform for two-way conversations and amplifying ASOSers' voices to Senior Leaders.
- We refreshed and rolled out ASOS' Values and Behaviours and embedded these across the business through functional workshops with every ASOSer, with teams drawing up a manifesto of how they will embody the Values and Behaviours.
- Members of the Management Committee hosted Leaders Connect sessions with the leadership community, focusing on key strategic moments throughout the year.
- We continued to strengthen digital internal communications, with "The Edit" weekly newsletter sent direct to all ASOSers, and a Management Committee Weekly Update published on Viva Engage by a different leader each week, sharing highlights of discussions at the Management Committee, personal reflections, and key business updates.

How the Board engaged during the year

- Our CEO, José Antonio Ramos Calamonte, hosted regular townhall meetings, supported by the Management Committee, connecting with ASOSers on our strategic goals, providing organisational and company updates, and offering an opportunity for live Q&A. Townhalls were streamed to enable all ASOSers to join regardless of their location, and recorded for anyone not able to attend live.
- Our recently appointed CFO, Dave Murray, hosted two CFO Townhalls with his team, which will continue on a quarterly basis.
- At one of the CFO Townhalls, Dave Murray hosted a fireside chat with Natasja Laheij, our Senior Independent Director and Audit Committee Chair. Natasja shared her insights of being a senior leader in the Finance industry and ASOSers were invited to ask questions.
- In April 2024, we held our first "Meet the Board" event, where José Antonio Ramos Calamonte held a fireside chat style session with William Barker, in conversation about William's career and his thoughts on our strategy, focusing on waste elimination and Test & React. A significant proportion of the event was dedicated to ASOSers' Q&A.
- In July 2024, our CEO hosted another "Meet the Board" session with Jose Manuel Martínez Gutiérrez. This was a live session that focused on Jose Manuel's career in retail, including his reflections on the industry and how it has evolved over the years. They also discussed what it means to be a leader in fashion, and what growth and development may mean other than linear career paths.
- In April 2024, Jørgen Lindemann, in his capacity as designated employee engagement representative, and Christine Ierakidis, Reward and DEI Director, met with our employee representative group, the Voices Network, to discuss Executive pay and remuneration. Key views were fed back from the representatives, which were in turn fed back to the Board by Jørgen at the next Board meeting.
- Our Board received updates on employee engagement and action planning throughout the year, following a Vibe pulse survey in October and a full Vibe survey in April. Key actions highlighted included changes to performance management practice, improved family leave provision, and updates to the staff discount benefit.
- Several of our Directors conducted site visits outside of HQ in London. In January 2024, José Antonio Ramos Calamonte visited our US fulfilment centre in Atlanta, Georgia; in October 2023, José Antonio Ramos Calamonte, Jose Manuel Martínez Gutiérrez, Wei Gao and William Barker visited our fulfilment centre in Barnsley, U.K; in June 2024, José Antonio Ramos Calamonte, Dave Murray and Jose Manuel Martínez Gutiérrez conducted a tour of our fulfilment centre in Berlin, Germany and our returns centre in Poznan, Poland. During site visits, our Directors received a tour and meet with our ASOSers to better understand the ways of working and the culture at each location.

Our Shareholders

Why they are important…

A key objective for the Board is to create value for shareholders. Our mission, purpose, values and strategy strive to deliver long-term, profitable growth for our shareholders.

How ASOS engaged during the year

- We held meetings with institutional investors and analysts meetings following release of our full-year and half-year results, hosted by the CEO, Interim CFO and the Investor Relations team.
- Our Board members and/or our Investor Relations team held further meetings with major shareholders throughout the year as and when required.
- Throughout the year, all shareholders have an opportunity to ask questions or represent their views at any time through the dedicated Investor Enquiries email address.

How the Board engaged during the year

- In September 2023, Mai Fyfield, in her role as Remuneration Committee Chair at that time, conducted a shareholder consultation to seek their views on how we proposed to implement the Directors' Remuneration Policy in FY24.
- Christine Cross, Remuneration Committee Chair, led a shareholder consultation process in July 2024 to gauge investor sentiment regarding the introduction of a new Value Creation Plan, as detailed further on page 103.
- Our Board received feedback from our corporate brokers and Investor Relations team regarding market reaction and investor views after announcements and roadshows.
- Our Investor Relations team provided the Board with a market update at each scheduled Board meeting, which includes shareholder feedback as and when appropriate.
- Following any investor engagement by a Board member, that Board member provides shareholder feedback at Board meetings.
- Our shareholders have an opportunity to ask questions or represent their views formally to the Board at the Annual General Meeting.

Our Suppliers

Why they are important…

Maintaining close working relationships and open dialogue with our suppliers and brand partners is key to offering our customers the best fashion.

How ASOS engaged during the year

- In November, we hosted our supplier conference at our London HQ. Over 40 suppliers from around the world joined us to discuss our strategy and plans for the future. It was a great opportunity for our suppliers to hear from key stakeholders from across the business and engage in round table discussions where they could share their experiences and feedback.
- Throughout the year, we collaborated with our suppliers as part of our speed to market initiatives, reviewing all our processes to identify and remove inefficiencies.
- We maintained ongoing communications with our suppliers through direct engagement and our regular supplier newsletters.
- We continued to engage with existing key brands to maintain solid relationships and onboarded new brands to enhance our offering.
- Our dedicated Human Rights team operates globally to manage region-specific social risks in our supply chain.
- Over the year, we carried out audits of 485 sites supplying ASOS, ensuring corrective action plans were developed to address any issues within factories.
- We extended our partnership with GoodWeave International from India to Bangladesh. GoodWeave is a non-profit organisation that promotes transparency in global supply chains.
- For our brand partners, we launched the Fashion with Integrity Learning Hub, a comprehensive learning resource centre, offering targeted learning opportunities, guidance, and resources on various topics including the importance of clear policy, transparency, auditing and corrective action planning, and how to identify and remediate modern slavery related risks. Developed with input from our critical friends, Anti-Slavery International, the hub aims to support our brand partners in developing and implementing best practice in the management of their supply chains.
- In May, the Fast Forward audit initiative launched the Brand Associate programme, a new initiative designed specifically for UK small and medium-sized brands with a turnover under £36m. The Brand Associate programme is a collaborative effort between Fast Forward, ASOS, and other brands, aimed at addressing the challenges that SMEs encounter. It seeks to provide a comprehensive solution by offering a step-by-step journey for brands to enhance their knowledge and understanding around decent working conditions and how businesses can operate on a level playing field with accountability and transparency.

How the Board engaged during the year

- Through our Sustainability Committee, the Board monitors the way we manage our supply chain to ensure we continue to operate responsibly in line with our Fashion with Integrity commitments.
- Our Board received updates on our supply chain network and brand partnerships.
- Our Board reviewed our supply chain challenges and opportunities.

Stakeholder engagement continued

Our Communities

Why they are important…

Operating responsibly in everything we do is not just incredibly important to our business and our people, it is also key to driving positive outcomes for the communities in which we operate. From the way we manage our supply chain, to how we address environmental challenges such as plastic waste, it all matters. We want to be a force for good, so we can support the people who support us. That's why we've continued to actively engage with local communities and charities – helping drive positive change.

How ASOS engaged during the year

- To celebrate Pride, our THEYSOSers (our internal LGBTQIA+ network) once again led ASOS' representation for the Pride in London and Belfast Pride parades. Our Studios team also facilitated an internal shoot campaign in HQ and Leavesden offices, featuring around 50 ASOSers who are members of the LGBTQIA+ community.
- We relaunched Give a Day Away, our employee volunteering scheme, which offers ASOSers one day of paid volunteering a year. We highlighted a range of opportunities, including some ASOS Foundation partners, resulting in 70 ASOSers using their day to support charitable initiatives.
- We continued our partnership with (Fashion) Minority Report to support the professional development of young creatives across the UK.

asos Foundation

The ASOS Foundation was established as a charity in 2013 with the aim to open doors, remove barriers and help young people change their lives for the better.

The ASOS Foundation ("The Foundation") invests in high impact projects which focus on instilling confidence and unlocking talent, and utilises our expertise in fashion and technology to create life changing interventions for young people. Since 2013, The Foundation has donated c.£7.5m and has built impactful, strategic partnerships with charitable organisations who are playing a key role in breaking down barriers faced by young people.

The Foundation works in collaboration with long-term trusted partners who help us ensure that funding is used appropriately, effectively, and sustainably, and ultimately reaches the young people who rely on their support the most. The Trustees visit projects funded by The Foundation and meet with the partners, community stakeholders and young people supported by these programmes.

The Foundation also engages directly with young people at a grass roots level and maximise the benefits of sharing skills and expertise from our corporate funder, ASOS.com Limited. All of The Foundation's internal fundraising activities and initiatives are delivered directly by ASOS' Corporate Responsibility team.

The Trustees review fundraising activities on a case-by-case basis, and only approve events which support The Foundation's strategy and are in keeping with its values, ethics and reputation. In FY24, ASOS.com Limited donated £300,000 to The Foundation. Throughout the year, external fundraising events included a gala dinner and a golf event. Funds generated from ASOS office sample sales, personal training sessions and beauty treatments are also donated to The Foundation.

- After celebrating our £2m milestone with Centrepoint last year, The Foundation committed another £240,000 to the expansion of the helpline, their main homelessness prevention tool and where the ASOS partnership began. By developing the helpline's capacity and raising awareness of it amongst young people, Centrepoint can meet the rising demand for support and reduce the number of young people facing homelessness in the UK.
- The Foundation continued to partner with charities to provide infrastructure, training and support to enable underprivileged young people to reach their potential in the UK, Kenya and India.
- The Foundation delivered its second year of partnership with East London Fashion Education charity Caramel Rock. The funding enabled 43 young people to access a BTEC fashion course as well as additional guidance to help them break into the industry. Eight ASOSers have been actively involved in mentoring Caramel Rock students this year.
- In Barnsley, The Foundation continued our partnership with OnSide, a national youth charity determined to make sure that all young people have the opportunity to shine, committing £1.5m to support the building and operational costs of a state-of-the-art youth centre for young people aged 8-19. The centre aims to be a safe and aspirational place for young people, with first class sports, arts, performance and enterprise facilities. The public opening is scheduled for 2025.

- The Foundation celebrated its 14th year with the Prince's Trust as we empowered young people with essential STEM skills and insights into tech. Through the Prince's Trust, The Foundation invested £180,000 in digital skills for underrepresented youth in high deprivation areas and delivered multiple insight days across our offices in London and Belfast, reaching 51 young people and introducing them to the world of tech and what a career in the sector could look like.
- The Foundation celebrated another impactful year with its international partner Udayan Care, which has continued to nurture and care for orphaned children in India, with 74 children being supported in the five homes that The Foundation is funding. Alongside the provision of education, wellbeing support and entertainment, we also invested in maintenance projects to ensure the living environments are a standard the young people can be proud of.
- The Foundation also continued its support of the Soko Community Trust in Kenya, which provides training and women's empowerment in local schools. The Foundation's funding ensured the local community received training on Menstrual Hygiene Management, helping young women to manage their menstrual cycle without stigma or embarrassment.

How the Board engaged during the year

- The Board received an update on the work of The Foundation from Nick Robertson, Chair of the The Foundation.
- The Board keeps up to date with the progress against community projects delivered by The Foundation through the Sustainability Committee.
- Nick Robertson visited one of OnSide's youth centres in London in his capacity as Trustee and Chair of The Foundation. Nick was able to see first-hand the great work that the charity is doing with the support of The Foundation.

Fashion with Integrity

Fashion with Integrity (FWI) is our strategy for managing sustainability and corporate responsibility at ASOS.

As disclosed in last year's annual report, our focus in FY24 has been on reviewing and, where necessary, revising our FWI goals and targets.

We're pleased to have now published our updated FWI Strategy, available on asosplc.com/fashion-with-integrity/. To inform our review of the Strategy, during the period we completed a new impact materiality assessment to ensure that our focus aligns to the areas where we have the biggest impact.

Read our updated **Fashion with Integrity Strategy.**

We've integrated our annual FWI Progress Update with our annual report this period. As with our last FWI Progress Update, we've reported in reference to Sustainability Accounting Standards Board (SASB) and Global Reporting Index (GRI) metrics. We continue to monitor the developments of sustainability reporting standards in the UK and EU in preparation for future reporting requirements.

An explanation of our FWI Strategy, our targets and commitments, definitions, and methodologies is available on our plc site at asosplc.com/fashion-with-integrity/.

Progress update: our strategic pillars

We've set a mixture of targets and commitments against each of our FWI pillars. Where relevant, we've set measurable, data-led targets, backed by clear methodologies, and operational roadmaps to help us achieve our aims. It's not always appropriate to set data-led targets, for example when considering progress on human rights. When that's the case we've set clear commitments instead. As with our targets, these commitments are supported by operational plans and interim milestones which we'll be using to measure and report against our progress.

Targets relating to the volume and proportion of sustainable materials used and our Scope 3.1a emissions data are based on a series of documented estimates and assumptions, such as product weight and overall composition. More detail is available at asosplc.com/fashion-with-integrity/.

We have conducted sensitivity analysis on our estimates and assumptions to determine the risk of potential errors in our reported figures. This work identified that no reasonable possible change in our estimates and assumptions would result in our reported figures changing by 5% or more (our ESG materiality based on the SBTi's triggered recalculation criteria thresholds). As a result, we do not consider these estimates or assumptions to be materially sensitive.

Planet

Climate & Nature

Target

By FY27, procure 100% renewable electricity across the ASOS estate.

FY24 performance: 82.2%
FY23 performance: 80.3%
YoY (year on year) change: +1.9ppts

Target

By FY30, ensure 90% of emissions generated by brand partner products sold on ASOS come from brands who have set science-based targets.

FY24 performance: 67.4%
FY23 performance: 60.3%
YoY change: +7.1ppts

Target

By FY30, reduce the absolute emissions generated by the manufacture of ASOS own-brands and labels products by 42% compared to a FY22 baseline.

FY24 performance: -38%
FY23 performance: -32%
YoY change: -6ppts

Target

By FY50, reduce 90% of the absolute emissions generated by our entire value chain compared to a FY22 baseline.

FY24 performance: -41%
FY23 performance: -27%
YoY change: -14ppts

Our emissions have fallen significantly in FY24 against our FY22 baseline. We see two main drivers of this trend: first, the work we delivered to become a more efficient business, including reducing our stock intake and prioritising speed to market; and second, a reduction in the number of customer orders over the same period. As the business returns to growth over the medium term, we expect stock intake and customer orders to increase from FY24 volumes. Our challenge is to decouple this volume growth from our emissions footprint.

We've updated our carbon calculation methodology in partnership with a third-party provider. This has resulted in a restatement of our FY22 carbon emissions figures, originally published in our FWI FY22 Progress Update and our FY23 Annual Report. Our restated FY22 footprint below is +16% higher than previously reported. Our previously reported emissions are disclosed below for comparison purposes. More detail on our restatement is available in our FWI Strategy Update on asosplc.com/fashion-with-integrity/.

Greenhouse gas inventory

		Emissions (tCO_2e)					
	Category	FY24	FY23	% change YoY	% change vs baseline	FY22 baseline (restated)	*FY22 (previously reported)*
Scope 1	Fugitive Emissions	366	372	**-2%**	**-34%**	**557**	*N/A*
	Natural Gas	2,416	2,695	**-10%**	**-33%**	**3,608**	*3,351*
Scope 2	Electricity (Market Based)	2,372	2,259	**+5%**	**+6%**	**2,232**	*2,860*
	Electricity (Location Based)	9,125	8,743	**+4%**	**-10%**	**10,096**	*11,497*
Scope 3	3.1a Purchased Goods for resale (Products and Packaging)	766,749	896,023	**-14%**	**-37%**	**1,224,272**	*913,108*
	ASOS own-brands and labels	340,485	375,532	**-9%**	**-38%**	**548,438**	*332,757*
	Partner brands	426,264	520,491	**-18%**	**-37%**	**675,834**	*580,351*
	3.1b Purchased Goods and Services not for-resale	43,439	51,322	**-15%**	**-57%**	**101,963**	*23,015*
	3.2 Capital Goods	34,288	48,464	**-29%**	**-35%**	**52,598**	*53,780*
	3.3 Energy-Related Activities Not in Scopes 1 and 2	4,843	4,291	**+13%**	**0%**	**4,863**	*3,609*
	3.4 Upstream Transportation and Distribution	206,792	308,596	**-33%**	**-51%**	**422,036**	*349,979*
	3.5 Waste (Operations)	11,800	13,424	**-12%**	**-8%**	**12,757**	*519*
	3.6 Business Travel	2,025	1,242	**+63%**	**+46%**	**1,383**	*1,535*
	3.7 Employee Commuting	1,324	1,439	**-8%**	**-44%**	**2,367**	*9,869*
	3.8 Upstream Leased Assets	23	23	**0%**	**-8%**	**25**	*N/A*
	3.9 Downstream Transportation and Distribution	1,622	3,550	**-54%**	**N/A**	**0**	*N/A*
	3.11 Use of Sold Products	90,981	110,585	**-18%**	**-30%**	**130,639**	*349,125*
	3.12 End-of-Life of Sold Products	43,665	51,634	**-15%**	**-31%**	**63,138**	*27,958*
Total		**1,212,705**	**1,495,920**	**-19%**	**-40%**	**2,022,438**	*1,738,708*

Progress update: our strategic pillars continued

Product

Raw Materials

Commitment

Increase our use of more sustainable[1] materials in our ASOS own brand clothing products. Each year, we'll set a target for the proportion of the materials in our products that we'd like to be more sustainable, and report back on our progress.

FY24 achievement: 34%
FY25 minimum target: 45%

To increase uptake of sustainable materials we've started to set seasonal targets for each product category across our three main fibres (cotton, polyester, and man-made cellulosic fibres).

We've also enhanced engagement with our key suppliers on materials. Our top suppliers are now set KPIs and scored on their use of more sustainable materials. This is supported by individual supplier meetings, enabling us to monitor their sustainable materials capabilities and usage.

All material calculations below, except Better Cotton[2], are based on our internal tonnage methodology, which uses a series of documented estimates and assumptions, such as product weight and overall composition. More detail is available at asosplc.com/fashion-with-integrity/.

We have conducted sensitivity analysis on our estimates and assumptions to determine the risk of potential errors in our reported figures. This work identified that no reasonable possible change in our estimates and assumptions would result in our reported figures changing by 5% or more (our ESG materiality based on the SBTi's triggered recalculation criteria thresholds). As a result, we do not consider these estimates or assumptions to be materially sensitive.

Commitment

Test and introduce innovative packaging materials and solutions, reducing overall usage where appropriate. By FY26, we'll increase recycled content in mailing and garment bags to a minimum of 95%.

Our mailing bags currently contain at least 80% post-consumer recycled material, and our garment bags (for ASOS own-brands and labels) contain at least 90% post-consumer recycled material. We use Low Density Polyethylene in our garment and mailing bags. This is certified to Recycled Claim Standard (RCS) or Global Recycled Standard (GRS) or ISO 14021.

Projects delivered this period include a three-month staff trial of paper mailing bags for ASOS staff orders. We've also switched to linerless labels in our UK returns centre, estimated to reduce general waste collections at the site by approximately 30 metric tonnes per year. Working with our partners, we capture approximately 400 metric tonnes of plastic waste per year within our supply chain for recycling.

Material	Tonnes acquired	% of overall mix (to nearest .1%)	% of material more sustainable[1]
Cotton	6,069	49.5%	49% Better Cotton[2], 4% recycled, 1% organic
Polyester	3,790	30.9%	13% recycled
Man-made cellulosic fibres (MMCFs)	1,039	8.5%	33% more sustainable[1]
Acrylic	520	4.3%	0%
Nylon	371	3.0%	1% recycled
Other (including elastane, linen, polyurethane, wool, leather, and suede)	467	3.8%	0%
Total	12,257	100.0%	34%

1 Defined broadly as a material whose production has on average a lower environmental impact than the production of the conventional form of that material. For a full definition and a list of the materials and certifications we accept, head to page 54 of our Fashion with Integrity Strategy Update on asosplc.com/fashion-with-integrity/.
2 Although Better Cotton is not physically traceable to end product and operates on a mass balance system, the movement of Better Cotton through the supply chain is tracked by a system of credits which ensures that, for every 1kg of Better Cotton that ASOS sources, an equivalent amount of raw cotton is being grown somewhere in the world using Better Cotton Production Principles. Read more about the mass balance system at bettercotton.org/massbalance.

Design & Production

Commitment

Train the manufacturers of our ASOS own brand clothing products on our ASOS Circular Design Strategies. By FY27, we'll have launched a phased training programme prioritising suppliers based on their level of business with ASOS.

Over the period, we worked closely with five key suppliers and delivered bespoke training on circular design, which was instrumental in developing the capability of these suppliers. This has directly informed our new commitment to train our supply base on circular design.

We also tested a new circular design tool, developed in collaboration with the Centre for Sustainable Fashion in 2023. The tool walks our internal product development teams through a step-by-step process to develop a product that adheres to our circular design techniques, with the ambition that this can be used to scale up our circular design assortment.

Use & Recovery

Commitment

Facilitate recovery programmes to keep products in use at their highest value. By FY27, we'll pilot or launch new circular business models across resale, rental, takeback, and repair.

Our focus this period has been on scaling our rental proposition with Hirestreet. Over the period we added over 2,000 new products to the platform from ASOS DESIGN, ASOS LUXE, and ASOS EDITION. The top 10 styles have each been rented an average of 110 times, while the most popular dress style has been rented over 176 times.

Progress update: our strategic pillars continued

People

Human Rights

Commitment

Implement our human rights strategy to enhance the human rights of workers across our value chain.

1. **Develop a modern slavery strategy for Goods Not For Resale (GNFR) suppliers and a toolkit for suppliers, factories, partner brands and non-stock partners.**

   We've started working with Anti-Slavery International to develop a programme of work relating to GNFR. It will cover key risk areas across our supply chain, our head office operations, our procurement practices, and our key strategic partners. Activities delivered so far include:

- Revising a self-assessment questionnaire to identify human rights risks in our third-party operated fulfilment centres. We have also developed a Warehousing Social Standard to support the SAQ rollout.
- Reviewing human rights risks associated with land transport and shipping activities linked to ASOS, and identifying a partner to support with due diligence in this area.
- Developing interview questions and tools to assess human rights risks within our head office operations, with a focus on security and cleaning contractors.
- Launching a new partnership with Unseen, allowing us to gain visibility of trends in modern slavery, access opportunities for collaboration, and receive advice, guidance and monitoring on safeguarding for any cases linked to ASOS.

2. **Renew Global Framework Agreement (GFA) with IndustriALL Global Trade Union.**

   We have an ongoing GFA with IndustriALL Global Union, signed in 2017. This agreement provides a robust framework for protecting and strengthening the rights of workers within our global supply chain and highlights the importance of freedom of association and collective bargaining in fostering positive industrial relations. We have opened conversations with IndustriALL regarding a renewal of our GFA.

3. **Develop a methodology to collect wage data during audits.**

   Work on this strand will commence in FY25.

4. **Develop and pilot a Gender Programme at factory level to empower women workers in our supply chain.**

   During the period we started the pilot phase of an innovative women's empowerment initiative in two factories in Morocco, in collaboration with our programme partner, Mobilising for Rights Associates (MRA). The programme is dedicated to fostering an environment where women can thrive and assert their rights, with a focus on creating sustainable and meaningful change by helping to establish women's committees in garment supplier factories. The committees, formed by freely elected women workers and representatives from independent women's rights organisations, serve as a support mechanism for women workers, facilitating their empowerment and promoting their rights.

Commitment

Maintain and build our foundation of effective own-brand and partner brand due diligence.

1. **Review and enhance current due diligence mechanisms and introduce a global grievance channel structure with the aim of maximum accessibility, transparency, confidentiality, and enhanced remedy for workers.**

   If the pilot initiative for establishing women's committees in factories proves successful, we'll review our supply chain to select another strategically appropriate region and begin to scale the model accordingly. This will serve as a grievance mechanism that is easily accessible to all workers, ensuring their concerns can be addressed promptly and effectively.

2. **Ensure that partner brands sold on our platform are committed to transparency.**

   This period we've continued to engage with brand partners to ask them to disclose their factory lists, either to us, on their own website, or preferably through the Open Supply Hub. As of August 2024, 85% of apparel and footwear brands have shared their lists with us directly or publicly, aligning with the Transparency Pledge. New brands being onboarded are required to provide us with evidence of their Ethical Trade Policy, Modern Slavery Statement, Restricted Substances List, and animal welfare policy, and how these have been applied in their supply chain.

Diversity, Equity & Inclusion

Commitment

Implement our external Diversity, Equity & Inclusion strategy to drive a safer society for women, girls, and LGBTQIA+ people; create fairer economic opportunity for global majority creatives; and ensure an inclusive product offering for customers with disabilities and neurodiversity.

1. **Establish new charitable partnerships delivering change for those of marginalised gender identities and sexual orientations.**

   We've selected two partners to support our work in this area. First, Beyond Equality, a UK-based charity engaging men in the UK in working towards gender justice, preventing gender-based violence, and creating a safer and more equitable society. Second, Just Like Us, a UK-based charity focused on preventing bullying, creating safe spaces and building allyship for LGBTQIA+ young people. In June 2024 we launched an ASOS Design Pride range created in collaboration with LGBTQIA+ artists, in support of Just Like Us.

2. **Develop a plan and process to support and grow our network of global majority-owned brand partners, including scaling our annual incubator programme.**

   Working with our partner the (Fashion) Minority Report, we've delivered our annual incubator programme for global majority-owned brands. The cohort of six brands received a senior industry mentor, a programme of workshops and panel talks covering key topics in the industry, and a press event to showcase their brand and products. Two of the six brands received additional opportunities, including a grant of £20k each to upscale their business, and support developing a new range to be stocked on ASOS in FY25.

   We've also finalised our approach to support the collection of data on global-majority owned brands on ASOS. In FY25, our brand partners will be able to disclose whether they are global majority-owned in our onboarding process and in our annual ASOS Self-Assessment Questionnaire (SAQ).

3. **Launch the first ASOS Design adaptive collection.**

   We've established an internal working group for the ASOS Design adaptive collection and have selected a disability inclusion consultancy to support with its development.

Target

By FY30, achieve 50% female and 15% ethnically diverse representation across our senior leadership team.[1]

FY24 performance:

Female: 41%
Ethnically diverse: 12%

FY23 performance:

Female: 42%
Ethnically diverse: 11%

1 Defined as "Head of" and above positions. Please see pages 92 to 93 of our Nomination Committee Report for further information on our Senior Leadership diversity.

Task Force on Climate-related Financial Disclosures (TCFD)

We recognise our role in addressing climate change and reducing our environmental impact.

As we face the tangible effects of global warming, we understand that this could influence our operations, strategic decisions, and financial planning. Since 2010, our Fashion with Integrity (FWI) programme has defined our approach to sustainability and corporate responsibility. This financial period, we've updated our FWI Strategy to better position us for compliance with emerging sustainability legislation as it applies to ASOS. Additional information on our FWI Strategy can be found on page 28 to 33.

We actively assess and monitor our climate risks to ensure we have the right controls in the right places and that these are working effectively. We've established targets to reduce both our impact on the planet, and the risk of climate change on our business. Maintaining transparency in tracking our progress and providing clear climate-related disclosures is crucial for earning and retaining the trust of our stakeholders. We're fully supportive of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and their role in improving the credibility and comparability of corporate climate reporting.

TCFD Guidance – 11 Disclosure Recommendations

Recommendation	Description	Consistency	Pages
Governance	a) Describe the Board's oversight of climate-related risks and opportunities.	Full	36
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	Full	36
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Full	36 to 43
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Full	36 to 43
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Full	36 to 43
Risk Management	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Full	37
	b) Describe the organisation's processes for managing climate-related risks.	Full	37
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Full	37
Metrics and Targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partial	37 to 38
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Full	37 to 38
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Partial	37 to 38

Key

Full

Partial – as we have not reported certain metrics or targets outlined in the TCFD Guidance as explained within our Consistency Statement on page 35.

Consistency Statement
Our climate-related financial disclosures below are set out with reference to Sections 1 – 4 of the TCFD 'Recommended Disclosures' from chapter 'C. Guidance for All Sectors' within the TCFD's publication, 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (2021)' (referred to here as the 'TCFD Guidance'). We have achieved consistency with nine of 11 Recommended Disclosures and partial consistency with Metrics and Targets recommended disclosures a) and c). We are only partially consistent here as we have not reported certain metrics or targets outlined in Tables A1.1 and 1.2 of the TCFD Guidance for measuring and/or managing our climate related risks and opportunities. We have also not disclosed certain specific cross-industry climate-related category metrics or targets relating to Transition Risks, Physical Risks, Climate-Related Opportunities, Capital Deployment, Internal Carbon Pricing or Remuneration (shown in Table A2.1 of the TCFD Guidance).

We have made good progress in the period against our plan towards full consistency which we set out in our FY23 Annual Report. Since then we have:

- Improved our understanding of our climate-related risks and opportunities through refreshing our deep dive scenario analysis.
- Finalised and published updates to our FWI Strategy including updating certain metrics and targets.
- Continued to embed our new commercial model (improved speed to market and reducing stockholding and product volumes), and enhanced our understanding of the impact this has on the metrics needed for monitoring and managing our climate-related risk and opportunities.

We are improving our processes, systems, and controls under business activities, including those working towards future compliance with new control reporting obligations under the Corporate Governance Code (2024). These will enable better monitoring and reporting of the remaining metrics and targets we need for full conformance. We are still working towards full consistency with the recommended disclosures for our FY25 Annual Report. In making this Consistency Statement, we consider that these disclosures meet the requirements of LR 9.8.6 (8) (UK Listing Rules).

PLC Board

Holds accountability for the long-term success of the Group and oversight of all risks and opportunities. The Board has delegated oversight of certain ESG matters to the Sustainability Committee and receives updates from the Committee following each meeting.

Sustainability Committee

Our Sustainability Committee shapes and provides governance over our FWI Strategy and related activities. It is chaired by an Independent Non-executive Director and meets at least bi-annually.

Audit Committee

Our Audit Committee oversees and ensures the appropriateness of our governance, risk management, and external reporting. It is chaired by an Independent Non-executive Director and meets quarterly.

Remuneration Committee

Our Remuneration Committee oversees the remuneration of our Senior Leaders including approving any ESG related targets within bonus and share schemes. It is chaired by an Independent Non-executive Director and meets at least quarterly.

Management Committee

Weekly meeting of our senior leadership including our CEO and CFO. Holds day-to-day responsibility for the management of climate-related risks and opportunities.

FWI Steering Committee

Cross-functional management team responsible for providing oversight for all FWI activities including monitoring the implementation and maintenance of appropriate environmental and social controls. Chaired by our Senior Vice President (SVP) Operations and reports to the Management Committee and the Sustainability Committee.

Governance Working Group (GWG)

Meets bi-monthly to ensure effective oversight, management, and accountability of key governance processes, procedures, and controls across ASOS. Chaired by our General Counsel & Company Secretary and reports to the Management Committee and the Audit Committee.

FWI Supporting Working Groups

Cross-functional groups responsible for delivering and supporting operational delivery in related areas (risk, operations, and reporting).

Governance

Cross-functional teams responsible for delivering and supporting operational delivery in related areas.

Planet*

Climate & Nature

Product*

Raw materials
Design & Production
Use & Recovery

People*

Human Rights
Diversity, Equity & Inclusion

* The three pillars are set out in our FWI Strategy – further details are available on pages 28 to 33.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Section 1: Governance – Disclose the organisation's governance around climate-related risks and opportunities.

a) Describe the Board's oversight of climate-related risks and opportunities.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Board oversight

PLC Board: Climate change risks and opportunities continue to be a key part of our strategic agenda and are identified and monitored as one of our principal risks (see page 68). Our Board has established a dedicated Sustainability Committee to provide oversight of ESG matters and ensure the effective implementation of our FWI Strategy. Activities relating to climate change this period have been focused around reviewing, and where necessary revising, our FWI goals and targets, and developing related operational plans. Further details are provided in the FWI Section on pages 28 to 33, and information on the activities of our Committees are set out below.

Sustainability Committee: Our Sustainability Committee oversees how we manage ESG at ASOS, with focus areas including:

- **ESG Strategy Oversight:** Overseeing our ESG Strategy (our FWI Strategy) and ensuring alignment with our wider strategy and business model. The Sustainability Committee has driven a refresh of our FWI Strategy and related goals this financial period.
- **FWI Strategy Execution, ESG Practices, and Monitoring:** Providing oversight on the execution of the updated FWI Strategy and monitoring our progress against targets and KPIs, with a focus on ESG risk management. This includes overseeing key policies and programmes essential for FWI Strategy implementation, reviewing practices and initiatives to ensure they remain effective, and tracking progress against our goals.
- **Stakeholder Communication:** Ensuring all stakeholders receive appropriate and accurate information about our ESG activities, overseeing how our updated FWI Strategy is communicated to stakeholders.
- **Regulatory Compliance:** Monitoring relevant legal and regulatory requirements to ensure ASOS' compliance, working in conjunction with the Board, Audit Committee, and Management Committee.
- **Remuneration Recommendations:** Offering recommendations to the Remuneration Committee on ESG-specific targets for senior management incentive packages.

Our Sustainability Committee is comprised of three Independent Non-executive Directors and one Non-Independent Non-executive Director. A detailed overview of the skills, qualifications, and experience of its members are available in the Board biographies on pages 72 to 75.

Meeting twice a year as a minimum, the Sustainability Committee provides feedback to the Board on climate-related risks, opportunities, issues, and activities after each meeting. Details of the actions taken by the Sustainability Committee in the period are shown in our Sustainability Committee Report on pages 94 to 95.

Audit Committee: Our Audit Committee ensures the appropriateness of our governance, risk management, and external reporting and is formed of Independent Non-executive Directors See our Audit Committee Report on pages 96 to 101 for further details. Their activities include providing oversight of our principal risks, monitoring whether risks are being managed within the Group's risk appetite, and the identification and assessment of the emerging risks, including those relating to ESG. Sustainability and Climate Change is identified as one of our principal risks and is included within this review process (see our Principal Risk Report on page 68). The Audit Committee meets quarterly and provides feedback to the Board after each meeting.

Remuneration Committee: Our Remuneration Committee meets four times a year and assesses and oversees the potential incorporation of ESG-related targets into incentive and compensation structures. Feedback is provided to the Board following each meeting. The Remuneration Committee's composition, responsibilities and activities are set out in the Remuneration Committee Chair's Statement on pages 102 to 103. See page 103 for how FWI Strategy targets and activities may be considered in relation to bonus awards in FY25.

Role of management

Management Committee: Responsibility for day-to-day management of our risk profile sits with our Management Committee, which includes our CEO and CFO. A formal review of our principal and functional risks, including those relating to climate change, is conducted by management twice a year. The resulting updated principal risk profile is approved by the Committee before being reviewed by our Audit Committee and Board. Our CFO is accountable for ensuring effective risk management processes are in place, supported by our Head of Internal Audit & Risk. For more details on our approach to risk management, see pages 62 to 63.

FWI Steering Committee: We have established a new FWI Steering Committee to support our updated FWI programme by managing and overseeing its progress and activities. The FWI Steering Committee also provides clear roles, responsibilities, and communication channels for FWI topics and ensures alignment with our objectives and stakeholder expectations. Three working groups support the FWI Steering Committee by ensuring successful delivery of FWI initiatives, and overseeing reporting and governance of environmental and social risk management practices. The FWI Steering Committee meets monthly and reports to our Management Committee and, where required, escalates to and informs our Sustainability Committee, Audit Committee, and Board.

Governance Working Group (GWG): Our GWG is a management forum chaired by our General Counsel & Company Secretary and is formed of a cross-functional group of Senior Leaders, including our CFO. The GWG ensures we are disciplined in our approach to business and do the right thing. This includes ensuring there is clear accountability and effective management over our key governance processes, procedures and controls, and acting as an escalation point when significant risks are identified. The GWG reports to our Management Committee and Audit Committee on relevant topics as they arise.

Our Investor Relations team, Chief of Staff & Strategy, CEO, and CFO are responsible for ongoing engagement with investors, including on matters relating to ESG topics.

Section 2: Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, where such information is material.

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Our approach to climate modelling

As part of our efforts to fully align with the TCFD recommended disclosures, this year we have, for the first time, presented our initial quantified scenario analysis of climate-related risks. As outlined in our methodology section below, it is important to note that our initial analysis has assessed unmitigated climate risks arising from IPPC-defined climate emissions pathway scenarios. This means that they explore the potential impacts of climate on our business without assuming the implementation of any additional mitigation efforts by us or our stakeholders (e.g. governments or industries) to reduce the likelihood of these risks being realised. This approach provides a solid first step and allows us to examine possible worst-case effects of climate change on our business and its operations.

Our modelling focuses on downside risks and is based on our current product range, sourcing strategy, and asset base, with no mitigation or strategic response assumed to minimise these risks. The financial values and potential costs presented are quoted as ranges to reflect the inherent uncertainties of climate-related modelling, which relies heavily on assumptions. These uncertainties are driven by the rapidly evolving nature of climate science, regulatory developments, and technological advancements. See section below for our methodology on determining material financial impacts.

Our analysis is both initial and exploratory in nature and should not be considered a forecast or prediction. Instead, it serves as a tool to test the resilience of our business strategy under different potential future climate conditions. The scenarios are based on IPPC defined emissions pathways, providing insights into the required reduction in GHG emissions and changes in stakeholder behaviour that would align with varying levels of policy enforcement, ranging from minimal regulation (resulting in temperature rises above 4°C) to ambitious Paris Agreement targets (1.5°C).

As with any forward-looking analysis, there are significant uncertainties involved. The assumptions underpinning this analysis are based on IPCC emissions pathway scenarios, regulatory landscapes, market conditions and areas of our business model including our supplier portfolio, all of which are subject to rapid change. As a result, our scenarios cannot capture the full range of potential future developments, particularly as new data, policies, and technological advancements emerge. This analysis therefore represents a snapshot of plausible futures under existing assumptions and currently known information, but it does not encompass the full breadth of possible outcomes.

Given that this is our first year of conducting quantified scenario analysis, we recognise that this is an initial step in better understanding our climate related risks and opportunities. Over time, as we improve our systems and visibility of our supply chain, we will incorporate more refined data into our modeling, enabling us to understand and report on increasingly representative financial impacts of climate change on our business. This iterative process will ensure that our scenario analysis remains a relevant and effective tool for strategic decision-making in an uncertain climate future.

Methodology and Assumptions

The tables on pages 38 to 43 outline our climate-related risks and opportunities, the impact they could have on our business and on the delivery of our strategic goals, split between:

Transition risks and opportunities

Result from moving to a lower-carbon economy and are caused by requirements to change our business model or operations, market sentiment, climate policy/legislation, the need to update technology, and any reputational impacts resulting from these areas.

Physical risks and opportunities

Result from the effects of climate change on the environment and weather and are caused by global warming, leading to more extreme weather events such as drought, excessive heat, wildfires, flooding, heavy precipitation, and cyclones.

Our approach to identifying and assessing the impact of climate-related risks and opportunities.

During the period, we worked in partnership with Risilience, a UK-based company, which uses methodology and scenarios from its academic partner, the University of Cambridge Centre for Risk Studies, to refresh our deep dive scenario analysis using the scenarios and assumptions below.

The scenarios we analysed

We used three emissions pathway scenarios (using the latest data published in the Sixth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC) in 2022) to identify and assess potential transition and physical impacts:

1. **No policies (>4°C by 2100) :** Assumed continued increases in energy consumption and emissions until the end of the century without decarbonisation policies. Included as a reasonable worst-case emissions pathway scenario as outlined by IPCC.
2. **Announced policies (2.5°C by 2100):** Assumed currently published and drafted commitments and objectives were issued and met including countries' Nationally Determined Contributions (NDCs). Included as a realistic emissions pathway scenario based on current information, where all known legislation has been enforced.
3. **Paris Agreement Ambition (1.5°C by 2050):** Assumed further urgent and radical political responses made including swift and systemic overhaul of energy systems, sweeping changes in society and more investment in technological innovation in order to meet the Paris Ambition. Included as this is the only scenario aligning with the Paris Agreement's 1.5°C warming limit, needed to avert the worst impacts of climate change, as reported by the IPCC.

The time horizons we analysed

We used three different time horizons: (short (0-5 years), medium (5-10 years) and long (up to 2040)) when assessing potential transition and physical impacts as follows:

- **Transition impacts:** Beyond a 5–10-year time horizon transition impacts are highly uncertain due to lack of visibility of future policy and legislation and global market trends. Our largest currently known impacts are expected up to 2030 as currently announced decarbonisation legislation/regulations come into force. As a result, we assessed these over short and medium time horizons.
- **Physical impacts:** Climate change can cause both shorter term changes and longer term chronic shifts in weather patterns, and so we assessed physical impacts over short, medium, and long term horizons.

How we determined climate-related risks and opportunities with a material/significant impact

Identifying material topics :
To identify potential climate-related risks and opportunities for further analysis we relied upon the results of our qualitative impact materiality assessment which we updated during the period. The update considered topics from the European Sustainability Reporting Standards (ESRS) guidelines. The output was used to identify topics which were considered material by nature. These topics have been included within our Transition and Physical risk area disclosures below. For a full list of material topics see our GRI Disclosures on pages 51 to 53. Further details on the update to our qualitative analysis can be found in our updated FWI Strategy, which is available on our plc site at asosplc.com/fashion-with-integrity.

Material financial impacts:
Our updated deep-dive modelling has enabled us to better understand our potential risks and opportunities, including the financial and other impacts that they could have on our business and our strategy. Inputs to the model included certain key business information such as financial estimates, market breakdowns, Tier 1 facility locations and volumes, raw materials usage data, and greenhouse gas emissions across Scopes 1, 2, and 3. Data used relating to the usage of sustainable materials and our Scope 3.1a product emissions data are based on a series of documented estimates and assumptions, such as product weight and overall composition. More detail is available at asosplc.com/ fashion-with-integrity/.

We have conducted sensitivity analysis on our estimates and assumptions to determine the risk of potential errors in our reported figures. This work identified that no reasonable possible change in our estimates and assumptions would result in our reported figures changing by 5% or more (our ESG materiality based on the SBTi's triggered recalculation criteria thresholds). As a result, we do not consider these estimates or assumptions to be materially sensitive.

The assessment provided the estimated potential annual financial impacts for each qualitatively material area (defined above). Financial impacts are the present value of estimated future cash flows lost due to the impact and time horizon assessed, averaged for the number of years in the respective time horizon (this is referred to as Annual Earning Value at Risk (Annual EVAR)).

Task Force on Climate-related Financial Disclosures (TCFD) continued

Transition Risks

Transition risk area	Climate scenario	Annual EVAR[1] (£m) Near-term (5 Year)	Annual EVAR[1] (£m) Mid-term (10 Year)	Potential impacts and risks to ASOS[2]
Market Awareness Changing customer preferences and investor sentiment **(Revenue Reduction)**	**No Policy >4°C**	0-5	5-10	**Revenue Impact: Growing interest in sustainable products** Growing interest in sustainable products and services could lead to increased demand for products with lower environmental impacts. If we were unable to react to this change in market demand or keep pace with our competitors, this could lead to lost market share and impact our financial performance. **Market Capitalisation Impact: Changes in investor behaviour (not quantified)** If we did not transition to be a low-carbon business in a timely manner, increased market awareness could drive investment to alternative greener opportunities. Failure to meet our publicly stated sustainability goals and/or disclosure requirements could also negatively impact investor confidence. This could make access to financing more difficult and impact our ability to deliver our strategy or increase our cost of capital, resulting in higher financing costs, with an impact on our financial performance. If we were to continue to rely on fossil fuels this could lead to missing our externally stated goals and affect stakeholder confidence in ASOS and could impact on our financial performance.
	Stated Policy 2.5°C	15-20	20-25	
	Paris Ambition 1.5°C	25-30	35-40	
Policy & Legal Regulatory, compliance, litigation costs, or pricing of emissions **(Costs Increase)**	**No Policy >4°C**	0-5	0-5	**Cost Impact: New legislation/regulation** Governments are increasing legislation and regulations to drive reductions in greenhouse gas (GHG) emissions. We must comply with upcoming UK, EU, and US legislation including **Product Mandates** which will increase labelling requirements and product scrutiny, and **Enhanced Reporting** which will introduce additional reporting requirements. These emerging requirements could significantly increase our compliance costs and failure to meet them could result in fines. Related stakeholder litigation could lead to increased costs through defending or settling claims and associated negative publicity could affect customer sentiment, leading to lost sales and market share. All of these things could impact our financial performance. The focus of this risk is in EU markets where several pieces of legislation are expected to come in by 2030, including (but not limited to) the Corporate Sustainability Reporting Directive (CSRD), Extended Producer Responsibility (EPR), Corporate Sustainability Due Dilligence Directive (CS3D), and the Ecodesign for Sustainable Products Regulation (ESPR). **Cost Impact: Increases in carbon taxation** Governments are also looking at other routes including taxation to support green goals. We are subject to certain existing GHG emissions taxes including the EU's Emissions Trading System (EU ETS) emissions surcharge. If taxation levels were to increase further this could lead to higher operating costs and impact our financial performance.
	Stated Policy 2.5°C	0-5	0-5	
	Paris Ambition 1.5°C	5-10	5-10	

1 Annual EVAR is the present value of estimated future cash flows lost due to the impact under the time horizon being assessed, averaged for the number of years in that time horizon.
2 In preparing the above disclosures we considered all climate-related risks and potential financial impacts set out in Tables A1.1 and A1.2 of the TCFD Guidance but have only highlighted impacts and any aligned mitigations or strategic opportunities where these were relevant and applicable to our business model.

Mitigating activities[2]

Revenue Impact: Growing interest in sustainable products

- Product diversification: Our updated FWI Strategy (see pages 28 to 33 for further details) includes targets for growing our more sustainable product offering through:
  - Piloting or launching new circular business models across resale, rental, takeback, and repair (page 31).
  - Training third-party suppliers on our ASOS Circular Design Strategies (page 31)
  - Increasing the use of sustainable materials across our whole own-brand product range (page 30).
- We also monitor the impacts of sustainability and climate change on market trends through the governance forums outlined in Section 1 (see page 36) so we can adapt our strategy and product lines to manage related risks.

Market Capitalisation Impact: Changes in investor behaviour

- Continued investor engagement: Our Chair, CEO, CFO, Chief of Staff & Strategy, and Investor Relations team already engage investors on topics including ESG (see also our Corporate Governance Report on page 89). This ensures we continue to align to investor sentiment and in future could enable us to adapt and evolve our strategy as needed to ensure continued access to funding.

Strategic opportunities[2]

Meeting changes in market demand

With the right response and management, a shift in market preferences towards more sustainable products could provide upside opportunities through increased sales and market share gains, with resulting improvements in financial performance.

Cost Impact: New legislation/regulation

- Horizon scanning: We regularly monitor emerging legislation to identify and plan for new requirements early and avoid non-compliance. Early planning helps us to minimise implementation costs where possible and identify the most cost-effective solutions for compliance.
- Reporting controls: We have internal controls to manage risks associated with existing external reporting requirements including policies, operating procedures, systemic and manual controls and approaches for assurance/oversight of management information (where needed).

Cost Impact: Increases in carbon taxation

- Emissions reduction: Our updated FWI Strategy (see page 28 to 33 for further details) includes targets for emissions reduction through changes to our product and packaging materials and improving our energy efficiency across our direct operations. These changes could reduce our risk of falling within scope of further emissions taxation or reduce the financial impact if we did.

Other efficiency gains

Better understanding of our products and processes gained whilst implementing upcoming legislation/regulation could help us to identify product (e.g. better pricing through consolidated buying) or process efficiency opportunities which could lower our operational costs.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Transition Risks continued

Transition risk area	Climate scenario	Annual EVAR[1] (£m) Near-term (5 Year)	Mid-term (10 Year)	Potential impacts and risks to ASOS[2]
Social Awareness Consumers engaging in climate activism, targeting individual companies with boycotts **(Revenue Reduction)**	**No Policy >4°C**	0-5	0-5	**Revenue Impact: Awareness of sustainability activities** Increased awareness of climate change issues and company responses could affect the behaviour of our customers and current or potential employees. Negative publicity resulting from a failure to meet our sustainability targets or to effectively incorporate climate change considerations into our decision making could lead to: • Our customers shopping elsewhere, resulting in lost sales and market share, impacting our financial performance. • Our customers collectively taking action to boycott shopping with us, resulting in lost sales, impacting our financial performance. • ASOS being less attractive to new or current talent, impacting our ability to deliver our strategy or increasing our employment costs if we were required to pay above market wages.
	Stated Policy 2.5°C	0-5	0-5	
	Paris Ambition 1.5°C	0-5	0-5	
Technology Investing in low-emission technology **(Asset Impairment)**	**No Policy >4°C**	0-5	0-5	**Asset Impairment: Investment in new lower carbon technology** Timely business investment in the right new technology will be needed to reduce emissions and effectively track and demonstrate product sustainability data. Investing in inappropriate or ineffective technology could reduce the capital we have available for other strategic priorities and impact our financial performance if the return on investment was poor. If we did not invest in technology early enough or at all we could be unable to reduce our carbon emissions as quickly as competitors, or to develop alternative low-carbon products as cost-effectively. This could lead to lost market share and potential non-compliance with upcoming regulation, impacting our financial performance.
	Stated Policy 2.5°C	0-5	0-5	
	Paris Ambition 1.5°C	0-5	0-5	

1 Annual EVAR is the present value of estimated future cash flows lost due to the impact under the time horizon being assessed, averaged for the number of years in that time horizon.
2 In preparing the above disclosures we considered all climate-related risks and potential financial impacts set out in Tables A1.1 and A1.2 of the TCFD Guidance but have only highlighted impacts and any aligned mitigations or strategic opportunities where these were relevant and applicable to our business model.

Mitigating activities[2]	Strategic opportunities[2]
Revenue Impact: Awareness of sustainability activities • FWI Strategy transparency: Our updated FWI Strategy sets out our targets and commitments across Planet, Product, and People, while providing insight into any challenges and limitations we face. Regular reporting on our progress will ensure our stakeholders, including consumers and current/potential employees, remain informed. • Reporting controls: As noted above, we have internal controls in place to manage the risks associated with external reporting and ensure our stakeholder communications remain accurate.	**Growing market share** Successful delivery against our targets and commitments could provide upside opportunities through increased sales and market share gains with resulting improvements in financial performance, and/or could enable us to attract and retain our talent supporting quicker or more effective delivery of our strategic goals.
Asset Impairment: Investment in new lower carbon technology • Investment appraisal: We have established processes and controls to assess the fit, timing, and return of products/service/systems before we invest. We work closely with partners to identify and assess climate-related technology solutions as these evolve. These activities should ensure we can make timely investments in the right technology. • Horizon scanning: As noted above, we monitor emerging legislation to identify and plan for new requirements. This includes where we need new technology to ensure compliance. Relevant system development projects are overseen by our FWI Steering Committee. Having the right systems should enable us to comply with future regulations, including reporting requirements.	**Growing market share** Timely investment in the right technology to support reductions in GHG emissions could provide upside opportunities through increased sales and market share gains, or help identify other process efficiency opportunities, which could lower our operational costs.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Physical Risks

Physical risk area	Climate scenario	Annual EVAR[1] (£m) Near-term (5 Year)	Mid-term (10 Year)	Long-term (2040)		Potential impacts and risks to ASOS[2]
Chronic Climate Impacts Longer-term effects including heat stress, changes in precipitation, droughts, sea level rises **(Revenue Reduction)**	**No Policy >4°C**	0-5	0-5	0-5	**Supply Chain**	**Revenue Impact: Reduced raw material availability** Water scarcity and resulting regulatory restrictions could affect the availability of raw materials and our third-party suppliers' production processes, resulting in increased production expenses that impact our financial performance. Our Tier 1 sourcing locations with the largest potential financial impacts identified by our modelling were: Hangzhou, China; Cairo, Egypt; Casablanca, Morocco; Rabat, Morocco; and Dhaka, Bangladesh. These were not separately or jointly material.
	Stated Policy 2.5°C	0-5	0-5	0-5		
	Paris Ambition 1.5°C	0-5	0-5	0-5		
Acute Climate Impacts Weather events including heatwaves, storms, tornados, floods, lightning, wildfires **(Revenue Reduction)**	**No Policy >4°C**	5-10	5-10	5-10	**Own Operations**	**Revenue Impact: Issues with worker safety** Acute weather events could make working conditions unsafe and ultimately lead to disruption and/or closure of our sites or operations and impact our financial performance. **Revenue Impact: Operational disruption** Acute weather events could disrupt, damage or destroy our key leased logistics or office facilities and/or any owned inventory or plant and equipment that they hold. Related damage, destruction or the impact on our operations could lead to incremental costs and impact our financial performance. The largest potential financial impacts identified by our modelling related to our UK operations (including logistics facilities in Doncaster and Barnsley) and our fulfilment centre near Berlin, Germany. However, these impacts were not separately or jointly material.
	Stated Policy 2.5°C	5-10	5-10	0-5		
	Paris Ambition 1.5°C	5-10	5-10	0-5	**Supply Chain**	**Revenue Impact: Facilities disruption in our supply chain** More frequent and severe extreme weather (such as riverine and surface water flooding) could disrupt, damage or destroy our third-party suppliers' sites or operations, increasing costs, hindering our ability to obtain or distribute goods, and impacting our financial performance. Our supplier location with the largest potential financial impact identified by our modelling was Hangzhou, China. This was not individually material or material in combination with the impact across our Tier 1 supply chain locations.

1 Annual EVAR is the present value of estimated future cash flows lost due to the impact under the time horizon being assessed, averaged for the number of years in that time horizon.
2 In preparing the above disclosures we considered all climate-related risks and potential financial impacts set out in Tables A1.1 and A1.2 of the TCFD Guidance but have only highlighted impacts and any aligned mitigations or strategic opportunities where these were relevant and applicable to our business model.

Mitigating activities[2]	Strategic opportunities[2]
Revenue Impact: Reduced raw material availability • Managing exposure to water risks in our supply chain: We have carried out an analysis of the water stress of our Tier 1 suppliers to assess the water scarcity risks and flooding risks in our supply chain. We currently gather data on water use and water stress through the Higg Index Facility Environmental Module (FEM) and the WWF Water Risk Filter. We intend on using this data to set requirements for suppliers to develop flood and water scarcity resilience plans. • Increasing our procurement of more sustainable materials: Aligned to our FWI targets, we plan to increase our usage of more sustainable materials such as Better Cotton or other certified sources such as Organic. See page 30 for further details.	
Revenue Impact: Issues with worker safety • Health and safety management: We conduct annual air quality surveys at our key office facilities that consider temperature. Early identification of any issues will enable us to follow the most cost-effective response and avoid or manage the impact and costs of operational or employee issues. **Revenue Impact: Operational disruption** • Business continuity planning: Our business continuity framework includes regular risk assessments. We maintain response plans for our key operational sites if they are disrupted, irrespective of cause. Having an effective and understood response plan in place will help us to minimise the cost and operational impacts of disruption, and its impact on our financial performance.	**Operational hardening** By completing site audits and/or external sustainability assessments (e.g. BREEAM or GRESB Certifications) we could identify and remediate potential impacts of acute weather events earlier, enabling us to follow the most cost-effective response, and avoid or manage the impact and costs of future operational or employee issues.
See mitigating activities above for managing physical climate impacts in our supply chain.	

Task Force on Climate-related Financial Disclosures (TCFD) continued

Section 3: Risk Management – Disclose how the organisation identifies, assesses, and manages climate-related risks.

a) Describe the organisation's processes for identifying and assessing climate-related risks.

b) Describe the organisation's processes for managing climate-related risks.

c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

Climate-related risks and opportunities fall within the scope of our broader Risk Management approach on pages 62 to 63. This includes our processes for identifying, assessing, and escalating risks where appropriate and our defined measures of impact and likelihood which are used for assessing all types of risk.

We review and update our risk profile biannually to identify any new risks and assess the level of exposure, check progress with mitigating actions, and determine whether further mitigation activities are needed. Through this process, we also scan the horizon to identify and assess new potential risks (including relating to legislation) before they emerge. As an additional assessment during FY24, we have also used the results of our updated climate-related risk and opportunity modelling (see Section 2 on pages 36 to 43) to assess the completeness of our recognised risks.

Our newly established FWI Risk Management Working Group maintains oversight of cross-functional climate-related risks and opportunities that could impact our business. Aligned to our wider risk management processes, responsibility for risk reviews and the management of risks remains with Management Committee members and their functional Senior Leaders. The review process is supported by our Risk Management team. Where risks are identified as outside of our risk appetite, appropriate treatments are put in place to either mitigate and control risk, or the risk is accepted and monitored. Treatments can include transferring risks outside of our organisation, for example by ensuring we have appropriate insurance. The results of risk reviews are also used to monitor for changes to the size or scope of our principal risks.

This universal approach enables us to: understand what our material risks are; ensure assessments are comparable between different types of risk; and drive the right outcomes for avoiding, treating, or accepting risks in line with our risk appetite. Through this approach, Climate Change and Sustainability has been identified as a principal risk (see page 68).

Section 4: Metrics and Targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As explained in our Consistency Statement on page 35, the disclosures below are only partially consistent with Section 4 Metrics and Targets parts a) and c) of the TCFD Guidance. We have made progress in the period but some work remains to improve our systems and processes to enable reporting on remaining metrics and targets for assessing and managing our climate-related risks and opportunities, including recommended metrics from Table A2.1 of the TCFD Guidance. As reported in FY23, we are working towards achieving full consistency for our FY25 Annual Report.

Updating our deep-dive analysis in the period has improved our understanding of our climate-related risks and opportunities and enabled us to consider which metrics and targets are best placed to help us assess and manage them. The actions we need to take to mitigate the risks identified through our deep-dive analysis align to the targets we've set in our updated FWI Strategy.

Over the period we also improved our GHG emissions calculation methodology which has enabled us to report a refreshed baseline and has given us better insight into our progress against our GHG targets. The updated methodology also provided improved carbon data that we used as an input for our refreshed deep-dive analysis.

Our GHG emissions continue to be a key metric we use to assess and manage our climate-related risks and opportunities, as emissions are driving global temperature increases that are a key root cause of all other impacts we have identified. Our Scope 1, 2, and 3 GHG emissions metrics for FY24 are available on page 29 including a breakdown of the sources of emissions within each Scope, our methodology, and detail of our assumptions used.

During the year we have developed our updated decarbonisation strategy in partnership with our carbon accounting partner. Our next steps will be to consider and reflect the Transition Plan Taskforce's (TPT) recommendations before we publish this externally. The UK Government is consulting on guidance for UK companies that will help them disclose transition plans in alignment with the TPT's recommendations. This is expected to form part of the forthcoming Sustainability Reporting Standards (UK SRS) as part of the delayed Sustainability Disclosure Requirements (SDR) regime. We are monitoring for further updates and will publish our climate transition plan following the finalisation of this guidance to ensure we align with its recommendations.

We have not obtained external assurance over any of our metrics for the current or previous financial periods disclosed. We are developing our ESG assurance plans, including considering which metrics to include for assurance activities and the level of assurance needed, taking into account the timelines and requirements of the Corporate Sustainability Reporting Directive (CSRD).

Which metrics do we measure	Which risks or opportunities do these metrics help us assess (size and movement)	Have we set targets and where are we reporting our performance
GHG emissions (tCO_2e across Scopes 1, 2 and 3 in our upstream and downstream value chain).	• Failure to deliver published sustainability goals.[1, 4] • Non-compliance with decarbonisation legislation or regulations.[2] • Increased GHG emission taxation.[3] • Lost market share and/or boycotts due to negative publicity.[4] • Failure to attract or retain strategically important talent.[4]	**Yes**[6] – see Planet pillar of our updated FWI Strategy for our targets for emission reductions from ASOS own brand manufacturing, our partner brand products and our entire value chain. This is available at asosplc.com/fashion-with-integrity/. Our latest performance is shown in the FWI section on page 29.
Use of more sustainable direct materials (% of total weight of ASOS own brand clothing made up of more sustainable materials). Use of more sustainable indirect materials (% of total weight of mailing and garment bags made up of recycled content).	• Failure to deliver published sustainability goals.[1, 4] • Shortage of direct (e.g. cotton) or indirect (e.g. packaging) materials.[5] • Increased taxation on less sustainable energy, direct or indirect materials.[3] • Lost market share due to not meeting demand for more sustainable products and/or boycotts due to negative publicity.[4] • Failure to attract or retain strategically important talent.[4]	**Yes**[6] – see Product pillar of our updated FWI Strategy for our targets for our use of renewable electricity, more sustainable materials, and packaging recycled content. This is available at asosplc.com/fashion-with-integrity/. Our latest performance is shown in the FWI section on page 30.
Partner brands commitment to decarbonisation (% of emissions from partner brand products sold on asos.com that were sourced from partners who have set science-based targets).	• Failure to deliver published sustainability goals.[1, 4] • Lost market share due to not meeting demand for more sustainable products.[1, 4]	**Yes**[6] – see Planet pillar of our updated FWI Strategy for our targets on engagement with partner brands relating to the Science-Based Targets initiative (SBTi). This is available at asosplc.com/fashion-with-integrity/. Our latest performance is shown in the FWI section on page 29.
New circular business models offered (piloting or launching circular business models across resale, rental, takeback and repair and providing circularity training to our suppliers).	• Failure to deliver published sustainability goals.[1, 4] • Lost market share due to not meeting demand for more sustainable products and/or boycotts due to negative publicity.[1, 4] • Failure to attract or retain strategically important talent.[4]	**Yes**[6] – see Product pillar of our updated FWI Strategy for our targets on circular business models and providing circular design training. This is available at asosplc.com/fashion-with-integrity/. Our latest performance is shown in the FWI section on page 31.
Own-brand supply chain drought risk (suppliers' water stress scoring measured by voluntary WWF Water Risk Filter or the WRI Aqueduct Tool completion).	• Lack of availability of raw materials and/or third-party suppliers production processes disruption[5].	**No** – Although, this metric will be used for target setting in our internal water strategy which is currently under development.

1 See Growing interest in sustainable products under the Market Awareness risk areas on pages 38 to 39.
2 See New legislation/regulation under the Policy & Legal risk area on pages 38 to 39.
3 See Increases in carbon taxation under the Policy & Legal risk area on pages 38 to 39.
4 See Awareness of sustainability activities under the Social Awareness risk area on pages 40 to 41.
5 See Reduced raw material availability under Chronic Climate Impacts on pages 42 to 43.
6 Our updated FWI Strategy is available at available at asosplc.com/fashion-with-integrity/ and contains further information on specific targets referenced in the above table, including definition of stated terms, details of calculation methodologies and assumptions or estimates used.

Streamlined Energy & Carbon Reporting

Our reporting period for energy and carbon emissions is aligned to our financial period, from 4 September 2023 to 1 September 2024.

During the period we have updated our carbon calculation methodology with support from a third-party provider. Although our underlying energy data remains unchanged, due to the use of updated emissions factors, our FY23 Scope 1 and 2 emissions have been adjusted since they were originally stated in our FY23 SECR disclosure. Below, we have restated these figures and disclosed our previously reported FY23 emissions in *italics* for comparison purposes.

		UK Portion				Total Global			
	Unit of measurement	FY24	FY23 (restated)	% change	*FY23 (previously reported)*	FY24	FY23 (restated)	% change	*FY23 (previously reported)*
Energy Consumption: used to calculate emissions for gas and electricity	MWh	32,477	31,366	+4%	*31,366*	57,171	53,896	+6%	*53,896*
Scope 1: emissions from combustion of gas	tCO_2e	1,580	1,779	-11%	*2,147*	2,781	3,067	-9%	*2,785*
Location Based (LB)									
Scope 2: emissions from purchased electricity (LB)	tCO_2e	5,183	5,071	+2%	*4,065*	9,125	8,743	+4%	*10,770*
Intensity Ratio – total tCO_2e/£m revenue (LB)	tCO_2e/£m revenue	–	–	–	–	3.15	2.46	+28%	*3.82*
Market Based (MB)									
Scope 2: emissions from purchased electricity (MB)	tCO_2e	0	0	0	0	2,372	2,259	+5%	*2,896*
Intensity Ratio – total tCO_2e/£m revenue (MB)	tCO_2e/£m revenue	–	–	–	–	0.82	0.64	+29%	*1.60*

Quantification and reporting methodology

- In presenting the above data we have followed the 2020 UK Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard ('Operational Control' boundary) and applied a combination of resource-specific emissions factors from the IPCC and up-to-date country-specific grid data from reliable third-party sources (e.g. ENTSO-E for European Countries), IEA national emissions factors, and tariff specific emissions factors. Energy data is obtained from a hierarchy of HH data, meter readings, and invoices.

Energy Management Statement

- We monitor our energy consumption via our Energy Management System, which enables us to measure the impact of energy saving initiatives and ensure we're improving energy efficiency across our direct operations.
- As part of Energy Savings Opportunity Scheme (ESOS) Phase 3 requirements, we've recently conducted energy and carbon audits across sites under our direct operational control in the UK and EU. We'll be developing an action plan, in line with the UK Government's Environment Agency requirements, to implement identified energy and carbon savings initiatives.

Greenhouse Gas Management Statement

- This period, we have been working to improve our systems to enable us to report Scope 3 emissions alongside our full year results. Our Scope 1, 2, and 3 emissions metrics for FY24 are available on page 29 including a breakdown of the sources of emissions included within each Scope and the methodology used.
- In 2021, we achieved Science Based Targets initiative (SBTi) validation for emissions reduction targets set across Scopes 1, 2, and 3. In line with guidance at the time, these were intensity-based, meaning our emissions reduction targets and performance were calculated proportionally to either financial or operational metrics. Following the

introduction of these targets, the SBTi released the first iteration of its Corporate Net Zero Standard. This redefined target-setting criteria, with a new focus on long-term absolute emissions reductions targets, excluding the use of carbon offsetting or removals until a 90% reduction in absolute emissions has been secured.

- This period we have reviewed our approach and set new, near-term and long-term absolute emissions reduction targets in line with this best practice. The updates to our carbon reduction targets are aligned to the Paris Agreement's 1.5 degree climate change pathway and are:
  - By FY30, to reduce the absolute emissions generated by the manufacture of ASOS own-brands and labels products by 42% compared to a FY22 baseline.
  - By FY30, to ensure 90% of emissions generated by brand partner products sold on ASOS come from brands who have set science-based targets.
  - By FY50, to reduce 90% of the absolute emissions generated by our entire value chain compared to a FY22 baseline.
- We are planning on submitting these updated targets to the science-based target initiative (SBTi) later this year for validation. In addition to the above, we have set a target directly related to our renewable electricity procurement:
  - By FY27, procure 100% renewable electricity across the ASOS estate.

An explanation of our FWI Strategy, our targets and commitments, definitions, and methodologies is available on our plc site at asosplc.com/fashion-with-integrity/.

For further detail on our progress against the targets detailed in this section, please see page 29.

Sustainable Accounting Standards Board (SASB) Index

This is our second disclosure in reference to the Sustainable Accounting Standards Board (SASB) Standards, covering our FY24 period. We're following the work being done to align international sustainability reporting frameworks, driven by the International Sustainability Standards Board (ISSB) of the IFRS (International Financial Reporting Standards) Foundation. In August 2022, the ISSB assumed responsibility for the SASB Standards, and continues to encourage businesses to use the SASB Standards.

We've reported in reference to version 2023-06 of both the Apparel, accessories & footwear Standard, and the E-commerce Standard.

E-commerce

	Code	Metric	Commentary
Hardware Infrastructure Energy & Water Management	CG-EC-130a.1	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	We don't operate or own any data centres and don't actively manage or monitor energy and water usage of our partner sites.
	CG-EC-130a.2	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	
	CG-EC-130a.3	Discussion of the integration of environmental considerations into strategic planning for data centre needs	
Data Privacy & Advertising Standards	CG-EC-220a.1	Number of users whose information is used for secondary purposes	Not disclosed
	CG-EC-220a.2	Description of policies and practices relating to behavioural advertising and user privacy	Page 64
Data security	CG-EC-230a.1	Description of approach to identifying and addressing data security risks	Page 64
	CG-EC-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII (Personally Identifiable Information)), (3) number of users affected	Not disclosed
Employee Recruitment, Inclusion & Performance	CG-EC-330a.1	Employee engagement as a percentage	Our engagement score is 65 (Global 2023 benchmark: 74) based on a 79% response rate. This survey was completed in April 2024. This score is an average of responses to the following two questions: 'I would recommend ASOS as a great place to work,' and 'How happy are you working at ASOS?' We use Glint as an engagement survey platform. The questions asked are a mixture of questions pulled from the Glint platform, as well as some that are ASOS specific. We ask questions on a variety of topics, including: • Adaptability & taking chances • Growth opportunity • Inclusive culture • Benefits & wellbeing • Functional leadership • Confidence in leadership • Reward • Belonging • Integrity, fair decisions, and transparency • Collaboration • Priorities • Future success • Objectives • Development goals • Equity • Manager recommendation • Dynamic working • Brand and business strategy
	CG-EC-330a.2	(1) Voluntary and (2) involuntary turnover rate for all employees	Not disclosed
	CG-EC-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Page 21 and see Ethnicity and Gender Pay Gap report on asosplc.com
	CG-EC-330a.4	Percentage of technical employees who are H-1B visa holders	Not relevant

Product Packaging & Distribution	CG-EC-410a.1	Total greenhouse gas (GHG) footprint of product shipments	Inter-warehouse transfers and outbound deliveries accounted for 167,778 tCO_2e in FY24.
	CG-EC-410a.2	Discussion of strategies to reduce the environmental impact of product delivery	We use third-party logistics providers for our outbound deliveries and inter-warehouse transfers. Many providers have set individual decarbonisation strategies and targets.
Activity metrics	CG-EC-000.A	Entity-defined measure of user activity	Page 55.
	CG-EC-000.B	Data processing capacity, percentage outsourced	In FY24, we used 58,370,589.08 kWh of power for our outsourced cloud operations. Microsoft estimates this to be 958.7 tonnes of CO_2e emissions.
	CG-EC-000.C	Number of shipments	Page 54

Apparel, Accessories & Footwear

Management of chemicals in products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	We've developed a Restricted Substance List (RSL), which outlines the acceptable limits of potentially toxic or harmful substances which can be present in finished products. This RSL has been developed to comply with legislative and regulatory requirements of global trading territories we sell within, including REACH and Proposition 65.
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	We require all vendors who supply materials and/or finished goods to comply with all local and international laws. All suppliers have access to the ASOS Chemical Policy and RSL via the supplier extranet. These are also publicly available on the ASOS plc website. Compliance with the RSL is mandated through the terms and conditions agreed between ASOS and our suppliers. We provide support to help our suppliers risk assess products and necessary chemicals on an ASOS Chemical website, available to our suppliers as a mobile app; and educate them as part of our ACCT (ASOS Certified Chemical Technologist) program. Our process is for testing to be assessed on bulk components, to ensure the components are safe before the production starts. Suppliers are trained on what components and chemicals are to be tested, with additional support available through an ASOS Chemical website and app. All suppliers must show testing proof that the components meet our RSL, focusing on five mandatory chemicals. The bulk component is to be tested by one of Bureau Veritas' (BV) global labs. The test report or certificate is to be uploaded to our system per style for the garment technologist or the supplier-nominated ACCT to review. We have an additional compliance check with our Due Diligence testing program, carried out on high-risk components (focusing on Lead, Cadmium, and Phthalates where relevant per component). Under this program, garments are picked off the production line and independently tested by BV. If a supplier has an Oeko Tex Standard 100 certificate, then testing through BV is exempted. Our suppliers can also select trims from the ASOS Preferred Trim list. As part of the chemical management strategy, we are a signatory member of the Zero Discharge of Hazardous Chemicals (ZDHC) Roadmap to Zero programme. Within our Chemical Policy we ask suppliers to follow the ZDHC CMS (Chemical Management System) and TIG (Technical Industry Guide) guidelines. We work closely with our suppliers and mills to ensure hazardous chemicals are identified through InCheck reports. We've started mapping wet processing suppliers and onboarding them to the ZDHC Roadmap to Zero Programme. This includes Performance Incheck, to demonstrate ZDHC MRSL conformance of the facility's CIL (Chemical Inventory List) and ClearStream (wastewater testing) to monitor the quality of the facility's discharged wastewater.

Sustainable Accounting Standards Board (SASB) Index continued

Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	We ask Tier 1 suppliers to voluntarily complete the Worldly Higg FEM to enable us to monitor compliance. As not all suppliers complete the FEM, we are not able to report an overall compliance rate. In calendar year 2023, we had no self-reported non-compliances on wastewater/ effluent discharges.
	CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Worldly Higg Facility Environmental Module (FEM) assessment or an equivalent environmental data assessment	Tier 1 suppliers representing 58% of our FY24 intake volume completed an FEM
Labour Conditions in the Supply Chain	CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	1. 78% of our Tier 1 sites were audited between 1 September 2023 and 31 August 2024. 2. 29% of our mapped sites beyond Tier 1 were audited between 1 September 2023 and 31 August 2024. 3. Not disclosed.
	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labour code of conduct audits	Not disclosed
	CG-AA-430b.3	Description of the greatest (1) labour and (2) environmental, health, and safety risks in the supply chain	See Modern Slavery Statement and page 5 of FWI Strategy Update on asosplc.com/fashion-with-integrity/
Raw Materials Sourcing	CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	Pages 30, 42, 43, and 45
	CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	Page 30
Activity metrics	CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	471 sites mapped in Tier 1 395 sites mapped beyond Tier 1

Global Reporting Initiative (GRI) disclosure

This is our second disclosure with reference to the GRI Standards. It covers our FY24 period.

GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021	2-1 Organisational details	Page 135
	2-2 Entities included in the organisation's sustainability reporting	Sustainability reporting relates to the ASOS Group. More details on subsidiaries are available on page 186
	2-3 Reporting period, frequency and contact point	This report covers our FY24 period, which runs from 4 September 2023 – 1 September 2024. We provide this report annually. Key contact points are listed at asosplc.com
	2-4 Restatements of information	Pages 29 and 46 detail restatements relating to previously reported carbon emissions
	2-5 External assurance	Page 44
	2-6 Activities, value chain and other business relationships	Information on ASOS and its brands can be found on pages 4 to 7. The list of markets we operate can be found on pages 57 and 58. See page 25 for more information on our engagement with our suppliers, or read our modern slavery statement on asosplc.com
	2-7 Employees	Page 21
	2-8 Workers who are not employees	See the Business Structure section of our latest Modern Slavery Statement on asosplc.com
	2-9 Governance structure and composition	Pages 79, 82, and 83
	2-10 Nomination and selection of the highest governance body	Pages 90 to 93
	2-11 Chair of the highest governance body	Page 72
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 94 and 95
	2-13 Delegation of responsibility for managing impacts	Pages 83 and 94 to 97
	2-14 Role of the highest governance body in sustainability reporting	Pages 94 and 95
	2-15 Conflicts of interest	Page 84
	2-16 Communication of critical concerns	Pages 96 to 101
	2-17 Collective knowledge of the highest governance body	Pages 90 and 91
	2-18 Evaluation of the performance of the highest governance body	Pages 87 and 92
	2-19 Remuneration policies	Pages 104 to 107
	2-20 Process to determine remuneration	Pages 102 to 103
	2-21 Annual total compensation ratio	Page 114
	2-22 Statement on sustainable development strategy	Pages 3 and 4 of FWI Strategy Update on asosplc.com/fashion-with-integrity/
	2-23 Policy commitments	Our policies can be found on asosplc.com/fashion-with-integrity/
	2-24 Embedding policy commitments	We require our employees and partners to respect our policies and Code of Conduct. For more information on how we engage with suppliers, see page 25 and our Modern Slavery Statement
	2-25 Processes to remediate negative impacts	See Modern Slavery Statement on asosplc.com

GRI disclosure continued

	2-26 Mechanisms for seeking advice and raising concerns	Page 101 and Modern Slavery Statement on asosplc.com (Due Diligence section)
	2-27 Compliance with laws and regulations	Page 95 for information on our engagement with the UK Competition and Markets Authority
	2-28 Membership associations	• British Retail Consortium – Member • Textile Exchange – Member • Better Cotton– Member • Ellen MacArthur Foundation – Member • Textiles 2030 – Signatory • Cascale – Member • Inclusive Companies – Member • Disability Confident – Scheme member • Race at Work Charter (Business in the Community) – Signatory A list of organisations and associations we work with as part of our approach to modern slavery is available in our latest Modern Slavery Statement on asosplc.com.
	2-29 Approach to stakeholder engagement	Pages 22 to 27
	2-30 Collective bargaining agreements	GXO employees working at ASOS' UK sites operated by GXO are covered by Collective Bargaining Agreements. We have also signed a legally binding agreement to support collective bargaining for workers in the garment and footwear sector in Cambodia as part of the ACT (Action, Collaboration, Transformation) process.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 37 and also see pages 5 to 9 of FWI Strategy Update, on asosplc.com/fashion-with-integrity/
	3-2 List of material topics 3-3 Management of material topics	Our 'Critical' and 'Significant' material topics and the actions we take to manage these impacts are detailed below.
	Climate change	See GRI 201: Economic Performance 2016
	Biodiversity	GRI 101-2
	Equal treatment and opportunities in the supply chain	See pages 38 to 41 of FWI Strategy Update on asosplc.com/fashion-with-integrity/
	Resource use and waste	See pages 25 to 36 of FWI Strategy Update on asosplc.com/fashion-with-integrity/ See GRI 301: Materials 2016 and GRI 306: Waste 2020
	Pollution	See GRI 303: Water and Effluents 2018
	Working conditions and work-related rights in the supply chain	See GRI 401: Employment 2016 See Modern Slavery Statement and FWI Strategy Update on asosplc.com/fashion-with-integrity/
	Water	See GRI 303-2
GRI 101: Biodiversity 2024	101-2 Management of biodiversity impacts	See page 18 of FWI Strategy Update on asosplc.com/fashion-with-integrity/
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Pages 34 to 45
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 30
	301-2 Recycled input materials used	Page 30
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Page 50

GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 29 and 46
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 29 and 46
	305-3 Other indirect (Scope 3) GHG emissions	Page 29
	305-4 GHG emissions intensity	Page 46
	305-5 Reduction of GHG emissions	Page 29. Also see pages 17 to 23 of FWI Strategy Update on asosplc.com/fashion-with-integrity/
	305-6 Emissions of ozone-depleting substances (ODS)	Not disclosed
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not disclosed
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 30
	306-2 Management of significant waste-related impacts	Page 30
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken	We included additional information requests into our new supplier process this period. Prospective suppliers are now required to provide information related to sources of energy, carbon emissions, water use, and waste generation prior to being onboarded as an ASOS supplier. If onboarded, suppliers are then required to complete the Higg FEM from the following calendar year, supporting ongoing assessment and monitoring of their environmental performance and impacts. As part of our due diligence process for brand partners, we've enhanced our self-assessment procedures by incorporating a series of environmental disclosure and verification questions. We now accept the Worldly Brand Retail Module (BRM) from Cascale brand members as an alternative self-assessment, which includes a comprehensive set of environmental and social disclosure questions. Our ASOS SAQ is designed to screen suppliers by requesting detailed information on their environmental policies, certifications, methods for monitoring environmental impact, stakeholder engagement, and science-based targets. Brands are required to complete the SAQ during onboarding and annually thereafter, in line with our risk-based approach. We also engage in regular in-person discussions with brands to review their sustainability strategies and environmental data.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 19 and 21
	401-3 Parental leave	Page 20
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	We recognise and accept our obligations and duties to protect the Health & Safety of all employees, contractors, and visitors to any part of our business. Our Global Health and Safety Policy covers ASOS' global operations at ASOS managed sites (e.g. offices) or sites engaged to perform activity on behalf of ASOS e.g. Fulfilment Centres and Returns Centres.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 21 and 92
	405-2 Ratio of basic salary and remuneration of women to men	See Ethnicity and Gender Pay Gap on asosplc.com
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	See Modern Slavery Statement on asosplc.com
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	See Modern Slavery Statement on asosplc.com
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	See Modern Slavery Statement on asosplc.com
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	See Modern Slavery Statement on asosplc.com
	414-2 Negative social impacts in the supply chain and actions taken	See Modern Slavery Statement on asosplc.com

Key performance indicators

Our key performance indicators help us measure both the financial value we create for our shareholders, and our strategic value, as we grow our business and deliver our purpose.

Key financial measures

Revenue

Retail sales, delivery receipts and other revenues from continuing operations

£2.9bn

-16%[1] ▼

2024	£2,905.8m
2023	£3,549.5m

Adjusted Gross Margin[2]

Adjusted gross profit as a percentage of adjusted revenue

43.4%

2024	43.4%
2023	44.2%

Adjusted EBITDA[2]

Adjusted earnings before interest, tax, depreciation, amortisation and impairments

£80.1m

2024	£80.1m
2023	£124.5m

Adjusted EBITDA Margin[2]

Adjusted EBITDA, as defined, as a percentage of adjusted revenue

2.8%

2024	2.8%
2023	3.5%

Key strategic measures

Active customers

Number of customers having shopped in the last 12 financial months as at the end of each reporting period

19.6m

2024	19.6m
2023	23.3m

Total orders

Total orders placed

67.2m

2024	67.2m
2023	83.7m

Average order frequency

Last 12 financial months' total orders divided by active customers

3.4

2024	3.4
2023	3.6

Net ABV

Average basket value, being total order value after returns and discounts, excluding VAT, divided by total orders

£41.07

2024	£41.07
2023	£40.33

Our key financial measures have been chosen to show the core business' growth (Group revenue) and profitability (adjusted gross margin, adjusted profit before tax and diluted EPS). Free cash flow and net debt provide an understanding of the business' ability to generate cash through its operations and its balance sheet strength respectively. To provide increased focus on cash generation we have replaced AEBIT with AEBITDA, removing the impact of non-cash depreciation, amortisation and impairments from the core profit measure. A number of these (where indicated) are Alternative Performance Measures which should be considered in addition to, and not as a substitute for, IFRS measures. As they are not defined by International Financial Reporting standards, they may not be directly comparable with other companies' Alternative Performance Measures.

Our key strategic measures have been chosen to provide insight on the Group's customers for the reporting period, allowing users of the accounts to determine historic and future trends. Orders, visits, average order frequency and conversion all help to show how engaged customers have been with ASOS' proposition during the period, whilst the number of active customers provides a view of how effectively the Group has driven customer acquisition and managed churn during the period. Net ABV is a function of average selling price (ASP) and average basket size (ABS) and gives a view of order value before taking into accounting operating costs.

Adjusted profit before tax[2]

-£126.0m

2024	-£126.0m
2023	-£70.3m

Diluted EPS

Profit after tax divided by the weighted average number of shares in issue during the period, adjusted for the effects of potentially dilutive share options

-284.4p

2024	-284.4p
2023	-213.0p

Free cash flow[2]

Free cash flow is net cash generated from operating activities, less payments to acquire intangible and tangible assets, payment of the principal portion of lease liabilities and net interest expenses

£37.7m

2024	£37.7m
2023	-£213.0m

Net debt[2]

Net debt comprises cash and cash equivalents less any borrowings but excluding outstanding lease liabilities

£297.1m

2024	£297.1m
2023	£319.5m

Total visits

Number of visits to ASOS.com via any device

2.3bn

2024	2,252.4m
2023	2,661.3m

Conversion

Percentage of visits that convert into an order

3.0%

2024	3.0%
2023	3.1%

1 Change in total sales on a like-for-like basis, adjusting for constant currency and the impact of four additional trading days in FY23.
2 Alternative Performance Measure – see pages 188 to 193 for reconciliation to statutory measures.

Financial review

Revenue growth figures are expressed on a constant currency (CCY) or like-for-like (LFL) basis unless otherwise indicated.[1,2]

	Period to 1 September 2024						
	UK £m	Europe £m	US £m	Rest of World £m	Total reported £m	Adjusting items[3] £m	Total adjusted £m
Retail sales[4]	1,270.4	977.8	298.2	214.1	2,760.5	–	2,760.5
Income from other services[5]	63.2	30.6	40.6	10.9	145.3	(9.8)	135.5
Total revenue	**1,333.6**	**1,008.4**	**338.8**	**225.0**	**2,905.8**	**(9.8)**	**2,896.0**
Cost of sales					(1,743.3)	104.6	(1,638.7)
Gross profit					**1,162.5**	**94.8**	**1,257.3**
Distribution expenses					(326.1)	–	(326.1)
Administrative expenses					(878.1)	25.0	(853.1)
Other income					2.0	–	2.0
EBITDA					**(39.7)**	**119.8**	**80.1**
Depreciation, amortisation and impairments					(292.2)	130.6	(161.6)
Operating loss					**(331.9)**	**250.4**	**(81.5)**
Finance income					12.0	–	12.0
Finance expense					(59.4)	2.9	(56.5)
Loss before tax					**(379.3)**	**253.3**	**(126.0)**

During the 52 weeks to 1 September 2024 ("the period") the Group realised an adjusted loss before tax of £126.0m as sales were impacted by continued challenges in the market, including higher cost of living pressures, and the volume impact of profit initiatives taken in FY23 under our Driving Change agenda, alongside new programmes implemented in the current financial period.

As in the first half of the period, the focus of these changes continued to be on improving stock-health and clearing aged inventory to improve cash flow and provide an efficient, sustainable operating model into future periods. While impacting top-line growth, these initiatives simultaneously provided material, ongoing savings throughout our cost base.

The reported loss before tax of £379.3m for the period includes adjusting items totalling £253.3m. Property-related initiatives account for £144.4m, including the mothballing of our Lichfield fulfilment centre, as announced in our FY23 results. The majority of the expenditure under this programme is the non-cash impairments of tangible, intangible and right-of-use assets.

Outside of the Lichfield programme, other adjusting items include £94.8m relating to exceptional stock write-off programmes. The remaining £14.1m primarily relates to the amortisation of intangibles associated with the Arcadia brands.

During the previous financial year we aligned our internal and external reporting periods to increase reporting efficiency. As a result of this change the previous reporting period had four additional trading days compared to the current financial year. The impact of this on Group sales growth was c.1.4% and the associated profit and cash flow impact is immaterial.

Adjusted EBITDA in FY24 is £80.1m, a reduction of £44.4m vs the £124.5m achieved in FY23, primarily a product of the lower revenues and increased discounting to clear aged stock, mitigated in part by the strong progress made on reducing our cost to serve.

Revenue

KPIs	Period to 1 September 2024	Period to 3 September 2023	Change
Active customers (m)[6]	**19.6**	23.3	(16%)
Average basket value[7]	**41.07**	40.33	2%
Average basket value CCY[8]	**41.21**	40.33	2%
Average order frequency[9]	**3.43**	3.59	(4%)
Total shipped orders (m)	**67.2**	83.7	(20%)
Total visits (m)	**2,252.4**	2,661.3	(15%)
Conversion[10]	**3.0%**	3.1%	(10bps)

Total LFL sales declined by 16%[2] as a result of the continued impact from annualising the actions taken during FY23 to improve profitability, combined with challenging conditions across our key markets and the impact of a number of new initiatives focused on driving improved profitability.

Active customers declined 16% year-on-year (YoY), continuing trends seen in previous periods as we focus on improving the profitability of our customers. This changing dynamic is in part evidenced by the increase in Average Basket Value (ABV) which rose 2% on a full-year basis.

In addition to the impact of lower active customers and general market factors, visits performance was also impacted by changes to our performance marketing approach in H2 FY24, with optimisations made to the model allowing us to reduce investment whilst delivering a net positive impact on variable contribution.

During H2 FY24 we introduced a net order threshold on free returns for customers with excessive returns in France, Germany and the US. This programme aims to improve profitability within a small group of customers; it does however provide a small headwind in revenue, as we make fewer, more profitable sales.

Performance by market
United Kingdom

UK KPIs	Period to 1 September 2024
Total Sales	-14% (-12% LFL)
Visits	-14%
Orders	-18%
Conversion	-30bps
ABV	+4% (+4% CCY)
Active Customers	7.0m (-13%)

Sales in the UK declined by 12% YoY[2] against a difficult consumer backdrop as a result of the cost of living challenges which particularly impacted the fashion retail sector.

Active customers were down 13% YoY, broadly tracking sales trends based on the same factors. The lower demand in the market also impacted visits throughout the period which were down 14% YoY. When combined with a step-back on conversion this led to an 18% decline in orders. In contrast ABV performed well, +4% YoY, indicating that profit actions are positively influencing customer behaviour to underpin basket economics.

At the beginning of H2 FY24 we saw similar YoY trends as during H1 however, as stock health improved, Q4 FY24 began to show a more promising trajectory on revenue, demonstrating clear demand for our full-price stock.

Europe

EU KPIs	Period to 1 September 2024
Total Sales	-14% (-13% LFL)
Visits	-16%
Orders	-17%
Conversion	flat
ABV	+4% (+5% CCY)
Active Customers	9.0m (-11%)

Visits were challenging in our European markets, down (16%) YoY with weaker consumer demand, combined with tough competition and continued promotional aggression in these markets.

Despite the impact on conversion from actions taken as part of our Driving Change agenda as well as the new initiatives in FY24, conversion remained resilient, flat YoY. This, combined with the improved ABV, +5% YoY, led to some mitigation to the visit performance, with sales declining by 13% YoY[2].

Financial review continued

United States

US KPIs	Period to 1 September 2024
Total Sales	-32% (-28% LFL)
Visits	-23%
Orders	-31%
Conversion	-20bps
ABV	-3% (+1% CCY)
Active Customers	2.1m (-27%)

Total US sales fell by 28% YoY[2], with H2 FY24 back by 33%, reflecting the more restrained approach to paid media spend alongside the continued market weakness and the strong competition bolstered by high levels of promotional aggression, which combined led to a 23% decline in visits.

Conversion declined 20bps YoY as a result of the wide-ranging actions taken throughout FY23 to improve the region's profitability, alongside the introduction of a free returns threshold for some customers towards the end of FY24.

Rest of World

RoW KPIs	Period to 1 September 2024
Total Sales	-29% (-30% LFL)
Visits	-13%
Orders	-38%
Conversion	-40bps
ABV	+7% (+5% CCY)
Active Customers	1.4m (-36%)

Rest of World ('RoW') sales fell by 30% YoY[2] reflecting the annualisation of the widespread profitability measures outside our core geographies which were implemented during FY23, including price increases and changes to our delivery proposition. This has primarily manifested in reduced conversion, 40bps back YoY, leading to a reduction in orders of 38%.

ABV has continued to be strong in the period, up 7%, building on the double-digit ABV increase already achieved last financial year.

Gross margin

Adjusted gross margin[3] fell 80bps YoY to 43.4%. Strong H2 performance (+120bps YoY) mitigated some of the declines reported in H1, where increased discounting as part of our planned activities to accelerate clearance of old and aged stock led to a 260bps decline vs H1 FY23.

Building on the strategic trading decisions taken in H1 FY24 to improve profitability we further optimised our discounting through H2, improving the profitability of our best performing stock, whilst continuing to clear through old and aged stock. As in H1 we have achieved this in part through increased use of promo exclusions, ensuring we protect fast-selling full price stock. At the beginning of Q4 we began testing suppression of some of our oldest stock; increasing the full price mix and ensuring that we continued to target on-site discounting to clearance lines that remained seasonally relevant and interesting to our consumers.

These tests demonstrated the significant gross-margin gains we anticipate as part of our new operating model with H2 FY24 adjusted gross margin c.640bps higher than H1.

Based on the success of these tests, a decision was taken at the end of the period to recognise an exceptional stock-provision against this stock. This will allow us to operate fully on the new operating model from FY25 onwards – with the provision for stock cleared through off-site channels established during the previous financial year.

Reported gross margin was 40.0% (110bps lower than FY23) with the key difference vs adjusted gross margin being the impact of the stock write-off programmes.

Operating expenses

Despite an overall volume decline, adjusted cost to serve fell to 40.7% of sales demonstrating the significant progress in improving our operating efficiencies and reducing fixed costs.

£m	Period to 1 September 2024	% of sales[11]	Period to 3 September 2023	% of sales	Change in £ value
Distribution costs	**(326.1)**	**(11.3%)**	(429.7)	(12.1%)	24.1%
Warehousing	**(311.1)**	**(10.7%)**	(416.4)	(11.8%)	25.3%
Marketing	**(190.5)**	**(6.6%)**	(195.0)	(5.5%)	2.3%
Other operating costs	**(351.5)**	**(12.1%)**	(400.4)	(11.3%)	12.2%
Adj. cost to serve (excl. D&A)	**(1,179.2)**	**(40.7%)**	(1,441.5)	(40.8%)	18.2%
Depreciation and amortisation	**(161.6)**	**(5.6%)**	(152.9)	(4.3%)	(5.7%)
Adj. operating costs	**(1,340.8)**	**(46.2%)**	(1,594.4)	(45.1%)	15.9%
Adjusting items[3]	**(155.6)**	**(5.3%)**	(115.1)	(3.2%)	(35.2%)
Total operating costs	**(1,496.4)**	**(51.5%)**	**(1,709.5)**	**(48.1%)**	**12.5%**

Distribution costs at 11.3% of sales decreased by 80bps YoY. Lower volumes provided a headwind, reducing the benefit from volume-based rebates. However as a result of the optimisation of our UK fulfilment operations in FY23 to avoid split orders and improved rates from carriers, secured through consolidating volume into key strategic partners in each region, we were successful in not only mitigating these costs, but delivering a saving versus the previous year.

Warehouse costs as a percentage of sales decreased by 110bps YoY to 10.7% despite the deleveraging of fixed costs from reduced volumes. Initiatives from our Driving Change agenda in FY23 annualised in the first half providing a strong start to the year and further improvements in the efficiency across our fulfilment network, combined with the benefits from reduced fixed costs following the closure of the Lichfield fulfilment centre and the Selby returns centre, supported us to deliver cost reductions that outpaced the volume decline.

Marketing costs decreased by 2.3% YoY. However, as a result of increased full-funnel marketing, the impact of volume deleverage and an increase in the paid-visit mix, as a percentage of revenue, it increased 110bps YoY to 6.6%. Towards the end of the year we made significant optimisations in our performance media model which enables us to reduce investment while delivering an increased variable contribution and supports further investment in our full-funnel strategy.

As part of this strategy, we have scaled our influencer programme, working with an average of c.1,500 influencers per month by the end of the year.

Other operating costs fell by £48.9m or 12.2% YoY. The reduction represents the continued benefits from right-sizing our fixed cost base throughout FY23, alongside continued management focus on driving profitability supported by controlling costs. Headcount was 3.5% lower at the end of the period compared to FY23, and has now fallen by c.14% vs the FY22 closing position. Transaction costs have reduced by £17.3m both as a result of lower volumes as well as improved terms with key payment providers. Technology spend reduced by £4.9m despite inflationary pressure as a result of continued focus on driving efficiency in this spend area.

Depreciation and amortisation costs (excluding adjusting items) as a percentage of sales increased by 130bps YoY. In addition to the deleveraging impact of lower revenue, the absolute depreciation and amortisation charge increased, primarily as a result of the growth in intangible assets including data services, operations systems and improvements to web and payments platforms.

Interest

A finance expense (excluding adjusting items) of £56.5m was incurred compared to £46.3m in FY23. This reflected rising interest rates (SONIA remained at c.5.2% throughout the period, vs an average of c.3.7% in FY23) as well as a higher margin payable post the May 2023 refinancing.

Finance income of £12.0m includes interest earned on deposits at financial institutions, an increase of £5.0m YoY. This increase was primarily a result of the rising global interest rate environment, seen in finance expenses; alongside improved efficiency in investing excess cash deposits.

Taxation

The reported effective tax rate is 10.7% based on the reported loss before tax of £379.3m. This is lower than the FY23 effective tax rate of 24.8% due to the effect of unrecognised deferred tax assets on losses in the current period.

Earnings per share

Both basic and diluted loss per share were 284.4p (FY23: basic and diluted loss per share of 213.0p). The higher loss per share is a function of increased loss for the period of £338.7m (FY23: £223.1m). The potentially convertible shares related to both the convertible bond and ASOS' employee share schemes have been excluded from the calculation of diluted loss per share as they are anti-dilutive for the period ended 1 September 2024.

Financial review continued

Free cash flow

£m	Period to 1 September 2024	Period to 3 September 2023
AEBITDA	80.1	124.5
Share-based payments and other non-cash items included in AEBITDA	2.6	7.0
Cash impacting adjusting items	(20.2)	(53.4)
Income tax received	10.3	18.3
Decrease in inventory (excl. swo)[12]	143.1	180.4
Decrease/(Increase) in other working capital[13]	12.1	(260.4)
Operating cash flow	**228.0**	**16.4**
Purchase of property, plant & equipment and intangible assets	(133.5)	(177.9)
Payment of lease liabilities (principal)	(25.5)	(22.4)
Interest received	11.3	4.5
Interest paid	(42.6)	(33.6)
Free cash flow	**37.7**	**(213.0)**
Issuance of equity	–	77.6
Proceeds from borrowings & RCF drawdown	–	450.0
Repayment of borrowings	(0.5)	(251.7)
Refinancing fees	–	(30.8)
Cash flow	**37.2**	**32.1**

There was a free cash inflow[14] (before items relating to financing) of £37.7m for the period, an improvement of £250.7m YoY with a further reduction in inventory (excluding the impact of the exceptional stock write-off) driving a £143.1m inflow (FY23: £180.4m) during the period.

Cash was used to fund capital investments of £133.5m, a reduction of £44.4m (25.1%) YoY with spend lower across both intangible assets and property, plant and equipment. This figure includes £17.1m of spend in the period relating to the Lichfield fulfilment centre which has subsequently been impaired; excluding this, capital investment would total £116.4m for the period.

Net debt, refinancing and liquidity

£m	Period to 1 September 2024	Period to 3 September 2023
Convertible Bond (fair value of debt component)	**478.1**	464.4
Term Loan & RCF, including accrued interest	**190.2**	184.8
Nordstrom loan	**19.8**	20.4
Put option liability[15]	–	3.2
Borrowings	**688.1**	672.8
Cash & cash equivalents	**(391.0)**	(353.3)
Net debt (excluding lease liabilities)	**297.1**	319.5

Excluding lease liabilities, net debt at 1 September 2024 was £297.1m, a reduction of £22.4m in the period, with the free cash inflow of £37.7m partially offset by debt movements relating to the non-cash unwind of the effective interest rate on the convertible bond, and the unwind of capitalised fees on the term loan.

Cash and undrawn facilities totalled £408.2m at 1 September 2024 (FY23: £428.3m) and included cash and cash equivalents of £391.0m (FY23: £353.3m). The strong progress on inventory in the period has continued to reduce the available RCF under the Bantry Bay facility to £17.2m which remains undrawn (FY23: £75.0m).

Post balance sheet events
On the 5 September 2024 we announced the sale of the Topshop and Topman brands to a subsidiary of Heartland A/S, as well as a refinancing programme resulting in the repurchase of £173.4m of convertible bonds due 2026 and the exchange of £253.0m into new convertible bonds due 2028. As a result of these transactions ASOS' net debt position will reduce by c.£130m. Refer to note 30 of the financial statements for more information.

Outlook and Guidance

In FY25, the benefits of our new commercial model will become increasingly apparent. As such, we expect FY25 gross margin improvement of at least 300 bps to more than 46% and adjusted EBITDA[3] growth of at least 60% to £130m to £150m. While the TSTM Joint Venture is expected to have a £10m to £20m negative adjusted EBITDA impact in its first year of operation, it will be increasingly EBITDA accretive over time. We expect FY25 free cash flow to be broadly neutral, with capex of c.£130m and cash interest of c.£35m.

We will continue to focus on managing the inputs that will drive sustainbly profitable revenue growth. Over H1 FY25, we expect a continuation of current revenue trends - strong performance of new intake offset by decline in sales of older stock from significantly lower stockholding, resulting in an overall sales decline. For FY25, we expect revenue[2] to be within the current consensus range[16]. As a result of the significantly higher mix of full-price sales and the decisive actions taken to improve order economics, we are confident in achieving significant profit improvements in H1 FY25 and the full year, regardless of revenue levels.

Our core focus remains sustainable, profitable growth. In the mid term we continue to expect to generate adjusted EBITDA sustainably ahead of capex, interest, tax and leases, with revenue growth and an adjusted EBITDA margin of c.8%. Our new commercial model can drive materially higher gross margin towards c.50% through higher full-price sales mix and flexible stock models, which also benefit our inventory days. Our focus on efficient capital allocation will bring our capex down to 3% to 4% of sales, over time, we anticipate that our improving profitability and cash flow will also reduce our net debt and interest levels.

Dave Murray
Chief Financial Officer
5 November 2024

Notes
1 Numbers throughout this section are subject to rounding.
2 Constant currency (CCY) sales includes retail sales, and income from other services, adjusted for the impact of foreign exchange translation. Like-for-like (LFL) sales reflect constant currency sales adjusted for the impact of four additional trading days in FY23.
3 The adjusting items are explained in note 3 of the financial statements. Reconciliations between statutory measures and their associated APMs can be found in pages 188 to 193.
4 Retail sales are internet sales recorded net of an appropriate deduction for actual and expected returns, relevant vouchers, discounts and sales taxes.
5 Income from other services comprises of delivery receipt payments, marketing services, commission on partner-fulfilled sales, revenue from wholesale sales, and income from jobber and other clearance channels.
6 Active customers defined as having shopped in the last 12 financial months.
7 Average basket value is defined as adjusted net retail sales divided by shipped orders.
8 Average basket value CCY is calculated as adjusted constant currency net retail sales divided by shipped orders.
9 Average order frequency is calculated as total shipped orders in the last 12 financial months divided by active customers.
10 Conversion is calculated as total shipped orders divided by total visits.
11 As a percentage of adjusted revenue for all lines other than 'Total operating costs' which is expressed as a percentage of reported revenue.
12 Stock-write-offs associated with our Driving Change agenda, accounted for a £130.0m reduction in inventory during FY23 and £104.6m in FY24.
13 Includes working capital movements associated with adjusting items; a breakdown is included on page 191.
14 Free cash flow is net cash generated from operating activities, less payments to acquire intangible and tangible assets, payment of the principal portion of lease liabilities and net finance expenses.
15 Reclassified to other payables during FY24.
16 Revenue consensus as at 31st October 2024 of -9% to +6%, published on www.asosplc.com/investor-relations/analyst-consensus-estimates/

Risk management at ASOS

Delivering our strategy will require us to take the right risks whilst protecting ASOS and our ASOSers from unrewarded threats. To achieve this balance, we are guided by our Enterprise Risk Management Policy and Standard.

These documents apply to all parts of ASOS and are designed for the needs of our fast paced and rapidly changing business with its unique culture. They empower ASOSers to consciously take appropriate risks after pausing and thinking about how and when to manage, control, mitigate, and escalate, to keep our risk exposure within appetite.

Our approach to risk management

We maintain a continual cycle of risk and opportunity identification and response throughout our day-to-day decision making and operations. We understand that creating a culture of risk awareness whilst remaining opportunity-driven enables us to continue to move at pace in everything we do. Our approach to risk management is categorised by three phases of activity:

Protect: At its core, our risk management approach seeks to protect our ASOSers and ASOS' established value. 'Protect' involves managing today's risks, including those relating to compliance with laws, regulations, our own processes and operations, and those that could negatively impact our brand and reputation.

Anticipate: The external environment within which we operate exposes us to a range of continually evolving and changing risks. We have limited ability to prevent some of these risks from materialising including regulatory change, conflict and civil unrest, pandemics, and cyber-attacks. What we can control is how prepared we are to respond in the event they do occur. 'Anticipate' involves identifying risks on our horizon and planning how we would respond to minimise or mitigate their impact if they occurred. Whilst external risks may be threats to achieving our strategic objectives, they can also present significant opportunities as effective responses can give us competitive advantage.

Grow: We continually innovate and improve how we do things to remain competitive in our markets. Success requires multiple strategic decisions that accept taking proportionate levels of risk for sustainable growth and competitive advantage. 'Grow' involves reliance on our 'Protect' & 'Anticipate' activities, using our knowledge and understanding of our risks to manage them in line with our risk appetite. 'Grow' is about taking the right risks at the right time in the right way.

Roles and responsibilities

Our Board, supported by our Audit Committee, is accountable for ensuring that we have an appropriate and effective risk management and control framework, in line with the UK Corporate Governance Code requirements. Our Board determines the nature and the extent of risks we are prepared to take in pursuit of delivering our strategy by setting and approving changes to ASOS' Risk Appetites. Our Management Committee holds day-to-day accountability, delegated by the Board, for implementing and operating effective risk management and control processes.

To help the Board achieve these objectives, we have captured our complete risk universe in the ASOS Risk Taxonomy which forms part of our Risk Management Standard. Each risk captured in our risk registers is linked to a Taxonomy category so risk information can be aggregated, and risk appetites (see below) shared with risk owners in an organised way.

Having a clear picture of our risk exposure enables effective strategic decisions and allocation of resources. Understanding what risks may prevent us from achieving our strategic goals and how we are going to respond is key, underpinned by information provided by ASOSers recording and escalating risks in a consistent way.

Protect

today's values

Establish the **foundations** to protect against unrewarded threats.

Make it easy to **manage** risk.

Anticipate

what is on the horizon

Look **beyond today** and bring the outside in.

Build **resilience** and beat the competition.

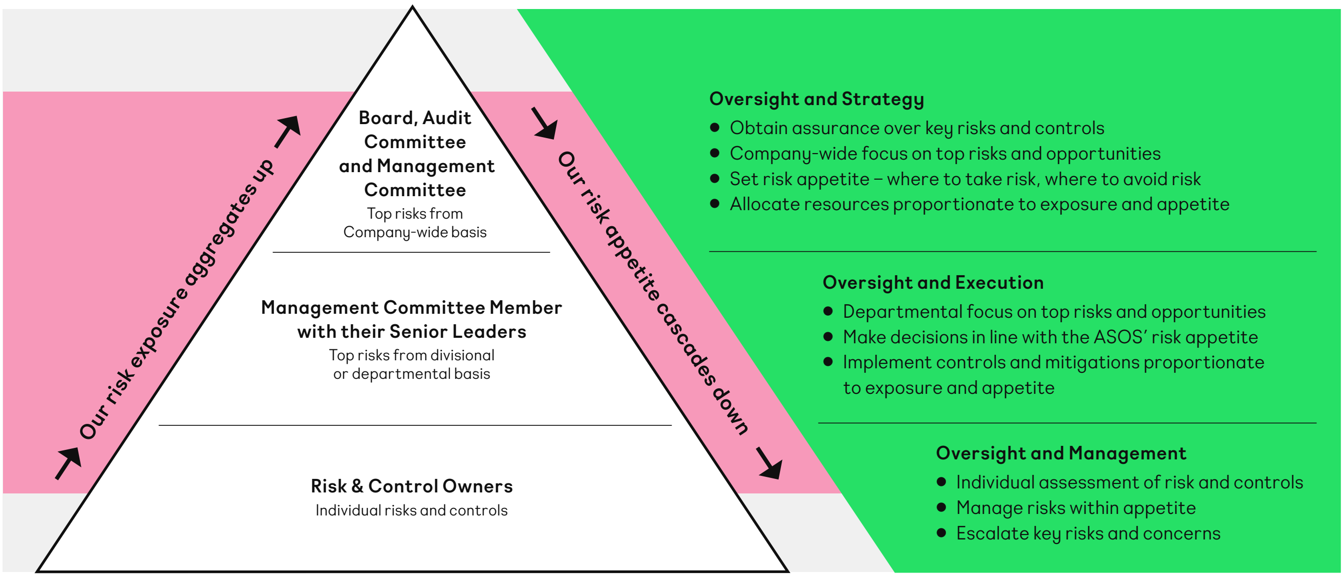
Grow

sustainably for tomorrow

Take the right **risks**, at the right time, in the right way.

Make **great** things happen.

Proactive and forward-thinking, with real insights and intelligence to inform decision-makers.
Focus on the right things, with effective and efficient control proportionate to the risk.



Risk appetite
Our risk appetite is how much risk we are willing to take or not take in pursuit of our strategy, set separately for each different risk category within our Risk Taxonomy. Understanding our risk appetite helps us take the right level of risk in taking advantage of opportunities. This is at the heart of our risk management approach. Our risk appetite has been set by the Management Committee and approved by the Board, enabling ASOSers to take and avoid risk in line with their mandate.

Our risk appetites for each risk Taxonomy category are set on a 3-point scale from lowest to highest of: (i) risk averse, (ii) balanced, and (iii) opportunity seeking. This scale informs our desired approach for assessing associated risks and opportunities including for the related control environment, assurance plans, offsetting and risk treatment. Applying the scale requirements provides a framework for our ASOSers to operate within.

Risk assurance
Assurance and oversight over our risk management controls are guided by our risk appetites as described above. Our approach echoes the Three Lines of Defence model, where day-to-day responsibility for risk management lies with business risk owners supported by control operators in the first line. Our Risk Management team provides second line guidance, oversight, and challenge on risk management activities. They also facilitate the risk management process to provide insights and assurance to the Audit Committee and Board. Internal Audit deliver third line risk-based audits to provide independent assurance over our key risks.

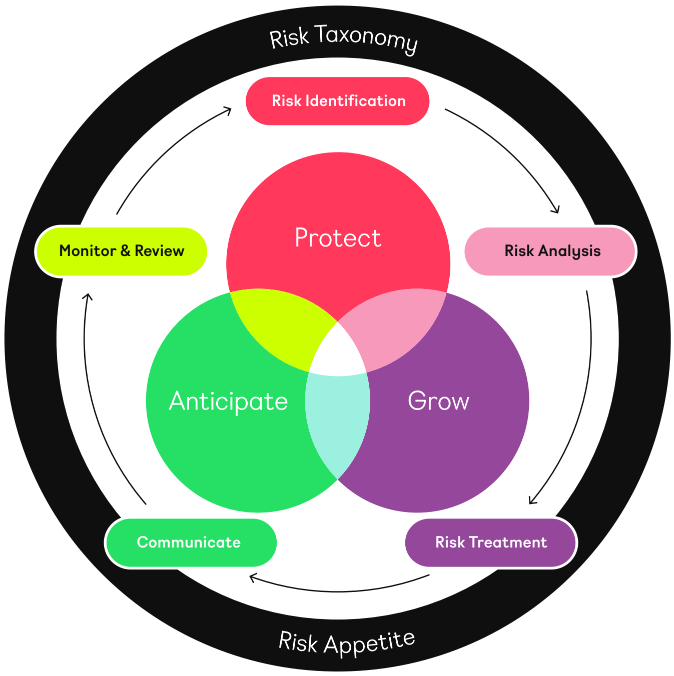
Emerging risks
As a global company our principal risks and opportunities are created through the complex nature of our operations, scale, and ambition, and we know that emerging risks can change quickly and can be heavily influenced by the macroeconomic environment.

As well as for recognising our current risks and actions needed, our risk management approach is also used to identify, monitor, and plan mitigations and/or responses for our emerging risks. Regular reviews of our risk profile throughout the year and outputs from working groups and forums are used to identify emerging risks and opportunities and drive further analysis and planning.

The focus of our discussions and analysis during the period have been on the continuing complex and challenging risk landscape, including evolution of inflation and cost of living crisis, evolving legislation in our markets, particularly regarding sustainability and climate change, strengthening of UK Corporate Governance requirements, impacts of global conflicts and evolving cyber risks. We expect this to continue to impact our supply chain, people, operations, and customer behaviours as these events progress and come into force.

As we navigate these uncertainties and changes, we continue to scan the horizon to ensure that we identify emerging risks as soon as possible and react early where needed to either mitigate or take advantage of opportunities.

Risk management enhancements in FY24
We continuously develop and improve our risk management approach to ensure it remains aligned with our objectives and is embedded in the way we do business. In this financial period we rolled out our new Enterprise Risk Management Policy which mandates roles and responsibilities of different ASOS groups, helping to advance our Three Lines of Defence approach. We also re-launched our risk champions' network to enhance functional ownership for risk management and sharing of risk information.



Principal risks and opportunities

Risk movement key

↑ Increased risk ↓ Decreased risk ↕ Stable Δ New risk

Link to our business model

01 The best and most relevant product
02 A destination for style
03 A compelling and distinct brand
04 Competitive convenience
05 Disciplined capital allocation

1 Data breach

Risk movement ↕

Link to our business model 03

Risk owner: General Counsel and Company Secretary

What's the risk?

As an online retailer we have 19.6 million active customers worldwide and employ thousands of ASOSers. We use certain confidential and/or personal data for activities including processing orders, receiving payments, engaging with our customers and for our internal operations. Unauthorised access to, or the deliberate theft or accidental loss of, confidential ASOS or personal data could cause reputational damage and non-compliance with laws and/or regulations. This could result in significant financial penalties, regulatory investigation, and/or a loss of stakeholder confidence in ASOS.

Risk movement

No material changes identified in the period.[1]

How do we manage the risk?

- Privacy and information security control frameworks have been defined and implemented by our independent Data Protection Officer (DPO) and Chief Information Security Officer (CISO) who work together closely to minimise the risk and impact of a data breach.
- Policies, procedures, and response plans, processes for reporting and assessing data incidents/breaches and security controls for protecting confidential data and monitoring for its loss are in place across the business.
- Our Data Privacy team has processes in place to maintain visibility of the collection, use and reuse of personal data, monitors for new projects/contracts using personal data, and ensures training and awareness activities are in place. Data protection training is provided to all new ASOSers on joining and then at least annually, and regular education campaigns are delivered through internal communications.
- Regular Data Privacy control internal audits are completed in line with ASOS' risk appetite, focusing on key areas of privacy risk management across the Group.
- Data protection and security assessments are embedded within our procurement process for selecting, acquiring, and embedding new assets, services, and partnerships. The Data Protection team reviews all new contracts where goods or services involve personal data.

2 Cyber security incidents

Risk movement ↕

Link to our business model 02

Risk owner: Executive Vice President - Technology

What's the risk?

We place reliance on our platform and systems to operate and to protect the sensitive data we hold. Malicious internal or external activity such as successful malware infection, phishing attempt, or ransomware or disruptive attack could lead to unauthorised access, disclosure, loss, inappropriate use, or alteration of ASOS data and information. These could result in a data breach, operational disruption, non-compliance with regulations, and loss of stakeholder confidence in ASOS.

Risk movement

No material changes identified in the period.[1]

How do we manage the risk?

- Our Cyber Security team implements and monitors controls and tools to ensure our security and fraud prevention operations are effective and efficient. A security strategy is in place to drive delivery of ongoing enhancements.
- We work with independent third-party security specialists to complete periodic penetration testing across our network.
- Access management controls, including multi-factor authentication, increase our protection against accidental, unauthorised or inappropriate access to our information, applications and infrastructure.
- An ongoing programme of cyber awareness campaigns is delivered to improve ASOSers' knowledge of cyber security management approaches and requirements. Cyber awareness training is provided to all new ASOSers on joining and then at least annually, and regular education campaigns are delivered through internal communications.
- We maintain necessary response and recovery support, approaches, technology, controls and playbooks to respond quickly and effectively to cyber incidents.

1 As outlined in our approach to risk management on pages 62 to 63 our Audit Committee and Board review and monitor our risk environment throughout the year, to identify evolving threats and opportunities and to support continual improvement of our control environment.

3 Availability of technology services

Risk movement

Link to our business model 02

Risk owner Executive Vice President - Technology

What's the risk?

We rely on many different technical platforms and systems to support our customer journey, including for our website and apps, fulfilment and internal activities. Failure of these technology services could impact our day-to-day operations, including how we process and fulfil customer orders, and result in reduced customer proposition, lost opportunity and lost stakeholder confidence in ASOS.

Risk movement

This risk has increased slightly from FY23 following some opportunities to enhance resilience and compliance controls being identified through our continual improvement activities in the period. Remediation work has been scoped and is being progressed.

How do we manage the risk?

- Our core operational processes and systems architecture are engineered for high resilience and availability.
- We are in the final phases of a programme to mature our capability to recover and restore key systems and data following technology disruption.
- Our Reliability Engineering practice regularly reviews service providers critical to our customer journey to ensures they have the necessary level of resilience in place.
- All new suppliers go through rigorous selection and on-boarding processes. Supplier performance is monitored on an ongoing basis once they are onboard.
- We have mature process for monitoring operational risks.

4 Macroeconomic changes

Risk movement

Link to our business model 05

Risk owner Chief Financial Officer

What's the risk?

Macroeconomic and geopolitical changes and uncertainty can influence our business by impacting our ability to trade across borders, changing the balance of global economics, influencing customer behaviours, diminishing our customer proposition, and ultimately impacting our financial performance and assessments.

Risk movement

During the financial period we have continued to monitor the following environmental changes which have had direct and indirect impacts on this risk:

- Conflict, geopolitical tensions, and supply chain disruptions around the world.
- Potential geopolitical implications resulting from the high level of elections taking place around the world in 2024.
- Increases in shipping delays and surcharges which have a wider impact on the global economy as well as on our Supply Chain Disruption principal risk (see page 66).

Whilst these environmental changes add to the risk, the relative size of these events compared to existing and ongoing global challenges mean risk scores have remained unchanged.

How do we manage the risk?

- We monitor shifts in the macroeconomic environment to ensure we are ready to react to minimise or mitigate current or future risks wherever possible.
- Our Management Committee and Commercial Committee model and monitor supply and demand impacts from recession/inflation cycles, geopolitical events and recently the cost of living crisis. Impacts can include shifts in customer behaviours and market dynamics and economic volatility (see also Market dynamics and impact on our business principal risk on page 67).
- Our sourcing and supply chain is diverse involving multiple suppliers and locations to minimise over-reliance on any individual country, supplier or brand. We can use our extensive network to pivot our sourcing approach in response to capacity or capability challenges or other disruptions.
- We continue to strengthen our balance sheet, cash generation and manage gearing to improve our resilience.

Principal risks and opportunities continued

5 Foreign exchange rate exposure

Risk movement

Link to our business model 05

Risk owner Chief Financial Officer

What's the risk?

We are a UK-based global online retailer sourcing products from suppliers and selling products to customers across the world in multiple currencies. These operational exposures to international markets and currencies and reporting in pound sterling gives rise to both a transaction and translation risk exposure. Movements in foreign exchange rates could have an adverse impact on our financial performance and profitability.

Risk movement

No material changes identified in the period.[1]

How do we manage the risk?

- We adapt and maintain a robust foreign exchange risk management policy to appropriately manage the risks associated with our business operating model.
- Our foreign exchange risk management approach considers emerging macroeconomic risks which could give rise to heightened volatility in foreign exchange markets.
- We maintain strong lead indicators, which helps protect us against any adverse movements in foreign exchange rates.
- We preserve profitability through capitalising on natural hedges where possible and supplement them using foreign exchange hedging instruments in line with our foreign exchange risk management policy.
- For more details on how we manage our foreign currency risk, see page 167.

6 Supply chain disruption

Risk movement

Link to our business model 04

Risk owner Executive Vice President - Global Logistics & Supply Chain

What's the risk?

Macroeconomic and geopolitical changes and uncertainty can influence our business by impacting our ability to trade across borders, changing the balance of global economics, influencing customer behaviours, diminishing our customer proposition, and ultimately impacting our financial performance and assessments.

Risk movement

Conflict, geopolitical tensions, and supply chain disruptions around the world have caused supply chain cost increases and longer lead times.

Our Supply Chain team continued to work closely with carriers to find the best possible solutions to mitigate the additional risk and where possible delivered proactive approaches to avoid further issues.

How do we manage the risk?

- We continuously monitor and forecast market demand and our inventory availability to adjust and manage our intake.
- Inbound shipments are tracked through our global Supply Chain partner to identify issues and improve lead times whilst automation of our fulfilment centres increases resilience, throughput capacity and productivity.
- We use multiple delivery methods, routes, ports, and carrier strategies to minimise the possible impact of disruptions.
- Ongoing relationship management with our carriers and suppliers and an improved inbound platform ensure earlier warnings of disruption and mitigation actions.
- Our Supply Chain Business Continuity strategies and plans continually evolve to enhance our ability to respond to incidents. This includes incorporating lessons learnt from past events into our operations and processes.

1 As outlined in our approach to risk management on pages 62 to 63, our Audit Committee and Board review and monitor our risk environment throughout the year, to identify evolving threats and opportunities and to support continual improvement of our control environment.

7 Market dynamics and impact on our business

Risk movement

Link to our business model 03

Risk owner Chief of Staff & Strategy

What's the risk?

The e-commerce market evolves rapidly and is highly competitive, containing a mixture of large multi-brand marketplaces, fashion brands, disruptive new entrants, re-sellers and online stores from traditional store-based retailers. Failure to keep pace with the sector in terms of proposition, relevance of ASOS brands and customer awareness could impact customer behaviours and decrease our market share, ultimately impacting our financial performance.

Risk movement

No material changes identified in the period.[1]

How do we manage the risk?

- We continuously gather market insights to monitor industry dynamics and trends globally across both the online and offline retail market.
- We conduct regular strategic reviews to assess how our proposition compares to industry competitors, and to monitor shifts in changes to competitors' propositions and strategies.
- We test new products and concepts to ensure we remain innovative and evolve alongside consumer behaviours and preferences.
- Our strategy as a multi-brand platform focuses on having the right brands and products on site, while diversifying our exposure to any rapidly changing individual trends.
- Our marketing strategy is reactive to changes in market dynamics and focuses on keeping ASOS front of mind for customers as the e-commerce market evolves.

8 Ethical trade issues

Risk movement

Link to our business model 01

Risk owner Executive Vice President - Product

What's the risk?

We source our products through a diverse global network of third parties and with this comes a responsibility for ensuring the workers in our supply chain have a safe working environment in which their human rights are respected and protected. Failure to ensure their rights could result in us not meeting our own standards or external targets, incorrect external reporting or product claims, and fines, litigation and a loss stakeholder confidence in ASOS.

Risk movement

No material changes identified in the period.[1]

How do we manage the risk?

- Our contractual supplier policies and guidelines, which include the ASOS Code of Conduct, align to the Ethical Trading Initiative base code and International Labour Organization fundamental conventions.
- Our in-country and head office Human Rights teams and third-party auditors monitor compliance with our human rights policies and requirements through our audit programme and support mitigation/remediation where we do identify risks/issues.
- We work proactively to identify and remediate issues within our supply chain and have access to support from our global partnerships with Non-Governmental Organisations (NGOs) such as Anti-Slavery International, the trade union IndustriALL Global Union and in-country partnerships with local independent workers' rights organisations.
- Our ASOSers annually complete mandatory training on identifying and preventing Modern Slavery.

1 As outlined in our approach to risk management on pages 62 to 63, our Audit Committee and Board review and monitor our risk environment throughout the year, to identify evolving threats and opportunities and to support continual improvement of our control environment.

Principal risks and opportunities continued

9 Failure to comply with legislation or regulation

Risk movement ↕

Link to our business model 03

Risk owner General Counsel and Company Secretary

What's the risk?

We operate across different markets and business sectors so are subject to multiple and varying regulatory frameworks and legislation. Unanticipated and/or complex emerging and existing regulations and legislation (including over digital, product and consumer protection, climate and environment, financial crime, corporate governance and taxes) need effective responses and ongoing management to ensure continued compliance. There are often significant costs associated with understanding the individual requirements of each market and the different business sectors, and for any operational changes that need to be implemented to ensure we comply. Failing to comply could lead to fines, litigation, business disruption through regulatory action and loss in stakeholder confidence in ASOS.

Risk movement

The volume, breadth and complexity of new regulations and legislation requiring consideration, planning or response continued to increase during the year. This included key upcoming UK and EU requirements over sustainability and climate change, additional UK Corporate Governance Code obligations, and a new Corporate Criminal Offence over Failure to Prevent Fraud. No material changes in our risk rating were identified in the period as the changes are not yet enforceable and work has been commenced and is being progressed to ensure we will be compliant when they are live.

How do we manage the risk?

- Our Governance Working Group is a management forum which monitors, reviews and manages business-wide governance risks and ensures we are disciplined in our governance activities.
- Regulatory/legislative horizon scanning activities are in place to identify upcoming risks and required compliance activities are maintained, including across compliance, legal and ESG-related topics.
- Clear policies and procedures are in place and regularly reviewed and updated to ensure we comply with requirements.
- Regular compliance training is completed by ASOSers. This includes mandatory training for all new starters, annual compliance passport refreshers for all and targeted specialist training for individuals, to ensure they are aware of their responsibilities.

10 Sustainability and climate change

Risk movement ↑

Link to our business model 01

Risk owner Executive Vice President – Product

What's the risk?

Managing our sustainability and impact on the planet is central to our purpose and business model. We face both risks related to the transition to a lower-carbon economy and the physical impacts of climate change, throughout our own operations and supply chain. These include changes in technology, market risks, and how our response to climate change affects our reputation. Physical risks can be event driven by (acute) or longer-term (chronic) shifts in climate patterns. Failure to manage these risks effectively could impact our financial performance through a loss of stakeholder confidence in ASOS, reduced market share, increased costs, tax penalties or potential operational disruption.

In our TCFD section on pages 34 to 45, we have presented a full analysis of our climate-related transition and physical risks and opportunities.

Risk movement

This risk has increased slightly following work in the period which improved our understanding of the risk and activities to reach our goals, including updating our materiality assessment (see page 34), refreshing our climate-related risk and opportunity analysis (see pages 38 to 43) and updating our FWI Strategy (see pages 28 to 33). The volume and complexity of sustainability and climate-related legislation also continued to grow and deadlines for announced legislation became nearer, increasing the urgency and scale of activities needed.

How do we manage the risk?

- We have contractual policies and guidelines (e.g. the ASOS Own-Brand Supplier Environmental Code of Conduct and the Third-Party Brands Ethical Policy) to ensure our suppliers' and partners' actions are aligned with the FWI Strategy goals.
- Our Fashion with Integrity (FWI) programme and associated governance structures manage our ESG-related risks and business activities. Progress against relevant targets is monitored through these forums and overseen by our Sustainability Committee (see pages 94 to 95).
- We regularly monitor our climate-related risks and opportunities and completed an updated deep-dive modelling exercise during the period which had provided improved insight on the impact and financial implications of our physical and transition risks.
- We use a number of systems to track environmental performance of our own operations and our supply chain. Continuous system and process improvements enable accurate measurement and reporting of our environmental impact, and effective tracking of our progress towards our FWI targets.

11 Engagement, capability, and retention of talent

Risk movement

Link to our business model 04

Risk owner Executive Vice President – People

What's the risk?

Our people are fundamental for successfully maintaining our operations and delivering our strategic goals. Inability to retain and/or keep talent with the relevant capabilities and calibre engaged due to increased workloads, increased external progression opportunities, and inflationary pressures on pay, could reduce our ability to achieve our objectives and lead to a loss of institutional knowledge.

Risk movement

No material changes identified in the period.[1]

How do we manage the risk?

- We have embedded processes for assessing leadership capabilities and behaviours, taking actions to retain top talent, and understanding and addressing present and potential future leadership gaps and progression needs.
- We have renewed workstreams to amplify our employer proposition around DEI, reward, development and culture.
- Workforce planning and sourcing activities for both current and future requirements.
- We continue to assess and react to employee sentiment through our regular engagement and culture surveys and resulting action plans.
- Further details on our activities in the period for attracting and retaining talent are set out in the Our people section on page 18 to 21.

12 Strategic programmes fail to deliver required outcome

Risk movement

Link to our business model 01

Risk owner Senior Vice President – Operations

What's the risk?

Successful transformational change through leveraging technology, systems and processes to achieve our strategic objectives relies on having the right capability, capacity and internal and external inputs. If change is not delivered effectively it could lead to failed outcomes, changes not being successfully embedded and challenges in delivering our strategy, and as a result could cause business disruption and delays, increased operating costs and lost opportunities.

Risk movement

No material changes identified in the period.[1]

How do we manage the risk?

- We have an established Programme Management Office overseen by the SVP Operations that governs delivery of our strategic programmes. Each programme has a set of aligned workstreams with Management Committee sponsors and responsible leads.
- A regular cadence of tracking and review activities is in place including steering committees and regular meetings with sponsors and leads to assess and manage progress, risks, dependencies and impacts.
- Programme management tools are used to track progress, benefits, and risk indicators, and provide visibility of project readiness through delivery gates and programme health checks.
- Regular updates on progress with strategic initiatives and programmes including their key issues and risks are provided to the Management Committee, ASOS Plc Board and its relevant Committees.
- During FY25, ASOS is undertaking a reorganisation of Tech Product teams, focused on delivering change with a streamlined approach to prioritisation and gaining business benefits at speed.

1 As outlined in our approach to risk management on pages 62 to 63, our Audit Committee and Board review and monitor our risk environment throughout the year, to identify evolving threats and opportunities and to support continual improvement of our control environment.

Long-term viability statement

The Group's prospects are assessed primarily through its strategic planning process, which covers a period of five years, and is reviewed by the Board with involvement throughout from both the CFO and CEO. Whilst the Board reviews a five-year plan, the final two years are indicative movements, with the initial three years considered an appropriate time period for the Group's long-term plan as it facilitates an appropriate balance between the short-term characteristics of the business, such as uncertain demand cycles and changing consumer behaviour, and the need for longer term planning in relation to financing, investment and supply chain planning.

The Group considers the following in the assessment of the strategic planning cycle and the long-term assessment of the business:

- The principal risks and opportunities associated with the Group, and identification of new or changing emerging risks and how the Group responds to these
- Macroeconomic trends within the global economy, geopolitical events, increasing costs, and market share
- Changes in customer and competitor behaviour, driven particularly by the potential wider consequences of reduced disposable income (from increased interest rates and inflation); and scope for further cost mitigation.

i. The assessment period:

ASOS continues to adopt a three-year assessment period to assess the Group's viability. The Board has determined that this assessment period to 29 August 2027 is appropriate because:

- The Group does not earn revenue from long-term contracts. Therefore changes to the Group's long-term plan are predominantly as a result of changes to sales and cost assumptions which are inherently more difficult to predict beyond three years. Both have been stress-tested as part of the viability assessment.
- This period is also consistent with the Group's long-term planning cycle as detailed above.

ii. Assessment of viability:

The assessment of the Group's viability commenced with a review of the liquidity headroom as at 1 September 2024, available through the Group's cash, cash equivalents and debt facilities, utilising a three-year forward forecast (the base case). Sales growth rates utilised for the first year of the base case reflect year-on-year declines of (5%) to (10%), with subsequent periods thereafter returning to +5% to +15% year-on-year growth. Improvements in adjusted gross margin of at least 300bps vs FY24 are assumed during FY25 with up to a further c200bps growth by the final year of the assessment.

The forecasted cash flows across the assessment period were tested against the single covenant of positive liquidity.

During the assessment there are two financing arrangements which mature:

- £74m convertible bond issue maturing in April 2026, which the Group does not expect to be exercised based on the conversion price of £79.65. This is assumed to be repaid from cash reserves at maturity.
- £275m debt facility with a specialist lender, comprising of a £150m term loan, a £75m revolving credit facility ("RCF"), and a £50m accordion option due for renewal in April 2027, with an option to extend if certain conditions are met. The facility is also subject to a springing maturity clause in the term loan facility in April 2026, conditional upon forward projection of base case cashflows, which was considered as part of the assessment and is not expected to be triggered.

The Group also estimated the impact of severe but plausible downside scenarios aligned to the Group's principal risks and opportunities, identifying the principal risks from pages 64 to 69 which could have a significant impact on the viability of the Group. These were then stress-tested using a combined scenario where the below risks were modelled as materialising over the three-year period. Available mitigating actions were considered as part of the assessment.

These include deferring capital investment spend and enhancing cost management practices in order to support a sufficient level of liquidity headroom during the viability assessment period.

In the unlikely scenario of additional risks materialising, ASOS has control measures in place and additional mitigations that in practice would prevent or nullify the impact of any such occurrences.

Based on these assessments and other matters considered by the Board, on the assumption that the term loan arrangement expiring in 2027 could be extended, the Directors confirm that they have a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due through the three-year viability period ending 29 August 2027.

iii. Going concern:

The Directors considered it appropriate to adopt the going concern basis in preparing the financial statements which are shown on pages 121 to 185.

Scenario	Associated principal risk	Description
Macroeconomic downturn and loss of market share	Macroeconomic changes Strategic programmes fail to deliver required outcome Market dynamics and impact on our business	The global market continues to be challenging following the continuation of geopolitical events in FY24. Despite more encouraging indicators in recent months, sustained levels of high inflation and interest rate increases have also impacted the ASOS customer demographic and reduced disposable income, contributing to a contraction in consumer demand, driving like-for-like declines across the business. Management have applied a downside scenario with suppressed trading due to the economic uncertainty experienced during the last 24 months. The scenario reflects an uncertain consumer outlook which reduces the projected annualised like-for-like sales growth contained within the base case during the 3-year assessment period, resulting in Year 3 of the assessment being c.25% lower than base case. The severe downturn in sales modelled reflects the volatile and uncertain nature of the macroeconomic environment.
Gross margin performance	Macroeconomic changes Strategic programmes fail to deliver required outcome Market dynamics and impact on our business	A degradation in gross margin of c.300-400bps vs the base case across the assessment period due to: • Increased discounting required to satisfy consumer spending habits if the challenging macro economic impact was to worsen • Increased requirement for stock clearance to satisfy the parameters of the new stock operating model, if sales were not to meet the base plan Management has applied a downside scenario to reflect a potential increase in discounting and stock clearance in the event of the macro economic environment not improving throughout the assessment period. A downturn in the economy could result in both the consumer demand being geared towards discounted product, but also a slower sell through of existing stock resulting in increased levels of clearance being required.
Working capital cash impact	Data breach Cyber security incidents Market dynamics and impact on our business	An incremental average working capital outflow of c.£90m has been modelled, constituting an outflow of cash in Year one of the assessment period. This would capture any potential impact of regulatory fines or impacts in relation to potential data breaches, cyber security events or any other events impacting the Group's ongoing working capital.
Climate change	Sustainability and climate change	The risks posed by the global economy's transition to a low-carbon model could potentially impact the Group's business. In particular, these risks may arise from changes in regulations and legislation, increased requirements for low-carbon technologies, shifting customer preferences towards more sustainable products, and potential changes in the availability of products due to disruptions within the Group's supply chain. The potential exposure to climate risks has been considered, in particular revenue declines that could be experienced from disruptions to either supply chain or operations, as well as any market share loss in a scenario where the Group fails to align to the expectations and requirements of legislators and stakeholders. The potential impacts are in line with those disclosed within the Group's TCFD disclosures on pages 34 to 45, noting that the scenarios represent unmitigated scenarios that do not reflect the Group's proactive risk management or strategic initiatives. The impacts are significantly below the severe but plausible downsides already considered by the Group that takes into account all matters of which the Group is currently aware, including climate-related impacts, and as a result, climate risks are effectively encompassed within the scenarios already modelled. It is not considered therefore that climate-related risks affect the Directors' conclusion that there is reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due through the three-year viability period ending 29 August 2027.

The Strategic report has been prepared in accordance with the requirements of the Companies Act 2006, has been approved and signed on behalf of the Board.

Jose Antonio Ramos Calamonte
Chief Executive Officer
5 November 2024

Board of Directors

Committee key

- A Audit Committee
- S Sustainability Committee
- N Nomination Committee
- R Remuneration Committee
- Denotes Chair of a Committee

Jørgen Lindemann
Chair

Appointed: Non-executive Director in November 2021 and Chair in August 2022.

External Appointments: CEO of Viaplay Group and Board Member of Vivino APS.

Experience: Jørgen has strong experience of leading digital-first businesses. He is currently CEO of Viaplay Group, the Swedish-based entertainment streaming service.

Jørgen is the former President and CEO of Modern Times Group (MTG), the Swedish based digital entertainments business, where he worked from 1994 to 2020. He also sat on the board of Zalando as a Non-executive Director from 2016 to 2021. His other previous roles include Kongregate, Non-executive Director; DreamHack, Chair; Turtle Entertainment, Chair; NOVA Broadcasting Group, Chair; Reach for Change, Board Member; FTV Prima, Non-executive Director and Co-Chair; CTC Media Inc, Non-executive Director and Co-Chair; and, most recently, Chair of Miinto, the Danish-based online fashion marketplace.

Committees

N

José Antonio Ramos Calamonte
Chief Executive Officer

Appointed: June 2022.

External Appointments: None.

Experience: José was appointed Chief Executive Officer in June 2022. He joined ASOS in January 2021 as Chief Commercial Officer, where he led the product and trading strategy globally. Prior to joining ASOS, José was Chief Executive Officer at Portuguese fashion company, Salsa Jeans between 2019 and 2021. Before that, he led the commercial strategy for high-profile brands including Esprit, Carrefour Spain and Inditex.

Having started his career at McKinsey & Company, José has extensive multichannel experience, having worked across both online and physical fashion retail, with expertise in trading, merchandising, and transformation.

José holds a Master's degree in Business Administration from MIT Sloan School of Management.

Dave Murray
Chief Financial Officer

Appointed: April 2024.

External Appointments: None.

Experience: Dave is a Chartered Accountant and has more than 20 years of experience across a range of finance roles in the retail and e-commerce industry. Prior to joining ASOS, he was Chief Financial Officer of Matches Fashion and before that he was Finance SVP at Farfetch. Prior to Farfetch, Dave spent five years at Amazon, most recently as European finance director of Amazon Logistics. Earlier in his career, he spent a decade in senior finance-based roles at Sainsbury's.

Natasja Laheij
Senior Independent Director

Appointed: April 2023.

External Appointments: Senior Finance Director at Google EMEA, Chair of Google Payments Limited and Audit Chair of Vandemoortele.

Experience: Natasja has more than 25 years of experience in international commercial and financial management, e-commerce, tech, consumer electronics, telco and retail in B2C and B2B environments through her roles in Deloitte Australia, Sony Ericsson, Apple and as CFO Amazon Fashion Europe.

Committees

A N R

William Barker
Non-executive Director

Appointed: September 2023.

External Appointments: CEO of Camelot Capital Partners LLC, Executive Chairman of Tapi Carpets & Floors Limited and Synnovia Limited and Board Member of Re:Build Manufacturing LLC.

Experience: William is the founder and CEO of Camelot Capital Partners LLC, a California-based investment management company and has a wealth of retail and commercial experience. William is also the Executive Chairman of Tapi Carpets & Floors, Executive Chairman of Synnovia, a UK manufacturing conglomerate and is also a founding investor and Board Member of Re:Build Manufacturing LLC. Previously William was the Executive Chairman of Life is Beautiful, a music and entertainment festival in the USA and was an advisor to Tony Hsieh, the founder of Zappos.

Committees

N

Christine Cross
Independent Non-executive Director

Appointed: April 2024.

External Appointments: Senior Advisor at Inverleith LLP, Advisor at Interpath Advisory and Independent Non-executive Director at The Pollen Estate Trustee Company Limited.

Experience: Christine has more than 35 years' experience in global multi-channel retail, initially at Tesco plc where she spearheaded own-brand development and reinvigorated the clothing brand as Trading Director. Christine has served on the Boards of numerous listed, private and PE-backed businesses including Next plc (UK), Woolworths plc (Australia), Sonae plc (Portugal), Zooplus AG (Germany) and Clipper Logistics plc (UK). Most recently, she has served on the Boards and was Remuneration Committee Chair of Hilton Food Group plc (UK) and Coca Cola Europacific Partners plc as well as acting as Board Advisor to Unilever and River Island.

Committees

A R

Wei Gao
Independent Non-executive Director

Appointed: February 2023.

External Appointments: Venture Partner at Madrona, Chief Digital and Product Officer at Re:Build Manufacturing and Board Member at Phononic.

Experience: Wei has a wealth of e-commerce and operating experience, having worked in various roles at Amazon over 16 years, latterly as Technical Advisor to the CEO and Vice President Grocery, Tech, Product and Supply Chain. Most recently Wei was Chief Operating Officer of Hopin, the online events platform, until July 2022.
Wei brings a depth of relevant industry knowledge across international commerce, business transformation and data-driven decision-making.

Committees

A S N

Board of Directors continued

Marie Gulin-Merle
Independent Non-executive Director

Appointed: February 2023.

External Appointments: Global Vice President of Ads Marketing of Google and Advisor to the Marketing Standards Board of the General Assembly, a company which focuses on education and career transformation.

Experience: Marie has more than 20 years of experience in marketing and digital transformation, working in technology and fashion. Prior to joining Google in 2019, Marie was Chief Marketing Officer of Calvin Klein Inc and Chief Digital Officer of its parent company, PVH Corp. Marie also spent 17 years of her career at L'Oréal, latterly as Group Chief Marketing Officer USA, where she successfully transformed the company's marketing functions.

Committees

S R

Jose Manuel Martínez Gutiérrez
Independent Non-executive Director

Appointed: April 2023.

External Appointments: CEO and Executive Director of Bimba y Lola and Independent Non-executive Director of Ecoalf.

Experience: Jose Manuel has more than 30 years of experience in the retail and fashion industry, initially as a Strategy Consultant at McKinsey before moving into leadership roles at international fashion businesses. At Inditex, he was Director of Distribution and Operations, responsible for the global product distribution model of the group. He later served for six years as CEO and Executive Director of Esprit.

Committees

A S R

Nick Robertson
Founder and Non-executive Director

Appointed: Co-founded ASOS.com Limited in 2000, and served as its Chief Executive Officer until September 2015, when he became a Non-executive Director.

External Appointments: Non-executive Director of AFCW Plc and Gandys International Limited.

Experience: Nick's career began in 1987 at the advertising agency Young & Rubicam. In 1991, he moved to Carat, the UK's largest media planning and buying agency. In 1995, he co-founded Entertainment Marketing Ltd, a marketing services business. Nick is Chair of the ASOS Foundation, a registered charity funded by ASOS which works to improve the lives of young people in the UK and overseas through long-term partnerships with established local charities. Nick was awarded an OBE in 2011 for his achievements in the world of fashion retailing.

Committees

S

Anna Maria Rugarli
Independent Non-executive Director

Appointed: June 2023.

External Appointments: Vice President of Japan Tobacco International, Executive Director of Japan Tobacco International SA and Non-executive Director at Prada Group.

Experience: Anna Maria is a sustainability and CSR expert with more than 20 years of experience working with leaders in global apparel, including Nike Inc. and VF Corporation. She has specialised in creating innovative strategies to address some of the most pressing environmental and social challenges faced by the industry today, as well as providing end-to-end oversight through implementation and roll-out.

Committees

S

Rishi Sharma
Interim General Counsel & Company Secretary

Appointed: May 2024.

External Appointments: Non-executive Director at Classic Motor Events Limited.

Experience: Rishi has over 20 years legal and commercial experience, having trained and qualified at Freshfields and then practised at Skadden, Arps. Rishi was most recently Group General Counsel and Company Secretary at Ted Baker plc and has held a number of senior roles in the retail and technology sectors including General Counsel and Company Secretary at Purplebricks Group plc and VP, Legal and Secretariat, at InterContinental Hotels Group plc.

Emma Whyte
General Counsel & Company Secretary

Appointed: March 2023.

(Maternity Leave).

External Appointments: None.

Experience: Emma is General Counsel & Company Secretary, leading ASOS' Legal, Company Secretarial, Data Protection and Compliance teams. As Company Secretary, Emma supports the ASOS Plc Board and Committees. Emma joined ASOS in 2021 as Group Legal Director. Previously she was the Associate General Counsel at the Fung Group and Global Brands Group Plc, and prior to that a senior lawyer at Tesco Plc. Emma spent five years at Slaughter and May, where she qualified as a UK solicitor in the Corporate team.

Management Committee

José Antonio Ramos Calamonte
Chief Executive Officer
See biography on *page 72*

Dave Murray
Chief Financial Officer
See biography on *page 72*

Emma Whyte
General Counsel & Company Secretary
See biography on *page 75*

Rishi Sharma
Interim General Counsel & Company Secretary
See biography on *page 75*

Anthony Ben Sadoun
Executive Vice President - Digital Product

Dan Elton
Executive Vice President – Customer

Fiona Gaughan
Executive Vice President – Commercial

Elena Martínez Ortiz
Executive Vice President – Product

Vanessa Spence
Executive Vice President – Creative

Christoph Stark
Executive Vice President – Global Logistics & Supply Chain

Sean Trend
Senior Vice President – North America

Ras Vaghjiani
Executive Vice President – People Experience

Jag Weatherley
Senior Vice President – Operations

Hugh Williams
Interim Executive Vice President - Technology

Michelle Wilson
Chief of Staff and Strategy

01

Anthony joined ASOS in February 2024 and is responsible for driving the digital product strategy and product management across all verticals.

Before joining ASOS, Anthony was Chief Product Officer and early stage partner at Kavak, Latin America's leading tech unicorn. Prior to this, Anthony was Chief Product Officer at Linio, leading large scale e-commerce technologies.

02

Dan joined ASOS in March 2023 and is responsible for customer experience and marketing across the business.

Dan was most recently Chief Customer Officer at Made.com, where he was responsible for the end-to-end customer experience. He also brings diverse experience in fashion and sports from his time at Google, as well as in senior marketing roles at both Sainsbury's and Tesco.

03

Fiona, since 2014, has held positions at ASOS, including Womenswear Merchandising Director, Senior Global Commerce and Channels Director and her current role as Executive Vice President Commercial. In her current capacity, Fiona leads Global & Digital Trading, Planning, Pricing, Intake, Wholesale, and Markets at ASOS. She oversees commercial activities in all markets, aligning with ASOS' strategic and commercial objectives, both short-term and long-term.

Before joining ASOS, Fiona spent 14 years at Arcadia, managing Merchandising and Branch Planning in various product areas. She also serves on the Board of Governors for the Fashion Retail Academy and Fashion Retail and Awards.

04

Elena joined ASOS in 2022 as ASOS Design Womenswear Director before becoming Senior Product Director and now Executive Vice President – Product. Elena is responsible for the entire Product division including own brands such as ASOS Design Womenswear, ASOS Design Menswear, Topshop, Topman, Venture Brands and third-party Brands, Face + Body and Sportswear.

Prior to joining ASOS, Elena built her career working at Inditex for Stradivarius, in a multitude of roles which saw her working in Barcelona and across Asia, setting up Sourcing Representative offices in Shanghai, Dhaka and Delhi and leading multi-disciplined teams of designers, buyers, merchandisers, planners and technicians.

05

Vanessa joined ASOS in 2007 and has held a number of roles relating to Design, Studios & Creative, developing a cohesive look and feel to the ASOS ranges, trends and collaborations. Having worked in fashion retail for over 20 years, Vanessa is responsible for the creative direction of the ASOS brand.

Prior to joining ASOS, Vanessa held design roles at Arcadia and Pepe Jeans. Vanessa sits on the Board of Governors for the Fashion Retail Academy and Creative UK and joined the Fashion Minority Alliance in 2020 as one of their resident experts in Fashion Retail.

06

Christoph joined ASOS in January 2023 and leads the Supply Chain, Logistics and Customer Care teams.

Christoph has over 15 years' experience across fulfilment, supply chain and logistics and has held Senior Leadership roles in several high-profile international online retailers, including serving as Vice President Logistics for fashion retailer Zalando in Berlin, Germany, and Vice President Global Fulfilment for Wayfair (home & living) in Boston, USA.

07

Sean joined ASOS in 2017 and is recently responsible for our North America Operations. Previously Sean acted as a Senior Director supporting the CEO in day-to-day operations as well as running Insights, Analytics, Data Governance and several strategic projects.

Prior to this role, Sean has had various roles in ASOS across finance including, most recently, Director of Commercial Finance, as well as other senior roles across Finance including Financial Planning and Analysis and Financial Control. Before ASOS Sean spent several years as Group Financial Controller at CRUK and in Audit and Advisory at Deloitte.

08

Ras joined ASOS as Executive Vice President – People Experience in July 2024, and leads ASOS' Reward, DE&I, Business Partnering, Learning and Development, Talent and Shared Services teams.

Ras was previously Chief of Staff at De Beers Group, and has held several senior roles in HR as well as in strategy, corporate affairs and retail across the pharmaceutical, mining and retail sectors.

09

Jag joined ASOS in 2012 and is currently Senior Vice President – Operations. In her role, Jag is responsible for streamlining strategic initiatives, overseeing programme management and communicating objectives to departments, ensuring we remain focused. Jag oversees the PMO, Transformation, Change, Business Technical L&D Academy and Procurement teams.

Prior to this, Jag has held a number of roles in the business, starting as a Head of Merchandising in Womenswear for both our own brands and our third-party brand partnerships, before moving into the Operations, Change and Transformation space in 2019. Prior to joining ASOS Jag was a Merchandiser for Topshop where she started her career.

10

Hugh joined ASOS in June 2024 and is responsible for driving the technology strategy, delivery, and operations globally, encompassing all customer online experiences, data platforms, supply chain, operational, and business systems.

Prior to ASOS, Hugh ran his own advisory firm where he has worked with companies including Doordash, Moonpig, and Ocado. He is also a co-founder of a charity, CS in Schools, and a board member of three Australian charities. Hugh was formerly a vice president in the US at Google and eBay and held a senior role at Microsoft. He has a PhD in Computer Science from RMIT University in Australia.

11

Michelle joined ASOS as Senior Director of Strategy & Corporate Development in April 2023 before being appointed Chief of Staff and Strategy and is responsible for Strategy, Investor Relations and Communications.

Michelle joined ASOS from Berenberg Investment Bank, where she led Retail and Ecommerce Equity Research before moving into Investment Banking acting as board advisor to retail and consumer businesses and most recently leading Berenberg's Corporate Finance team for Continental Europe. Previously she held audit and mergers & acquisitions roles at EY.

Corporate Governance Report

Chair's Governance statement

Dear shareholder

I am pleased to present the Corporate Governance Report for the period ended 1 September 2024. This report provides an overview of how our Board works in practice, together with an explanation of individual and Committees' roles and responsibilities. This should be read in conjunction with the compliance report on page 80, which shows how the Company has complied with the UK Corporate Governance Code 2018 ("Code").

Governance

Maintaining appropriate standards of corporate governance is essential for good management of the business. As a Board, we recognise the need for ensuring an effective corporate governance framework is in place to give our stakeholders the confidence that the business is being run effectively.

The Board welcomes the new Corporate Governance Code published in January 2024 ("2024 Code"). Given the new provisions and the internal changes needed in order to comply with certain provisions, notably around the new controls requirements, we have decided to take a phased approach to incorporating the 2024 Code and will continue to report against the 2018 Code in this Annual Report.

Board activities

As a Board, we continued to focus on delivery against our Driving Change agenda throughout the period and we have seen solid strategic progress in FY24.

During the period, the Board supported management on the re-financing and the competitive sales process that led to a joint venture[1] with a subsidiary of Heartland A/S, who purchased 75% of the Topshop and Topman brands subsequent to year end, as announced on 5 September 2024. We are pleased that we have strengthened our balance sheet and improved our financial flexibility to be able to deliver sustainably profitable growth.

The Board engaged with the Management Committee on several occasions throughout the period. Notably, a combined Board and Management Committee strategy day was held in April 2024 where key strategic and transformation initiatives were discussed.

In addition to the regular financial and operational reviews at each Board meeting, deep dives into key topics were presented to the Board by appropriate Management Committee members at Board meetings on a rotational basis. The deep dives also assessed the risks and opportunities inherent to each business area and important strategic priorities are discussed and deliberated.

More information on our Board's activities and principal decisions throughout the period can be found on pages 85 to 86.

Leadership changes

There were several changes to the Board's composition throughout the period. As reported in last year's Annual Report, we welcomed William Barker to the Board as a Non-executive Director on 20 September 2023. Mai Fyfield stepped down from the Board and her role as Senior Independent Director and Remuneration Committee Chair following the conclusion of the Company's Annual General Meeting on 7 February 2024, and Natasja Laheij took over as Senior Independent Director on the same date. Christine Cross was appointed as Independent Non-executive Director and Remuneration Committee Chair on 16 April 2024 and Dave Murray joined our Board as Executive Director and Chief Financial Officer on 29 April 2024. Further details of our Board and Committee composition changes, including information on the selection and appointment process, can be found in the Nomination Committee Report on pages 90 to 93.

Biographies of the Board, including the Committees on which our Non-executive Directors serve, can be found on pages 72 to 74.

Board evaluation

Last year we reported that, due to the Board and Leadership changes throughout the period, we took the decision not to do a Board evaluation prior to our FY23 year-end, to allow time for our new Board members to embed into their roles and attend more meetings. As such, we concluded our externally facilitated evaluation in H1 FY24 and I am pleased to report that the consensus amongst the Board was that there was a positive, engaged, collaborative and open dynamic. A number of strengths were identified together with some recommendations for focus areas.

The process and results of our external Board evaluation is explained further on page 87.

Jørgen Lindemann
Chair
5 November 2024

Board composition
The Board is currently composed of an Independent Non-executive Chair, a Chief Executive Officer (CEO) and a Chief Financial Officer (CFO) who are Executive Directors and eight Non-executive Directors, six of whom are considered to be independent. Nick Robertson, Founder and Non-executive Director, is not considered to be independent under the Code due to his former role as CEO of the Company. William Barker is not considered to be independent under the Code due to his relationship with Camelot Capital Partners LLC, which is a significant shareholder of the Company.

Board diversity policy
We recognise the importance of diversity across our organisation and see it as a key driver of business success. We are committed to creating an inclusive culture where our ASOSers reflect the diversity of the customers we serve. We are passionate about creating an environment where every ASOSer is given the opportunity to contribute and use their talents, skills and experiences to help make ASOS the world's number one online destination for fashion-loving 20-somethings.

As a Board, we expect this culture of diversity and inclusion to be clear through setting the tone from the top, with the Board and Management Committee championing our Diversity, Equity & Inclusion strategies in support of ASOS' commitments.

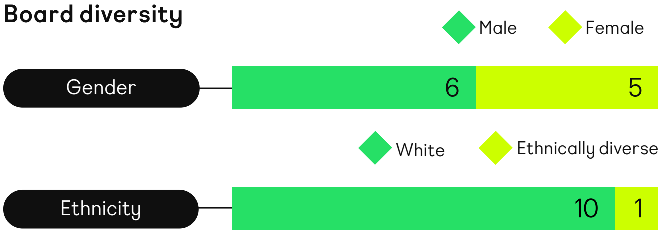
We believe that a diverse Board, with a broad range of skills, backgrounds, knowledge and experience, is essential to maintaining Board effectiveness and competitive advantage. When making new appointments to the Board, suitably qualified applicants from a diverse pool will be considered with no restrictions on protected characteristics such as age, gender, sexual orientation, religion, ethnic background or other personal attributes. All appointments are made on merit, taking into account suitability for the role, together with the composition and balance of the Board, to ensure that the Board and its Committees have the right mix of skills, experience, independence and knowledge to perform effectively.

The Board supports the recommendations set out by the FTSE Women Leaders Review and the Financial Conduct Authority on gender diversity and the Parker Review on ethnicity diversity, and endeavours to maintain a diverse and balanced Board.

When considering memberships of the Board's Committees, consideration is given to the diversity within each Committee in addition to assessing the balance of skills and experience to leverage different insights and perspectives. This will benefit decision-making within the Committees and the Board as a whole and will, in turn, benefit the Company's shareholders and other stakeholders.

The Board, with the support of the Nomination Committee, will ensure that procedures are in place to underpin this policy on Board diversity, including in its to succession planning for senior management level, so as to maintain the correct balance and ensure ongoing progression.

Board diversity



1 The arrangement with Heartland, whilst referred to as a joint venture throughout this report, will be accounted for as an associate, as detailed in Note 30 of the Financial Statements.

Corporate Governance Report continued

How the Board operates

Board meetings

The Board held five scheduled Board meetings during the year plus a dedicated Strategy Day in conjunction with the Management Committee. Additional Board meetings were held in relation to projects as and when required.

The table on page 81 sets out attendance at all scheduled Board and Committee meetings held during the financial period ended 1 September 2024. Directors are expected to attend all Board and relevant Committee meetings, however certain pre-existing commitments meant that some Directors could not join all meetings, as explained in the notes to the table.

Where possible, Board meetings are scheduled at least one year in advance. When ad hoc meetings are scheduled, sometimes at short notice for time critical matters, it may not always be possible to ensure attendance by the full Board. However, Board papers for the meeting are shared with all Board members and any Board member who is not able to attend is able to comment on matters to be discussed and is able to receive a full briefing from the Chair.

In conjunction with the Company Secretarial team, forward-looking agendas are prepared for the Board and its Committees to ensure that the Board discharges its duties on a timely basis throughout the year taking into account strategy, forecast and budget planning and the Company's financial reporting cycle. The Chair meets with the CEO and Company Secretary in advance of each Board meeting to agree the agenda and papers for each meeting. Board and Committee meeting packs are distributed well in advance of each meeting to allow appropriate time to review the information to be discussed.

Compliance with the UK Corporate Governance Code 2018 (the "Code")

Provision 17 of the Code states that a majority of members of the Nomination Committee should be Independent Non-executive Directors. Our Nomination Committee is comprised of our Chair, Jørgen Lindemann, who was independent upon appointment, two independent Non-Executive Directors, Wei Gao and Natasja Laheij, and one Non-Independent Non-executive Director, William Barker. The Board believes that the composition of the Nomination Committee adheres to Provision 17 of the Code as the Chair is deemed to continue to be independent.

Throughout the period to 1 September 2024, the Board considers that the Company has applied all the principles and complied with all the provisions of the UK Corporate Governance Code 2018.

Compliance with the UK Corporate Governance Code 2018 (continued)

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	Board meetings		Committee meetings								Strategy day	
			Audit		Remuneration		Nomination		Sustainability			
	Eligible to attend	Scheduled meetings attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
José Antonio Ramos Calamonte	5	5/5	–	–	–	–	–	–	–	–	1	1/1
David Murray[1]	1	1/1	–	–	–	–	–	–	–	–	–	–/–
William Barker[2]	5	5/5	–	–	–	–	2	2/2	–	–	1	1/1
Christine Cross[3]	1	1/1	1	1/1	2	2/2	–	–	–	–	–	–
Mai Fyfield [4]	4	3/4	2	2/2	4	4/4	2	1/2	–	–	1	1/1
Wei Gao[5]	5	4/5	4	3/4	–	–	4	3/4	3	2/3	1	1/1
Marie Gulin-Merle[6]	5	5/5	–	–	7	7/7	–	–	2	2/2	1	1/1
Natasja Laheij[7]	5	5/5	4	4/4	7	7/7	2	2/2	–	–	1	1/1
Jørgen Lindemann	5	5/5	–	–	–	–	4	4/4	–	–	1	1/1
Jose Manuel Martínez Gutiérrez[8]	5	5/5	4	4/4	3	3/3	–	–	3	3/3	1	1/1
Nick Robertson	5	5/5	–	–	–	–	–	–	3	3/3	1	1/1
Anna Maria Rugarli	5	5/5	–	–	–	–	–	–	3	3/3	1	1/1

1 Dave Murray was appointed to the Board on 29 April 2024.
2 William Barker was appointed to the Board on 20 September 2023 and joined the Nomination Committee on 7 February 2024.
3 Christine Cross was appointed as Independent Non-Executive Director, Chair of the Remuneration Committee and member of the Audit Committee on 16 April 2024.
4 Mai Fyfield stepped down from the Board following conclusion of the Annual General Meeting on 7 February 2024. Mai did not attend the Nomination Committee meeting held on 6 February and the Board meeting held on 7 February 2024 due to a diary clash. Mai did not receive an update following these meetings as she ceased to be a Director following conclusion of the AGM on 7 February 2024 although she had access to the Board and Nomination Committee papers in advance of the meetings.
5 Wei Gao was unable to attend one cycle of Board and Committee meetings in April 2024 due to pre-existing commitments, however a full briefing was given to Wei following the meetings.
6 Marie Gulin-Merle was appointed to the Sustainability Committee on 7 February 2024.
7 Natasja Laheij was appointed to the Nomination Committee on 7 February 2024.
8 Jose Manuel Martínez Gutiérrez was appointed to the Remuneration Committee on 7 February 2024.

Corporate Governance Report continued

Division of responsibilities

The Board

The Board is collectively responsible for the long-term sustainable success of the Group by ensuring that ASOS, its subsidiaries and all its businesses are managed for the long-term benefit of all shareholders, while having regard for our employees, customers, suppliers, and our operational impact on our communities and the environment. It sets the Group's purpose, strategy and values and is accountable to shareholders for ensuring that the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The Board sets the Group's risk appetite, and reviews the controls applied to operate the business in line with that appetite. It determines, monitors and oversees risk management processes, financial controls and audit processes to ensure ASOS operates effectively and sustainably in the long-term.

Chief Executive Officer

- Responsible for the overall leadership of the Group, the effective management of the Group's businesses and day-to-day operations.
- Implements and executes strategy and policies agreed by the Board.
- Leads the management, development and succession planning of the Senior Management team.
- Ensures effective engagement and communications with the Group's stakeholders.

Chair

- Primarily responsible for the overall operation, leadership and governance of the Board, while taking account of the interests of the Group's stakeholders.
- Responsible for running the business of the Board, sets the agenda and promotes a culture of openness, debate and challenge among the Board.
- Ensures the effectiveness of the Board with appropriate strategic focus and direction.
- Ensures effective communication between our Executive and Non-executive Directors and with our shareholders.

Senior Independent Director

- Serves as an intermediary for the Non-executive Directors, where necessary.
- Leads the Non-executive Directors' performance appraisal of the Chair and is available to meet with shareholders, if and when necessary, if they have any concerns about the business which have not been resolved through normal channels.

Non-executive Directors

- Exercise independent judgement and constructively challenge the Executive Directors and the Senior Management team, scrutinising performance against objectives.
- Provide strategic guidance to the Company, utilising their wealth of knowledge, insight and experience in their specialist areas.
- Have a pivotal role in the appointment and removal of Executive Directors and the Company's corporate governance framework as a whole.

The Board has delegated specific responsibilities to the Board Committees: Audit, Nomination, Remuneration and Sustainability. The duties of each Committee are set out in the Committees' Terms of Reference, which are available on our website at asosplc.com. Details of each of the Committee's activities during the period are set out in the Committee reports on pages 90 to 115. Each Committee has access, at the cost of the Group, to the resources, information and advice that it deems necessary to enable the Committee to discharge its duties.

Audit Committee

The Audit Committee's principal responsibilities are to:

- Monitor the integrity of the Group's financial statements in relation to the Group's financial performance.
- Provide advice to the Board on whether the Annual Report is fair, balanced and understandable.
- Review the Group's accounting policies, critical estimates and significant judgements.
- Review the effectiveness of the external audit processes, including monitoring the External Auditor's independence, and report External Audit findings to the Board.
- Monitor and review the effectiveness of the Internal Audit function.
- Review the effectiveness of the Group's internal controls, including the process for the evaluation, assessment and management of risk.
- Oversee the Group's whistleblowing, compliance, security and fraud prevention procedures.

More information on the composition, responsibilities and activities of the Audit Committee are set out in the Audit Committee Report on **pages 96 to 101.**

Nomination Committee

The Nomination Committee's principal responsibilities are to:

- Monitor the structure, size and composition of the Board and its Committees.
- Identify the balance of skills, knowledge, diversity and experience on the Board and recommend new Board and/or Committee members to the Board as appropriate.
- Review the time commitment and independence of the Non-executive Directors, including potential conflicts of interest.
- Oversee talent and succession plans for Senior Leaders.
- Ensure that an appropriate and tailored induction is undertaken by all new Board members.
- Review the results of the Board evaluation process.
- Review the Company's policy on Diversity, Equity & Inclusion, it's objectives and linkage to the Company's strategy.
- Review employee engagement survey results and monitor management's action plan in response to surveys.
- Review the Company's recruitment and talent management practices and consider how these drive the desired ASOS behaviours and values.

More information on the composition, responsibilities and activities of the Nomination Committee are set out in the Nomination Committee Report on **pages 90 to 93.**

Remuneration Committee

The Remuneration Committee's principal responsibilities are to:

- Determine and recommend to the Board the Group's overall Remuneration Policy and monitor the ongoing effectiveness of that Policy.
- Determine and recommend to the Board the remuneration of the Executive Directors, the Chair and other members of the Management Committee.
- Monitor, review and approve the levels and structure of remuneration for other Senior Leaders and employees.
- Determine the headline targets for any performance-related bonus or pay schemes.
- Determine specific targets and objectives for any performance-related bonus or pay schemes for the Executive Directors and the other members of the Management Committee.
- Review and approve any material termination payment.
- Review how employee incentives support the Company's culture, values and desired behaviours.
- Ensure effective engagement with the Company's stakeholders in relation to remuneration policies and practices.
- Review the Company's retirement benefit schemes.

More information on the composition, responsibilities and activities of the Remuneration Committee are set out in the Directors' Remuneration Report on **pages 102 to 115,** along with a summary of our Remuneration Policy and details of how that Policy was implemented during the period to 1 September 2024.

Sustainability Committee

The Sustainability Committee's principal responsibilities are to:

- Provide input and guidance to the Company's FWI Strategy including related targets and KPIs.
- Provide oversight of the execution of the FWI Strategy and monitor progress against its targets and KPIs, including risk management.
- Provide oversight of the key policies and programmes required to implement the FWI Strategy.
- Provide advice and direction to the Company's management on implementation of the FWI Strategy, the opportunities and risks to the Company's operations and reputation
- Monitor how the Company's FWI Strategy is communicated to all stakeholders, and how it is received.
- Monitor changes to the sustainability regulatory landscape and oversee how the Company is preparing to meet the requirements.
- Review the practices and initiatives of the Group relating to sustainability matters to ensure they remain effective.
- Have oversight of the Company's Modern Slavery Statement.
- Offer recommendations to the ASOS Plc Remuneration Committee on sustainability-specific targets for executive remuneration packages.
- Monitor the internal and external performance of the ASOS Foundation and its partnerships.

More information on the composition, responsibilities and activities of the Sustainability Committee are set out in the Sustainability Committee Report on **pages 94 to 95.**

Disclosure Committee

Assists the Board in discharging obligations under the Market Abuse Regulation and Listing Rules with regard to the management and disclosure of inside information, and provides oversight of the accuracy and timeliness of the Group's financial and corporate disclosures, or any other material information, as per the regulatory framework.

Management Committee

The Board delegates responsibility for the day-to-day management of the Group to the Management Committee. Led by the CEO, the Management Committee is collectively responsible for developing and implementing the strategy, operational plans and budgets; monitoring overall operational and financial performance; overseeing key risks; and management development.

Corporate Governance Report continued

How the Board operates

Board meetings (continued)

Matters to be approved by the Board are constructively challenged and decisions are taken democratically following discussion. Any actions arising from Board and Committee meetings are recorded and then followed up by the person responsible.

Any concerns that a Director may have are noted in the minutes of the meeting. Furthermore, if any Director were to resign and had not had any concerns about the business, the Chair would engage with the resigning Director and ensure that the Board receives feedback of those concerns in the form of a letter addressed to the Chair.

During the year, the Chair periodically met with the Non-executive Directors without the Executive Directors being present.

The Board has access to the advice and services of the Company Secretarial team, including the General Counsel & Company Secretary, who is responsible for ensuring that all Board procedures have been complied with. The appointment and removal of the Company Secretary is a matter reserved for the Board as a whole. Individual Directors are also able to take independent legal and financial advice at the Group's expense when necessary, to support the performance of their duties as Directors. The Directors are also updated on the Group's business areas and the regulatory and industry-specific environments in which they operate by way of written briefings and meetings with Senior Leaders and, where appropriate, external parties. Appropriate training is also available to all Directors to develop their knowledge and ensure they stay up to date on matters for which they have responsibility as a Board member. Directors' and Officers' Liability insurance is maintained for all Directors.

Time commitment

The Nomination Committee has primary responsibility for monitoring time commitments of Directors and ensuring that each Non-executive Director has the requisite time to discharge their duties as Directors effectively. The Nomination Committee, led by the Chair, is satisfied that all Non-executive Directors have sufficient time to commit to their role on the Board. Any changes to the time commitments and interests of its Directors are reported to and, where appropriate, agreed with the rest of the Board. The Board is satisfied that the number of external appointments held by each Director is appropriate and none of the Directors are considered to be over-boarded and each has the requisite time to fulfil their obligations to the Company.

Board appointments and inductions

On the recommendation of the Nomination Committee, the Board makes decisions regarding the appointment and removal of Directors and there is a formal, rigorous and transparent procedure for appointments. Each new Director receives a full, structured and tailored induction. A comprehensive information pack is provided to Directors during the onboarding process containing detailed management information pack on the business, corporate governance and compliance. Meetings are organised with other Board members, relevant members of the Management Committee and external advisors. Directors are also invited to a tour of the ASOS offices and studios in London.

Succession planning

The Nomination Committee, and the Board as a whole, regularly discuss succession planning for all Directors and Senior Leaders, taking into account the challenges and opportunities facing the Company, the leadership needs of the organisation and the skills and expertise needed on the Board and in the Senior Leadership team in the future. The work of the Nomination Committee for this area is described in detail on pages 90 to 91.

Risk management and internal controls

The Board has overall responsibility for determining the nature and extent of the significant risks the Group is willing to take in achieving its strategic objectives, maintaining sound risk management and internal control systems and commenting on such matters in line with the Company's reporting obligations. During the period the Board conducted a robust assessment of the Group's emerging and principal risks. Further information on the Group's approach to risk management and internal controls can be found on pages 62 to 63 and 101.

Conflicts of interest

Each Director has a duty to declare any potential conflict of interest prior to appointment, and on an ongoing basis. We have effective procedures in place to monitor and deal with any potential or actual conflict of interest that could impair judgement. No Director would be included in a discussion where there could be a conflict of interest. If a conflict were to require approval this would be appropriately minuted, together with the rationale behind the decision, and appropriate records would be kept.

Board leadership and Company purpose

Our purpose, culture and strategy

The Board is responsible for setting ASOS' vision, purpose and values, as well as satisfying itself that there is an appropriate culture throughout the Group to ensure the necessary resources are in place to execute the Group's vision – to be the world's number one fashion destination for fashion-loving 20-somethings – and to ultimately deliver long-term growth of the Group and generate value for our shareholders. In order to achieve this vision, we are focused on our purpose to give our fashion-loving 20-somethings the confidence to be whoever they want to be, as well as being guided by our values – to be authentic, brave, creative and deliver in everything we do. The Group is built on an inclusive culture which encourages passion, enthusiasm and development so ASOSers can bring their best selves to work. We recognise that it is our differences which make us stand out from the crowd.

In January 2024 ASOS launched new "behaviours" which sit alongside each of our values to show our commitments, that we've made as a team, to live and breathe the ASOS behaviours day to day.

The Board acknowledges that it is accountable to stakeholders for ensuring that the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The Board is responsible for ensuring that its activities reflect the culture of the Group, set the tone from the top and drive the right behaviours with our ASOSers.

The Board assesses culture in a variety of ways as detailed on pages 24 and 88.

Board activities

The main topics reviewed, monitored, considered, debated and approved by the Board during the period are outlined below. Meeting agendas are agreed in advance by the Chair in conjunction with the CEO, CFO and Company Secretary to ensure the appropriate balance of standing agenda items, strategic or functional deep dives and governance matters. The Board recognises the importance of weaving the views of its key stakeholders into its deliberations and decision-making process, as well as promoting the long-term success of the Company, so this forms a key part of the Board's discussions.

Strategy	• Reviewed and approved a proposal to accelerate the business towards the new commercial operating model (see page 88 for further details). • Monitored progress against our Back to Fashion strategy. • Conducted a Board and Management Committee strategy day. • Considered options for a refinancing (see page 86 for further details). • Launched a competitive sale process for the Topshop and Topman brands following an initial unsolicited offer for the brands (see page 86 for further details). • Conducted deep dives on the Company's strategic priorities.
Financial and operational performance	• Received detailed and transparent updates from the CEO and CFO at each scheduled meeting. • Monitored financial performance against budgets and forecasts and discussed any deviations from expectations at each scheduled meeting. • Reviewed performance against the Group's KPIs and strategic initiatives. • Received updates from Management Committee members regarding their respective areas. • Reviewed and approved the Group's full and half-year results and the Annual Report and Accounts. • Reviewed and approved the Group budget. • Reviewed performance updates relating to technology infrastructure, technical capabilities, cyber and data privacy.
People and culture	• Received periodic leadership updates including key actions for succession planning for senior executives and leaders within the Group. • Received an overview of the results of the ASOS Vibe employee engagement survey to understand the culture, values and engagement levels within the Group. • Received feedback from the designated Non-executive Director for employee engagement on their experiences meeting ASOSers. • Received feedback from other Board members following each of their interactions with ASOSers. • Reviewed progress made against our diversity KPIs as part of our Fashion with Integrity (FWI) Strategy.
Board and Committee Matters	• Approved appointments to the Board and the Board's Committees. • Approved the appointment of Natasja Laheij as Senior Independent Director.
Governance and risk	• Reviewed and approved changes to the Terms of Reference of the Audit, Remuneration and Nomination Committees. • Reviewed and approved the Company's Modern Slavery Statement. • Reviewed the results of the Board and Committees' external evaluation with a designated feedback session from the Board evaluator, discussed recommendations and agreed key themes to focus on. • Received updates and recommendations from the Committee Chairs following each Committee meeting. • Received updates from the General Counsel & Company Secretary regarding legal, governance and compliance matters at each meeting. • Reviewed the risk management framework and the Group's principal risks, approved changes to risk appetite, and discussed how these risks and opportunities should best be managed within the Group. • Received feedback and insights from the Chair gathered from meetings with the Company's top shareholders. • Reviewed and approved a revised Delegation of Authorities. • Received briefings from the Company's brokers and lawyers.
Markets	• Reviewed reports from the Investor Relations team, containing market updates and shareholder feedback. • Assessed performance relative to peers. • Received reports on our target customers and considered customer acquisition models, the customer experience and marketing campaigns. • Received an update on brand and customer health at the Board strategy day. • Considered geographical markets.
Fashion with Integrity (FWI)	• Oversight of FWI Strategy through our Sustainability Committee.

Corporate Governance Report
continued

Principal decisions FY24

The table below sets out the key topics the Board discussed and debated during the period and identified how the Board considered its stakeholders and their priorities during their discussions and decision-making.

Matter considered	Deliberations	Stakeholders
Lichfield Fulfillment Centre	In October 2023, the Board approved the commencement of a process to sell or mothball the Lichfield Fulfillment Centre following completion of the automation project in FY24. In reaching the decision, the Board considered various options for the site. As the automation project was nearing completion and capital had already been deployed or committed, it was agreed that the completion of the automation project would make the site more desirable for prospective tenants or buyers. The Board agreed that this would be the best outcome in order to reduce fixed operating costs and right-size our supply chain network capacity.	Customers ASOSers Shareholders Suppliers Communities
Stock management	Throughout the year, the Board received regular updates on stock levels and the performance of the new operating model. After almost two years of clearing through excess stock built up under the old commercial model, it was decided that an acceleration to the new commercial model would be tested in Q4 through the removal of a proportion of aged stock from the on-site consumer view. During the test, net sales improved and total realised markdown (TRM) reduced, resulting in improved gross margins, further strengthening management's view that a quicker transition to the new operating model will facilitate improved short and long-term performance. The Board approved a stock write-down of aged stock to facilitate the full transition to the new operating model, recognised as a non-cash P&L cost excluded from adjusted profit before tax. Further information is included within Note 3 of the Financial Statements. Going forward, clear targets and milestones are in operation to prevent aged stock build.	ASOSers Customers Shareholders
Topshop and Topman Joint Venture	Following an initial unsolicited offer, ASOS entered into a competitive sales process during FY24 for the Topshop and Topman (TSTM) brands. The Board approved the binding agreement with Heartland A/S to form a new joint venture (JV)[1] to purchase the intellectual property of the TSTM brands, as announced on 5 September 2024. The sale of the TSTM brands to the JV completed on 9 October 2024. The Board received regular updates on the sales process, and unanimously agreed that the TSTM JV entered into is in the best interest of ASOS shareholders as a whole, as well as customers, and ASOSers, for a number of reasons, including: the transaction ensures that ASOS customers continue to benefit from access to TSTM products, alongside ASOS' own-brand and 900+ partner brands; the sale of a 75% stake in the TSTM brands aligns with ASOS' renewed focus on allocating capital more efficiently, thereby accelerating the core Back to Fashion strategy; the new JV brings the opportunity to expand TSTM's customer reach; and the sale proceeds would significantly strengthen ASOS' balance sheet, while retaining a stake in the TSTM brands (through the JV) ensures ASOS can participate in the future growth potential of Topshop and Topman. By virtue of Heartland A/S's indirect shareholding in ASOS, the Board was advised by J.P. Morgan Cazenove, acting in its capacity as sponsor in relation to the related party transaction, to consider that the transaction is fair and reasonable as far as ASOS' shareholders are concerned.	ASOSers Customers Shareholders Suppliers
Re-financing	In August 2024, the Board approved a re-financing programme of ASOS' convertible bonds and Bantry Bay facilities, both of which subsequently completed in September 2024. The Board agreed that the new capital structure would strengthen ASOS' balance sheet and improve its financial flexibility. As announced on 5 September 2024, the re-financing involved three elements: (i) £253m Convertible Bonds due 2028, fully funded by an exchange from the Convertible Bonds due 2026; (ii) £173.4m of the Convertible Bonds due 2026 were accepted for repurchase (at a discount to par), and (iii) ASOS amended and extended its existing facilities agreement with Bantry Bay Capital to May 2027 with an option for a 12-month extension. Further information is included within Note 30 of the Financial Statements. The Board considered its stakeholder groups when approving the re-financing and concluded it was in the best interests of the Company and would promote the success of the Company for the benefit of its stakeholders over the long term.	ASOSers Customers Shareholders Suppliers

Board evaluation

The Board recognises that regular evaluation and monitoring of the Board, its Committees and individual performance provides opportunities for the Board to reflect on its activities, decision-making and individual contributions.

As reported in last year's Annual Report, ordinarily the Company would have conducted an externally facilitated Board evaluation in FY23. However, as five new Non-Executive Directors were onboarded between February 2023 and July 2023, it was agreed that it was in the best interests of the Company to delay the evaluation to allow the new Non-Executive Directors to embed into their roles on the Board and in their respective Committees before embarking on a formal evaluation.

Mr Chris Saul of Christopher Saul Associates was appointed to facilitate an external evaluation process in July 2023, and the process ran throughout the first few months of FY24, as detailed below. Chris Saul is highly respected in this area and has assisted a number of FTSE organisations to assess and improve Board effectiveness. Chris Saul does not have any connection with the Company or any individual Director.

Board evaluation process

Scoping

Chris Saul initially met with the Chair, Senior Independent Director and the General Counsel & Company Secretary upon appointment to discuss and agree the objectives of the review and any areas of specific focus and a timetable was drafted based on the Board calendar.

Document review

Chris was provided with a selection of relevant Board and Committee agendas, papers and minutes for review.

Board and Committee observation

It was agreed that each Director should have been through at least one Board and Committee cycle before they could meaningfully contribute to evaluation discussions. As such, Chris attended the scheduled Board and Committee meetings in early October 2023 to review the practical arrangements and proceedings at meetings and to assess the Board and Committee dynamics.

Interviews

Chris commenced one-to-one interviews with each Board member in October 2023. Eight of the meetings were held in person and one was via video conference. Chris also met with the Company Secretary, the Interim CFO and other Senior Leaders who regularly participate in parts of Board and Committee meetings.

Feedback

The Board were presented with Chris Saul's Board evaluation report, following conclusion of the assessment process via Board video conference call arranged for that purpose in January 2024.

Overview of key findings

The review concluded that a positive, engaged, collaborative and open dynamic was emerging amongst the relatively new Board with an impressive range of skills and depth in international operating experience. The Chair was found to have a good working relationship with the CEO and is appreciated by Board members who value his leadership and approachable, yet professional, style.

The Board considered all of the recommendations contained in the evaluation report and developed and executed an action plan as detailed below:

Recommendations	Status
As Mai Fyfield decided not to seek re-election at the Annual General Meeting for FY23, it was recommended that the Board source and appoint a seasoned Remuneration Committee Chair with solid Plc experience, who ideally has Audit Committee experience also.	Christine Cross, who has extensive Plc, Remuneration and Audit Committee experience, was appointed as Independent Non-Executive Director, Chair of the Remuneration Committee and member of the Audit Committee on 16 April 2024.
It was suggested to narrow the number of agenda items to be considered at Board meetings and instead do more deep dives into strategic topics.	The Board agendas now include more deep dives into relevant financial and operational areas, where appropriate around the Board calendar cycle.
It was recommended that the Nomination Committee take additional responsibilities for broader people issues such as employee engagement, staff morale and culture in addition to matters such as succession planning. It was suggested to change the name of the committee to the "Nomination and People Committee".	The Nomination Committee already provided oversight of certain additional people related matters, including Diversity, Equity & Inclusion. However, the formal remit of the Nomination Committee was extended to include the suggested people related matters, with changes to the Nomination Committee's Terms of Reference approved by the Board in July 2024. However, it was felt that this did not warrant a change of the Committee's name, therefore the Nomination Committee remains.
Subject to timing and logistical constraints, the new Non-Executive Directors were encouraged to spend more time in the business to get more hands-on experience of operations.	All Non-executive Directors had additional exposure to business operations in FY24 to varying degrees which benefitted them from an operational perspective, but also from an employee engagement perspective as detailed on pages 24 and 88.

Review of the Chair

Natasja Laheij, who was appointed as Senior Independent Director following the conclusion of the Company's Annual General Meeting on 7 February 2024, led an additional review of the Chair's performance at the financial period end. One to one interviews were held with each Board member and the Company Secretary, where open and constructive dialogue was encouraged to discuss the Chair's performance. The review concluded that there is unanimous support for the Chair, noting that the Chair performs his role to a high standard. A number of strengths were identified as well as key areas for focus during the year ahead.

FY25 evaluation

As an external evaluation of the Board was conducted in FY24, it is the Board's intention to conduct an internal Board and Committees assessment in FY25.

1 The arrangement with Heartland, whilst referred to as a joint venture throughout this report, will be accounted for as an associate, as detailed in note 30 of the Financial Statements.

Corporate Governance Report continued

Engagement with ASOSers

Our ASOSers are the people behind our brand. Our purpose is to give people the confidence to be whoever they want to be and we want to empower our employees to do just that. The priorities of our ASOSers are carefully considered as part of the Board's decision-making.

The Board engages with our ASOSers and monitors culture in a variety of ways:

During the period, Jørgen Lindemann continued to be our designated Non-executive Director for employee engagement. However, it was decided that more of our Non-executive Directors should have direct interaction with our ASOSers. As such, our Meet the Board series commenced in February 2024 where ASOSers are invited to hear about our Non-Executive Directors' experiences and listen to them sharing their views on ASOS from a Board perspective. A significant proportion of the time is dedicated to Q&A sessions to encourage two-way dialogue, to also hear ASOSers' perspectives. Two Meet the Board sessions were held in the second half of FY24 with William Barker and Jose Manuel Guitérrez and it is the intention to run these sessions quarterly on a rotational basis.

Our CEO engages directly with our ASOSers through regular townhall meetings and hosts CEO Coffee Chats where our ASOSers can sign up and meet with him to discuss any matters that they feel are important.

Our new CFO, Dave Murray, hosted a fireside chat with Natasja Laheij, our Senior Independent Director and Audit Committee Chair, at a CFO Townhall meeting. Natasja shared her insights of being a Senior Leader in the Finance industry and ASOSers were invited to ask questions.

Several of our Directors conducted site visits outside of HQ in London, as detailed on page 24. During site visits, our Directors receive a tour and meet with our ASOSers to better understand the ways of working and the culture at each location.

Through this direct engagement, our Board members are able to witness first-hand how our values are lived and embedded throughout the Group, to assist the Board in monitoring and assessing culture. Updates are provided to the Board following all engagement activities to ensure ASOSers' views are kept at the centre of the Group's decision-making.

The Board also receives feedback from the results of the employee engagement survey, ASOS Vibe, which provides key insights into people data and trends and levels of engagement, together with the areas of focus for the forthcoming year.

For more information on engagement with our ASOSers, see page 24.

Shareholder engagement

The Board is committed to creating value for its shareholders and takes its responsibility to maintain effective dialogue with investors very seriously. The Company has a single share class in issue and all shareholders benefit from the same rights. The Board does not take any decisions or actions, such as selectively disclosing confidential information, that would unfairly advantage any one shareholder or group of shareholders over our wider shareholder base. The CEO and CFO of the Company meet all major shareholders after interim and full-year results while the Investor Relations team is in regular contact with investors throughout the year.

During FY24 we engaged with investors on a range of topics including Company performance against its strategy, its approach to ESG issues, governance and Board composition, and Directors' remuneration including the introduction of a new Value Creation Plan as explained in detail on pages 102 to 103.

The Investor Relations function is represented at the most senior level in the business by the Chief of Staff and Strategy, with a seat on the Company's Management Committee. Steps have been taken to ensure that full-year and other public announcements are as meaningful, understandable, transparent and comparable as possible, with this information also made available on the Company's corporate website asosplc.com.

Our Section 172 Companies Act Statement on page 22 details how the views of our employees, shareholders and other stakeholders have been considered and shared with the Board during the period.

Constructive use of the AGM

The AGM is the principal forum to meet, and engage in dialogue with, all shareholders who wish to attend to enable the Board to hear their views and enable shareholders to ask questions, although engagement is possible at other times upon request. The most recent AGM was held on 7 February 2024 at our head office in London. The Chair and all other Directors with the exception of Mai Fyfield (who did not offer herself for re-election and stepped down from the Board at the conclusion of the AGM) attended the AGM and were available to answer shareholder questions. Shareholders were also given the opportunity to ask questions to the Directors ahead of the meeting via email. Shareholders voted on each resolution by way of a poll and the results of voting were promptly published on our website asosplc.com following the conclusion of the meeting.

Website and shareholder communications

Our website asosplc.com provides a range of corporate information on our business, results and financial performance, including copies of our Annual Report and Accounts, announcements and presentations.

Nomination Committee Report

Jørgen Lindemann Committee Chair

Members

- William Barker
- Wei Gao
- Natasja Laheij

Committee responsibilities

The Committee's principal responsibilities are to:

- Monitor the structure, size and composition of the Board and its Committees.
- Identify the balance of skills, knowledge, diversity and experience on the Board and recommend new Board and/or Committee members to the Board as appropriate.
- Review the time commitment and independence of the Non-executive Directors, including potential conflicts of interest.
- Oversee talent and succession plans for Senior Leaders.
- Ensure that an appropriate and tailored induction is undertaken by all new Board members.
- Review the results of the Board evaluation process.
- Review the Company's policy on Diversity, Equity & Inclusion, it's objectives and linkage to company strategy.
- Review employee engagement survey results and monitor management's action plan in response to surveys.
- Review the Company's recruitment and talent management and consider how these drive the desired ASOS behaviours and values.

Terms of Reference

The full Terms of Reference for the Nomination Committee are available on our website, asosplc.com.

The Nomination Committee's attendance at meetings is detailed in the table on page 81.

Nomination Committee Chair's statement

I am pleased to present the Nomination Committee ("Committee") Report for the period ended 1 September 2024. This report should be read in conjunction with the compliance report on page 80, which shows how the Company has complied with the UK Corporate Governance Code 2018 (the "Code").

Board composition, expertise and succession planning

As reported in last year's Annual Report and Accounts, we welcomed William Barker to our Board as a Non-executive Director on 20 September 2023. William is not considered to be independent under the Code due to his role as CEO and Founder of Camelot Capital Partners LLC, a significant shareholder of the Company. Despite this deemed non-independence, the Committee and the Board felt that William's entrepreneurial background and retail experience would benefit our Board, noting that the Company would maintain a majority of Independent Non-executive Directors on our Board in accordance with the Code. The Committee noted that any potential conflict of interest arising from William's role as Director and significant shareholder would be managed appropriately.

Mai Fyfield decided not to seek re-election as an Independent Non-Executive Director at our Annual General Meeting (AGM) on 7 February 2024. On behalf of the Board, I would like to thank Mai for her valuable contribution to the Company over her tenure and for her support as Senior Independent Director, Chair of the Remuneration Committee in the latter period of her role. We benefitted greatly from Mai's experience and wish her all the best for future endeavours.

In preparation for Mai's departure, the Committee evaluated the balance of knowledge, skills and diversity on our Board, noting that Mai was Senior Independent Director, Chair of the Remuneration Committee and a member of the Audit and Nomination Committees.

To support the succession planning process, a skills matrix is maintained to ensure the Board has and maintains the requisite skills and experience to support the delivery of the Company's strategy and objectives.

Following a review of the Board's skills matrix and the requirements of the roles that Mai fulfilled, the Committee agreed that the role of Senior Independent Director should be undertaken by an existing Independent Non-executive Director who had knowledge of the Company and the Board. The Committee recommended that Natasja Laheij be appointed as Senior Independent Director, which was approved by the Board and Natasja was appointed our Senior Independent Director with effect from the conclusion of the AGM on 7 February 2024.

The Committee embarked on a search for a new Independent Non-executive Director that had extensive Remuneration Committee experience and who could Chair our Remuneration Committee. The Committee assessed the key traits, experience and skillset that candidates should have and True Search, an independent executive search consultancy that has no connection with ASOS or any of its Directors, was engaged during the period to assist us with our recruitment.

Following a review of several diverse candidates from different backgrounds, and a rigorous interview process with myself as Chair and other Board members, I was delighted to welcome Christine Cross to our Board as Independent Non-Executive Director, Remuneration Committee Chair and member of the Audit Committee on 16 April 2024. Christine brings a wealth of public listed company and retail experience to the Board and has served as Remuneration Committee Chair on several public companies including Hilton Food Group plc and Coca Cola Europacific Partners plc, and we are fortunate to have her on our Board. The Committee deemed Christine as independent upon appointment in accordance with the independence requirements cited within the Code and confirmed that she has the requisite time to dedicate to her role.

In the interim period following the conclusion of the Company's AGM to Christine's appointment, Marie Gulin-Merle agreed to take on the role of Interim Remuneration Committee Chair, having served as a member of the Remuneration Committee for over one year. I would like to thank Marie for stepping up and devoting additional time to her role during this period from 7 February 2024 to 16 April 2024.

As part of the Board succession planning process, the Committee took the opportunity to evaluate memberships of the Board Committees to ensure the size of each Committee is appropriate and that each Committee has the relevant skills, knowledge and diversity. As such, the Committee recommended that William Barker and Natasja Laheij join the Nomination Committee, alongside myself as Chair and Wei Gao. Furthermore, the Committee recommended that Jose Manuel Martínez Gutiérrez should join the Remuneration Committee alongside Natasja Laheij and Marie Gulin-Merle. These changes were approved by the Board and the new constructs of the Committees became effective on 7 February 2024.

Following an extensive search for a permanent Chief Financial Officer (CFO), Dave Murray was appointed as Executive Director and CFO with effect from 29 April 2024. Dave has wide-ranging experience in the retail sector, notably in senior finance positions in several major retail, fashion and e-commerce businesses, which will make him a valuable partner in the next phase of ASOS' journey to becoming a faster, more agile and more profitable business. On behalf of the Board, I would like to extend my thanks to Sean Glithero, who was instrumental in driving change across the Company during his tenure as Interim CFO.

The Committee ensured that Christine and Dave both received full, formal and tailored inductions, which included the opportunity to meet senior colleagues across the business and our advisors, in addition to receiving comprehensive induction packs.

Following the recruitment of Dave Murray and Christine Cross, the Committee is satisfied that the Board has appropriate diversity, with the right balance of skills and experience to lead the Company through this period of transformation. However, as always, we will continue to monitor the needs of the Board and will maintain our orderly succession planning process for Directors as we move forward into FY25 and beyond.

At its final meeting of the year, the Committee conducted a review of the Non-Executive Directors' time commitments, which took account of the number and nature of any external appointments. The Committee was satisfied that all Non-executive Directors have the requisite time to carry out their role and fiduciary duties as Directors, noting that any additional external appointments of Directors would require approval by the Board.

The Committee was satisfied there were no conflicts of interest arising from the Directors' external commitments which could affect their independence and judgement as Directors, aside from the known potential conflict of interest arising from William Barker's role as founder and CEO of Camelot Capital Partners LLC, which would be managed accordingly if and when any conflict may arise.

Senior Leaders' succession planning and talent management
Below Board level, there was continued focus on Senior Leaders' succession throughout FY24. The Committee reviewed succession plans for the Management Committee members and their direct reports to ensure the Company has the talent and leadership capability required to execute the Company's strategy going forward.

In parallel, the Committee reviewed the broader approach to talent management, anchored in our Diversity, Equity & Inclusion principles. I am pleased to report that a new permanent Executive Vice President of People Experience, Ras Vaghjiani, joined the Company in July 2024. The Committee looks forward to working with Ras who will be presenting plans for succession planning and talent management to the Committee in FY25.

Nomination Committee Report continued

Board and Committees' evaluation

As reported in more detail on page 87, in early FY24 we concluded an external Board evaluation process, which included a review of the Nomination, Audit and Remuneration Committees. Mai Fyfield, who was Senior Independent Director at the time, led the Board evaluation process. The Board evaluation report was reviewed by the Nomination Committee, together with the proposed actions, in the spirit of continuous improvement.

In relation to the evaluation of the Committee itself, the findings concluded that the activities of the Nomination Committee were highly rated. The external evaluator, Christopher Saul, suggested that the Company should expand the remit of the Committee to include review of broader people issues and to rename the Committee the Nomination and People Committee. The Board agreed that the Committee's remit should be formally expanded to include review of employee engagement surveys and talent management, and the Committee's Terms of Reference were updated to include these additional matters. However, the Board felt that this could be covered by the Committee without changing the formal name of the Committee.

Employee survey feedback

As part of the broadening of the Committee's remit, the Committee reviewed the results of the ASOS Vibe employee engagement survey. The survey results provide focus areas for improvement which, if delivered, will enable us to maintain a more engaged workforce and will ultimately improve retention rates.

The Committee was pleased to see higher response rates and improved engagement scores vs the prior year, which is the Company's ambition each year.

The Committee was presented with management's action plan as a result of the feedback and will monitor progress against the action plan over the forthcoming year. However, it was encouraging to see that many actions from the plan had already been delivered and communicated to ASOSers by the financial period end.

Board and Management Committee diversity

Our gender identity and ethnic background data in accordance with Listing Rule 9.8.6(R)10 in the format set out in Listing Rule 9 Annex 2.1 is presented below. For this purpose, our Management Committee represents our Executive Management as defined by Listing Rule 9.

Gender identity as at 1 September 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of Management Committee members[1]	Percentage of Management Committee
Men	6	54.5%	3	8	53.3%
Women	5	45.5%	1	7	46.7%
Other categories	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Ethnic background as at 1 September 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number of Management Committee members[1]	Percentage of Management Committee
White British or other White (including minority-white groups)	10	90.9%	4	8	53.3%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	9.1%		3	20.0%
Black/African/Caribbean/Black British	–	–	–	1	6.7%
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	3	20%

1 Data includes both Emma Whyte, General Counsel and Company Secretary (maternity leave) and Rishi Sharma, Interim General Counsel & Company Secretary.

Diversity, Equity & Inclusion (DEI)

We recognise the importance of diversity across our organisation and see it as a key driver of business success. We are committed to creating an inclusive culture where our ASOSers reflect the diversity of the customers we serve. We are passionate about creating an environment where every ASOSer is given the opportunity to contribute and use their talents, skills and experiences to help make ASOS the number one online destination for fashion-loving 20-somethings.

As a Board, we expect this culture of diversity and inclusion to be clear through setting the tone from the top, with the Board and Management Committee championing our DEI strategies in support of ASOS' commitments.

Board diversity policy

We believe that a diverse Board, with a broad range of skills, backgrounds, knowledge and experience, is essential to maintaining Board effectiveness and competitive advantage. When making new appointments to the Board, suitably qualified applicants from a diverse pool will be considered with no restrictions on protected characteristics such as age, gender, sexual orientation, religion, ethnic background or other personal attributes. All appointments are made on merit, taking into account suitability for the role, together with the composition and balance of the Board, to ensure that the Board and its Committees have the right mix of skills, experience, independence and knowledge to perform effectively.

The Board supports the recommendations set out by the FTSE Women Leaders Review and the Financial Conduct Authority on gender diversity and the Parker Review on ethnic diversity and endeavours to maintain a diverse and balanced Board.

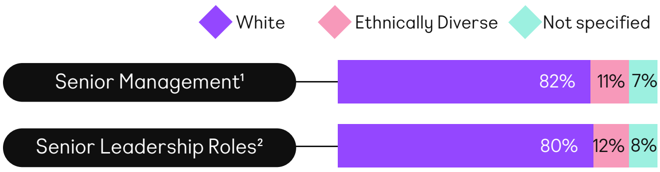
When considering memberships of the Board's Committees, consideration is given to the diversity within each Committee in addition to assessing the balance of skills and experience to leverage different insights and perspectives. This benefits decision-making within the Committees and the Board as a whole and will, in turn, benefit the Company's shareholders and other stakeholders.

We are pleased to report that we continued to meet the external targets set by the FTSE Women Leaders Review, the Financial Conduct Authority and the Parker Review throughout the period and as at the date of this report.

Our approach to Board diversity sets the tone for DEI throughout the business. We are committed to treating everyone the same, encouraging our differences and aim for our ASOSers to reflect our diverse customer base.

Internally, we define our senior leaders as those with "Head of" roles and above ("Senior Leaders"), but we are conscious that the Code defines senior management as the first layer of management below board level, in our case the Management Committee, and their direct reports. Under the Code definition, which covers 100 roles, we have 55% female representation across senior management roles. However, when using our broader internal Senior Leaders metric, which covers our top 226 leaders, we have 41% female representation and aspire to increase this. For transparency, we are reporting both metrics. We are pleased that we have strong female leadership but would like to see more females in our Senior Leader roles, to ensure we have balanced gender diversity across broader definitions.

As at our financial period end of 1 September 2024, the gender and ethnicity balance across our Senior Leaders' roles was:



1 Defined as the Management Committee and their direct reports across 100 roles in accordance with the UK Corporate Governance Code 2018.
2 Defined as "Head of" and above positions across 226 roles.

Further information on our approach to DEI can be found on pages 20 to 21 and 33.

Jørgen Lindemann
Nomination Committee Chair
5 November 2024

Sustainability Committee Report

Anna Maria Rugarli Committee Chair

Members

- Wei Gao
- Marie Gulin-Merle
- Jose Manuel Martínez Gutiérrez
- Nick Robertson

Committee responsibilities

The Committee's principal responsibilities are to:

- Provide input and guidance to the Company's FWI Strategy including related targets and KPIs.
- Provide oversight of the execution of the FWI Strategy and monitor progress against its targets and KPIs, including risk management.
- Provide oversight of the key policies and programmes required to implement the FWI Strategy.
- Provide advice and direction to the Company's management on implementation of the FWI Strategy, the opportunities and risks to the Company's operations and reputation.
- Monitor how the Company's FWI Strategy is communicated to all stakeholders, and how it is received.
- Monitor changes to the sustainability regulatory landscape and oversee how the Company is preparing to meet the requirements.
- Review the practices and initiatives of the Group relating to sustainability matters to ensure they remain effective.
- Have oversight of the Company's Modern Slavery Statement.
- Offer recommendations to the ASOS Plc Remuneration Committee on sustainability-specific targets for executive remuneration packages.
- Monitor the internal and external performance of the ASOS Foundation and its partnerships.

Terms of Reference

The full Terms of Reference for the Sustainability Committee are available on our website, asosplc.com.

The Sustainability Committee's attendance at meetings is detailed in the table on page 81.

Sustainability Committee Chair's statement

I am pleased to present the Sustainability Committee ("Committee") Report for the period ended 1 September 2024.

The Nomination Committee, and thereafter the Board, reviewed the memberships of all the Board's Committees in February 2024. As a result, we welcomed Marie Gulin-Merle as a member of the Committee with effect from 7 February 2024.

Following a review of the Committee's Terms of Reference in September 2024, the Committee agreed that it was more appropriate for the Committee to be renamed the Sustainability Committee given the remit we have in our Terms of Reference.

As a Committee, we recognise the importance of sustainability to ASOS, both in addressing current risks and in preparing ASOS for the future. We are pleased to continue our engagement with the business on this vital topic.

Focus during the year

Fashion with Integrity (FWI) Strategy

Our key focus as a Committee throughout FY24 has been supporting the review of the FWI strategy by providing constructive challenge and guidance to the FWI team.

I am delighted to have published our updated FWI Strategy alongside this Annual Report. A summary can be found in the FWI section on pages 28 to 33 and the full FWI Strategy Update is available on our website www.asosplc.com.

The review of the strategy, as outlined in last year's Committee Report, has been carried out to ensure that we are remaining true to the principles behind FWI, while also reporting using the most relevant metrics and aligning to upcoming regulatory and legislative requirements.

As part of this work, the Committee also oversaw an update to our materiality assessment. This clearly identified the most relevant topics for ASOS which will be addressed through the FWI Strategy.

I would like to commend the FWI team on their innovative thinking, hard work, and efforts to review and update the strategy. I feel that the updated strategy reflects a step forward on the previous iteration and highlights the increased maturity on this topic within ASOS.

Reporting
Alongside the new strategy, on pages 28 to 33 we have provided an update on our performance against the new targets and commitments we have set. In the future we will be reporting against our FWI Strategy in each Annual Report, rather than alongside our interim results as we have done in recent years.

The Committee also reviewed our Modern Slavery Statement ("Statement") and recommended to the Board that the Statement be approved, as this is a matter reserved for the Board.

Horizon scanning
Key to updating the FWI Strategy was reviewing upcoming sustainability legislation to ensure ASOS is well-prepared to meet any future requirements.

As part of our horizon scanning process, the Committee received updates around upcoming changes in legislation around sustainability issues and what this means for ASOS. We will continue to monitor progress in this area.

Competition and Markets Authority investigation
We were pleased that the Competition and Markets Authority (CMA) investigation into ASOS and other fashion retailers regarding the use of environmental claims about fashion products closed in March 2024.

ASOS co-operated fully and openly with the CMA throughout its investigation, and the Committee received updates in relation to the ongoing investigation and draft undertakings at each Committee meeting leading up to the closure of the investigation.

Following the conclusion of the investigation, the Committee has, and will continue to, monitor our compliance with the agreed undertakings and will monitor developments in this area across the industry.

Community
The Committee received updates on the ASOS Foundation ("The Foundation") from Nick Robertson, Non-Executive Director and Chair of The Foundation, regarding the community work that The Foundation's partners have delivered throughout the period. The Committee was also provided with an overview of The Foundation's employee engagement strategy and received fundraising updates to keep up to date with internal and external engagement performance.

ASOS Long-Term Incentive Scheme
The FY22 ASOS Long-Term Incentive Scheme awards, with a vesting date of 31 October 2024, included a performance measure in relation to progress against the FWI Strategy set in FY22, which accounted for 15% of the maximum vesting. Following the period end, the Committee reviewed performance against the strategy set in FY22 and provided a recommendation to the Remuneration Committee that 10% of a maximum 15% vest, taking into account the considerable progress achieved with regards to ASOS' governance and overall approach to ESG. See page 103 for more details.

Key focus for the year ahead
The Committee's key focus for the year ahead will be assessing and monitoring performance against the updated FWI Strategy, as well as monitoring evolving legislation relating to sustainability to ensure we are prepared for upcoming changes to laws and regulations in this area. I look forward to reporting against our revised FWI Strategy in next year's Annual Report.

Anna Maria Rugarli
Sustainability Committee Chair
5 November 2024

Audit Committee Report

Natasja Laheij Committee Chair

Members

- Christine Cross
- Wei Gao
- Jose Manuel Martínez Gutiérrez

Committee responsibilities

The Committee's principal responsibilities are to:

- Monitor the integrity of the Group's financial statements in relation to the Group's financial performance.
- Provide advice to the Board on whether the Annual Report is fair, balanced and understandable.
- Review the Group's accounting policies and significant estimates and judgements.
- Review the effectiveness of the external audit processes, including monitoring the External Auditors' independence, and report external audit findings to the Board.
- Monitor and review the effectiveness of the Internal Audit function.
- Review the effectiveness of the Group's internal controls, including the process for the evaluation, assessment and management of risk.
- Oversee the Group's whistleblowing, compliance, security and fraud prevention procedures.

Terms of Reference

The full Terms of Reference for the Audit Committee are available on our website, asosplc.com.

The Audit Committee's attendance at meetings is detailed in the table on page 81.

Audit Committee Chair's statement

I am pleased to present the Audit Committee ("Committee") Report for the period ended 1 September 2024, which provides an overview of the Committee's role to support the Board with the oversight of the financial integrity of the Company's reporting, the external audit process, Internal Audit and internal controls and risk management systems. This report should be read in conjunction with the compliance report on page 80, which shows how the Company has complied with the UK Corporate Governance Code (the "Code") 2018.

Following the publication of the revised 2024 Code in January 2024, we conducted an initial assessment of the new and amended provisions of the Code that were relevant to the Audit Committee in February 2024 and then undertook a more detailed assessment in July 2024. Further information on what we have been doing both as a Committee and as a Company to be ready to report against the new provisions is detailed below.

Following Mai Fyfield's decision to step down from the Board and as a member of the Committee at the conclusion of the Annual General Meeting on 7 February 2024, we welcomed Christine Cross as a member of the Committee upon her appointment as Independent Non-Executive Director on 16 April 2024. Christine has served on several public listed company Audit Committees in the retail sector, including Next plc and Kathmandu plc, and is a great addition to the Committee. The Board is satisfied that I have the requisite recent and relevant financial experience to Chair the Committee and believes that all Committee members have competence relevant to the sector in which the Company operates. The biographies of the Committee members can be found on pages 72 to 74.

On behalf of the Committee, I would like to thank Sean Glithero who served as Interim CFO throughout a large proportion of the period whilst the search for a permanent CFO was ongoing. Dave Murray joined as our new CFO on 29 April 2024, and we look forward to working closely with Dave going forward.

Natasja Laheij
Audit Committee Chair
5 November 2024

Committee activities
The Committee met four times during the period which is the usual cadence of meetings. Attendance by Committee members can be seen on page 81. Agendas are prepared in accordance with the annual forward-looking agenda, which is prepared in conjunction with the CFO and Company Secretarial team, to ensure the Committee's duties are fulfilled on a timely basis around the Group's financial reporting cycle.

Following each meeting, the Committee Chair reports to the Board on the main discussion points of the Committee.

Although not members of the Committee, the Board Chair, CEO, CFO, General Counsel & Company Secretary and Head of Internal Audit & Risk are also invited to attend Committee meetings unless they have a conflict of interest. Other ASOSers may be invited to attend for a specific agenda item or items where relevant. The Group's External Auditor, PwC, is also invited to attend Committee meetings. The Committee Chair and members regularly meet with both the External and Head of Internal Audit and Risk in private. As is needed, the Committee also receives advice from advisors on any tax or legal issues which may arise.

Corporate Reform
As part of the Group's preparation for upcoming Corporate Reforms, including the provisions of the 2024 Code, the Committee continues to maintain oversight of the evolving controls framework to ensure the business is well-positioned to meet future regulatory requirements.

The ASOS Controls Programme (ACP) has been established to design, implement, and embed a comprehensive controls framework aimed at enhancing the Group's control environment. In alignment with the updated control reporting requirements introduced by the 2024 Code, the ACP plays a central role in ensuring compliance and continuous improvement. The programme is under the sponsorship of the CFO, with the Committee receiving regular updates on progress, key milestones, and strategic approaches to the framework's implementation.

A central focus of the ACP has been the identification and definition of material controls, ensuring that efforts are concentrated in the most impactful areas. The Committee has reviewed and approved the proposed framework, which is aligned with the Group's existing Risk Management approach (see pages 62 to 63). This integrated approach supports the ongoing refinement of the controls framework, enabling ASOS to enhance governance and risk management processes while maintaining the agility required to support business growth and operational efficiency.

Fair, balanced and understandable
A key responsibility of the Committee is to advise the Board on whether the Annual Report and Financial Statements are fair, balanced and understandable, and whether they provide shareholders with the information necessary to assess the Company's financial position, performance, business model and strategy. In fulfilling this role, the Committee ensures that disclosures are transparent and accurately reflect the underlying data, while providing appropriate challenge to management. Where necessary, updates are made to enhance clarity and completeness. The External Auditor plays a vital role in this process by conducting a statutory audit of the Group's financial records in accordance with applicable accounting standards, laws, and regulations.

The Committee's activities in this regard included:

- Reviewing the processes and controls that support the preparation of the Annual Report, with confirmation that the reporting team and Senior Leaders fully understood their roles and responsibilities.
- Receiving an advanced draft of the full Annual Report and providing feedback, with amendments incorporated as required before final approval.
- Being presented with a summary of the key matters included in the Annual Report, highlighting both positive and negative factors.
- Reviewing and discussing the key factors considered in determining whether the Annual Report is fair, balanced and understandable.

The Committee recommended to the Board that the FY24 Annual Report is fair, balanced and understandable while providing the necessary information to assess the Company's position and performance, business model and strategy.

External Auditor
PwC continued as the Company's External Auditor for FY24 following re-appointment at the Company's Annual General Meeting on 7 February 2024.

The Committee has primary responsibility for recommending the re-appointment of the External Auditor to the Board before the resolution is put to shareholders at the Company's Annual General Meeting. The Committee believes that it is in the best interest of its shareholders for PwC to remain as External Auditor and therefore recommends that PwC be re-appointed as Company auditors for FY25.

External Audit effectiveness
The Committee oversees the relationship with the External Auditor and reviews audit effectiveness. The audit scope, approach, materiality and areas of focus are agreed well in advance of the audit to align on expectations and timeframes.

A feedback session is held following each audit to discuss what went well and to identify areas for continuous improvement to feed into the next audit planning process.

The Committee assesses audit effectiveness through review of the quality of the audit reports and ancillary documents provided by the auditors, consideration to the opinions of the CFO and his senior finance team and through collective views of the audit partner and his team.

The Committee holds private sessions with PwC without management present to discuss feedback from the audit. The Committee ensures that the External Auditor has challenged management and received the access it required to conduct an effective audit, and in a timely manner. If PwC has any concerns about access to information, or the information received, it would be reported to the Committee in order for the Committee to fulfil its responsibilities.

The Committee Chair also meets with the audit partner, Neil Grimes, privately and he is authorised to contact the Committee Chair at any time if he wishes to raise any matters of concern.

Based on this collective analysis, the Committee is satisfied that PwC had applied appropriate and robust focus and challenge throughout the audit.

External Auditor independence and objectivity
The Committee is responsible for recommending to the Board the appointment, re-appointment, remuneration and removal of the External Auditor. When considering whether to recommend the re-appointment of the External Auditor, the Committee considers a range of factors, including the effectiveness of the external audit, the period since the last audit tender was conducted, and the ongoing independence and objectivity of the External Auditor. Before commissioning non-audit services, the Committee must ensure that there is no issue as regards to independence and objectivity of the External Auditor.

Audit Committee Report continued

The Committee's principal activities during the period included:

Financial reporting	**Integrity of the financial statements and formal announcements** • The Committee reviewed the Annual Report and Accounts, and supporting information, and concluded that the Annual Report was fair, balanced and understandable as detailed above. • Reviewed the full and half-year results announcements. **Significant financial and reporting matters** • Reviewed key accounting judgements and estimates applied in the preparation of the Group's financial results. These included inventory provisioning, management's assessment of items to be excluded from adjusted profit before tax, and the assumptions/judgements included within management's going concern, viability, impairment and deferred tax recoverability reviews. More information can be found in Significant financial reporting matters and judgements on pages 99 to 100. **Assumptions in support of going concern and viability assessments** • The Committee considered the viability and going concern statements and their underlying assumptions. • The Committee evaluated going concern over an 18-month period, which included a review of financial plans and assumptions, access to financing and the challenging economic environment and the adaptability of financial plans. • The Committee also considered the appropriateness of a three-year viability assessment period after modelling the impact of certain scenarios arising from the Group's principal risks. • More information can be found in the Long-term viability statement on pages 70 to 71, the Going Concern statement on page 135, and the Significant financial reporting matters and judgements on pages 99 to 100.
External Audit	• Reviewed and agreed the scope of the external audit process prior to commencement of the FY24 audit. • Considered the External Auditor's reports on the full-year and half-year results. • Appraised the effectiveness and performance, independence, and objectivity of our External Auditor. • Considered the external audit fees and terms of engagement. • Reviewed the Non-Audit Services Policy and approved non-audit services provided by the External Auditor.
Risk and internal controls	• Reviewed and provided oversight of the Group's risk management and internal controls processes, and processes for identifying the Group's principal and emerging risks, to ensure that effective controls, processes, assessments and mitigations were maintained. • Monitored the Group's Principal Risk Register and any movements, including those indicated through bi-annual reviews of functional risk registers. • Reviewed the Group's risk appetites including any proposed changes and recommended them for approval to the Board. • Approved the Group's new Enterprise Risk Management Policy to drive clarity of accountability and responsibility for the oversight and management of risks between the Committee, Board and Senior Leaders. • Established the ASOS Controls Programme to address the activities required to develop ASOS' control environment framework. • Received internal updates and assessed the additional requirements to ensure that ASOS can meet the new provisions for internal controls. • Received updates enhancements to the Group's financial controls. • Received an update on the Group's controls over operational and technology resilience. • Received regular updates from the Cyber Security Leadership Team and EVP Technology on cyber security controls, activities and incidents including reviewing security KPIs.

Internal Audit	• Monitored and reviewed the effectiveness and independence of the Internal Audit function. • Reviewed Internal Audit reports and monitored the implementation of management's remediation actions. • Reviewed the Internal Audit team's strategy and operating model. • Approved the Internal Audit team's Charter including its defined purpose and authority within the Group. • Reviewed and approved changes to the Internal Audit plan and broader strategy to ensure this remained aligned to priorities under our Driving Change agenda, the Group's risk profile and evolving business activities. • Reviewed and approved the FY25 Internal Audit plan based on assessment of the Group's key financial, operational and compliance risks, and strategic aims.
Other matters	• Considered matters relating to the Group's refinancing activities during the period. • Received updates on current or threatened material litigation. • Received updates on tax matters and approved the Group's Tax Strategy. • Reviewed and approved the Group's Treasury Policy. • Received updates from the CFO on other finance matters. • Received internal updates regarding the requirements of the new 2024 Code and the Minimum Standard for Audit Committees. • Reviewed the Group's Whistleblowing Policy and escalation matrix and received updates on whistleblowing matters. • Received updates on the implementation of the Group's Gifts & Hospitality Policy. • Reviewed the Committee's Terms of Reference and recommended updates to the Board for approval.

Significant financial reporting matters and judgements

Area of focus	Actions taken
Going concern and viability	The Committee undertook a detailed review of the financial liquidity of the Group over an 18-month period to support the going concern assessment, and a three-year period to support the viability assessment. In doing so, the Committee challenged management's assessment of forecast cash flows, including sensitivity to trading and expenditure plans, and for the potential impact of certain scenarios, including reductions to forecast revenues and margin, and working capital outflows. The Committee also considered the Group's financing facilities and compliance with the related liquidity covenant. Based on this, the Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate, with no material uncertainties noted. It was also concluded that the Group is able to meet its liabilities as they fall due over the viability period of three years. For further information, see pages 70 to 71.
Inventory provisions	The Committee reviewed the inventory provisions for FY24, noting an increase compared to FY23. As of 1 September 2024, gross inventory totals £683.6m, against which an inventory provision of £163.3m has been recognised, a significant rise from FY23 (£124.4m). This increase is primarily driven by additional stock write-downs recognised during the year as the Group accelerated the transition to its new commercial model, which commenced in the previous financial period. Management provided the Committee with updates on the work performed to validate the appropriateness of key estimates used in respect of inventory provisions. Particular consideration was given to the overall level of provisioning and refinements to methodology as the Group transitions to its new commercial model. The Committee concluded that the methodology for calculating the net realisable values of inventories, including management's estimates on provisions, was appropriate.
Alternative performance measures (APMs)	The Committee considers it important to take account of both the statutory measures and the APMs when reviewing these financial statements. In particular, items excluded from adjusted profit before tax were reviewed by the Committee. The adjusted loss before tax this period was £(126.0)m, with a reported loss before tax of £(379.3)m (2023: £(70.3)m and £(296.7)m) – the excluded items are detailed within Note 3 of the financial statements. The most significant items relate to additional inventory write-downs as the Group accelerated the transition to its new commercial model, as well as impairment and other costs associated with the mothballing of the Group's distribution centre in Lichfield. The Committee is satisfied that the presentation of these items is clear, applied consistently across years, in line with Group policy and that the level of disclosure is appropriate. In addition, the Committee focused on ensuring that the Group's APMs are not given undue prominence over figures derived from the financial statements. The Committee ensured that clear, tailored explanations are provided for the inclusion of each APM, and that all APMs are properly reconciled to the most directly comparable line items in the financial statements.

Audit Committee Report continued

Significant financial reporting matters and judgements continued

Area of focus	Actions taken
Impairment of non-financial assets	The Committee closely reviewed the impairment assessment related to the Lichfield fulfilment centre, following the Board's decision to either sell or mothball the site after the completion of the automation project. The Committee reviewed management's assumptions and methodologies used to determine the site's recoverable amount, which was based on its value-in-use. Given the decision to mothball the facility, the recoverable amount for Lichfield was determined to be £nil, resulting in a specific impairment and closure costs of £141.8m. In addition to this review, the Committee assessed the broader impairment testing of tangible and intangible assets, including goodwill, across the Group. This included challenging key assumptions, such as projected cash flows and discount rates, and reviewing sensitivities within the value-in-use models. No further impairments were required following the wider review, and the Committee was satisfied with the robustness of the impairment assessments and that appropriate disclosures had been made.
Recognition of deferred tax assets	The Committee reviewed management's assessment of the recognition of deferred tax assets in line with IAS 12 Income Taxes. In determining the amount of deferred tax assets to recognise, management made significant estimates regarding the Group's future profitability, considering factors such as revenue growth, profit margins, and cost management strategies. The Committee was satisfied that the estimates made were reasonable and aligned with the Group's broader going concern and impairment assessments. As at 1 September 2024, the Group has recognised net deferred tax assets of £62.5m, while an additional £52.3m of deferred tax assets related to losses were not recognised.

External Auditor independence and objectivity (continued)

PwC has acted as the Group's statutory External Auditor since 2008. A competitive tender process took place in FY22, whereby it was concluded that PwC would remain as the Company's External Auditor. We will conduct our next tender process by FY26 for the FY27 audit at the latest. When considering the appropriate time to conduct an audit tender, the Committee takes into account the benefit of an incumbent firm with deep knowledge of the Group's operations enabling an efficient and high-quality audit, the independence and objectivity of the appointed auditor and audit partner and the results of the assessment of audit effectiveness.

Neil Grimes was appointed as audit partner for FY22, following the former audit partner rotating off and is considered by the Committee to have a good understanding of the Group and acts with integrity.

PwC has reported to the Committee that, in its professional judgement, it is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

The Committee has assessed the independence and objectivity of the External Auditor by considering, amongst other things, the length of tenure of the audit firm and the audit partner, the value of non-audit fees provided by the External Auditor and the relationship with the auditor as a whole. It also considers the External Auditor's own assessment of its independence. The Committee is satisfied that PwC meets the required standard of independence to safeguard the objectivity and integrity of the audit.

The Committee confirms that the Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Responsibilities) Order 2014 for FY24.

Non-audit services provided by the External Auditor

Any non-audit services provided must be in accordance with the Group's Non-Audit Services Policy, which states that:

- the CFO has pre-approved authority to commission the External Auditor to undertake non-audit work for a specific project expected to be less than £50,000;
- non-audit services expected to be between £50,000 and £250,000 must be approved by the Committee Chair; and
- non-audit services expected to be over £250,000 must be approved by the Committee Chair and one other Committee member before being carried out.

Before commissioning non-audit services, the Committee must ensure that there is no issue as regards to independence and objectivity and other potential providers are adequately considered. PwC may only provide such services if the service does not conflict with their statutory responsibilities and ethical guidance. When reviewing requests for permitted non-audit services, consideration is given to whether the skills and experience make the External Auditor the most suitable supplier of the non-audit service, taking into account independence or objectivity, and the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee.

The fees paid to PwC for the financial period to 1 September 2024 were £2.6m (2023: £1.6m). This included £1.6m for External Audit services. The Committee reviewed and discussed the fee proposal and was engaged in agreeing the audit scope.

In FY24, PwC provided non-audit services of £0.2m for its work on the half-year review of our interim results and £0.8m for its work on the sale of the Topshop and Topman brands (further details can be found on pages 16, 86 and 179). The total fees for non-audit services represented 38% of the Group audit fee payable to PwC during the period.

The Committee agreed that the non-audit services provided during the financial period should be provided by PwC due to their in-depth knowledge of the business and is therefore an efficient means of receiving non-audit services. We note the required cap on permitted non-audit fees in any given year relative to the average statutory audit fee from the previous three years under the FRC Revised Ethical Standards (2019) ("Ethical Standards"). As the requirement does not apply until the fourth year of achieving Public Interest Entity status, it is not applicable for ASOS until FY25, however we report against this each year for prudence. We will continue to keep the level of non-audit fees relative to audit fees under review to ensure we meet the requirements of the Ethical Standards.

Employment of former External Auditors

Any employment of former employees of External Auditors would be considered on a case-by-case basis and would take into account the Auditing Practices Board's Ethical Standards on such appointments. Any such appointments would require approval from the CFO, the Committee or the Board depending on the seniority of the appointment.

Internal Audit

The Internal Audit team supports the Board and Committee by providing independent assurance over the adequacy and effectiveness of the Group's risk management and internal control framework. The Committee reviews and approves Internal Audit Plan of work for each financial period and monitors progress against it in each meeting. The plan is based on Internal Audit's assessment of the Group's key financial, operational, compliance and technological risks to delivering its strategy. During the period, the Committee reviewed and approved changes to the plan to ensure this remained aligned to the Group's strategic priorities, changes in the Group's risk profile and evolving business activities.

The internal audits completed for FY24 were: a) Key Return & Refund Controls; b) Barnsley Warehouse Management System – General IT Controls; c) Payroll Phase 2 – International Payrolls and UK Payroll Controls Operating Effectiveness; d) Treasury Key Controls; e) Third-Party Risk Management: Key On-going Monitoring Controls; f) Data Privacy & Security: Data Access, Consent & Apps; and g) FWI Strategy & Reporting. Reports outlining findings on risk management systems and controls in these areas and agreed remediation actions needed to address gaps were shared with the relevant Management Committee member following each internal audit. Management Committee members and other Senior Leaders retain accountability for timely action completion. Full reports were also shared with the Committee Chair and key members of the Management Committee including the CEO, CFO and General Counsel and Company Secretary. Summaries of the latest reports published and the results of monitoring action closure are shared with all Committee members in quarterly meetings.

During the period the Committee reviewed the effectiveness of the Internal Audit team with reference to a self-assessment, actions from ongoing continual improvement processes, and feedback provided by Senior Leaders and Committee members. The Committee considers that the Internal Audit team remains effective and has appropriate levels of quality, experience and expertise needed.

Risk management and internal controls

The Committee is responsible for the ongoing review of the Group's risk management and internal controls framework, including for matters relating to financial reporting, such as for the:

- Identification, assessment, management and mitigation of the Group's principal and emerging risks;
- Oversight of the preparation of the Group's accounts;
- Monitoring of the implementation of key Group policies; and
- Oversight of the investigation of whistleblowing matters.

The Committee regularly reviews and assesses business risks, reviews assurance over related internal controls and considers how these risks may affect the achievement of strategy and the Group's external reporting.

Management Committee members and other Senior Leaders are responsible for the day-to-day implementation of internal controls for managing risks and for ensuring sufficient assurance is obtained over the effectiveness of controls. The Group's risk management process is sponsored by the CFO and co-ordinated with support of the Head of Internal Audit & Risk, to maintain the right level of control throughout the Group aligned to risk appetite. Further details on the Group's risk management approach are provided on pages 62 to 63.

Key elements of the Group's internal controls framework in relation to risk management and financial reporting include:

- Established organisational structures and reporting lines to provide clarity of accountability and responsibility for decision-making, facilitate effective governance and enable effective decision-making. Further details on governance structures are provided on pages 35 to 36 and 82 to 83.
- Key policies, procedures and guidelines that underpin the Group's financial, operational and compliance activities such as for Delegation of Authority, Whistleblowing, Anti-Bribery and Corruption, Anti-Facilitation of Tax Evasion, and Anti-Fraud. The Committee also reviews a quarterly summary of whistleblowing reports and outcomes.
- Standards, processes, controls and frameworks to embed and ensure compliance with requirements, and to manage key risks.
- Compliance monitoring activities such as those through central functions including Finance, Risk Management, Legal, Compliance, People Experience, Technology, Data Privacy, Tax, Treasury, Company Secretarial, Health and Safety and Security.
- Ongoing Committee review of the scope and results of the Internal Audit team's work across the Group and monitoring of management's implementation of related remedial actions.
- Regular discussion of the Group's principal and emerging risks, including changes to risk exposures during the period, and changes to mitigating controls and actions.
- Robust budgeting and forecasting processes including board discussion and approval of strategy, objectives, annual planning processes and budgets.
- Regular monitoring of developments and changes in accounting standards, other requirements including best practices in financial reporting and reflecting these in the Group's financial statements where appropriate. These include recommendations from the External Auditor and the Financial Reporting Council.
- The Committee and the Board review the draft Annual Report and Accounts and receive reports from management and the External Auditor on significant accounting judgements and estimates, changes in accounting policies and any other significant matters relating to Group's financial reporting.

Based on their activities, the Committee recommended to the Board that they confirm the Group's internal controls and risk management systems have been effective in the period and up to the date on which these financial statements were approved. The Board has confirmed this within the Statement of directors' responsibilities in respect of the financial statements on page 120.

Our business Risk Registers are formally reviewed every six months to ensure that all existing risks are captured and their potential likelihood and impact are understood. The process also identifies mitigating factors, controls and any further actions needed to manage the risks and considers emerging risks that require monitoring. Progress with mitigation and key themes identified are reported to responsible Management Committee members. The reviews also feed into a robust assessment of the Group's principal and emerging risks by the Management Committee, the Audit Committee and the Board.

Whistleblowing

The Whistleblowing Policy, which was reviewed and re-approved by the Committee during the period, outlines how concerns about suspected wrongdoing (financial or otherwise) can be reported. The Company uses an external independent, confidential anonymous whistleblowing tool (Spot) as one route to collect reports. Employees can raise their concerns or issues they suspect via the portal or by directly contacting one of the six nominated Whistleblowing Officers. Any matters reported are investigated by a Whistleblowing Officer and escalated to the Committee as appropriate and guided by the Whistleblowing Policy. Reporting on the nature and, where appropriate, content of reports received during the quarter are provided to the Committee at each meeting alongside updates on related group training and communications.

Cyber security

The Committee receives quarterly updates from the Cyber Security Leadership Team on emerging cyber threats, risk and security incidents and progress against the security strategy, including management KPIs.

Anti-bribery and corruption

The Group has a zero-tolerance approach to bribery and corruption and is committed to conducting business in an ethical and honest manner. All ASOSers are expected to act professionally, fairly and with integrity in all business dealings and relationships in all parts of the world. Anti-bribery and corruption training is provided to new starters and refreshed annually. This ensures all ASOSers are aware of their responsibilities and forms part of the wider systems and controls we have implemented and enforce to prevent bribery.

Directors' Remuneration Report

Christine Cross Committee Chair

Members

- Marie Gulin-Merle
- Natasja Laheij
- Jose Manuel Martínez Gutiérrez

Remuneration Committee Chair's statement

Committee's responsibilities

The Committee's principal responsibilities are to:

- Determine and recommend to the Board the Group's overall Remuneration Policy and monitor the ongoing effectiveness of that Policy.
- Determine and recommend to the Board the remuneration of Executive Directors, the Chair and the other members of the Management Committee.
- Monitor, review and approve the levels and structure of remuneration for other Senior Leaders and employees.
- Determine the headline targets for any performance-related bonus or pay schemes.
- Determine specific targets and objectives for any performance-related bonus or pay schemes for the Executive Directors and the other members of the Management Committee.
- Review and approve any material termination payment.
- Review how employee incentives support the Company's culture, values and desired behaviours.
- Ensure effective engagement with the Company's stakeholders in relation to remuneration policies and practices.
- Review the Company's retirement benefit schemes.

Terms of Reference

The full Terms of Reference for the Remuneration Committee are available on our website, asosplc.com.

The Remuneration Committee's attendance at meetings is detailed in the table on page 81.

Dear shareholder

On behalf of the Board, I am pleased to present the Remuneration Committee's report for the period to 1 September 2024. This report should be read in conjunction with the compliance report on page 80, which shows how the Company has complied with the UK Corporate Governance Code (the "Code") 2018.

I took over as Chair of the Committee upon my appointment to the Board on 16 April 2024. I would like to thank Mai Fyfield for her valuable contribution as Committee Chair since the beginning of 2023 until she stepped down from the Board on 7 February 2024. Marie Gulin-Merle held the role of Interim Committee Chair from 7 February 2024 until my appointment, therefore I would also like to extend my thanks to Marie for her support during the transition.

Given that ASOS is in a period of transformation, following my appointment to the Committee, we believed it to be appropriate to review the Policy to ensure it aligns to our Back to Fashion strategy. Therefore, in the latter half of FY24 we appointed new advisors, FIT Remuneration Consultants LLP, and together carried out a full review of the remuneration framework, including consultation with management and a number of our largest shareholders together with the principal proxy advisory firms.

Directors' Remuneration Policy

In reviewing the Directors' Remuneration Policy (the "Policy"), we considered a range of approaches and concluded that, for FY25, our ASOS Long Term Incentive Scheme (ALTIS) should be replaced with a rather more geared incentive to further align Executive Directors and Senior Leaders with the Company's ambitious growth plans. The introduction of a Value Creation Plan (VCP) was proposed to incentivise our Senior Leaders to deliver exceptional value for shareholders through substantial growth in the Company's share price. The Committee firmly believes that an incentive structure linked to share price growth and long-term value creation is right for us at this time. We were delighted that the new VCP was approved by shareholders at a General Meeting of the Company held on 20 August 2024 with 91.82% of those who voted being in favour.

To enable the VCP to operate as intended, the dilution limits under ALTIS, ASOS Plc Deferred Bonus Plan and ASOS Plc Sharesave Plan schemes were updated to set a new 10% in 10-year dilution limit. Further information on the VCP and associated updates to the Policy and our share scheme rules can be found in the Notice of General Meeting dated 2 August 2024, which is available to download on asosplc.com/investors.

Our Annual Report on Remuneration sets out the updated Policy which has been put into practice since its approval.

Activities during the period and up to the date of this report

- Considered the alignment of executive remuneration with the strategy of ASOS and the effectiveness of the Policy, including a review of alternative structures.
- Consulted with our largest shareholders regarding the proposed introduction of the VCP and associated adoption of a new Policy.
- Reviewed and confirmed the outcomes of the FY24 annual bonus and the FY22 three-year ASOS Long Term Incentive Scheme (ALTIS) awards for Executive Directors and senior management.
- Reviewed and approved Executive Director and other Senior Leader pay and benefits during FY24, in the context of their performance, Company performance, stakeholder and shareholder experiences.
- Set performance measures for the FY25 annual bonus for the Chief Executive Officer (CEO) and senior management, in line with our Policy.
- Considered the treatment of the impact of corporate activity and financing activity on reward schemes.
- Reviewed and approved changes to the structure of incentives below Board.
- Considered the relationship between executive pay and wider workforce pay, and reviewed gender and ethnicity pay gap data.
- Considered corporate governance developments and market practice relating to executive and wider workforce pay.
- Engaged with employee representatives on executive pay and pay across the wider workforce.

Board Changes

In addition to the Board changes set out in the introduction paragraph of this report, William Barker was appointed as Non-Executive Director on 20 September 2023 and Dave Murray was appointed as Executive Director and Chief Financial Officer (CFO) of the Company on 29 April 2024.

Executive Directors' remuneration is in line with the Policy. Current Non-executive Director fee levels are shown on page 108.

Remuneration outcomes for the period ended 1 September 2024

Below sets out the performance outcomes of our FY24 annual bonus and FY22 ALTIS.

FY24 annual bonus

The measures for the annual bonus for FY24 were based on 75% Financial, adjusted earnings before interest, tax, depreciation, amortisation (AEBITDA less capex) and 25% Strategic (closing stock, adjusted gross margin and cost to serve - each with an equal 33% weighting) measures. Regarding Financial measures, the achievement was between Threshold and Target. On the Strategic measure, adjusted gross margin was below threshold, stock was at or above maximum and cost to serve was between Target and Maximum. This resulted in 50.47% of base salary (33.64% of potential) earnings in bonus for our Executive Directors. José Antonio Ramos Calamonte's bonus was calculated using his salary from 4 September 2023 to 30 November 2023 and then his uplifted salary from 1 December 2023 to period end. Dave Murray's bonus was calculated using his salary from his start date.

FY22 ALTIS

The FY22 ALTIS was based on Revenue Growth (30%), EPS Growth (30%), Relative TSR (25%) and ESG (15%) over the three-year period to 1 September 2024. The Sustainability Committee assessed the level of progress towards ESG targets set in FY22 in line with the FY22 ALTIS ESG performance measure. The Sustainability Committee agreed that, as there has been a significant shift in the operating context and new sustainability regulations since setting the targets in FY22, it was deemed appropriate to exercise some discretion on the overall vesting level for the FY22 ALTIS relating to ESG. The Sustainability Committee therefore recommended that 10% of a maximum 15% vest, taking into account the considerable progress achieved with regards to ASOS' governance and overall approach to ESG, which was approved by the Remuneration Committee. There was nil vesting for Revenue Growth, EPS Growth and Relative TSR. Overall vesting level for the FY22 ALTIS was 10%.

Remuneration in FY25

Salary

When determining the salary increase for our CEO and CFO, we considered the below factors:

- Market benchmark data
- General experience and skills/expertise of position holder
- Time in role
- Performance in role
- Company budget for salary review
- Company affordability

Based on the above factors, we decided to align the increase in salary of our CEO to the wider workforce, effective 1 December 2024. The salary for our CFO will remain unchanged.

Annual bonus

The maximum opportunity remains at 150% of base salary under the Policy. The Committee reviewed the performance measures and determined that for FY25 the bonus would include a single financial measure (weighting 75%): Adjusted earnings before interest, tax, depreciation, amortisation (AEBITDA) less FY25 bonus payments, capital expenditure (Capex) and leases. This measure of performance has been chosen because it is a good proxy for operational cash, and is what management will be focused on delivering for the year ahead. The remaining 25% will be measured against targets for adjusted gross margin, cost to serve and average stock cover (each with an equal 33% weighting). These strategic measures were carefully chosen to ensure that they are aligned to our most critical business priorities for FY25 which are in turn pivotal to continue to turnaround the business .

Financial and strategic performance measures alone comprise the annual bonus measures for our CEO and CFO. In cascading performance management measures throughout the wider workforce, including our Senior Leaders, personal objectives will be added. Our focus on sustainability is paramount, where our FWI Strategy shares our long-term commitment across the areas of Planet, Product, and People. While these targets have longer-term timelines for achievement, there is a short-term focus in delivering change through employee objectives via our performance management process which ties directly to individual bonus payout for eligible ASOSers. Therefore, the Remuneration Committee agreed that, where relevant to the role, FY25 employee objectives will include an element of ESG metrics based on our FWI strategy.

VCP

Consistent with the new Policy approved by shareholders, awards will be made to participants, including Executive Directors, in Q1 of FY25. The VCP is a highly geared one-off incentive arrangement over the period comprising FY25 to FY30. Recipients under the VCP will not receive further ALTIS performance share awards for the life of the Policy with the next grant of ALTIS (if any) to Senior Leaders anticipated to be in 2027 (i.e. after three years). The VCP is designed to reward these Senior Leaders for their contribution to the growth in value of the Company. The plan is designed to have no value unless management deliver significant outperformance and value for stakeholders. José Antonio Ramos Calamonte is to be awarded a 15% allocation of the pool equal to 5.5% of the growth in share price value over £6.70, while Dave Murray is assigned an 8% allocation.

During the period, the Committee reviewed the remuneration framework for the population below Board. The Committee therefore reviewed the ALTIS participation across its eligible population and made adjustments to continue to cascade the importance of shareholder value creation and share price growth. Below Executive Director level and down to Director level, VCP awards will be granted with participants assigned varying Remuneration Committee-approved allocation percentages. For further information on the VCP, see page 106.

Wider workforce remuneration

Whilst not formally accredited, ASOS is formally committed to being a Real Living Wage employer and the Committee receives updates from management to ensure we continue to honour this commitment. During the period, our Chair, Jørgen Lindemann, held a dedicated session with our employee engagement network, the ASOS Voices Network. The session covered both executive remuneration and wider employee remuneration matters, including outlining the structure and different elements of an Executive Director's remuneration package including the Remuneration Policy for Executive Directors. ASOSers were given the opportunity to ask questions directly to our Chair and engaged in two-way dialogue.

Shareholder engagement

During FY24 we engaged with major shareholders on Directors' remuneration including the introduction of the VCP. On behalf of the Committee, I would like to thank shareholders for their consideration, and approval of, the VCP. The Committee looks forward to engaging with investors over the year ahead as we consider our future remuneration approach, designed to motivate and align the interests of shareholders and management.

Christine Cross
Remuneration Committee Chair
5 November 2024

Annual Report on Remuneration

Summary of FY24 implementation of Remuneration Policy

ASOS Plc listed on the Main Market of the London Stock Exchange in February 2022 and submitted a Remuneration Policy (the "Policy") for binding shareholder approval for the first time at the 2023 AGM. The Policy was subsequently amended in August 2024 to accommodate the introduction of a new Value Creation Plan and to make minor updates to the malus and clawback provisions. In line with the regulations, the approved Policy for ASOS' Executive and Non-executive Directors will operate for up to the three years.

The purpose of the Policy is to attract, retain and motivate high-calibre, high-performing, engaged employees with the necessary skills to implement and execute the Group's strategy in order to create long-term value for shareholders. The Policy must reward people for their contributions to the success of ASOS in a fair and responsible manner, over both the short and the long term.

The full Policy is available on the website at asosplc.com. The main elements of the Policy are also included below.

Main elements of the Directors' Remuneration Policy table

Base salary

Purpose and link to strategy	Operation	Maximum
Reflects an individual's responsibilities, experience and performance in their role.	Salaries are reviewed annually, with changes being effective from 1 December. When determining salary levels, the Committee takes into account factors including: • Responsibilities, abilities, experience and performance of an individual. • The performance of the individual in the period since the last review. • The Group's salary and pay structures and general workforce salary increases. Periodically the Committee reviews market data for FTSE-listed and other retail and internet/technology-based companies to ensure salaries remain appropriate in this context.	There is no defined maximum base salary. Executive Directors' salary increases will normally be in line with the typical level of increase awarded to other employees. Increases may be above this level in certain circumstances, including: • Where a new Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role. • Where an Executive Director has been promoted or has had a change in responsibilities. • Where there has been a significant change in market practice. • Other exceptional circumstances.

Pension

Purpose and link to strategy	Operation	Maximum
To contribute financially post retirement.	Defined contribution arrangement or salary supplement. Only base salary is pensionable. ASOS' contribution depends on the employee's seniority and may be matched to the level of contributions the employee chooses to make.	Contribution aligned to the wider workforce, which is currently 5% of base salary.

Other benefits		
Purpose and link to strategy	**Operation**	**Maximum**
To support the personal health and wellbeing of employees. To reflect and support ASOS culture.	A package of taxable benefits offered through our flexible benefits scheme, ASOS Extras, which offers all employees a fixed value depending upon their seniority, and can be used either to buy a variety of benefits or be taken in cash. Other benefits include private medical insurance and life assurance. Executive Directors currently receive a flexible benefits allowance of £12,500 per annum (though this may be increased as part of any review of the employee benefits policy). Reasonably incurred expenses will be reimbursed. Where necessary any benefits or expenses may be grossed up for taxes. The Committee may introduce other benefits to Executive Directors if this is considered appropriate taking into account the individual's circumstances, the nature of the role and practice for the wider workforce. Where an Executive Director is required to relocate to perform their role, appropriate one-off or ongoing benefits may be provided (such as housing, schooling etc.).	There is no maximum level of benefits.

Annual Bonus			
Purpose and link to strategy	**Operation**	**Maximum**	**Measures**
Provides a link between remuneration and both short-term Group and individual performance. Annual bonus deferral encourages the delivery of sustainable, longer-term performance and strengthens the alignment of Executive Directors with shareholders' interests.	The annual bonus is earned based on performance against targets set by the Committee. Targets are reviewed annually. Bonus payments are not pensionable. The Committee will retain the discretion to adjust bonus payouts if it considers that the outcome does not reflect the underlying performance of the business or participants during the year, including the Company's performance against set metrics, or that the payout is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. Any annual bonus earned up to a value of 50% of salary will be paid in cash. Any further bonus earned above this value will normally be delivered 50% in cash and 50% in shares to be deferred for three years. Malus provisions apply to the unvested deferred bonus shares. Clawback applies to vested deferred bonus shares for a period of three years from the date of award. The Committee may decide to pay the entire bonus in cash where the amount to be deferred into shares would, in the opinion of the Committee, be so small it is administratively burdensome to apply deferral.	Maximum annual bonus opportunity of 150% of base salary.	The annual bonus is normally measured over a financial year ("FY") period and may be based on a mix of financial, operational, strategic and individual performance measures. Normally at least 50% of the bonus will be based on financial measures. The Committee determines the exact metrics each year depending on the key goals for the forthcoming year. Up to 25% of the bonus is paid for achieving a threshold level of performance and the full bonus is paid for delivering stretching levels of performance. Below threshold performance, no payment is made. The Committee sets bonus targets each year to ensure they are appropriately stretching in the context of the strategy.

Annual Report on Remuneration continued

Value Creation Plan (VCP)			
Purpose and link to strategy	**Operation**	**Maximum**	**Measures**
Supports the strategy and business plan by incentivising and retaining the ASOS senior management team in a way that is aligned with both ASOS' long-term financial performance and the interests of shareholders.	Under the VCP, Executive Directors have the opportunity to share in a pool (to be shared amongst VCP participants) with a total aggregate value equal to 5.5% of the growth in the value of the Company above a reference threshold value of £6.70 per share, being approximately two times the ASOS share price when the Committee initially considered the design for the VCP. Awards to Executive Directors will vest in two equal tranches (each in respect of 50% of the relevant individual's allocation) on each of the 4th and 5th anniversary of the date of the 2024 EGM. Awards will be granted in the form of a nil-cost option, where a participant can decide on quarterly exercise dates to exercise their VCP award and receive ordinary shares in the Company using the prior average 90-day closing share price at or shortly prior to such exercise. Once the results for the financial year ending 31 August 2029 ("FY29") become available, there will also be a share price underpin if certain Group free cash flow ("FCF") targets are met:	The maximum allocation that a participant may receive will be limited to 15% of the total value of the VCP pool. There is no maximum level on the value of the pool.	VCP awards may vest based on value created in terms by reference to increase in the ASOS share price above the threshold value. An underpin will also apply such that the pool will be calculated using the higher of the share price and the price derived by reference to the FCF for FY29. See the table below.

FCF for FY29*	Implied share price for purpose of calculating value of the VCP pool*
£135m	£13.00
£180m	£15.00
£215m	£18.00

* Straight-line interpolation will apply between these points. For the avoidance of doubt, there are no additional points for FCF below £135m and above £215m. Malus and clawback provisions apply to VCP awards.

Share ownership guidelines		
Purpose and link to strategy	**Operation**	**Maximum**
Increases alignment between the Board and shareholders. Shows a clear commitment by all Executive Directors to creating value for shareholders in the long term.	The shareholding guideline for Executive Directors is 200% of salary. Under the guidelines Executive Directors are expected to hold 50% of any shares acquired on vesting of the VCP, ALTIS or the Deferred Bonus Plan, and any subsequent share awards thereafter (net of tax), until the expected shareholdings are achieved. A post-employment shareholding guideline applies whereby Executive Directors are expected to hold 100% of their in-employment shareholding guideline for one year following stepping down from the Board, reducing to 50% of their in-employment shareholding guideline for the second year following stepping down from the Board. Where an Executive Director's shareholding at the time of their departure is below these limits, they will normally be expected to hold their actual shareholding for the time period above. This guideline only applies to incentive awards granted from FY23 onwards.	Not applicable.

Implementation of the Policy for FY25:
The Policy is being implemented in FY25 as follows:

- Base salary: The CEO's salary will increase in line with the average salary increase of the wider workforce, effective 1 December 2024. The CFO's salary will remain unchanged.
- Annual bonus: The annual bonus opportunity remains at 150% of salary with the opportunity linked to a single financial measure (weighting 75%): AEBITDA less FY25 bonus payments, capital expenditure (Capex) and leases. The remaining 25% will be measured against strategic targets - adjusted gross margin, cost to serve and average stock cover (each with an equal 33% weighting). The targets themselves are considered commercially sensitive and will be included in next year's report.
- Pension and benefits: No material changes are envisaged.
- VCP: the awards as approved by shareholders at the meeting on 20 August 2024 are expected to be granted shortly following the announcement of results for FY24.

Voting at General Meetings
The table below sets out the voting outcome on the Directors' Remuneration Report at the FY23 AGM held on 7 February 2024:

	Votes for	Votes against	Votes withheld (abstentions)
Directors' Remuneration Report	87,741,181 99.80%	179,055 0.20%	52,481

The table below sets out the voting outcome on the Directors' Remuneration Policy at the Company's General Meeting held on 20 August 2024:

	Votes for	Votes against	Votes withheld (abstentions)
Directors' Remuneration Policy	62,589,667 91.81%	5,581,166 8.19%	12,558

Provision 40 disclosures
In developing our approach to remuneration, the Committee was mindful of Provision 40 of the UK Corporate Governance Code 2018. The Committee considers that the Company's executive remuneration framework addresses the following factors:

Clarity	The Committee has provided clear disclosures regarding our Policy, its alignment to our purpose and strategy, and the necessary performance requirements. The changes we made to the Policy in FY24 and our approach to implementation for FY25 support the delivery of our strategy. We consulted with our shareholders on the proposed VCP, which was subsequently approved, and provided clarity on the relationship between the successful implementation of our strategy and executive remuneration.
Simplicity	Our remuneration structures, including their rationale and operation, are simple to understand and familiar to stakeholders.
Predictability	Our Policy contains details of the range of opportunity levels available for each component of pay, including the maximum opportunity level. Actual incentive outcomes vary depending on the level of performance achieved against specific measures.
Proportionality	The link between the annual bonus, ASOS' VCP and the achievement of ASOS' strategy and the long-term performance of the Group is clearly defined. In particular, the VCP provides a clear and direct alignment with the interests of our shareholders through the rewarding of absolute shareholder returns. The Committee retains suitable discretion to ensure that outcomes do not reward poor performance.
Risk	The Committee has satisfied itself that the remuneration arrangements do not encourage risk taking or other behavioural risks. The Committee has the discretion to apply malus and clawback in certain circumstances, including in the event of any behavioural risks.
Alignment to culture	The Committee ensures that the performance measures for the annual bonus and the long term incentive schemes' design support the Group's purpose, strategy and culture.

Implementation of the Policy for FY24
Details of how the Policy has been applied in the financial period to 1 September 2024 are set out on pages 108 to 115 below. The Committee considers that the applicable Policy operated as intended in the period. Certain information within this section has been audited and is highlighted as such.

Annual Report on Remuneration continued

Directors' remuneration table (audited)

The remuneration of the Directors for the financial period to 1 September 2024 and the financial period to 3 September 2023 is set out in the tables below.

Executive Director		Base salary £	Benefits[1] £	Pensions[2] £	Total fixed £	Bonus[3] £	LTIP[4] £	Total variable £	Total remuneration £
José Antonio Ramos Calamonte	2024	£716,436	£43,636	£35,822	£795,894	£361,585	£15,216	£376,801	£1,172,695
	2023	£705,753	£73,817	£35,288	£814,858	–	–	–	£814,858
Dave Murray[5]	2024	£163,233	£5,334	£8,162	£176,729	£82,384	£0	£82,384	£259,113
	2023	–	–	–	–	–	–	–	–
Total	2024	£879,669	£48,970	£43,984	£972,623	£443,969	£15,216	£459,185	£1,431,808
	2023	£705,753	£73,817	£35,288	£814,858	–	–	–	£814,858

Non-executive Director		Base fee £	Additional fee £	Total expenses[6] £	Total remuneration £	Basis for additional fee
Jørgen Lindemann	2024	£347,680	£0	£5,514	£353,194	–
	2023	£352,876	£0	£64,410	£417,286	–
Christine Cross[7]	2024	£21,240	£4,722	£2,893	£28,855	Remuneration Committee Chair and member of the Audit Committee with effect from 16 April 2024.
	2023	–	–	–	–	–
Wei Gao[8]	2024	£55,857	£168,495	£31,100	£255,452	Member of Audit, Nomination and Sustainability Committees.
	2023	£33,263	£3,005	£35,714	£71,982	Member of Audit, Nomination and Sustainability Committees.
Marie Gulin-Merle[9]	2024	£55,857	£5,381	£52,060	£113,298	Member of Remuneration Committee including Interim Chair from 7 February 2024 to 16 April 2024. Member of Sustainability Committee from 7 February 2024.
	2023	£33,263	£1,479	£13,922	£48,664	Member of Remuneration Committee.
Natasja Laheij	2024	£55,857	£19,545	–	£75,402	Audit Committee Chair and Member of Remuneration Committee. SID and member of Nomination Committee from 7 February 2024.
	2023	£22,486	£4,999	–	£27,485	Audit Committee Chair and Member of Remuneration Committee.
Jose Manuel Martínez Gutiérrez	2024	£55,857	£6,392	£22,808	£85,057	Member of Audit and Sustainability Committees. Member of Remuneration Committee with effect from 7 February 2024.
	2023	£22,486	£1,484	£7,997	£31,967	Member of Audit and Sustainability Committees.
Nicholas Robertson[10]	2024	£55,857	£2,484	–	£58,341	Member of Sustainability Committee.
	2023	£56,692	£2,521	–	£59,213	Member of Sustainability Committee.
Anna Maria Rugarli	2024	£55,857	£9,934	£12,759	£78,550	Sustainability Committee Chair.
	2023	£10,899	£1,938	–	£12,837	Sustainability Committee Chair.
William Barker[11]	2024	–	–	–	–	Member of Nomination Committee from 7 February 2024.
	2023	–	–	-	–	–
Mai Fyfield[12]	2024	£24,018	£11,723	–	£35,741	SID, Remuneration Committee Chair and Member of Audit and Nomination Committees until 7 February 2024.
	2023	£56,692	£17,346	–	£74,038	SID, Remuneration Committee Chair and Member of Audit and Nomination Committees.
Total	2024	£728,080	£228,676	£127,134	£1,083,890	
	2023	£588,657	£32,772	£122,043	£743,472	

1 José Antonio Ramos Calamonte was entitled to a relocation allocation allowance of £40,000 per year until 4 January 2024, related to his relocation from Portugal to the UK to take up his previous role as Chief Commercial Officer. His 2023 benefits figure has been restated to reflect qualifying amounts for 2023 and any expenses not captured in time for the prior year's report. Executive Directors receive a flexible benefits allowance of £12,500 per annum, which can be used either to buy a variety of benefits or be taken in cash through our flexible benefits scheme, ASOS Extras. Other benefits include private medical insurance, group income protection and life assurance.
2 José Antonio Ramos Calamonte and Dave Murray received a pension cash allowance contribution of 5% of their salary, which is in line with the wider workforce.
3 The FY24 bonus payout calculation resulted in 50.47% of base salary earnings in bonus for our Executive Directors. José Antonio Ramos Calamonte's bonus was calculated using his salary from 4 September 2023 to 30 November 2023 and then his uplifted salary from 1 December 2023 to period end. Dave Murray's bonus was calculated using his salary from his start date. Consistent with the Policy, the first 50% of bonus is delivered in cash with any bonus in excess of 50% of salary paid 50% in cash and 50% in shares to be deferred for three years. This results in a small deferred share award due to be made to the two Executive Directors to the value of £1,684 for José Antonio Ramos Calamonte and £384 for Dave Murray subject to continued employment under the terms of the Deferred Bonus Plan 2022 rules.
4 For 2024, this includes the FY22 ALTIS award as detailed on page 110, where José Antonio Ramos Calamonte received two award grants; one for his role as Chief Commercial Officer and the other when appointed Chief Executive Officer. The ESG performance target was partially met, resulting in a 10% programme vest. The calculation is based on a share price of £3.6191, being the average share price for the last quarter of the financial year, from 03 June to 01 September 2024. The share price depreciated during the vesting period and therefore no portion of the award relates to share price gain. FY21 ALTIS did not vest, resulting in nil figures for 2023.
5 Dave Murray joined the Board on 29 April 2024 and has a base salary of £475,000 with £12,500 flex allowance and 5% pension
6 The taxable expenses include travel and other expenses related to their role and have been grossed up for tax, where applicable to those Directors who reside outside of the UK.
7 Christine Cross was appointed on 16 April 2024.
8 Wei Gao received additional fees of £160,000 in addition to her Committee fees for additional services provided to the Company under her Non-Executive Director Letter of Appointment. The Board confirmed that the additional services provided did not impair Wei's independence under the UK Corporate Governance Code.
9 Marie Gulin-Merle's additional fees reflect interim responsibilities as Remuneration Committee Chair. Her 2023 benefits figure was restated to reflect qualifying amounts for 2023 and any expenses not captured in time for the prior year's Annual Report.
10 Nick Robertson donated all of his base service fee and his additional fee to the ASOS Foundation.
11 William Barker was appointed on 20 September 2023 and waives his fees in full.
12 Mai Fyfield stepped down from the Board on 7 February 2024.

Annual bonus for the period ended 1 September 2024 (audited)

The annual bonus plan for the period ended 1 September 2024 was based on the following performance measures:

	Weighting	Threshold (15%)	Target (60%)	Maximum (100%)	Performance achieved	Outcome
Financial measure	75%					
AEBITDA, less capex[1 2]		(£43.9m)	(£13.9m)	£16.1m	(£36.3m)	26.45%
Strategic measures						
Closing stock[4]		£642m	£584m	£526m	£520.3m	100%
Adjusted gross margin[2]		44.6%	45.1%	45.6%	43.4%	–
Cost to serve[2]		46.6%	46.3%	45.8%	46.2%	65.66%
Total of strategic measures[3]						55.22%
Combined outcome						33.64%

1 Capex excludes the £17.1m of spend relating to the mothballing of the Lichfield fulfilment centre which was subsequently impaired in H1. This was previously expected to be recognised outside of adjusted Operating Expenses when the targets were set.
2 The cost to serve measure includes the impact of depreciation and amortisation, refer to page 59 for detail.
3 Equally weighted across the three measures.
4 The Remuneration Committee considered the combined effort that had been made in relation to the reduction in stock across the period and determined that the stock element of the strategic measures should be based on the reported stock balance at the end of the financial period.

The measures for the annual bonus for FY24 were based on 75% Financial (AEBITDA less capex) and 25% Strategic (closing stock, adjusted gross margin and cost to serve - each with an equal 33% weighting) measures. Regarding the Financial measure, the achievement was between Threshold and Target. On the Strategic measure, adjusted gross margin was below Threshold, stock was at or above Maximum and cost to serve was between Target and Maximum. This resulted in an annual bonus of 50.47% of base salary earnings for our Executive Directors.

Consistent with the Policy, the first 50% of salary is delivered in cash with the excess split half in cash and half in deferred shares. This results in a small deferred share award due to be made to the two Executive Directors.

FY22 ALTIS awards vesting for performance to 1 September 2024 (audited)

The ALTIS awards with a performance period ending on 1 September 2024 are due to vest on 31 October 2024. These awards were based on Revenue Growth (30%), EPS Growth (30%), Relative TSR (25%) and ESG (15%) over the three-year period to 1 September 2024. The performance targets and level of achievement against those targets were as follows:

Measures	Weighting	Targets	Percentage vesting	Actual achievement	Vesting
Revenue growth	30%	Below 15%	0%	(9.50)%	0%
		15%	25%		
		Between 15% and 20%	Between 25% and 100%[1]		
		20% or above	100%		
EPS Growth	30%	Below 174.3p	0%	(86.8)p[2]	0%
		174.3p	25%		
		Between 174.3p and 196.5p	Between 25% and 100%[1]		
		196.5p or above	100%		
Relative TSR	25%	Below median	0%	Below median	0%
		At median	25%		
		Between median and upper quartile	Between 25% and 100%[1]		
		At or above upper quartile	100%		
ESG	15%	No Progress	0%		
		Limited Progress	25%		
		Progress	Between 25% and 100%	Considerable Progress	10%[3]
		All targets achieved	100%		
				Total	10%

1 Straight-line interpolation between points in the range.
2 Consistent with the approach taken in previous years, actual performance for the diluted EPS condition has been assessed using an adjusted profit before tax of £(126.0)m, an adjusted tax rate, and with the convertible bond treated as dilutive. Reconciliations between statutory measures and their associated Alternative Performance Measures can be found in pages 188 to 193.
3 The Sustainability Committee assessed the level of progress towards ESG targets set in FY22 in line with the FY22 ALTIS ESG performance measure. The Sustainability Committee agreed that, as there has been a significant shift in the operating context and new sustainability regulations since setting the targets in FY22, it was deemed appropriate to exercise some discretion on the overall vesting level for the FY22 ALTIS relating to ESG. The Sustainability Committee therefore recommended that 10% of a maximum 15% vest, taking into account the considerable progress achieved with regards to ASOS' governance and overall approach to ESG. This was approved by the Remuneration Committee.

Annual Report on Remuneration continued

ALTIS awards granted in the year (audited)

In the period under review, an ALTIS award was granted to the CEO, José Antonio Ramos Calamonte, on 31 January 2024 and to the CFO, Dave Murray on 29 April 2024. Details of the award are as follows:

Details of vesting:

Executive Director	Basis of award	Type of award	Number of shares granted	Face value of award[1]	% vesting for threshold performance	Performance period
José Antonio Ramos Calamonte	250% of base salary	Conditional share award at nil cost	481,150	£1,819,998	15%	04.09.23 – 30.08.26
Dave Murray	250% of base salary	Conditional share award at nil cost	245,515	£928,685	15%	04.09.23 – 30.08.26

1 Based on the five-day average share price of 3.7826 prior to the grant date of 31 January 2024.

The performance conditions for these awards are in the table below, with performance measured over the three-year period from 4 September 2023 to 30 August 2026 and vesting on 31 October 2026:

Measures[1]	Weighting	Threshold performance (15% vesting)	Maximum performance (100% vesting)
Adjusted EBIT[2]	100%	£60m	£165m

1 ESG performance is incorporated into the FY24 ALTIS by way of a modifier. The modifier provides the Remuneration Committee with discretion to reduce the level of performance share awards vesting by up to 15% if, following a qualitative assessment of performance over the three-year period by the Sustainability Committee (which will provide a recommendation to the Remuneration Committee), it is determined that appropriate progress has not been achieved.
2 Adjusted EBIT targets are for the final year of the performance period.

Payments to past Directors (audited)

During the year to 1 September 2024, no payments were made to any past Directors.

Payments for loss of office

During the year to 1 September 2024, no payments were made for loss of office.

Directors' interests in share plans (audited)

Director	Share option scheme	Date of grant	3 September 2023 (no. of shares)	Granted during the period to 1 September 2024 (no. of shares)	Lapsed during the period to 1 September 2024 (no. of shares)	Vested during the period to 1 September 2024 (no. of shares)	As at 1 September 2024 (no. of shares)	Vest date/ period
José Antonio Ramos Calamonte	ALTIS[1]	16.02.21	12,511	–	12,511	–	–	02.11.23
	ALTIS[1]	23.11.21	21,433	–	–	–	21,433	31.10.24
	ALTIS[1]	23.06.22	20,612	–	–	–	20,612	31.10.24
	ALTIS[1]	28.11.22	271,739	–	–	–	271,739	31.10.25
	ALTIS[1]	31.01.24	–	481,150	–	–	481,150	31.10.26
Dave Murray[2]	ALTIS[1]	29.04.24	–	245,515	–	–	245,515	31.10.26

1 Conditional award of shares under the rules of the ASOS Long Term Incentive Scheme. Performance conditions for those awards are set out in the relevant Directors' Remuneration Report for the year of grant.
2 Dave Murray received a FY24 ALTIS grant part-way through the performance period, pro-rata to his start date.

Directors' shareholdings (audited)

The Directors who held office on 1 September 2024 had the following interests, including "Person Closely Associated" interests, in the shares of ASOS Plc. A shareholding guideline is in place for the Executive Directors; this is 200% of salary. A post-employment shareholding guideline is also in place, whereby normally the full in-employment guideline must be held for one year following stepping down from the Board, and half the in-employment guideline for the second year following stepping down from the Board.

Director	Beneficially owned as at 3 September 2023 (no. of shares)	Beneficially owned as at 1 September 2024 (no. of shares)	Outstanding shares (ALTIS) (no. of shares)	Shareholding guideline met
José Antonio Ramos Calamonte	24,322	24,322	794,934	No
Dave Murray	N/A	N/A	245,515	No
Jørgen Lindemann	130,052	130,052	N/A	
Christine Cross	N/A	N/A	N/A	
Wei Gao	N/A	N/A	N/A	
Marie Gulin-Merle	N/A	N/A	N/A	
Natasja Laheij	N/A	N/A	N/A	
Jose Manuel Martínez Gutiérrez	N/A	N/A	N/A	
Nicholas Robertson	2,636,025	2,636,025	N/A	
Anna Maria Rugarli	N/A	N/A	N/A	
William Barker[1]	16,722,381 (20 Sept 2023)	17,613,381	N/A	

Former Director	Beneficially owned as at 3 September 2023 (no. of shares)	Beneficially owned as at 7 February 2024 (no. of shares)
Mai Fyfield[2]	2,000	2,000

1 During the period, William Barker was appointed as Non-executive Director on 20 September 2023. William is the founder and CEO of Camelot Capital Partners LLC ("Camelot Partners") which, as at the date of this report, held 17,613,381 shares in the Company.
2 Mai Fyfield stepped down from the Board on 7 February 2024.

There were no other changes to the Directors' share interests between 3 September 2023 and 1 September 2024.

Pay gap reporting

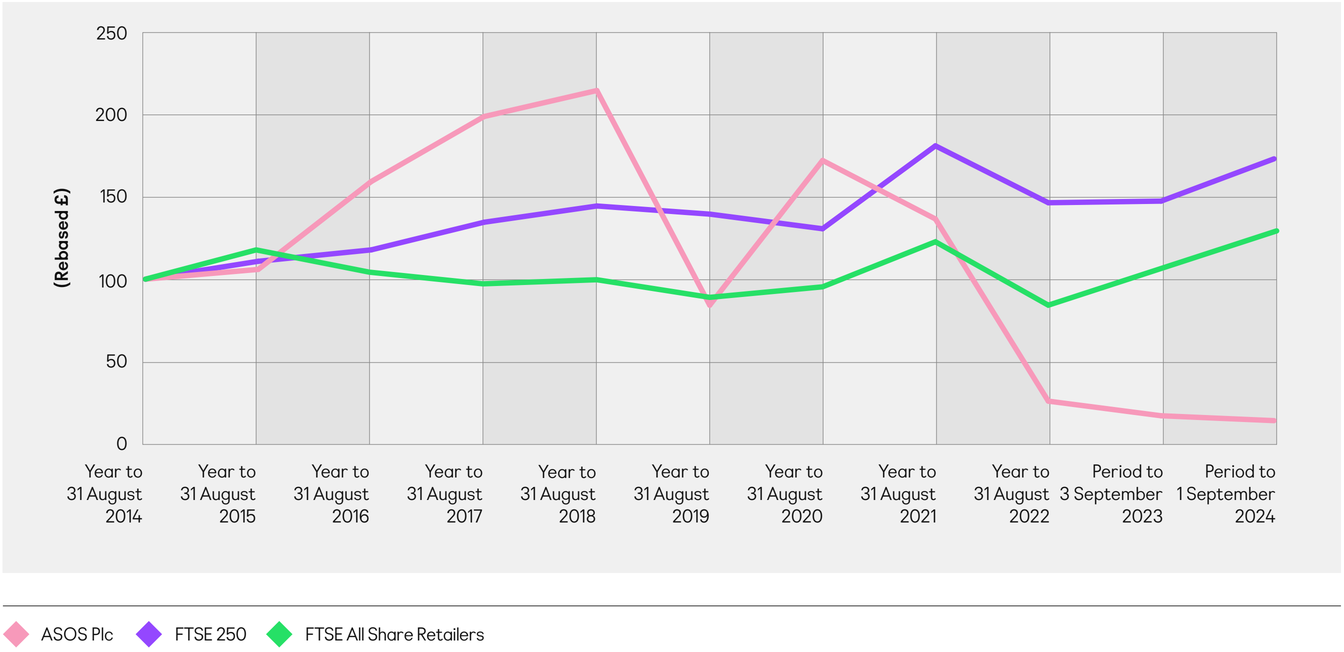
Diversity continues to be a key area of focus for ASOS, and we published our most recent Gender and Ethnicity Pay Gap report in April 2024. Our UK gender pay gap is not a symptom of unequal pay for equal work amongst men and women, but reflects the fact that there are more men than women in senior roles and more women than men in junior roles. We acknowledge that we are still on a journey to achieve at least 50% female representation and over 15% ethnically diverse representation across our leadership teams.

All our FWI reports and policies, including our Gender and Ethnicity Pay Gap report, can be found at asosplc.com/fashion-with-integrity/reports-and-policies/.

Annual Report on Remuneration continued

Performance and CEO remuneration comparison

This graph shows the value, by 1 September 2024, of £100 invested in ASOS Plc on 31 August 2013 compared with that of £100 invested in the FTSE 250 and the FTSE All Share Retailers Indices. These indices are relevant to the Company in terms of size and sector respectively, and between them they show the Company's performance against both the broader market and the retail sector. The other points plotted are the values at the intervening financial period ends.



CEO remuneration history

The table below sets out the remuneration data for Directors undertaking the role of CEO during each of the past ten financial years.

	Year to 31 August 2015[1]	Year to 31 August 2016[2]	Year to 31 August 2017	Year to 31 August 2018	Year to 31 August 2019	Year to 31 August 2020	Year to 31 August 2021	Year to 31 August 2022[3]	Period to 3 September 2023[4]	Period to 1 September 2024
Total remuneration (£)	81,280	1,199,520	3,072,259	2,904,614	848,487	1,730,323	1,726,859	252,782	814,858	1,172,695
Annual bonus %[5]	–	70.0%	65.0%	–	–	93.7%	89.9%	0%	0%	33.6%
Long-term incentive %[6]	–	–	99.1%	100%	27.0%	31.2%	38.1%	11%	0%	10%

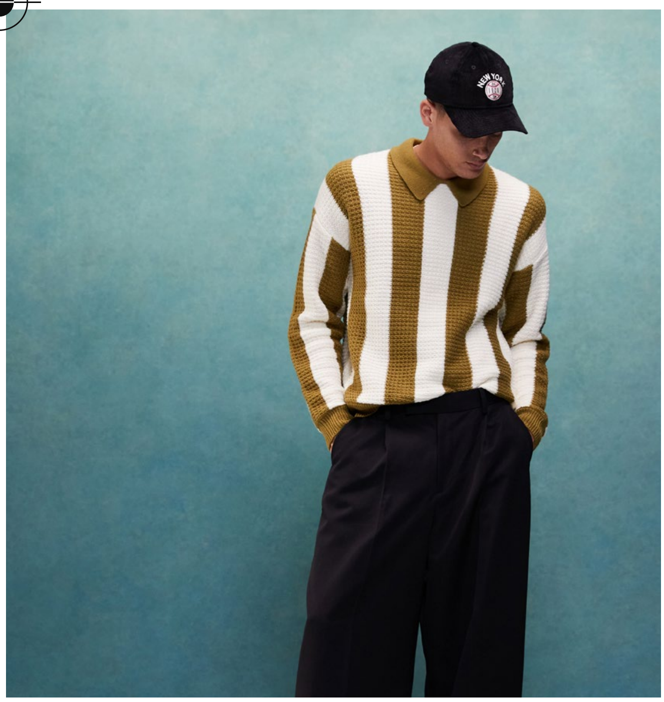
1 During the year to 31 August 2015, Nick Robertson opted to waive receipt of £442,580 of his base salary, and any entitlement to bonus.
2 Nick Robertson stepped down as CEO and was succeeded by Nick Beighton on 1 September 2015.
3 During the year to 31 August 2022, Nick Beighton stepped down as CEO on 11 October 2021 and José Antonio Ramos Calamonte was appointed CEO on 16 June 2022, therefore this column shows the remuneration Nick Beighton received between 1 September 2021 and 11 October 2021 (£97,080) and the remuneration José Antonio Ramos Calamonte received between 16 June 2022 and 31 August 2022 (£155,702). José Antonio Ramos Calamonte had not joined the Company when the FY20 ALTIS was awarded. No bonus was paid in FY22.
4 José Antonio Ramos Calamonte's 2023 benefits figure has been restated to reflect qualifying amounts for 2023 and any expenses not captured in time for the prior year's Annual Report.
5 Annual bonus percentage figure shows the percentage of the individual's maximum bonus percentage related to the bonus scheme for that financial year.
6 Long-term incentive percentages show the percentage of the award that vested where the performance period ends in that financial year.

Percentage change in Directors' remuneration

The table below shows the percentage change in the Directors' salary/fees, benefits and annual bonus over the last three years, compared with all employees of ASOS. This is a voluntary disclosure as no employees are directly employed by ASOS Plc.

% change	FY24			FY23			FY22			FY21			FY20		
	Salary/ Fees[1]	Benefits	Bonus	Salary/ Fees	Benefits[2]	Bonus	Salary/ Fees	Benefits[2]	Bonus	Salary/ Fees	Benefits[2]	Bonus	Salary/ Fees	Benefits[7]	Bonus
All employees	0%	3%	100%[3]	9%	8%	0%	13%	-5%	-100%	16%	38%	8%	7%	13%	100%
Executive Directors															
José Antonio Ramos Calamonte	2%	-41%	100%	457%	217%	–	–	–	–	–	–	–	–	–	–
Dave Murray	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-executive Directors[1]															
Jørgen Lindemann	-1%	-91%	–	370%	81%	–	–	–	–	–	–	–	–	–	–
Christine Cross[4]	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Wei Gao	519%	-13%	–	0%	–	–	–	–	–	–	–	–	–	–	–
Marie Gulin-Merle	76%	274%	–	0%	–	–	–	–	–	–	–	–	–	–	–
Natasja Laheij	174%	0%	–	0%	–	–	–	–	–	–	–	–	–	–	–
Jose Manuel Martínez Gutiérrez	160%	185%	–	0%	–	–	–	–	–	–	–	–	–	–	–
Nick Robertson	-1%	0%	–	3%	0%	–	4%	-100%	–	–	–	–	–	-97%	–
Anna Maria Rugarli	413%	100%	–	0%	–	–	–	–	–	–	–	–	–	–	–
William Barker[5]	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Former Directors															
Mai Fyfield[6]	-52%	0%	–	21%	0%	–	11%	-100%	–	–	300%	–	–	–	–

1 No changes were made to the base fee for Non-executive Directors. The slight decrease in Salary/Fees is due to FY24 having four fewer days compared to FY23. The calculation is derived from the total salary of ASOS employees (excluding bonuses) divided by the average number of employees for FY23 and FY24. There has been negligible movement in salaries, as both total salaries and headcount have decreased proportionately from FY23 to FY24.
2 Once COVID-19 social and travel restrictions started to lift, Board and Committee meetings were held in person leading to an increase in Director travel and other expenses in FY21, FY22 and FY23.
3 Payments were made under the Group annual bonus in FY24 which equates to the 100% increase due to no bonus being received in FY23. Some employees received payments under other bonus schemes, however as this was only a small population of the wider Group, this payment has been excluded from this calculation to allow for meaningful comparison year-on-year.
4 Christine Cross was appointed on 16 April 2024.
5 William Barker was appointed on 20 September 2023.
6 Mai Fyfield stepped down from the Board on 7 February 2024.
7 Reduction in benefits in FY20 was due to a reduction in expenses claimed during that year.



Annual Report on Remuneration continued

CEO pay ratio

The table below shows the ratio of the total remuneration paid to the CEO for 2023/24 against the upper quartile, median and lower quartile full-time equivalent remuneration of ASOS UK employees. This is the fifth year of reporting a pay ratio and data from the last four financial year periods is shown for comparison.

	Method	P25	P50	P75[2]
2023/24	**Option C**	**34:1**	**20:1**	**15:1**
2022/23	Option C	26:1	16:1	11:1
2021/22[1]	Option C	9:1	5:1	4:1
Full-year equivalent 2021/22[1]	Option C	29:1	17:1	11:1
2020/21	Option C	68:1	35:1	25:1
2019/20	Option C	73:1	38:1	24:1

1 The first calculation for 2021/22 uses the total remuneration paid to Nick Beighton between 1 September 2021 and 11 October 2021 and the total remuneration paid to José Antonio Ramos Calamonte between 16 June 2022 and 31 August 2022. The ratio has been recalculated this year to reflect the actual value of Nick's FY20 ALTIS on the vesting date and the restatement of José's 2022 benefits figure. This has reduced the ratio from 6:1 to 5:1. There was a period during the financial year, between 12 October 2021 and 15 June 2022, that the Company did not have a CEO, therefore the second calculation (full-year equivalent 2021/22) provides the ratios if José had been CEO for the full financial year.

2 P75th employee is part-time at 80% FTE and where applicable, the base salary and other elements of their package that form their total reumuneration was uplifed to 100% FTE.

The Company has chosen Option C as it enabled the use of readily available data that was current to ASOS' year end. The employees at P25, P50 and P75 were identified based on salaries at 1 September 2024 where their total remuneration was calculated to include salary, benefits, flex allowance and pension as at that date, plus 2023/24 bonus outturns (all three employees are outside the ALTIS population). No omissions, estimates or adjustments were included in the calculation.

The total remuneration of these individuals and a small number of others positioned around each quartile were compared to determine whether the employees at P25, P50 and P75 were most representative of pay levels at these quartiles. Based on that review of similarly ranked roles, the remuneration of all three individuals was deemed to be representative of the relevant quartile.

The base salary and total remuneration for the employees used in the above calculations are as follows:

	P25	P50	P75
Base salary	£30,874	£51,547	£70,711
Total remuneration	£34,785	£57,467	£80,840

The Committee is satisfied that the median pay ratio for 2023/2024 is consistent with the Group's wider policies on employee pay, reward and progression. Executive Directors receive a greater proportion of their remuneration in elements tied to performance, including participation in the ALTIS, which operates at the most senior levels. This means that the pay ratio will largely vary due to incentive outcomes each year. The pay ratio has increased year on year due to the lack of bonus pay outs from the past two years and the absence of the FY21 ALTIS vest last performance period. The pay ratio is still lower compared to a payout near the maximum in 2020/21.

Relative importance of spend on pay

The following table shows ASOS' actual spend on pay (for all employees) relative to loss before tax. This has been used as a comparison as this is a key metric that the Board considers when assessing the Company and Group's performance. To date, no dividend has been paid by ASOS Plc and there is no intention to pay a dividend at this stage as all monies are being retained in the business for future investment.

Staff costs (£million)[1] **-2.93%**

1 The above includes capitalised staff costs and excludes share-based payments charge.

Loss before tax (£million)[2] **-27.84%**

2 See consolidated income statement for more information.

Directors' dates of appointment

Both of the Executive Directors have a rolling service contract with an indefinite term, but a fixed period of notice of termination. The services of any Executive Director may be terminated on a maximum of 12 months' notice by the Company or the individual. Our usual approach to remuneration when an Executive Director leaves is explained in our Policy.

Name	Date of appointment	Notice period	Total length of service as at 1 September 2024
José Antonio Ramos Calamonte	16 June 2022	12 months	2 years 2 months
Dave Murray	29 April 2024	12 months	4 months

All Non-executive Directors have letters of appointment in place with remaining terms as follows, subject to re-appointment at the Company's Annual General Meeting:

Name	Date of appointment	Notice period	Appointment end date in accordance with letter of appointment[1]	Total length of service as at 1 September 2024
Jørgen Lindemann	1 November 2021	3 months	31 July 2025	2 years 10 months
Christine Cross	16 April 2024	3 months	15 April 2027	0 years 4 months
Wei Gao	1 February 2023	3 months	31 January 2026	1 years 7 months
Marie Gulin-Merle	1 February 2023	3 months	31 January 2026	1 years 7 months
Natasja Laheij	11 April 2023	3 months	10 April 2026	1 years 4 months
Jose Manuel Martínez Gutiérrez	11 April 2023	3 months	10 April 2026	1 years 4 months
Nicholas Robertson[2]	6 June 2000	3 months	31 August 2027	24 years 2 months
Anna Maria Rugarli	26 June 2023	3 months	25 June 2026	1 years 2 months
William Barker	20 September 2023	3 months	19 September 2026	0 years 11 months

1 All Non-executive Directors' appointments are subject to their re-election at the AGM each year.
2 Nick Robertson is the Founder and former CEO of ASOS. He stepped down from the role of CEO and assumed the role of Non-executive Director on 1 September 2015.

All Directors' contracts/letters of appointment are available to view at the Company's registered office.

Overview of Remuneration Committee

Composition of the Remuneration Committee

The Remuneration Committee currently comprises four independent Non-executive Directors: Christine Cross (Chair), Marie Gulin-Merle, Natasja Laheij and Jose Manuel Martínez Gutiérrez. Mai Fyfield served as Chair of the Committee until she stepped down on 7 February 2024. Marie Gulin-Merle acted as Interim Committee Chair from 7 February 2024 until 16 April 2024 when Christine Cross was appointed.

Members of the management team, as well as the Committee's advisors, are invited to attend meetings as appropriate, unless there is a potential conflict of interest. The remuneration of Executive Directors and Non-executive Directors other than the Chair, is determined by the Chair of the Board.

Committee composition and effectiveness

Details of the Committee's experience can be found on pages 72 to 75.

Advisors to the Remuneration Committee

The Committee has engaged the external advisors listed below to help meet its responsibilities.

Committee advisor

- Deloitte was the independent advisor to the Committee since 2019 and services were terminated in May 2024. With a new Remuneration Chair, a new independent advisor was appointed, FIT Remuneration Consultants LLP in April 2024. The Committee selected FIT Remuneration Consultants LLP as the advisors were deemed to have the best recent and relevant experience across similar public listed company and shareholder constructs, including substantive experience in VCP design and implementation. FIT Remuneration Consultants LLP are signatories to the Remuneration Consultants' Code of Conduct, and the Committee is satisfied that the advice that it receives is objective and independent. Total Remuneration Consultant fees for advice provided to the Committee were £128,814 (£30,335 for Deloitte advice and £98,479 for FIT Remuneration Consultants LLP advice) in the period to 1 September 2024 on a time and materials basis. The FIT Remuneration Consultants LLP engagement partner and advisory team that provide remuneration advice to the Committee do not have any connections with the Group or individual Directors that may impair their independence.
- Separately, during the year other parts of Deloitte also advised the Group in relation to financial advisory, consulting, taxation, accounting services and financial modelling support as part of business planning and analysis.
- When required, ASOS also received advice relating to remuneration matters from Slaughter and May on reward and legal matters respectively. As a matter of course, the Committee also received advice and assistance as needed from our Executive Vice President People Experience, Reward and DE&I Director, General Counsel & Company Secretary (or Interim thereof) and Executive Directors.

Key areas of focus for the year ahead

- Engaging with shareholders in relation to our approach to remuneration for FY25.
- Review and approve any salary increases for Management Committee members.
- Determine FY25 annual bonus outcome and FY23 ALTIS awards vesting.
- Approve any bonus, ALTIS or other awards intended to operate during FY26.
- Continue to monitor regulatory and legislative developments.
- Review the Company's retirement benefit schemes.

Directors' Report

The Directors present their report, together with the audited financial statements for the 52 weeks ended 1 September 2024.

Results and dividends
The Group's results for the period ended 1 September 2024 are set out on pages 122 to 179.

The Directors do not recommend the payment of a dividend (2023: £nil).

Strategic Report
This is set out on pages 4 to 71 of the Annual Report and includes an indication of likely future developments.

Corporate Governance
Our Corporate Governance Statement setting out how the Company has complied with the UK Corporate Governance Code 2018 (the "Code") can be found on page 80. A description of the composition and activities of the Board and its Committees, including our approach to diversity, is set out on pages 79 and 93. A full version of the Code is available from the Financial Reporting Council website at frc.org.uk.

Risk management and principal risks
A description of the main features of our internal control and risk management arrangements in relation to the financial reporting process can be found on pages 62 to 63 and 101. A description of the principal risks facing the business, and the Group's approach to managing those risks, is on pages 64 to 69. Information on the Group's foreign currency risks is set out in Note 23 to the Financial Statements.

Significant events since the end of the financial period
Information on post-balance sheet events can be found in Note 30 to the Financial Statements on page 179.

Share capital
The issued share capital of the Company as at 31 October 2024, being the last practicable date prior to this report, was 119,334,341 ordinary shares of 3.5 pence each. Details of the authorised and issued share capital, together with the details of shares issued during the period to 1 September 2024, are shown in Note 22 to the Financial Statements. As far as the Company is aware, there are no restrictions on the voting rights attaching to the Company's ordinary shares and the Company is not aware of any agreements which may result in restrictions in the transfer of securities or voting rights.

No securities carry any special rights.

Powers for the acquisition of the Company's own shares
The Company was also authorised by shareholders at the Annual General Meeting ("AGM") on 7 February 2024 to replace the existing authority (as granted by shareholders at the AGM held on 11 January 2023) to purchase its own shares in the market up to a maximum of 10% of the issued share capital of the Company (excluding treasury shares). No shares were bought back under this authority during the financial period to 1 September 2024. This is a standard authority which is renewable annually and the Directors will be seeking to renew this authority at the next AGM.

Directors and their interests
The following Directors have held office since 4 September 2023 and up to the date of this report:

Name	Date of appointment
Jørgen Lindemann	1 November 2021
William Barker	20 September 2023
José Antonio Ramos Calamonte	16 June 2022
Christine Cross	16 April 2024
Wei Gao	1 February 2023
Marie Gulin-Merle	1 February 2023
Jose Manuel Martínez Gutiérrez	11 April 2023
Natasja Laheij	11 April 2023
Dave Murray	29 April 2024
Nick Robertson	6 June 2000
Anna Maria Rugarli	26 June 2023

Mai Fyfield, who was appointed on 1 November 2019, stepped down from the Board on 7 February 2024.

Biographies of the Directors as at the date of this report are set out on pages 72 to 74.

The general powers of the Directors are contained within UK legislation and the Company's Articles of Association (the "Articles"). The Directors are entitled to exercise all powers of the Company, subject to any limitations imposed by the Articles or applicable legislation.

The appointment and retirement of Directors is governed by the Company's Articles of Association, the UK Corporate Governance Code 2018, the Companies Act 2006 and other related legislation.

The interests of the Directors, and their persons closely associated, in the share capital of the Company as at 1 September 2024, along with details of Directors' share awards, are contained in the Directors' Remuneration Report on page 111. At no time during the period did any of the Directors have a material interest in any significant contract with ASOS or any of its subsidiaries.

We maintain Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. This was in place throughout the period and up to the date of approval of the financial statements. The Group has also provided an indemnity for its Directors, which is a qualifying third-party indemnity provision, for the purposes of Section 234 of the Companies Act 2006.

Articles of Association
Our Articles of Association can only be amended by special resolution of the shareholders and are available for inspection on our website at asosplc.com.

Branches
The Group has a branch of ASOS.com Limited registered in the Netherlands. Further details are provided on pages 186 to 187, together with a full list of Group subsidiaries.

Employee Benefit Trust
We use an Employee Benefit Trust to facilitate the acquisition of ordinary shares in the Company for the purpose of satisfying awards and options granted under ASOS share schemes. During the financial period, we used both the Employee Benefit Trust (EBT) to satisfy awards granted under our Save As You Earn scheme and our ASOS Long Term Incentive Scheme (ALTIS).

The EBT is a discretionary trust, the sole beneficiaries being employees (including Executive Directors) and former employees of the Group who have received awards under the Save As You Earn and ALTIS schemes (or their close relations in the event of their death). The trustee of the EBT is Apex Financial Services (Trust Company) Limited, an independent professional trustee company based in Jersey. Under the terms of the Trust Deed, we fund the EBT to purchase on the EBT's own account ordinary shares in the Company on the open market in return for the EBT agreeing to use the ordinary shares in the Company that it holds to satisfy certain outstanding awards and options made under the Company's share schemes.

As at 30 September 2024, the EBT held 159,242 shares in the Company.

Link Trust
The Link Trust (LT) holds ASOS shares awarded under the Share Incentive Plan (SIP) in 2012 and 2013 solely for the benefit of current employees who participate in it. The trustee of the SIP is Link Market Services Trustees Limited, an independent professional trustee company based in the United Kingdom. Under the terms of the Trust Deed, we funded the LT to buy the shares on the open market and retain those shares on behalf of the underlying beneficiaries.

As at 30 September 2024, the LT held 13,479 shares in the Company, of which 2,338 shares are held on behalf of underlying beneficiaries.

The Group's accounting policies are detailed within Note 22 to the Financial Statements and movements are detailed in the Consolidated Statement of Changes in Equity on page 133.

Substantial shareholders
As at 30 September 2024, the Company was aware of the following interests in 3% or more of its ordinary share capital:

Major shareholder	Holding	As a % of issued shares
Aktieselskabet at 5.5.2010	33,404,686	27.99%
Frasers Group Plc	25,204,422	21.12%
Camelot Partners LLC	17,613,381	14.76%
Schroders Plc	3,917,692	3.28%

Additionally, the Company was notified that, as at 3 October 2024, SIH Partners, LLLP held 0.90% voting rights in the Company attached to shares, with an additional 6.09% voting rights through financial instruments, as announced by the Company on 4 October 2024.

Employees with disabilities
We are an inclusive employer and continue to belong to the Disability Confident scheme. We are committed to taking the right steps in ensuring our recruitment, training and development processes and culture remain accessible for people with disabilities.

We operate with a diverse sourcing approach, fully embedded into our Talent Acquisition team's recruitment process, offering guaranteed interviews to any candidates with disabilities or neurodiverse conditions, who meet the minimum eligibility criteria for the role. Along with creating more inclusive job advertisement templates, we've launched hiring manager training to support those making recruitment decisions in understanding inclusive best practice, including around biases, within a candidate's interview process.

See pages 20 to 21 and 33 for more information.

Research and development
The Group undertakes research and development activities in relation to software development. The deferred tax impact on research and development tax relief claimed on qualifying spend is disclosed in Note 9 to the Financial Statements on page 147.

Political donations
No political donations have been made during this financial period (2023: £nil).

Annual General Meeting
A separate circular providing the Notice of Annual General Meeting and details of the resolutions to be put to the meeting will be sent to shareholders in due course and will be available to view on asosplc.com.

Statement on disclosure of information to auditors
The Directors confirm that, so far as each is aware, there is no relevant audit information of which the Group's auditors are unaware. Each of the Directors has taken all the steps he or she should have taken as a Director, to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Directors' Report continued

Independent auditors
The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the next AGM.

Environmental, Social and Governance (ESG) disclosures
Details of our ESG commitments are on pages 28 to 53.

Additional disclosures
Information that is relevant to this report, and which is also incorporated by reference, including information required in accordance with the UK Companies Act 2006 and Listing Rule 9.8.4R, can be found as follows:

	Annual Report page reference
Post balance sheet events (if applicable)	179
Likely future developments in the business	61
Financial instruments and financial risk management	165 to 168
Risk management and principal risks	62 to 69, 101
Corporate Governance Report	78 to 89
Employee engagement	24, 88
Stakeholder engagement and S.172 statement	22 to 27
Viability Statement & Going Concern	70 to 71
Details of long-term incentive schemes	174 to 176
Statement of capitalised interest	151
Related party transactions	176
Greenhouse gas emissions, energy consumption and energy efficiency action	28 to 53
Climate-related disclosures consistent with TCFD	34 to 45

The Company has chosen, in accordance with Section 414C(11) of the Companies Act 2006, and as noted in this Directors' Report, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report can be found on pages 4 to 71. Other information requirements set out in LR 9.8.4R are not applicable to the Company.

Disclaimer
The purpose of this Annual Report is to provide information to the members of the Company and it has been prepared for, and only for, the members of the Company as a body, and no other persons.

The Company, its Directors and employees, agents and advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

A cautionary statement in respect of forward-looking statements contained in this Annual Report appears on the inside back cover of this document.

By order of the Board

Rishi Sharma
Interim General Counsel and Company Secretary
5 November 2024

Non-financial and sustainability information statement

The table below constitutes the Company's non-financial and sustainability information statement as required by Sections 414CA and 414CB of the Companies Act 2006 (as amended by The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022) with the table disclosed below and other disclosures throughout the Strategic Report. The climate-related financial disclosures of the Company are contained within the Task Force on Climate-related Financial Disclosures (TCFD) section, on pages 34 to 45 of this Annual Report. Many of our policies can be viewed on our website asosplc.com which also contains a wide range of non-financial and sustainability information.

Reporting requirement	Relevant policies and documents which govern our approach	Annual Report section	Page
Climate change and sustainability	• Fashion with Integrity (FWI) Strategy	• FWI • Task Force on Climate-related Financial Disclosures (TCFD)	28 to 53 34 to 45
Environmental and social matters	• FWI Strategy • Chemical Strategy • Responsible sourcing policies including Cotton Sourcing Policy, Animal Derived Materials Policy and Restricted Substances List • Policy on Gender Equality in the Supply Chain • Group Tax Strategy	• TCFD • Streamlined Energy & Carbon Reporting • Sustainability Committee Report • FWI • Principal risks and opportunities • Stakeholder engagement	34 to 45 46 to 47 94 to 95 28 to 53 64 to 69 22 to 27
ASOSers	• Code of Conduct • Health & Safety Policy • Whistleblowing Policy • FWI Strategy	• Our People • Stakeholder engagement - Our ASOSers • Governance Report – Engagement with ASOSers • FWI • Directors' Report – Employees with disabilities	18 to 21 24 88 28 to 53 117
Human rights	• Modern Slavery Statement • Anti-Slavery & Human Trafficking Policy • Child Labour Remediation & Young Worker Policy • Freedom of Association and Collective Bargaining Policy • Migrant Workers Policy • Global framework agreement with IndustriALL • Whistleblowing Policy	• FWI • Stakeholder engagement – Our Suppliers • Principal risks and opportunities	28 to 53 25 64 to 69
Anti-bribery & corruption	• Code of Conduct • Anti-Bribery & Corruption Policy • Gifts & Hospitality Policy	• Audit Committee Report • Directors' Report	96 to 101 116 to 118
Risk management	• Risk Management Standard • ASOS Risk Taxonomy	• Risk management • Principal risks and opportunities • TCFD – climate-related risks	62 to 63, 101 64 to 69 34 to 45
Business model		• Business model	12 to 13
Non-financial KPIs		• KPIs • FWI	54 to 55 28 to 53

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared 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, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under applicable 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements, and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Rishi Sharma
Interim General Counsel and Company Secretary
5 November 2024

Financial Statements

Independent auditors' report to the members of ASOS Plc

Report on the audit of the financial statements

Opinion

In our opinion:

- ASOS Plc's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 1 September 2024 and of the group's loss and the group's cash flows for the 52 week period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2024 (the "Annual Report"), which comprise: the Consolidated Balance Sheet and the Company Balance Sheet as at 1 September 2024; the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the Company Statement of Changes in Equity for the period then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 6 to the financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- We performed full scope audit procedures over the following two components: ASOS Plc, the parent entity that holds investments throughout the group, and ASOS.com Limited, the trading entity that generates more than 98% of the group's revenue.
- Additionally, we performed a financial statement line item audit over the convertible debt and related interest balances in Cornwall (Jersey) Limited, and over the acquired brand and customer relationship intangible assets and related amortisation balances in ASOS Holdings Limited.
- Taken together, the entities over which full scope audit work was performed accounted for 98% of the group's revenue and 93% of the group's loss before tax.

Key audit matters

- Capitalisation of internal staff costs (group)
- Valuation of inventory (group)
- Going concern assessment in response to economic uncertainties (group)
- Classification of adjusting items (group)
- Carrying value of assets (group and parent)
- Recoverability of deferred tax assets (group)

Materiality

- Overall group materiality: £14,500,000 (2023: £10,600,000) based on 0.5% of revenue.
- Overall company materiality: £9,200,000 (2023: 9,000,000) based on 1% of total assets.
- Performance materiality: £10,875,000 (2023: £7,950,000) (group) and £6,900,000 (2023: £6,750,000) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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.

This is not a complete list of all risks identified by our audit.

Recoverability of deferred tax assets is a new key audit matter this year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of internal staff costs (group) Refer to Notes 7 and 11 in the financial statements. The group continued to invest in its operational infrastructure having spent £98.5m (2023: £126.5m) on intangible assets. Within capital additions are £64.6m (2023: £58.3m) of internal staff costs, which primarily relate to intangible assets. This was an area of focus due to the magnitude of the costs capitalised and the judgement involved in assessing whether the criteria set out in IAS 38 for the capitalisation of elements of these costs had been met. We focused on the capitalisation of internal staff costs to confirm that costs capitalised were an accurate reflection of actual costs incurred and the associated time was spent on projects which met the criteria to be capitalised. We further assessed whether the costs were appropriately moved out of assets under construction and appropriately amortised/depreciated from the point at which they came into operational use.	We gained an understanding through walkthroughs and enquiries performed with management of the process in place for evaluating approval for staff time capitalised to capital projects. We performed substantive testing over new projects in the year to assess whether they met capitalisation criteria, including inquiring with management, and inspecting evidence of criteria assessments, such as in capex funding forms. We also obtained an understanding of the various selected capitalised projects, inspected timesheet data to corroborate time charged on projects, and reviewed management's assessment to determine whether sufficient economic benefits were likely to flow from the projects to support the values capitalised. For a number of projects, we assessed whether they had been appropriately included within assets under construction at year end. We further confirmed that amortisation/depreciation commenced at rates consistent with the group's accounting policies once the respective projects became operational. Based on the procedures performed, we noted no material issues arising from our work.
Valuation of inventory (group) Refer to Note 15 in the financial statements. As at 1 September 2024, the group held gross inventories of £683.6m (2023: £892.4m), against which a provision of £163.3m (2023: £124.4m) had been recorded. The nature of the group's business model is to service demand in a dynamic and fast moving fashion market which means there is a risk of inventory falling out of fashion and proving difficult to sell above cost. The group's provisioning policy is based on the estimated future net realisable value of inventories. The group's methodology to calculate inventory provisions includes consideration of inventory which is expected to be sold via offsite clearance routes as well as through the website. Provisions are calculated using estimates of loss rates and website sell through rates, both of which are calculated based on historical sales data. The provisions held at 1 September 2024 also include a provision for the specific write down of inventory identified to be sold via off-site channels to facilitate the group's transition to its new commercial model. The quantum of the total inventory balance and the level of judgement involved to ensure that inventories are stated at the lower of cost and net realisable value made this an area of focus.	We reviewed management's provisioning policy and the resulting provisions applied, which include significant elements relating to: - Forecast loss rates for inventory expected to be sold via the website; - Forecast sell through rates for inventory expected to be sold via offsite channels; and - A specific write down of inventory, identified to be sold via off-site channels to facilitate the group's transition to its new commercial model. We tested the mathematical integrity of management's provision calculations. We validated the inputs into the models including verifying the inventory quantity and values for various elements making up the overall inventory provision and confirmed the accuracy of the data used. We tested the net margin realised used to determine the historical loss experience for a sample of transactions in the year and obtained corroborating evidence to validate their selling price and cost. We also assessed management's assessment of estimated income per unit for inventory to be cleared offsite based on historic experience. Based on the procedures performed, we noted no material issues arising from our work.

Independent Auditors' Report to the Members of ASOS Plc continued

Going concern assessment in response to economic uncertainties (group) Refer to note 2.2 in the financial statements. In order to conclude whether it is appropriate for the financial statements to be prepared on a going concern basis, management prepared a base case forecast for a period of 18 months from the balance sheet date. In addition they modelled a severe but plausible downside case which included cost reductions that could be achieved from mitigating actions within the group's control. We focused on this area given the importance of the going concern judgement in the context of the basis of preparation of the financial statements and recognising the degree of judgement inherent in management's forecasts.	We evaluated management's going concern assessment and we performed testing procedures as detailed in the "Conclusions relating to going concern" section below.
Classification of adjusting items (group) Refer to Note 3 in the financial statements The group discloses an adjusted measure of profit to provide shareholders with additional insight into the year-on-year performance of the business. Adjusted loss before tax of £126.0m (2023: £70.3m) is presented which compares to an IFRS measure of loss before tax of £379.3m (2023: £296.7m). The £253.3m (2023: £226.4m) of adjusted items before tax are those which are significant either by virtue of their size and/or nature, the inclusion of which could, in management's view, distort comparability between periods to either reported performance or individual financial statement line items. The quantum of adjusting items and the level of judgement involved to ensure that performance of the business is not distorted made this an area of focus.	We have performed audit procedures to test the magnitude of the charge on a sample basis across all elements of the adjusting items. As part of this sample testing we also understood the nature of the items and management's rationale for classification as an adjusting item. We have considered whether the disclosure as adjusting items is appropriate taking account of the size and nature of the items and management's disclosed accounting policy. Based on the procedures performed, we noted no material issues arising from our work.
Carrying value of assets (group and parent) Refer to Note 14 in the group financial statements and Note C4 in the company financial statements. As at 1 September 2024, the group had balances relating to Goodwill, Intangibles, Property, Plant and Equipment and Right of use assets totalling £1,051.2m (2023: £1,358.3m). Due to the group's trading performance in the period and market capitalisation, there is an indicator that these balances might be impaired. At 1 September 2024, the company had amounts due from subsidiary undertakings of £847.2m (2023: £837.9m), of which £1.6m (2023: £1.4m) was classed as current and £845.6m (2023: £836.5m) non-current. There is a risk that the financial condition and performance of the subsidiary undertakings are not sufficient to support the recoverability of the amounts due and the assets may be impaired. Management has assessed the carrying value of these assets using a value in use model and concluded that no impairment is required. In addition, management performed an expected credit loss assessment under IFRS 9 in respect of the intercompany receivables. Due to these assessments including assumptions about future performance which are judgemental in nature, we determined this to be a key area of focus.	We have obtained management's impairment assessment which uses a value in use model to support the recoverability of the goodwill and other intangibles, property plant and equipment and right of use assets in the group accounts and the intercompany receivable in the company accounts and undertook the following procedures: - We ensured the calculations included within the model were mathematically accurate and obtained supporting evidence for the assumptions used ensuring consistency with IAS 36. - We compared the forecasts used with the latest Board-approved plans and challenged the key assumptions used within the model to which the value was most sensitive, including the discount rate, future revenue growth and improvement in gross profit margin. In assessing management's plans, we considered the group's historical forecasting accuracy. - We used our valuation specialists to assist us in our audit of the discount rate and long term growth rate used. - We considered other sources of information to assess whether management's conclusion that there was no impairment was reasonable. This included a consideration of third party industry reports and other market based valuations. - We considered the adequacy of management's disclosure in respect of the impairment assessment, and the key sensitivities in their estimates. In relation to the company assessment, in addition to the above procedures we evaluated management's expected credit loss assessment under IFRS 9 in respect of the intercompany receivables. Based on the procedures performed, we noted no material issues arising from our work.

Recoverability of deferred tax assets (group) Refer to Note 9 in the group financial statements. As at 1 September 2024, the group had a net deferred tax asset of £62.5m (2023: £17.8m). Due to the trading performance and losses made in the last three years management applied judgement in the amount of deferred tax assets that were recoverable which resulted in unrecognised deferred tax assets of £52.3m. Management assesses the recoverability of the deferred tax asset by using the same forecasts applied in the value in use impairment model to evaluate whether sufficient taxable profits are projected. A risk weighting is applied to address the uncertainty related to future profits with the risk weighting increasing with the time horizon. Based on this assessment, management considers a net deferred tax asset of £62.5 million to be recoverable. Due to this assessment including assumptions about future performance which are judgemental in nature, we determined this to be a key area of focus.	We obtained management's recoverability assessment for the deferred tax asset and checked the mathematical accuracy of the model and reconciled the taxable profits forecast to the latest Board-approved plans. We assessed management's risk weightings applied and the period over which the assets are forecasts to be recovered. We considered the adequacy of management's disclosure in respect of the deferred tax recoverability assessment, and the key sensitivities in their estimates. Based on the procedures performed, we noted no material issues arising from our work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

Based on our risk and materiality assessments, we determined which components required an audit of their complete financial information having consideration to the relative significance of each component to the group, and the overall coverage obtained over each material line item in the consolidated financial statements.

Due to its relative contribution to the group's revenues and loss before tax, we identified one financially significant component which, in our view, required an audit of its complete financial information. This was ASOS.com Limited which generated more than 98% of the group revenue through sales via the worldwide ASOS websites and wholesale network. In addition, a full scope audit was performed over ASOS Plc being the parent entity which holds investments throughout the group. We performed audit procedures over the convertible debt and related interest balances in the Cornwall (Jersey) Limited entity, and over the acquired brand intangible assets and related amortisation balances in ASOS Holdings Limited, in order to achieve appropriate audit coverage over these material financial statement line items. All work over these components was performed by the group engagement team. Further central procedures were performed over tax, treasury, legal claims, lease liability and associated right-of-use asset balances, property, plant and equipment and other intangible assets, goodwill, going concern, the group's consolidation and the financial statement disclosures. This provided the evidence we needed for our opinion on the consolidated financial statements taken as a whole.

Taken together, the components where we performed our audit work accounted for 98% of the group's revenue and 93% of the group's loss before tax. This was before considering the contribution to our audit evidence from performing audit work at the group level, including disaggregated analytical review procedures, which covered certain of the group's smaller and lower risk components that were not directly included in our group audit scope.

Our audit of the company financial statements included substantive procedures over all material balances and transactions.

The impact of climate risk on our audit

As part of our audit procedures, we have considered the potential impact of climate change on the group's business and its financial statements.

The group continues to develop its assessment of the potential impacts of climate change as explained throughout the Strategic Report and in more detail on pages 34 to 45.

As part of our audit, we have obtained management's climate-related risk assessment and held discussions with management, together with our own climate change experts, to understand the process of identifying climate related risks, the determination of mitigating actions and the impact on the group's financial statements.

Management has assessed that the most likely impacted financial statement line items and estimates are those associated with future cash flows since the impact of climate change is expected to become more notable in the medium to long term.

While auditing these forecast cash flows, we have considered the impact of climate change and any climate change related commitments on the potentially impacted financial statement line items.

We have not identified any matters as part of this work which are inconsistent with the disclosures in the Annual Report or would lead to any material adjustments to the financial statements.

Independent Auditors' Report to the Members of ASOS Plc continued

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

	Financial statements – group	Financial statements – company
Overall materiality	£14,500,000 (2023: £10,600,000).	£9,200,000 (2023: 9,000,000).
How we determined it	0.5% of revenue	1% of total assets
Rationale for benchmark applied	In determining materiality, we considered both loss before tax and revenue as the acceptable benchmarks. We considered loss before tax to be an appropriate benchmark due to the group's focus on delivering an acceptable short-term return. We considered total revenue to be appropriate given the focus of investors on revenues and top line growth. This provided a wide range of acceptable materiality levels. In our judgement, the group is currently experiencing volatile profits or losses with significant one off costs, and are experiencing declining revenues however their operations remain largely consistent each period. We therefore consider revenue to remain an appropriate benchmark to use. The materiality of £14.5m is approximately 0.5% of revenue.	ASOS Plc is the ultimate parent entity which holds the group's investments. Therefore, the entity is not in itself profit-oriented. We consider total assets to be an appropriate benchmark as it reflects the nature of the company, which primarily acts as a holding company for the group's investments.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £4,400,000 and £13,775,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £10,875,000 (2023: £7,950,000) for the group financial statements and £6,900,000 (2023: £6,750,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £725,000 (group audit) (2023: £530,000) and £460,000 (Company audit) (2023: £450,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern
Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing management's going concern model, including the base case and the severe but plausible downside case;
- Testing the reasonableness of key assumptions including sales growth and estimated gross margins based on historical performance and external market data;
- Considering the magnitude and feasibility of the mitigations available in the downside case and whether these are in the control of management;
- Considering various aspects of the business model that could impact the group's liquidity;
- Considering the severity of the downside scenario based on historic experience;
- Reperforming a number of reverse stress tests to determine the magnitude of changes needed to key assumptions to result in there being no liquidity headroom;

- Assessing the historical reliability of management's forecasting by comparing budgeted results to actual performance;
- Validating that the cash flow forecasts used to support management's impairment, going concern and viability assessments were consistent;
- Reviewing the terms of the facility agreement and convertible bond agreements ensuring that management's calculations of headroom against the minimum liquidity covenant were accurate;
- Considering the impact of the post year end disposal of the Topshop and Topman brands on the future cash flows; and
- Reviewing the related disclosures in the Annual Report and Accounts.

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's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report 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 Directors' Report for the period ended 1 September 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report

Independent Auditors' Report to the Members of ASOS Plc continued

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the group's and company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK and overseas tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate the financial performance of the group and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Enquiry of management, Internal Audit and the group's legal counsel around known and suspected fraud and non-compliance with laws and regulations;
- Assessment of matters reported on the group's whistleblowing helpline and results of management's investigation of such matters;

- Identifying and testing higher risk journal entries, in particular certain journal entries posted with unusual account combinations and journals posted by senior management (none were identified)
- Incorporating elements of unpredictability to the nature or extent of audit procedures performed by us;
- Challenging assumptions made by management in its significant and other key accounting estimates in particular in relation to inventory provisions; and
- Reviewing financial statement disclosures and testing to supporting documentation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting
Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment
Following the recommendation of the Audit Committee, we were appointed by the members to audit the financial statements for the year ended 31 March 2008 and subsequent financial periods. The period of total uninterrupted engagement is 17 years, covering the years ended 31 March 2008 to 1 September 2024.

Other matter
The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Neil Grimes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 November 2024

Consolidated Income Statement

		52 weeks to 1 September 2024			1 September 2022 to 3 September 2023		
	Note	Adjusted £m	Adjusting items (Note 3) £m	Total £m	Adjusted £m	Adjusting items (Note 3) £m	Total £m
Revenue	4	**2,896.0**	**9.8**	**2,905.8**	3,538.0	11.5	3,549.5
Cost of sales		**(1,638.7)**	**(104.6)**	**(1,743.3)**	(1,974.6)	(115.9)	(2,090.5)
Gross profit		**1,257.3**	**(94.8)**	**1,162.5**	1,563.4	(104.4)	1,459.0
Distribution expenses		**(326.1)**	**–**	**(326.1)**	(429.7)	–	(429.7)
Administrative expenses		**(1,014.7)**	**(155.6)**	**(1,170.3)**	(1,164.7)	(115.1)	(1,279.8)
Other income		**2.0**	**–**	**2.0**	2.0	–	2.0
Operating loss	6	**(81.5)**	**(250.4)**	**(331.9)**	(29.0)	(219.5)	(248.5)
Finance income	8	**12.0**	**–**	**12.0**	5.0	–	5.0
Finance expenses	8	**(56.5)**	**(2.9)**	**(59.4)**	(46.3)	(6.9)	(53.2)
Loss before tax		**(126.0)**	**(253.3)**	**(379.3)**	(70.3)	(226.4)	(296.7)
Income tax credit	9	**2.6**	**38.0**	**40.6**	17.4	56.2	73.6
Loss for the financial period		**(123.4)**	**(215.3)**	**(338.7)**	(52.9)	(170.2)	(223.1)

Loss per share		pence per share	pence per share
Basic per share	10	**(284.4)**	(213.0)
Diluted per share	10	**(284.4)**	(213.0)

All activities in the current and prior period are continuing.

The notes on pages 135 to 179 form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

	Note	52 weeks to 1 September 2024 £m	1 September 2022 to 3 September 2023 £m
Loss for the financial period		**(338.7)**	(223.1)
Items that will not be reclassified to Group income statement			
Net fair value losses on cash flow hedges	25	**(5.2)**	(60.1)
Tax on items that will not be reclassified	9	**0.3**	9.7
		(4.9)	(50.4)
Items that may be subsequently reclassified to Group income statement			
Net translation movements		**–**	(0.3)
Net fair value gains on cash flow hedges	25	**6.7**	30.5
Fair value movements reclassified from cash flow hedge reserve to Group income statement	25	**(13.9)**	1.7
Tax on items that may be reclassified	9	**3.7**	(7.7)
		(3.5)	24.2
Other comprehensive loss for the period		**(8.4)**	(26.2)
Total comprehensive loss for the period attributable to owners of the parent company		**(347.1)**	(249.3)

The notes on pages 135 to 179 form an integral part of these financial statements.

Consolidated Balance Sheet

	Note	1 September 2024 £m	3 September 2023 £m
Non-current assets			
Goodwill and other intangible assets	11	**514.0**	700.5
Property, plant and equipment	12	**283.2**	362.6
Right-of-use assets	13	**254.0**	295.2
Investment properties	13	**7.1**	10.9
Other receivables	17	**3.7**	–
Derivative financial assets	25	**0.3**	4.1
Deferred tax assets	9	**62.5**	17.8
		1,124.8	1,391.1
Current assets			
Inventories	15	**520.3**	768.0
Assets held for sale	16	**165.5**	–
Trade and other receivables	17	**53.4**	81.4
Derivative financial assets	25	**9.5**	22.4
Cash and cash equivalents	18	**391.0**	353.3
Current tax assets		**6.7**	9.4
		1,146.4	1,234.5
Current liabilities			
Trade and other payables	19	**(671.7)**	(680.4)
Borrowings	20	**(1.6)**	(1.5)
Lease liabilities	13	**(27.2)**	(25.3)
Derivative financial liabilities	25	**(6.6)**	(6.0)
Provisions	21	**(2.7)**	(2.0)
Current tax liability		**(4.2)**	–
		(714.0)	(715.2)
Net current assets		**432.4**	519.3
Non-current liabilities			
Borrowings	20	**(686.5)**	(671.3)
Lease liabilities	13	**(262.4)**	(303.7)
Derivative financial liabilities	25	**(0.5)**	(0.5)
Provisions	21	**(86.5)**	(68.2)
		(1,035.9)	(1,043.7)
Net assets		**521.3**	866.7
Equity attributable to owners of the parent			
Called up share capital	22	**4.2**	4.2
Share premium	22	**322.6**	322.6
Other reserves	22	**61.9**	73.1
Retained earnings		**132.6**	466.8
Total equity		**521.3**	866.7

The notes on pages 135 to 179 form an integral part of these financial statements.

The consolidated financial statements of ASOS Plc, registered number 4006623, on pages 121 to 179, were approved by the Board of Directors and authorised for issue on 5 November 2024 and were signed on its behalf by:

José Antonio Ramos Calamonte
Chief Executive Officer

Dave Murray
Chief Financial Officer

Consolidated Statement of Changes in Equity

	Note	Called up share capital £m	Share premium £m	Other reserves (Note 22) £m	Retained earnings £m	Total equity £m
As at 4 September 2023		**4.2**	**322.6**	**73.1**	**466.8**	**866.7**
Loss for the period		**–**	**–**	**–**	**(338.7)**	**(338.7)**
Other comprehensive loss for the period		**–**	**–**	**(8.4)**	**–**	**(8.4)**
Total comprehensive loss for the period		**–**	**–**	**(8.4)**	**(338.7)**	**(347.1)**
Cash flow hedges gains and losses transferred to non-financial assets	25	**–**	**–**	**(2.8)**	**–**	**(2.8)**
Share-based payments charge	26	**–**	**–**	**–**	**4.6**	**4.6**
Tax relating to share option scheme	9	**–**	**–**	**–**	**(0.1)**	**(0.1)**
Balance as at 1 September 2024		**4.2**	**322.6**	**61.9**	**132.6**	**521.3**
As at 1 September 2022		3.5	245.7	82.4	683.3	1,014.9
Loss for the period		–	–	–	(223.1)	(223.1)
Other comprehensive loss for the period		–	–	(26.2)	–	(26.2)
Total comprehensive loss for the period		–	–	(26.2)	(223.1)	(249.3)
Cash flow hedges gains and losses transferred to non-financial assets	25	–	–	16.9	–	16.9
Share issue	22	0.7	76.9	–	–	77.6
Share-based payments charge	26	–	–	–	6.4	6.4
Tax relating to share option scheme	9	–	–	–	0.2	0.2
Balance as at 3 September 2023		4.2	322.6	73.1	466.8	866.7

Retained earnings includes the share-based payments reserve, and employee benefit trust reserve.

Consolidated Cash Flow Statement

	52 weeks to 1 September 2024 £m	1 September 2022 to 3 September 2023 £m
Cash flows from operating activities		
Operating loss	**(331.9)**	(248.5)
Adjusted for:		
Depreciation of property, plant and equipment, right-of-use assets and investment property	**55.0**	67.8
Amortisation of other intangible assets	**117.3**	104.7
Impairment charges on non-financial assets	**119.9**	32.1
Share-based payments charge (net of amounts capitalised)	**3.4**	5.2
Other non-cash items	**(0.8)**	1.8
Decrease in inventories	**247.7**	310.4
Decrease in trade and other receivables	**22.9**	12.7
Decrease in trade and other payables	**(18.2)**	(304.9)
Increase in provisions	**2.4**	16.8
Cash generated from/(used in) operating activities	**217.7**	(1.9)
Net income tax received	**10.3**	18.3
Net cash generated from operating activities	**228.0**	16.4
Cash flows from investing activities		
Purchase of other intangible assets	**(97.1)**	(136.2)
Purchase of property, plant and equipment	**(36.4)**	(41.7)
Interest received	**11.3**	4.5
Net cash used in investing activities	**(122.2)**	(173.4)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	**–**	77.6
Proceeds from borrowings	**–**	200.0
Drawdown of revolving credit facility	**–**	250.0
Repayment of borrowings	**(0.5)**	(251.7)
Refinancing amendment fees paid	**–**	(30.8)
Repayment of principal portion of lease liabilities	**(25.5)**	(22.4)
Interest paid	**(42.6)**	(33.6)
Net cash (used in)/generated from financing activities	**(68.6)**	189.1
Net increase in cash and cash equivalents	**37.2**	32.1
Opening cash and cash equivalents	**353.3**	323.0
Effect of exchange rates on cash and cash equivalents	**0.5**	(1.8)
Closing cash and cash equivalents	**391.0**	353.3

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

ASOS Plc ("the Company") and its subsidiaries (together, "the Group") is a global fashion retailer. The Company is a public limited company whose shares are publicly traded on the London Stock Exchange. The Company is incorporated and domiciled in the UK and the address of its registered office is Greater London House, Hampstead Road, London NW1 7FB.

The financial period represents the 52 weeks to 1 September 2024 (prior financial period: 1 September 2022 to 3 September 2023). The financial information comprises the results of the Company and its subsidiaries.

Within these consolidated financial statements, "2024" refers to the 52 weeks to 1 September 2024, or as at 1 September 2024; and "2023" refers to the financial period 1 September 2022 to 3 September 2023, or as at 3 September 2023.

2 MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and with the requirements of the Companies Act 2006 and the Listing Rules as applicable to companies reporting under those standards.

The financial statements have been prepared under the historical cost basis of accounting, excluding derivative financial instruments which are held at fair value. The financial statements are presented in sterling and all values are rounded to the nearest million pounds except where otherwise indicated.

Material accounting policies have been included in the relevant notes to which the policies relate, and those relating to the financial statements as a whole can be read further below. Unless otherwise stated, significant accounting policies have been applied consistently to all periods presented in the financial statements.

2.2 Going concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements, and therefore continue to adopt the going concern basis in preparing the financial statements. To support this assessment, detailed cash flow forecasts were prepared for the 18-month period to February 2026.

In assessing the Group's going concern position, the Directors have considered the Group's detailed budgeting and forecasting process which reflects the Group's financial performance, position, and cash flows over the going concern period (the base case). These cash flow forecasts represent the Directors' best estimate of trading performance and cost implications in the market based on current agreements, market experience and consumer demand expectations. In conjunction with this, the Directors considered the Group's business activities and principal risks, reviewing the Group's cash flows, liquidity positions and borrowing facilities for the going concern period.

At 1 September 2024, the Group was fully drawn on the £200m term loan with Bantry Bay, and had an undrawn Revolving Credit Facility ("RCF") of £17m, with a maturity of April 2026, along with £500m convertible bonds with a maturity of April 2026. The review included the continued availability of borrowings following the post balance sheet repurchase, amendment and extension of both the convertible bond and Bantry Bay debt facilities, details of which can be found in Note 30. Following the partial term loan repayment and changes to the Bantry Bay agreement, the assessment included an opening balance of drawn Bantry Bay debt facility of £150m (with equivalent undrawn RCF of £29m) and £327m of convertible bonds (of which £74m held a maturity date of April 2026) within the liquidity forecast.

The Group has previously been subject to a minimum liquidity threshold of £90m, which has been removed as part of the new agreement and therefore the only covenant applicable, and primary test in the assessment, is that the Group must remain in a positive liquidity position.

Key assumptions – forecasting business cash flows

The assessment of the Group's going concern position required significant management judgement, including in determining the key assumptions that have the greatest impact on forecasts of future business performance and the range of reasonably possible outcomes of those assumptions. The economic environment has remained challenging throughout FY24 with cost of living pressures continuing to impact customer spending and sentiment, however there have been improvements experienced in both the macro environment and ASOS share performance in Q4 of FY24. The future impact that the economic environment will have on ASOS performance however is uncertain, so for the purposes of the Group's going concern assessment, the Directors have therefore made assumptions on the likely future cash flows in the uncertain macro environment.

The assumptions considered include the full transition to the Group's new commercial model, as well as a sustained marginal recovery in the macro trading environment, with the online fashion market assumed to experience low single digit % growth on an aggregated basis across the Group's key territories. The base case assumes a less aggressive share loss in FY25 than experienced in FY24 owed to recent performance and the success of the adoption of the new commercial model, with assumed ASOS sales growth rates of -5% to -10%, returning to double digit YoY growth by the end of the assessment period. Improvements in adjusted gross margin of at least 300bps vs FY24 are assumed during FY25 with further YoY growth in H1 FY26 of c.200bps. These forecasted cash flows include the ongoing impact of the disposal of the Topshop and Topman brands from the Group.

Aligned to the Group's principal risks, the Directors have also considered various severe but plausible downside scenarios against the base case, comprising of the following assumptions:

- Sales growth reduction;
- Gross margin reduction;
- Potential working capital cash impacts.

Notes to the Consolidated Financial Statements continued

2 MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES – CONTINUED

The downside scenarios are considered across both FY25 and H1 FY26, with the greater degree of assumption-based improvements and subsequent volatility in the outer periods commanding more severe downside sensitivities. Sensitivities mapped against the base case within the downside case are highlighted below:

Downside vs base case	FY25	H1 FY26
Sales	(8)%	(20)%
Gross Margin	(320)bps	(400)bps
Working Capital impact (average)	£(88)m	£(77)m

Should the Group see such significant events unfold it has several mitigating actions it can implement to manage its liquidity risk, such as deferring capital investment spend, deferring or reducing stock intake to match the sales reduction, and implementing further cost management to maintain a sufficient level of liquidity headroom during the going concern period. The combined impact of the above downside scenarios and mitigations does not trigger a liquidity breach at any point in the going concern period.

Reverse stress tests have also been performed on both the Group's revenue and gross margin. The tests under consideration hold all metrics in line with the downside case highlighted above, analysing how far the stress metric would need to decline against the base case to cause a liquidity event. Such results would have to see over a 22% decline in sales over the base case or an aggregate decline in gross margin rate from the base case of over 550bps across the entire assessment period. Both are considered remote based on results of previous significant economic events and recent trading performance, particularly on the basis that the Group is annualising the challenging market conditions in FY24.

In assessing the group's ability to continue as a going concern the directors have considered climate change risks as disclosed within Task Force on Climate-related Financial Disclosures (TCFD) report on pages 34 to 45. Specifically the disclosed impacts represent unmitigated scenarios that do not reflect the Group's proactive risk management or strategic initiatives. Any potential impacts within the going concern period are not considered material and are significantly lower than the disclosed reasonable worst case that takes into account all matters of which the Group is currently aware, including potential climate-related impacts, and are within the reverse stress test tolerances. As a result, climate risks are effectively encompassed within the scenarios already modelled and it is not considered that climate-related risks affect the Group's ability to continue as a going concern.

The Directors have also considered the £74m convertible bonds that mature in April 2026 (outside of the assessment window) and concluded that they can be repaid within both a base case and downside scenario. The Group is also subject to a springing maturity clause in the term loan facility in April 2026, conditional upon forward projection of base case cash flows, which was also considered as part of the assessment and is not expected to be triggered.

Based on the above, the Directors have concluded that, on the basis of there being liquidity headroom under both the base case and downside scenarios, and the consideration that the reverse stress test scenario is remote, it is appropriate to adopt the going concern basis of accounting in the preparation of the Group's annual financial statements, with no material uncertainty to disclose.

2.3 Climate change within the financial statements

In preparing the Group's financial statements, consideration has been given to the impact of both physical and transition climate change risks, as described within the Task Force on Climate-Related Financial Disclosures (TCFD) section on pages 34 to 45, and how these may impact the financial statements. The scenarios and time horizons included within the Group's TCFD disclosures are useful for assessing the Group's potential climate-related risks and opportunities, but are based on unmitigated assumptions. This means that they explore the potential impacts of climate on the business without assuming the implementation of any additional mitigation efforts by either the Group or its stakeholders (e.g. governments or industries) to reduce the likelihood of these risks being realised. These scenarios are exploratory in nature and are not predictions or forecasts. They rely on assumptions based on the current understanding of climate trends, with the recognition that actual outcomes may vary as policies, technologies, and market responses continue to develop. While it is not believed that these climate change risks have a material impact on the financial statements, further narrative disclosure has been provided in the following notes:

- Going Concern – Note 2.2
- Significant accounting judgements and estimates – Note 2.7
- The recognition of deferred tax assets - Note 9
- Property, plant and equipment – Note 12
- Impairment of non-financial assets – Note 14
- Provisions – Note 21

It is recognised that the uncertainty and complexity of these issues may make it challenging to fully capture their potential impact. The ongoing assessment of these risks will be refined in future financial statements as they become clearer, taking into account the requirements of UK-adopted international accounting standards.

2 MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES – CONTINUED

2.4 Basis of consolidation

a) Subsidiaries

Subsidiary undertakings are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The results of subsidiaries are included in the income statement from the date of acquisition or, in the case of disposals, up to the effective date of disposal. Intercompany transactions and balances between Group companies are eliminated upon consolidation.

A list of all the subsidiaries of the Group is included on page 186. All apply accounting policies which are consistent with those of the rest of the Group.

The Employee Benefit Trust and Link Market Trust Services Limited ("The Trusts") are separately administered discretionary trusts, the assets of which mainly comprise shares in the Company. The assets, liabilities, income and costs of the Trusts are consolidated by the Group.

b) Foreign currencies

Foreign currency transactions

The consolidated financial statements are presented in pound sterling, which is the ultimate parent company's functional currency. Transactions in foreign currencies are translated into pound sterling at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Foreign operations

On consolidation, the assets and liabilities of the Group's foreign operations are translated into pound sterling at exchange rates prevailing at the year-end date. Profits and losses are translated at average exchange rates for the relevant accounting periods. Exchange differences arising are recognised in the Group statement of comprehensive income/(loss) and are included in the Group's translation reserve.

2.5 New accounting standards

The Group adopted the following accounting standards and amendments during the year with no material impact:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The application of these new interpretations and amendments did not have a material impact on the financial statements.

The Group is assessing the impact of the following standards, interpretations and amendments that are not yet effective:

- Amendments to the IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
- Classification of liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures
- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

The Group has considered the impact of the remaining above standards and revisions and has concluded that they will not have material impact on the Group's financial statements, with the exception of IFRS 18 which is under review.

Notes to the Consolidated Financial Statements continued

2 MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES – CONTINUED

2.6 Alternative Performance Measures (APMs)

In the reporting of financial information, the Directors use various APMs. These APMs should be considered in addition to, and are not intended to be a substitute for, IFRS measurements. As they are not defined by International Financial Reporting Standards, they may not be directly comparable with other companies' APMs.

The Directors believe that these APMs provide additional useful information for understanding the financial performance and health of the Group. They are also used to enhance the comparability of information between reporting periods (such as adjusted profit) by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance. Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes.

The income statement shows the items excluded from adjusted profit with a more detailed analysis of the adjustments set out in Note 3. Other APMs that the Group has focused on in the period are defined and reconciled on pages 188 to 193. All of the APMs relate to the current period's results and comparative periods.

2.7 Significant accounting judgements and estimates

The preparation of the Group's financial statements requires the use of judgements, estimates and assumptions in applying the Group's accounting policies to determine the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates. Any revisions to accounting estimates are applied prospectively. The Audit Committee considers estimates and judgements made by management, as detailed in the Audit Committee Report on pages 96 to 101.

Key sources of estimation uncertainty

The key sources of estimation uncertainty at the reporting period end that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial period are as below:

- Impairment of non-financial assets – refer to Note 14
- Inventory valuation – refer to Note 15
- Recognition of deferred tax assets – refer to Note 9

The recognition of deferred tax assets has been added as a key source of estimation uncertainty this year.

Critical accounting judgements

Critical judgements, apart from those involving estimations, that are applied in the preparation of the consolidated Group financial statements are discussed below:

- Going concern – refer to Note 2.2
- Identification of adjusting items – refer to Note 3
- Lease term – refer to Note 13

Impact of climate change on the Group's judgements and estimates

In assessing the Group's judgements and sources of estimation uncertainty, consideration has been given to the impact of climate change risk on these. It is not considered that climate change risks have any material impacts on the Group's judgements or sources of estimation uncertainty for the following reasons:

Estimate/judgement	Explanation
Impairment of non-financial assets	• Refer to Note 14
Inventory valuation	• Inventory is a current asset, and therefore by definition expected to be sold within one year. The Group has considered the FY25 impacts of the considered climate risks, and concluded that there is not a material risk to inventory valuation.
Recognition of deferred tax assets	• Refer to Note 9
Going concern	• Refer to Note 2.2
Identification of adjusting items	• Relates to in-year activity therefore not impacted by climate change.
Identification of lease terms	• Judgement related to the Group's lease portfolio, for which the risk from climate change is not considered material. The warehouses and head office sites are located in areas which the Group would not expect to be physically impacted by climate change.

3 ADJUSTED PROFIT BEFORE TAX

Critical accounting judgement – identification of adjusted items

In order to provide shareholders with additional insight into the year-on-year performance of the business, an adjusted measure of profit is provided to supplement the reported IFRS numbers, and reflects how the business measures performance internally. Adjusted items are those which are significant either by virtue of their size and/or nature, the inclusion of which could distort comparability between periods. The assessment is made both on an individual basis and, if of a similar type, in aggregate.

The assessment of whether to adjust certain items requires judgement, and covers the nature of the item, the cause of its occurrence and the scale of impact of that item on reported performance and individual financial statement line items, as well as consistency with prior periods. The same assessment is applied consistently to any reversals of prior adjusting items. Adjusted profit before tax is not an IFRS measure and therefore not directly comparable to other companies.

Income statement

2024

	Revenue £m	**Cost of sales £m**	**Administrative expenses £m**	**Finance expenses £m**	**Total before tax £m**	**Tax £m**	**Total £m**
Commercial operating model change	**9.8**	**(104.6)**	**–**	**–**	**(94.8)**	**23.6**	**(71.2)**
Property-related costs	**–**	**–**	**(141.5)**	**(2.9)**	**(144.4)**	**36.1**	**(108.3)**
Other strategic initiatives	**–**	**–**	**(3.4)**	**–**	**(3.4)**	**0.9**	**(2.5)**
Amortisation of acquisition intangibles	**–**	**–**	**(10.7)**	**–**	**(10.7)**	**2.7**	**(8.0)**
Unrecognised deferred tax assets	**–**	**–**	**–**	**–**	**–**	**(25.3)**	**(25.3)**
	9.8	**(104.6)**	**(155.6)**	**(2.9)**	**(253.3)**	**38.0**	**(215.3)**

2023

	Revenue £m	Cost of sales £m	Administrative expenses £m	Finance expenses £m	Total before tax £m	Tax £m	Total £m
Commercial operating model change	11.5	(130.0)	(14.7)	–	(133.2)	33.2	(100.0)
Property-related costs	–	–	(60.2)	(0.5)	(60.7)	15.2	(45.5)
Other strategic initiatives	–	–	(24.6)	(6.4)	(31.0)	7.4	(23.6)
Amortisation of acquisition intangibles	–	–	(10.7)	–	(10.7)	2.7	(8.0)
Other items	–	14.1	(4.9)	–	9.2	(2.3)	6.9
	11.5	(115.9)	(115.1)	(6.9)	(226.4)	56.2	(170.2)

Cash flow statement

The total cash flow impact of adjusting items is as follows:

	2024 £m	2023 £m
Commercial operating model change	**0.2**	3.5
Other strategic initiatives	**(20.4)**	(56.9)
Total adjusting items within operating cash flow	**(20.2)**	(53.4)

Notes to the Consolidated Financial Statements continued

3 ADJUSTED PROFIT BEFORE TAX – CONTINUED

Commercial operating model change

During the prior period, the Board approved the introduction of a new commercial operating model. The new model involves a more disciplined approach to intake, increased speed to market and clearing product more quickly to reduce the Group's inventory requirement, increase full price sales and hence gross margin, and improve customer engagement. To unlock these benefits, the Group has had to clear old stock acquired under its previous ways of working via clearance routes, resulting in additional costs recognised in the prior period of £133.2m.

The Group has been transitioning to the new model throughout the period, utilising increased discounting during the first half to accelerate the clearance of aged stock. In the second half of the period, the Group tested the suppression of remaining older stock to increase the full-price sales mix in line with the new operating model principles. The increases in gross margin were in line with those anticipated as part of the new operating model. As a result, a decision was taken to recognise a provision against this inventory with a view to fully removing from the website and selling via clearance routes, allowing the Group to operate fully on the new model from the beginning of the next financial year.

Additional net costs were recognised in the current period totalling £93.0m. The remaining net cost of £1.8m relates to the sell through of inventory written down in the prior period. Net expenditure incurred to date in relation to the commercial model change totals £228.0m, across 2023 and 2024.

Property-related costs

Adjusted property-related costs comprise the following, of which £141.8m relates to the closure of the Lichfield fulfilment centre, announced during the current period:

	2024 £m	2023 £m
Impairment of property, plant and equipment (a)	**(97.7)**	(5.6)
Impairment of intangible assets (a)	**(2.2)**	(1.7)
Impairment of right-of-use assets (a)	**(15.8)**	(20.0)
Impairment of investment property (a)	**(4.2)**	(1.3)
Non-capitalised asset spend (b)	**(16.5)**	–
Onerous occupancy costs (c)	**(5.3)**	(18.3)
Accelerated depreciation (d)	**–**	(7.6)
Recognition of net investment in lease receivable (e)	**4.4**	–
Other closure costs (f)	**(7.1)**	(6.2)
	(144.4)	(60.7)

a) Impairment of assets following activity to vacate sites the Group operates from, which for the current period predominantly relates to the Group's Lichfield fulfilment centre. During the current period, the Board approved the commencement of a process to mothball the Lichfield fulfilment centre, following completion of the automation project in this period. The site is not yet being actively marketed, however during the period the Group commenced and completed activities to vacate and mothball the site. The recoverable amount for the Lichfield fulfilment centre was based on its value-in-use, and determined to be £nil on the basis that the site would be mothballed. Investment property amounts relate to impairments on vacant office space.

b) Following activity to commence vacating the Lichfield fulfilment centre at the end of January 2024, the Group considered whether subsequent committed spend to complete the automation could be capitalised and concluded not, on the basis that it was no longer probable that the spend would result in future economic benefits. The spend has therefore been recognised in the income statement during the period, outside of adjusted profit. Prior to this date, the spend incurred was considered capital.

c) Onerous contract costs that the Group is contractually committed to due to being party to a lease on a site agreed to be exited. Upon initial recognition of such provisions, management uses its best estimates of the relevant costs to be incurred as well as expected closure dates. This excludes business rates on leased property which are recognised in the period they are incurred.

d) Where sites are to be vacated in a later period, the remaining useful economic lives of corresponding sites are reassessed to align with closure dates, resulting in an acceleration in depreciation of these assets. The accelerated depreciation (over and above the charge absent the closure decision) is recognised within adjusting items.

e) During the period, the Group sublet its distribution centre in Austell, which had been vacated and therefore impaired in the prior period. The sublet constitutes the remaining term of the lease and therefore constitutes a finance lease under IFRS 16 "Leases". A lease receivable (within other receivables on the balance sheet) has therefore been recognised, with a net income statement gain of £4.4m.

f) Includes costs associated with vacating sites, such as severance and stock transfers, as well as business rates and interest costs on vacant sites.

3 ADJUSTED PROFIT BEFORE TAX – CONTINUED

Other strategic initiatives

After the period end date, on 5 September 2024, the Group announced that it had entered into a binding agreement with a subsidiary of Heartland A/S to sell the Topshop and Topman brand names from ASOS. Costs of £3.4m have therefore been recognised, relating to consultancy and other professional costs. The transaction subsequently completed on 9 October 2024. Refer to Note 30 for more information.

Amortisation of acquired intangible assets

Amortisation of acquired intangible assets is adjusted for as acquisitions are outside business-as-usual operations for ASOS. These assets would not normally be recognised outside of a business combination, therefore the associated amortisation is adjusted.

Unrecognised deferred tax assets

Deferred tax assets of £52.3m were not recognised in the period and were instead recognised in the income statement. Of the amounts unrecognised, £25.3m was attributed to losses excluded from adjusted profit. Further information is included in Note 9.

4 REVENUE

Accounting policy

Revenue arises from the sale of goods and services in the ordinary course of the Group's activities, net of returns, related discounts and value added taxes. Revenue is recognised when performance obligations are satisfied, at the transaction price allocated to that obligation. Further information is included below.

Retail sales

Retail sales represent the majority of the Group's revenue, and consist of internet sales. Revenues for goods are recognised on dispatch to the customer instead of delivery to the customer for practical reasons. The impact of this is assessed at each reporting period and is immaterial to Group revenue and profits. Where consideration has been received in advance of the performance obligation being satisfied (such as gift card sales or unshipped sales), a contract liability is recognised.

Returns are provided for as a reduction to revenue when sales are recorded, based on management's best estimate of the amount required, taking into account historical trends and past experience. A refund liability is recognised within trade and other payables, and a separate right of return asset is recognised and included within inventory which represents the right to recover product from the customer.

Revenue from other services

Revenue from other services relates to premier subscription revenue, marketing revenue earned from the website, commission revenue, delivery receipt payments and revenue recognised in relation to wholesale sales and jobber sales.

Revenue relating to the Group's ASOS Premier subscription (which span a year) is recognised on a straight-line basis throughout the year's subscription. Revenue from marketing services is recognised as performance obligations are completed in line with the terms and conditions of each contract.

Commission revenue relates to the sale of third-party products where it has been determined that the Group is acting as an agent. Sales commission from third parties is recognised when the related goods or services are sold.

In line with retail sales, delivery receipts and wholesale revenue are recognised on dispatch to the customer instead of at delivery. The impact is not material to the Group's results.

	2024 £m	2023 £m
Retail sales	**2,760.5**	3,388.2
Premier subscription revenue	**21.1**	24.7
Marketing and other services[1]	**31.7**	20.7
Delivery receipts	**62.6**	72.7
Wholesale revenue	**29.9**	43.2
	2,905.8	3,549.5

1 Marketing and other services includes commission income.

Notes to the Consolidated Financial Statements continued

5 SEGMENTAL ANALYSIS

IFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reporting on components of the Group that are regularly reviewed by the Chief Operating Decision-Maker to allocate resources to the segments and to assess their performance.

The Chief Operating Decision Maker has been determined to be the Management Committee. It is the Management Committee that reviews the Group's internal reporting in order to assess performance and allocate resources across the business. In doing so, the Management Committee reviews performance across the Group via a number of sources, comprising regular monthly management accounts, and ad hoc analysis that provides deep dives into different areas, including territory, brands and revenue streams.

In determining the Group's operating segments, management has considered the level of information which is regularly reviewed by the Management Committee. Information regularly reviewed by the Management Committee is at a consolidated Group level only, with some disaggregated revenue information and associated metrics provided for the geographical territories of the UK, the US, Europe and the Rest of the World. However, decisions on resource allocation are not made based on this information. Such decisions are made on ad hoc analysis, separately provided to the Management Committee, and does not constitute information that is either regularly provided to, nor reviewed by, the Management Committee. As a result, it has been concluded that the Group has only one operating segment (the Group level).

The following sets out the Group's revenue in the key geographic markets in which customers are located:

	2024				
	UK £m	EU £m	US £m	Rest of World £m	Total £m
Retail sales	**1,270.4**	**977.8**	**298.2**	**214.1**	**2,760.5**
Income from other services	**63.2**	**30.6**	**40.6**	**10.9**	**145.3**
Total revenue	**1,333.6**	**1,008.4**	**338.8**	**225.0**	**2,905.8**
Cost of sales					**(1,743.3)**
Gross profit					**1,162.5**
Distribution expenses					**(326.1)**
Administrative expenses					**(1,170.3)**
Other income					**2.0**
Operating loss					**(331.9)**
Finance income					**12.0**
Finance expenses					**(59.4)**
Loss before tax					**(379.3)**
Non-current assets[1]	**668.6**	**175.0**	**183.2**	**–**	**1,026.8**

	2023				
	UK £m	EU £m	US £m	Rest of World £m	Total £m
Retail sales	1,494.6	1,127.3	443.6	322.7	3,388.2
Income from other services	59.8	29.4	57.5	14.6	161.3
Total revenue	1,554.4	1,156.7	501.1	337.3	3,549.5
Cost of sales					(2,090.5)
Gross profit					1,459.0
Distribution expenses					(429.7)
Administrative expenses					(1,279.8)
Other Income					2.0
Operating loss					(248.5)
Finance income					5.0
Finance expenses					(53.2)
Loss before tax					(296.7)
Non-current assets[1]	994.1	177.9	162.0	–	1,334.0

1 Non-current assets above exclude goodwill, derivative financial assets and deferred tax assets.

Due to the nature of its activities, the Group is not reliant on any individual major customers.

6 OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2024 £m	2023 £m
Depreciation and amortisation:		
Property, plant and equipment	**28.9**	31.4
Right-of-use assets	**25.1**	35.9
Investment properties	**1.0**	0.5
Other intangible assets	**117.3**	104.7
Impairment of non-financial assets:		
Property, plant and equipment	**97.7**	5.6
Right-of-use assets	**15.8**	20.0
Investment properties	**4.2**	1.3
Other intangible assets	**2.2**	5.2
Onerous contract charges	**5.3**	18.3
Net foreign exchange gains	**2.1**	–
Expense relating to short-term leases	**1.0**	2.3
Expense relating to leases of low value assets that are not shown above as short-term leases	**0.3**	0.4
Sub-let income relating to leases under IFRS 16	**(1.5)**	(1.4)
Gain on recognition of net investment in lease receivable	**(4.4)**	–

	2024 £m	2023 £m
Auditors' remuneration:		
Audit and audit-related services:		
Statutory audit of parent company and consolidated financial statements	**1.4**	1.1
Statutory audit of the Company's subsidiaries pursuant to legislation	**0.2**	0.2
	1.6	1.3

Costs relating to the audit of the parent company are borne by ASOS.com Limited. The policy for the approval of non-audit fees is set out in the Audit Committee Report on pages 96 to 101. Costs related to non-audit services provided by the Group's auditors were £1.0m (2023: £0.3m), the majority of which are in relation to work associated with the sale of the Topshop and Topman brands, see Note 30 for further detail.

7 EMPLOYEE COSTS

7.1. Employee benefit expenses

	2024 £m	2023 £m
Wages and salaries including bonus and termination benefits	**186.1**	192.1
Social security costs	**21.6**	21.5
Pension costs	**7.7**	8.3
Share-based payment charges	**4.6**	6.4
Gross total	**220.0**	228.3
Less: staff costs capitalised in relation to capitalised projects	**(64.6)**	(58.3)
	155.4	170.0

Notes to the Consolidated Financial Statements continued

7 EMPLOYEE COSTS – CONTINUED

7.2. Average employee numbers (including Directors)

	2024	2023
By activity:		
Fashion	**921**	1,120
Operations	**1,168**	1,249
Technology	**938**	983
	3,027	3,352

Details of key management compensation can be found in Note 27 and within the Directors' Remuneration Report on pages 102 to 115.

8 FINANCE INCOME AND EXPENSES

Accounting policy
Finance income and expenses are recognised in the consolidated income statement for financial instruments measured at amortised cost, using the effective interest rate method.

Finance expenses directly attributable to the acquisition or construction of qualifying assets are capitalised. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use, and for the Group relate to the automation projects within its fulfilment centres.

	2024 £m	2023 £m
Finance income		
Interest on deposits	**12.0**	5.0
Finance expenses		
Interest on borrowings	**(58.5)**	(50.8)
IFRS 16 lease interest	**(5.5)**	(5.6)
Provisions – unwind of discount	**(3.1)**	(1.6)
Interest capitalised	**7.7**	4.8
Total finance expenses	**(59.4)**	(53.2)
Net finance expenses	**(47.4)**	(48.2)

9 TAXATION

Accounting policy
Current tax
Current tax is accounted for on the basis of tax laws enacted or substantively enacted at the balance sheet date. Current tax is charged or credited to the income statement, except when it relates to items charged to equity or other comprehensive income.

Deferred tax
Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity or other comprehensive income.

Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

9 TAXATION – CONTINUED

Current and deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority, on either the taxable entity or different taxable entities, and where there is an intention to settle the balances on a net basis.

Significant source of estimation uncertainty – Recognition of deferred tax assets

In accordance with IAS 12 "Income Taxes", the Company recognises deferred tax assets to the extent that it is probable that future taxable profit will be available, against which the deductible temporary differences and the carry-forward of unused tax losses can be utilised. In line therefore with the judgements and estimates disclosed with going concern (refer Note 2) and impairment (refer Note 14), the recognition of deferred tax assets requires the Group to make significant estimates about the future profitability of its operations.

In determining the amount of deferred tax assets recognised, management makes estimates of future taxable profits and the likelihood of their being recovered within a reasonably foreseeable timeframe, being a minimum of five years, aligned to the Group's strategic planning process. In making these estimates, management considers the current and projected financial performance of the Group, including profit margins, revenue growth, and cost management strategies, which are derived from management forecasts and consistent with those used as part of the Group's going concern and impairment assessments. Risk adjustments are then applied, with a greater adjustment applied to periods where there is less evidence of profits, in particular, those further in the future. The Group also considers the timing and amount of deductible temporary differences. As at 1 September 2024, the Group has net deferred tax assets of £114.8m of which £62.5m have been recognised. A further £52.3m of deferred tax assets in relation to losses have not been recognised.

The deferred tax assets have no expiry date and the Group believes that it is probable that future taxable profits, together with the reversal of existing temporary differences, will be sufficient to utilise the recognised deferred tax assets, however actual outcomes could differ from these estimates due to changes in the factors mentioned above. A movement of +/-10% in the forecast taxable profits would increase/decrease the amount of deferred tax asset recognised by £7.8m, and is considered a reasonable possible change.

The deferred tax assets unrecognised relate to losses on a mix of adjusted and non-adjusted items. Therefore the charge relating to the unrecognised deferred tax asset has been apportioned between adjusted and unadjusted profit in proportion to the total tax losses arising within each category, with £25.3m recognised outside adjusted profit, and £27.0m within adjusted profit.

9.1 Income statement

	2024 £m	2023 £m
Current period UK tax	–	–
Current period overseas tax	3.6	3.4
Adjustment in respect of prior period corporation tax	(4.4)	(4.1)
Total current tax credit	**(0.8)**	(0.7)
Origination and reversal of temporary differences	(42.4)	(73.2)
Adjustment from changes in tax rates	–	(0.1)
Adjustment in respect of prior periods	2.6	0.4
Total deferred tax credit	**(39.8)**	(72.9)
Total income tax credit in income statement	**(40.6)**	(73.6)
Analysed as:		
Tax on adjusted loss	(2.6)	(17.4)
Tax on items excluded from adjusted loss	(38.0)	(56.2)
Total income tax credit in income statement	**(40.6)**	(73.6)
Effective tax rate	10.7%	24.8%

Notes to the Consolidated Financial Statements continued

9 TAXATION – CONTINUED

Reconciliation of tax credit

The effective tax rate of 10.7% (2023: 24.8%) is lower than (2023: higher than) the rate of corporation tax in the UK of 25.0% (2023: 21.5%). The differences are explained below:

	2024 £m	2023 £m
Loss before tax	**(379.3)**	(296.7)
Tax on loss at standard rate of UK corporation tax of 25% (2023: 21.5%)	**(94.8)**	(63.8)
Effects of:		
Expenses not deductible for taxation purposes	**2.0**	3.9
Tax incentives	**–**	(1.1)
Rate differences: overseas tax	**0.2**	0.5
UK tax rate differential	**–**	(10.0)
Tax adjustments on share-based payments	**1.3**	0.6
Adjustment in respect of prior years	**(1.6)**	(3.7)
Unrecognised losses	**52.3**	–
Total tax credit in the income statement	**(40.6)**	(73.6)

On 11 July 2023, the government of the UK, where the parent company is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in the UK, top-up tax on profits of its subsidiaries and any UK profits that are taxed at an effective tax rate of less than 15%. The introduction of this legislation is not anticipated to have a material impact on the financial position of the Group since the countries in which the Group has operations, including the UK, all pay taxes above 15% and forecasts support the expectation that, after considering relevant adjustments, this will continue to be the case. Had the rules applied to the period ended 1 September 2024, the transitional safe harbours would have applied such that no top-up taxes arose. The Group continues to assess the impact of the Pillar Two income taxes legislation on its future financial performance. The Group has applied the exception under IAS 12 'Income Taxes' to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

9.2 Tax recognised in other comprehensive income

	2024 £m	2023 £m
Deferred tax credit on movement of derivative financial instruments	**(4.0)**	(2.0)

9.3 Tax recognised in the statement of changes in equity

	2024 £m	2023 £m
Deferred tax charge/(credit) on movement in tax base of share options	**0.1**	(0.2)

9 TAXATION – CONTINUED

9.4 Deferred tax analysis

The movements in deferred tax assets and liabilities during the financial period, prior to the offsetting of the balances within the same tax jurisdiction, are shown below:

	Accelerated capital allowances £m	Share-based payments £m	Derivatives and foreign exchange £m	Losses £m	Corporate Interest Restriction £m	Research and development expenditure credit £m	Other £m	Total £m
As at 1 September 2022	(26.9)	(1.0)	(7.7)	–	–	(18.2)	(4.4)	(58.2)
(Charge)/credit to income statement	(7.4)	0.6	–	84.9	–	(2.6)	(2.6)	72.9
Credit to other comprehensive income	–	–	2.0	–	–	–	–	2.0
Credit to equity	–	0.2	–	–	–	–	–	0.2
Balance sheet credit for withheld tax	–	–	–	–	–	0.9	–	0.9
As at 3 September 2023	**(34.3)**	**(0.2)**	**(5.7)**	**84.9**	**–**	**(19.9)**	**(7.0)**	**17.8**
(Charge)/credit to income statement	**10.6**	**(0.6)**	**–**	**3.9**	**23.7**	**2.1**	**0.1**	**39.8**
Credit to other comprehensive income	**–**	**–**	**4.0**	**–**	**–**	**–**	**–**	**4.0**
Charge to equity	**–**	**(0.1)**	**–**	**–**	**–**	**–**	**–**	**(0.1)**
Balance sheet credit for withheld tax	**–**	**–**	**–**	**–**	**–**	**1.0**	**–**	**1.0**
As at 1 September 2024	**(23.7)**	**(0.9)**	**(1.7)**	**88.8**	**23.7**	**(16.8)**	**(6.9)**	**62.5**

The other deferred tax liability comprises:

	2024 £m	2023 £m
Unpaid pension expenses	**0.4**	0.4
Capitalised borrowing costs	**(5.8)**	(5.4)
Temporary differences arising on acquired customer relationships	**(3.4)**	(4.1)
Temporary deductions arising on the amortisation of acquired brands	**(1.1)**	(0.8)
Temporary differences arising as a result of IFRS 16	**3.0**	2.9
	(6.9)	(7.0)

Deferred tax assets and liabilities have been offset where they are due to reverse in the same jurisdiction. The following is the analysis of the deferred tax balances (after offset):

	2024 £m	2023 £m
Deferred tax – US	**3.2**	2.9
Deferred tax – UK	**59.3**	14.9
	62.5	17.8

9.5 Climate change

The Group has considered the potential impacts of climate risks as disclosed within the Task Force on Climate-related Financial Disclosures (TCFD) section (pages 34 to 45). While estimated impacts to either revenue or costs (and therefore profit) are noted, they are significantly lower than the existing risk adjustments already applied, which are used to factor in a range of uncertainties and financial sensitivities, including potential climate-related impacts. As a result climate risks are effectively encompassed within the broader risk adjustments already applied, and it is not considered that climate change-related risks result in any changes to the recognition of deferred tax assets.

Notes to the Consolidated Financial Statements continued

10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent company ASOS Plc by the weighted average number of ordinary shares in issue during the period. Own shares held by the Employee Benefit Trust and Link Trust are excluded from the weighted average number of ordinary shares.

Diluted earnings per share is calculated on the same basis as basic earnings per share, but where the weighted average share numbers have also been adjusted for the weighted average effects of potentially dilutive shares. These represent share options granted by the Group, including performance-based options, where the scheme to date performance is deemed to have been earned. It also includes the number of shares that would be issued if all convertible bonds are assumed to be converted unless the convertible instrument is out-of-the-money.

	2024	2023
Weighted average share capital		
Weighted average shares in issue for basic earnings per share (no. of shares)	**119,085,260**	104,729,376
Weighted average effect of dilutive options (no. of shares)[1]	**–**	–
Weighted average effect of convertible bond (no. of shares)[2]	**–**	–
Weighted average shares in issue for diluted earnings per share (no. of shares)	**119,085,260**	104,729,376
Losses		
Loss attributable to owners of the parent company for basic earnings per share (£m)	**(338.7)**	(223.1)
Interest expense on convertible bonds (£m)[1,2]	**–**	–
Diluted loss attributable to owners of the parent company for diluted loss per share (£m)	**(338.7)**	(223.1)
Basic loss per share (pence per share)	**(284.4)**	(213.0)
Diluted loss per share (pence per share)	**(284.4)**	(213.0)

1 Dilutive shares and interest not included where their effect is anti-dilutive.
2 The impact of convertible bonds has been excluded as it is assumed they will not be exercised.

11 GOODWILL AND OTHER INTANGIBLE ASSETS

Accounting policy

Goodwill

Goodwill represents the excess of the fair value of the consideration of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is considered to have an indefinite useful life. Goodwill is tested for impairment annually and again whenever indicators of impairment are detected and is carried at cost less any provision for impairment.

Brands and customer relationships

Acquired brands and customer relationships are initially recognised at fair value as part of a business combination. These are subsequently amortised based on their expected useful lives on a straight-line basis. Amortisation is included within administrative expenses in the consolidated income statement. These assets are assessed for impairment if there is a triggering event. Any impairment in value is charged to the consolidated income statement in the period in which it occurs. Acquired brands and customer relationships relate to brand names and wholesale customer relationships acquired from the Arcadia Group and are amortised over their expected useful lives of between 8 and 30 years.

Software

Capitalised software development costs are stated at historic cost less accumulated amortisation and impairment. Amortisation is calculated on a straight-line basis over the assets' expected economic lives of between 5 to 15 years and recognised within administrative expenses in the consolidated income statement.

The cost of acquiring and developing software that is not integral to the related hardware is capitalised separately as an intangible asset. This does not include internal website development and maintenance costs, which are expensed as incurred unless representing a technological advance leading to future economic benefit. Capitalised software costs include external direct costs of material and services and the payroll and payroll-related costs for employees who are directly associated with the project.

11 GOODWILL AND OTHER INTANGIBLE ASSETS – CONTINUED

For Software as a Service (SaaS) arrangements configuration and customisation costs are capitalised in the following instances as intangible assets within software:

- The Group has both a contractual right to take possession of the software at any time without significant penalty, and the ability to run the software independently of the host vendor.
- The costs incurred meet the definition of and recognition criteria for an intangible asset. This includes for example the development of software code that enhances or modifies, or creates additional capability to, existing systems controlled by the Group.

Where these conditions are not met, costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Assets under construction
Software under development is held at cost less any recognised impairment loss.

	Goodwill £m	Brands and domain names £m	Customer relationships £m	Software £m	Assets under construction £m	Total £m
Cost						
As at 4 September 2023	**35.5**	**219.6**	**24.4**	**863.5**	**19.0**	**1,162.0**
Additions	**–**	**–**	**–**	**90.6**	**7.9**	**98.5**
Transfers to assets held for sale	**–**	**(187.9)**	**–**	**–**	**–**	**(187.9)**
Transfers	**–**	**–**	**–**	**12.1**	**(12.1)**	**–**
As at 1 September 2024	**35.5**	**31.7**	**24.4**	**966.2**	**14.8**	**1,072.6**
Accumulated amortisation and impairment						
As at 4 September 2023	**0.3**	**19.8**	**7.8**	**431.5**	**2.1**	**461.5**
Amortisation expense	**–**	**7.7**	**3.0**	**106.6**	**–**	**117.3**
Transfer to assets held for sale	**–**	**(22.4)**	**–**	**–**	**–**	**(22.4)**
Impairment charge for the period	**–**	**–**	**–**	**1.8**	**0.4**	**2.2**
As at 1 September 2024	**0.3**	**5.1**	**10.8**	**539.9**	**2.5**	**558.6**
Net book value at 1 September 2024	**35.2**	**26.6**	**13.6**	**426.3**	**12.3**	**514.0**
Cost						
As at 1 September 2022	35.5	219.6	24.4	752.4	3.6	1,035.5
Additions	–	–	–	109.4	17.1	126.5
Transfers	–	–	–	1.7	(1.7)	–
As at 3 September 2023	35.5	219.6	24.4	863.5	19.0	1,162.0
Accumulated amortisation and impairment						
As at 1 September 2022	0.3	12.0	4.7	334.6	–	351.6
Amortisation expense	–	7.8	3.1	93.8	–	104.7
Impairment charge for the period	–	–	–	3.1	2.1	5.2
As at 3 September 2023	0.3	19.8	7.8	431.5	2.1	461.5
Net book value at 3 September 2023	35.2	199.8	16.6	432.0	16.9	700.5

Intangible assets under construction relates to spend on software-based projects, including the enhancement of the Group's mobile apps/website, and other software. No individual projects are material in value. Refer to Note 16 for details of transfers to assets held for sale.

Notes to the Consolidated Financial Statements continued

12 PROPERTY, PLANT AND EQUIPMENT

Accounting policy
Property, plant and equipment is stated at historical cost less accumulated depreciation and any recognised provision for impairment. Capital work in progress is held at cost less any recognised provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for intended use.

Property, plant and equipment is depreciated on a straight-line basis to its residual value over its anticipated economic useful life of:

Fixtures, fittings, plant and machinery:	5 to 15 years
Computer hardware:	3 to 5 years

	Fixtures, fittings, plant and machinery £m	Computer hardware £m	Assets under construction £m	Total £m
Cost				
As at 4 September 2023	**410.7**	**43.0**	**109.2**	**562.9**
Additions	**1.2**	**4.0**	**42.0**	**47.2**
Disposals	**–**	**(1.8)**	**–**	**(1.8)**
Transfers	**0.2**	**0.1**	**(0.3)**	**–**
As at 1 September 2024	**412.1**	**45.3**	**150.9**	**608.3**
Accumulated depreciation and impairment				
As at 4 September 2023	**165.4**	**32.1**	**2.8**	**200.3**
Charge for the year	**22.5**	**6.4**	**–**	**28.9**
Disposals	**–**	**(1.8)**	**–**	**(1.8)**
Impairment charge for the year	**31.0**	**1.2**	**65.5**	**97.7**
As at 1 September 2024	**218.9**	**37.9**	**68.3**	**325.1**
Net book value at 1 September 2024	**193.2**	**7.4**	**82.6**	**283.2**
Cost				
As at 1 September 2022	408.5	41.1	65.4	515.0
Additions	1.1	0.6	46.2	47.9
Transfers	1.1	1.3	(2.4)	–
As at 3 September 2023	410.7	43.0	109.2	562.9
Accumulated depreciation and impairment				
As at 1 September 2022	134.8	26.0	2.5	163.3
Charge for the period	25.4	6.0	–	31.4
Impairment charge for the period	5.2	0.1	0.3	5.6
As at 3 September 2023	165.4	32.1	2.8	200.3
Net book value at 3 September 2023	245.3	10.9	106.4	362.6

Significant assets under construction as at 1 September 2024 consists primarily of amounts spent to automate the Atlanta fulfilment centre totalling £79.8m (2023: £58.0m). Refer to Note 3 for details of impairments.

12.1 Interest capitalised

	2024 £m	2023 £m
Included within additions	**7.7**	4.8
Accumulated capitalised interest (net of disposals) included within cost	**14.7**	7.0
Accumulated capitalised interest (net of disposals) held within net book value	**9.3**	7.0
Capitalisation rate	**7.9%**	5.3%

12.2 Climate change

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. This includes consideration over climate change related risks which may impact the useful lives of the Group's assets, such as the impact of acute weather events on fulfilment centres. During the year, no changes were made to the remaining useful lives of the Group's assets as a result of climate change risks.

13 LEASES

13.1 Group as lessee

The Group currently holds leases for its fulfilment centres and office space. Leases typically run for terms of between 7 and 25 years and may include break clauses or options to renew beyond the non-cancellable period. The majority of the Group's leases are subject to market review, usually every 5-6 years. The Group presents additions to right-of-use assets in line with the disclosure requirements of IFRS 16 "Leases". In doing so, modifications include the impact of lease terminations, modifications, reassessments, and changes to dilapidation estimates.

Accounting policy

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease, when the underlying asset is available for use. The cost of right-of-use assets comprises the amount of lease liabilities recognised, any initial direct costs incurred, lease payments made at or before the commencement date and less any lease incentives received. Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any subsequent remeasurement of lease liabilities and dilapidation provisions.

The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease and are measured at the present value of lease payments to be made over the lease term, discounted using an incremental borrowing rate (IBR) at the lease commencement date.

The lease payments include fixed payments and variable lease payments that depend on an index or a rate (using the relevant rate at the commencement date of the lease), less any lease incentives receivable. Any variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs, however the Group currently has no such variable lease payments. Contracts may contain both lease and non-lease components, in which case the Group allocates the consideration in the contract to the different components based on their relative stand-alone prices.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease (a break clause), if it is reasonably certain not to be exercised.

After the commencement date of the lease, the lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured when there is a change in the future lease payments due to a change in the lease term such as a recognition of an extension or break option, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and low value assets

Payments associated with short-term leases and leases of a low value are recognised on a straight-line basis as an expense in the profit or loss, in line with the practical expedient of IFRS 16. Short-term leases are leases with a term of 12 months or less. Low-value leases mainly comprise IT equipment. The amounts recognised in the financial period are shown in note 6.

Notes to the Consolidated Financial Statements continued

13 LEASES – CONTINUED

a) Right-of-use assets

	2024 £m	2023 £m
At the beginning of the period	**295.2**	380.3
Modifications/reassessments	**2.6**	(9.6)
Impairment charge	**(15.8)**	(20.0)
Depreciation charge	**(25.1)**	(35.9)
Transfers to investment property	**–**	(12.8)
Foreign exchange differences	**(2.9)**	(6.8)
At the end of the period	**254.0**	295.2

Right-of-use assets comprise entirely leases for land and buildings.

b) Lease liabilities

	2024 £m	2023 £m
At the beginning of the period	**329.0**	380.1
Modifications/reassessments	**(9.9)**	(21.1)
Payments	**(31.0)**	(28.0)
Interest expense	**5.5**	5.6
Foreign exchange differences	**(4.0)**	(7.6)
At the end of the period	**289.6**	329.0
Current	**27.2**	25.3
Non-current	**262.4**	303.7
	289.6	329.0

c) Maturity analysis for lease liabilities

	2024 £m	2023 £m
Contractual undiscounted cash flows		
Within one year	**32.7**	30.5
Within two to five years	**121.8**	126.2
Within five to ten years	**114.1**	133.5
Within ten to fifteen years	**37.4**	52.0
In more than fifteen years	**13.8**	18.5
	319.8	360.7
Future finance charge on lease liabilities	**(30.2)**	(31.7)
Present value of future leases	**289.6**	329.0

13 LEASES – CONTINUED

Critical accounting judgement – lease terms

The inclusion of a lease extension period or lease break period in the lease term is a key judgement for the Group and considers all relevant factors that create an economic incentive for it to exercise them. For leased properties, this includes the current and expected profitability of the respective site, as well as the length of time until the option can be exercised. Any changes to the Group's judgement over lease terms will impact both the right-of-use asset and lease liability.

Set out below are the undiscounted future rental payments not currently included within the reported lease liability for where lease extensions have not been included, or for where break options have been assumed:

	2024 £m	2023 £m
Extension options expected not to be exercised	**127.7**	129.2
Break clauses expected to be exercised	**12.6**	–

13.2 Group as lessor

Lessor accounting policy

The Group sub-lets leased properties relating to unused office capacity. Where the Group subleases assets, the sublease classification (as a finance lease or operating lease) is assessed with reference to the head lease right-of-use asset. This assessment considers, among other factors, whether the sublease represents the majority of the remaining life of the head lease. For any subleases that have been assessed to be operating leases, the related right-of-use assets have been reclassified to investment properties.

Investment property assets are carried at cost less accumulated depreciation and any recognised impairment in value. The depreciation policies for investment property are consistent with those described for right-of-use assets. Operating lease income is recognised as earned on a straight-line basis over the lease term.

For sub-leased assets assessed to be finance leases, the right-of-use asset is derecognised, and a receivable recognised at an amount equal to the net investment in the lease. This is initially calculated and recognised using the IBR prevalent in the underlying headlease at the recognition date. Any difference between the derecognised right-of-use asset and the newly recognised amounts due for leases under finance leases is immediately recognised in the income statement.

Investment Property

An analysis of investment properties is included below:

	2024 £m	2023 £m
Net book value		
Opening balance	**10.9**	–
Transfers to investment property	**–**	12.8
Modifications/reassessments	**1.4**	(0.1)
Impairment charge	**(4.2)**	(1.3)
Depreciation charge	**(1.0)**	(0.5)
Closing balance	**7.1**	10.9

The direct operating expenses arising from investment property in the period was immaterial. There are additionally no restrictions or relevant contractual obligations involved in the sublet of these properties.

The estimated fair value of the Group's investment property is £7.1m (2023: £12.5m). This fair value has been determined by applying an appropriate rental yield to the rentals earned by the investment property. A valuation has not been performed by an independent valuer.

Rental income is receivable as follows:

	2024 £m	2023 £m
Minimum lease payments receivable on leases of investment properties are as follows:		
Within one year	**1.9**	1.2
Within two to five years	**4.7**	4.5
Within five to ten years	**4.2**	6.1
In more than ten years	**–**	–

Notes to the Consolidated Financial Statements continued

13 LEASES – CONTINUED

Net investment in lease

During the period, the Group sublet its distribution centre in Austell, for which the sublease was for the remainder of the lease term. The net investment in the lease is presented in the consolidated balance sheet within receivables as follows:

	2024 £m	2023 £m
Current	1.2	–
Non-current	3.7	–
Total	**4.9**	–

Rental income is receivable as follows:

	2024 £m	2023 £m
Less than 1 year	1.2	–
Within one to two years	1.9	–
Within two to three years	1.9	–
In more than three years	–	–
Total undiscounted lease receipts	**5.0**	–
Unearned finance income	(0.1)	–
Net investment in leases	**4.9**	–

14 IMPAIRMENT OF NON-FINANCIAL ASSETS

Accounting policy

Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually (or more frequently where there is an indication that the asset may be impaired) by assessing the recoverable amount of each cash-generating unit ("CGU"), or group of CGUs, to which the goodwill relates.

Impairment is assessed by measuring the recoverable amount of the CGU, calculated as the higher of fair value less cost to dispose and value-in-use. Where the carrying value of the CGU exceeds the recoverable amount, an impairment loss is recognised in the income statement. The impairment charge is allocated first against goodwill and then pro-rata over other assets within the CGU by reference to the carrying amount of each remaining asset in the unit. Impairment losses recognised for goodwill are not subsequently reversed.

Goodwill at ASOS predominantly relates to that recognised as part of the acquisition of Arcadia, and is monitored on an entity wide basis at the reporting segment level as a singular CGU, the ASOS Group CGU.

Other non-financial assets

Property, plant and equipment (PPE), right-of-use assets, and finite-lived intangible assets are assessed on an ongoing basis to determine whether there is an indication that the net book value is no longer supportable. If any such indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to dispose and its value-in-use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and an impairment loss is recognised immediately in the income statement.

Where an impairment loss on other non-financial assets subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately as a credit to the Group income statement.

14.1 Inputs and assumptions

Cash-generating units

CGUs are deemed the smallest group of assets that independently generate cash inflows and are independent of the cash flows generated by other assets. It was determined that the Group only has one CGU (the Group level), on the basis that the majority of assets within the Group are shared (i.e. software assets that support the entire Group), therefore unable to be allocated on a reasonable or consistent basis in any other way.

14 IMPAIRMENT OF NON-FINANCIAL ASSETS – CONTINUED

Composition of CGU

For impairment testing purposes, the CGU comprises the following:

	2024 £m	2023 £m
Goodwill and other intangible assets	**514.0**	700.5
Property, plant and equipment	**283.2**	362.6
Right-of-use assets	**254.0**	295.2
	1,051.2	1,358.3

Assets relating to the Lichfield fulfilment centre were tested separately and excluded from the above due to the decision during the period to vacate the site, as were assets held for sale which have been assessed separately (see Note 16).

Identification of impairment indicator

Given the reported loss recognised during the period, combined with the volatility within the macroeconomic environment and the market capitalisation of the Group being below the Group's net assets, an indicator of impairment was deemed to exist during the financial period.

Approach and assumptions

The recoverable amount for the CGU has been determined using a value-in-use calculation which is based upon the cash flows expected to be generated, derived from the latest budget and forecast data which are reviewed by the Board, and consistent with those used for the Group's going concern and viability assessments. Budget and forecast data reflects both past experience and future expectations of market conditions. The forecasted cash flows include the ongoing impact of the disposal of the Topshop and Topman brands from the Group.

The key assumptions in measuring the value-in-use are as follows:

Assumption	Details
Cash flow years/assumptions	• Derived from medium-term forecasts reviewed and approved by the Board which cover a period of five years. Growth rates are then reduced to 2% (the long-term growth rate) over four years, with cash flows subsequently extrapolated to perpetuity with a growth rate of 2% (2023: 2%). • Whilst the value-in-use excludes lease rentals (a financing cash flow under IFRS 16 "Leases"), an estimated cash outflow for future lease renewals is assumed from the current lease end dates.
Discount rate	• A post-tax discount rate representing the Group's weighted average cost of capital (WACC), subsequently grossed up to a pre-tax rate using an iterative calculation that yields the same value-in-use when tax cash flows are excluded. • The post-tax WACC has been calculated using the capital asset pricing model, the inputs of which include a UK risk-free rate based on government bond rates, a UK equity risk premium and levered debt premium benchmarked to externally available data, and an average beta derived from a comparator group. • The resulting discount rates are:

2024		2023	
Post-tax rate	**Pre-tax rate**	**Post-tax rate**	**Pre-tax rate**
12.7%	15.5%	13.0%	15.6%

14.2 Outputs

Outside of specific impairments recognised during the period in relation to sites identified for exit as disclosed in Note 3, no further impairments were identified as a result of the impairment review described above, with c.£600m of headroom noted.

Key source of estimation uncertainty – assumptions in relation to impairment assessment

Of the above assumptions, the value-in-use calculations are most sensitive to changes in the discount rate, the long-term growth rate and forecast cash flows (comprising revenue, gross margin and fixed overheads). As noted above, cash flows are derived from forecasts reviewed by the Board, and in line with those used for the going concern and viability assessments which assume sales growth rates of (5)% to (10)% for the first year, with subsequent periods thereafter returning to +5% to +15% year-on-year growth. Improvements in adjusted gross margin of at least 300bps vs FY24 are assumed during FY25 with up to a further c.200bps growth over the remaining years.

A sensitivity analysis for a reasonable possible change in assumptions was conducted on the impairment tests, where management assessed a scenario in which the revenue growth rates within the five-year forecasted cash flows (being the most sensitive assumption) were reduced by half. To reflect this adjustment, a corresponding reduction in variable costs and cost of sales was modeled to maintain the gross margin percentage in line with original forecasts. Under this sensitivity scenario, an impairment of approximately £75 million would be recognised.

Notes to the Consolidated Financial Statements continued

14 IMPAIRMENT OF NON-FINANCIAL ASSETS – CONTINUED

The following table shows the amount by which the assumptions would have to change to make the recoverable amount equal to the carrying value to show the headroom sensitivity. It is not considered that a reasonable possible change in the discount rate, fixed overheads nor the long term growth rate would cause an impairment, therefore they are not included below.

Sensitivity	2024	2023
A reduction in forecast annual growth rates of:[1]	**(2.7)%**	(1.8)%
A reduction in forecast revenue vs base case of:[2]	**(11.4)%**	(6.9)%
A reduction in forecast gross margin in each year of:[2]	**(2.4)%**	(1.2)%

1 Applied to Group five-year plan period
2 Applied to all years within the assessment period

14.3 Climate change

The Group's scenario analysis performed as part of the Task Force on Climate-related Financial Disclosures (TCFD) report (pages 34 to 45) identifies a number of physical and transitional climate related risks that could impact both revenue and costs for the Group, and cover scenarios including no policies (>4oC by 2100); stated policies (2.5oC by 2100); and the Paris Agreement Ambition (1.5oC by 2050).

The most material of these relate to the Paris Agreement Ambition. The combined impacts of all risks within this scenario have therefore been modelled, by adjusting revenue and costs within the Group's impairment model and determining the impact on headroom. As noted, the potential impacts represent unmitigated scenarios that do not reflect the Group's proactive risk management or strategic initiatives. The scenarios have therefore been used as a sensitivity to assess the resilience of the Group's assets to long-term climate-related risks. A reduction in the value-in-use of circa £250m was noted, however headroom still remained. As such, climate change-related risks modelled in isolation to any other impairment sensitivities do not have a material impact on the Group's impairment considerations.

15 INVENTORIES

Accounting policy

Inventories comprise goods held for resale and are valued at the lower of cost and net realisable value using the weighted average cost basis. Cost comprises the purchase price and any other directly attributable costs incurred in bringing the inventories to the present location and condition, less trade discounts and rebates. Net realisable value is the estimated selling price in the ordinary course of business less variable selling expenses.

	2024 £m	2023 £m
Gross finished goods	**683.6**	892.4
Inventory provision	**(163.3)**	(124.4)
Net inventory recognised on consolidated balance sheet	**520.3**	768.0

The carrying value of inventory shown on the balance sheet includes a £49.2m (2023: £52.1m) right to recover asset in relation to the inventory expected to be received back from customers as returns. The amount of inventories recognised as an expense and charged to cost of sales for the period was £1,743.3m (2023: £2,104.6m).

Key source of estimation uncertainty – inventory provisions

As disclosed in Note 3, additional inventory provisions were recognised in the period to write down inventory that has been identified to be sold via offsite clearance to accelerate the Group's transition to its commercial model. The provisions write inventory down to its net realisable value, being expected income less any related selling costs.

In addition to these specific provisions, the Group's approach to inventory provisioning is to hold a net realisable value provision for inventory sold via the Group's website and is based on forecast expected loss rates. In addition, provisions are recognised for inventory that will ultimately be sold off-site via clearance routes at the end of its lifecycle in line with the new commercial model. Both provisions consider historical trends, as well as consideration of current and forecast economic conditions.

The provisions are calculated using estimates of loss rates and website sell through rates, both of which are calculated based on historical data from the prior 12 months' sales when categorising the stock by age banding. Provisions recognised are net of any expected proceeds to be received. The provisions are therefore most sensitive to the following assumptions:

- Forecast loss rates
- Forecast sell through rates
- Offsite sales price assumptions

15 INVENTORIES – CONTINUED

The movements in the Group's provisions based on reasonable possible changes to the above assumptions are as follows:

	2024		2023	
	Decrease in provision £m	**Increase in provision £m**	Decrease in provision £m	Increase in provision £m
Using loss rates from FY23/FY22	**–**	**4.0**	(6.6)	–
A change in the anticipated sell through rates of +/-0.5% (2023: +/-5%)[1]	**(7.1)**	**7.1**	(5.4)	7.1
A change in the anticipated offsite sales price of +/-10%	**(2.2)**	**2.2**	(0.7)	0.7

1 2023 provision considered sell through on closing inventory. This was refined in the period to consider sell through on inventory intake.

With the exception of provisions excluded from adjusted profit, inventory provisions are adjusted at each reporting period rather than throughout the period to ensure inventory is not carried at an amount greater than net realisable value. Write-downs and write-backs of inventory balances are therefore represented by net movements in the inventory provision. Provisions/write-downs recognised during the financial period as part of the transition to the new commercial model (recognised outside adjusted profit) totalled £93.0m (2023: £122.7m) – and are part of the £94.8m (2023: £133.2m) commercial operating model costs highlighted in Note 3. There have been no reversals of the commercial model transition provisions during the period. Excluding inventory provisions recognised as part of the commercial model transition, the net provisions/write-down movements totalled a cost of £0.9m this period (2023: £19.3m cost).

16 ASSETS HELD FOR SALE

On 5 September 2024, the Group entered into a binding agreement to sell the intellectual property relating to the Topshop and Topman brands to a subsidiary of Heartland A/S, for a consideration as follows:

- Cash of £135m
- 25% of the issued ordinary shares in the entity that will hold the brands, valued at £45m

The transaction subsequently completed on 9 October 2024. Although the agreement occurred shortly after the year-end date, as at the year-end, the deal was significantly progressed, with management committed to a sale, key terms mostly agreed, and it being highly probable that the sale would complete within a year. It was therefore concluded that the assets meet the definition of being held for sale at the period end as follows:

	£m
Assets to be disposed	
Carrying value of brands	**165.5**
Total assets to be disposed	**165.5**
Sales proceeds	
Cash	**135.0**
Shares	**45.0**
Remaining disposal costs	**(0.7)**
Total fair value less costs to sell	**179.3**
Assets held for sale	**165.5**

The asset held for sale has been recognised at £165.5m, being the lower of the carrying value and fair value less costs to sell. There were no assets held for sale at the prior year balance sheet date.

Other costs already incurred in relation to the sale totalled £3.4m during the year (see Note 3).

Notes to the Consolidated Financial Statements continued

17 TRADE AND OTHER RECEIVABLES

Accounting policy
Trade receivables are non-interest bearing and are stated at invoice value less an allowance for expected credit losses, using the simplified approach under IFRS 9, with adjustments for factors specific to each receivable.

17.1 Analysis of trade and other receivables

	2024			2023
	Non-current £m	Current £m	Total £m	Current £m
Trade receivables	–	19.9	19.9	28.4
Other receivables	–	14.0	14.0	27.7
Allowance for expected credit losses	–	(1.0)	(1.0)	(0.4)
Trade and other receivables net of provision for doubtful debts	–	32.9	32.9	55.7
Net investment in lease receivable	3.7	1.2	4.9	–
Prepayments	–	8.6	8.6	12.9
Accrued income	–	10.7	10.7	12.8
	3.7	53.4	57.1	81.4

Included within accrued income and other receivables are amounts relating to supplier rebates on inventory purchases totalling £2.0m (2023: £4.1m). Remaining accrued income predominantly comprises unbilled services for which the Group has satisfied the performance obligation within the contract.

17.2 Expected credit losses

The Group's exposure to credit risk is minimal given that the customer base is large and unrelated and that the overwhelming majority of customer transactions are settled through cash or secure electronic means. New parties wishing to obtain credit terms with the Group are credit checked prior to invoices being raised and credit limits are determined on an individual basis.

2024 £m	Not due	0 – 30 days past due	30 – 60 days past due	60 – 90 days past due	90 – 180 days past due	Over 180 days past due	Total
Trade receivables	11.1	4.1	2.6	0.8	0.2	1.1	19.9
Other receivables	14.0	–	–	–	–	–	14.0
Gross carrying amount	25.1	4.1	2.6	0.8	0.2	1.1	33.9
Allowance for expected credit losses	–	–	–	–	–	(1.0)	(1.0)
Net carrying amount	25.1	4.1	2.6	0.8	0.2	0.1	32.9

2023 £m	Not due	0 – 30 days past due	30 – 60 days past due	60 – 90 days past due	90 – 180 days past due	Over 180 days past due	Total
Trade receivables	6.2	3.6	9.9	3.1	4.2	1.4	28.4
Other receivables	5.0	7.4	2.8	6.9	1.0	4.6	27.7
Gross carrying amount	11.2	11.0	12.7	10.0	5.2	6.0	56.1
Allowance for expected credit losses	–	–	–	–	(0.1)	(0.3)	(0.4)
Net carrying amount	11.2	11.0	12.7	10.0	5.1	5.7	55.7

17.3 Major counterparties

The Group has nil (2023: nil) major counterparties with receivables totalling £nil (2023: £nil).

18 CASH AND CASH EQUIVALENTS

Accounting policies
The Group presents its cash flow statement using the indirect method, whereby profit is reconciled to net cash from operating activities by adjusting profit and loss for non-cash items. The Group has chosen to present interest received as cash flows from investing activities because they are returns on the Group's investments.

Interest paid on borrowings and leases is presented within cash flows from financing activities as they are held for cash management purposes, as are cash payments for the principal element of lease liabilities.

	2024 £m	2023 £m
Cash in hand and bank balances	**83.1**	85.6
Money market fund investments	**270.2**	142.7
Short-term deposits	**37.7**	125.0
Closing cash and cash equivalents	**391.0**	353.3

Cash and cash equivalents includes uncleared payment provider receipts of £68.8m, which are typically received within three business days (2023: £63.3m).

Included within cash and cash equivalents is £8.1m (2023: £4.1m) of cash collected on behalf of partners of the Direct-to-Consumer fulfilment proposition "Partner Fulfils". ASOS Payments UK Limited and the Group are entitled to interest amounts earned on the deposits and amounts are held in a segregated bank account that is settled on a monthly basis.

19 TRADE AND OTHER PAYABLES

Accounting policy
Trade and other payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

19.1 Analysis of trade and other payables

	2024 £m	2023 £m
Trade payables	**108.1**	71.3
Other payables	**165.9**	174.7
Accruals	**242.3**	238.7
Returns provision	**99.2**	108.2
Deferred revenue	**41.6**	52.1
Taxation and social security	**14.6**	35.4
	671.7	680.4

Trade payables comprise amounts owed in relation to inventory purchases. Other payables comprise amounts owed in relation to all other purchases.

Notes to the Consolidated Financial Statements continued

19 TRADE AND OTHER PAYABLES – CONTINUED

19.2 Deferred revenue

Contract liabilities represent consideration received for performance obligations not yet satisfied, and relate to gift card liabilities where the majority of the liability is expected to be settled within a year, and customer orders not yet shipped.

Gift cards and vouchers	2024 £m	2023 £m
At the beginning of the period	**21.3**	25.1
Purchases	**99.4**	130.5
Revenue recognised which has previously been deferred	**(106.3)**	(134.3)
At the end of the period	**14.4**	21.3
Orders awaiting shipment and premier subscriptions	**27.2**	30.8
Total deferred revenue	**41.6**	52.1

20 BORROWINGS

Accounting policies

Convertible debt

Convertible bonds are classified as compound instruments, consisting of a liability and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt, and is subsequently recorded at amortised cost using the effective interest method until extinguished on conversion or maturity of the bonds, and is recognised within borrowings. The difference between the proceeds of issue of the convertible bond and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity as a separate category.

Issue costs are apportioned between the liability and equity components of the convertible bonds where appropriate based on their relative carrying values at the date of issue. The portion relating to the equity component is charged directly against equity.

Other loans/borrowings

Interest-bearing bank loans and overdrafts are initially recorded at fair value, net of attributable transaction costs, and subsequently recorded at amortised cost using the effective interest method until extinguished.

Arrangement costs for loan facilities such as the Group's revolving credit facility (RCF) are capitalised and amortised over the life of the facility at a constant rate.

	2024 £m	2023 £m
Convertible bond	**478.1**	464.4
Term Loan	**190.2**	184.8
Nordstrom Loan	**19.8**	20.4
Put option liability[1]	**–**	3.2
	688.1	672.8
Current	**1.6**	1.5
Non-current	**686.5**	671.3
	688.1	672.8

1 The put option liability has been reclassed to other payables during the year.

20 BORROWINGS – CONTINUED

Convertible bonds due 2026

On 16 April 2021 the Group issued £500m of convertible bonds. The unsecured instruments pay a coupon of 0.75% until April 2026, or the conversion date, if earlier. The initial conversion price was set at £79.65 per share. The fair value of the debt component was determined using the market interest rate for an equivalent non-convertible bond, deemed to be 3.4%. As a result, £440.1m was recognised as a liability on the balance sheet on issue and the remainder of the proceeds, £59.9m, which represents the equity component, was credited to reserves. Issue costs of £9.0m were allocated between equity (£1.0m) and debt (£8.0m).

After the period-end, in September 2024, the Group launched a refinancing exercise of the Convertible Bonds due 2026 as follows:

- £253.0m was exchanged into new Convertible Bonds due 2028,
- £173.4m of the Convertible Bonds due 2026 was accepted for repurchase at a discount to par of 15%, and
- As a result, £73.6m remains in the Convertible Bonds due 2026.

Further information is included in Note 30.

Term loan

In May 2023, the Group entered into a £200m senior term loan and a £75m super senior RCF (together the "Facilities") with specialist lender Bantry Bay Capital Limited through to April 2026, with the optionality to further extend to May 2028 subject to meeting lender requirements. Both the senior term loan and RCF (when drawn) bear interest at a margin above SONIA. The amount available in relation to the RCF is determined by reference to a calculated borrowing base (derived from inventory and intellectual property, both with certain adjustments applied) less the amount drawn under the term loan. At the period end this was £17.2m. The RCF incurs commitment fees at a market rate and is currently undrawn.

The Facilities carry a fixed and floating charge over all assets of the following chargors in the Group – ASOS Plc, ASOS.com Limited, ASOS Intermediate Holdings Limited, Mornington & Co (No. 1) Limited and Mornington & Co (No. 2) Limited.

After the period-end, ASOS announced an amendment and extension of its existing facilities agreement with Bantry Bay Capital to May 2027 with an option for a 12-month extension. Further information is included in Note 30.

Nordstrom loan

On 12 July 2021 the Group announced a strategic partnership with Nordstrom, a U.S.-based multi-channel retailer, to drive growth in North America. As part of this venture, Nordstrom purchased a minority interest in ASOS Holdings Limited which holds the Topshop, Topman, Miss Selfridge and HIIT brands in exchange for £10 as well as providing a £21.9m loan, subsequently partially repaid. The loan attracts interest at a market rate of 6.5% per annum. After the period-end date, c.£13m was repaid.

Notes to the Consolidated Financial Statements continued

21 PROVISIONS

Accounting policy

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Provisions for onerous contracts are recognised when the Group believes that the unavoidable costs of meeting or exiting the contract exceed the economic benefits expected to be received under the contract.

	Dilapidations £m	Onerous occupancy £m	Total £m
As at 4 September 2023	**53.4**	**16.8**	**70.2**
Recognised	**13.7**	**5.3**	**19.0**
Utilised	**–**	**(2.4)**	**(2.4)**
Unwinding of discount	**2.3**	**0.8**	**3.1**
Exchange differences	**(0.7)**	**–**	**(0.7)**
As at 1 September 2024	**68.7**	**20.5**	**89.2**
Current	**–**	**2.7**	**2.7**
Non-current	**68.7**	**17.8**	**86.5**
As at 1 September 2024	**68.7**	**20.5**	**89.2**
As at 1 September 2022	41.9	–	41.9
Recognised	11.2	18.3	29.5
Utilised	–	(1.8)	(1.8)
Unwinding of discount	1.3	0.3	1.6
Exchange differences	(1.0)	–	(1.0)
As at 3 September 2023	53.4	16.8	70.2
Current	–	2.0	2.0
Non-current	53.4	14.8	68.2
As at 3 September 2023	53.4	16.8	70.2

Dilapidation provisions

Dilapidations are recognised where there is a present obligation to repair and restore leased properties to their preoccupancy state at the end of the lease term. They are measured at the present value of the expenditures expected to be required to settle the obligation, calculated using a nominal pre-tax annual discount rate, based on government bond yields of an appropriate tenure within the country that the lease is held. No adjustments are made to the discount rate for inflation as inflationary increases are already included in the undiscounted cash flows. Similarly, risk is also considered when determining the cash flows, therefore no adjustments are made to the discount rate for risk. The discount rates used range from 2.5% to 4.3% (2023: 2.7% to 4.7%). The increase in dilapidation provisions in the period relates to movements in discount rates, combined with increases in dilapidation estimates as automation work continued on the Lichfield and Atlanta fulfilment centres.

The timing of forecast cash outflows is linked to the underlying lease expiry dates, with the next most significant outflow anticipated to occur in 2028. Whilst there is inherent uncertainty in terms of the quantum of cash outflows expected, they represent management's best estimates for individual properties, with reference to previous experience and size of leased property. It is not considered that there is a significant risk of material adjustment to the carrying amounts of dilapidation provisions due to such estimates, and therefore they are not disclosed as a significant source of estimation uncertainty to the Group.

21 PROVISIONS – CONTINUED

Onerous occupancy provisions

Where the Group no longer operates from a leased property, onerous property contract provisions are recognised for the least net cost of exiting from the contract. The amounts provided are based on the Group's best estimates of the likely committed outflows and site closure dates. These provisions do not include rent in accordance with IFRS 16, nor business rates, however do include unavoidable costs related to the lease such as service charges and insurance.

Cash flows are discounted to present value using a nominal pre-tax annual discount rate, based on government bond yields of an appropriate tenure within the country that the lease is held. No adjustments are made to the discount rate for inflation as inflationary increases are already included in the undiscounted cash flows. As the cash flows are known due to being contractual, the discount rate is not adjusted for risk. The discount rates for onerous occupancy provisions are 4.0% (2023: 4.3% to 4.4%).

Where the Group is able to exit lease contracts before the expiry date or agree sublets, this results in the release of any associated property provisions. Such events are subject to the agreement of landlords, therefore the Group makes no assumptions on the ability to either exit or sublet a property until a position is agreed. Utilisation of the above amounts is expected to be incurred in conjunction with the profile of the leases to which they relate. Refer to Note 3 for more detail on the amount recognised in the period.

Whilst all provisions are sensitive to the discount rate used, given they are derived from government bond yields, it is not considered that there is a significant risk of a reasonable possible change resulting in a material movement in the provisions.

Climate change

The Group remains committed to its stated climate goals and takes into consideration the potential impact of climate change on its legal and constructive obligations, including compliance with carbon emissions regulations and environmental liabilities. Following a thorough review of its provisions, the Group has determined that no adjustments are necessary for climate-related risks, and no new provisions need to be recognized for climate-related matters at this time.

22 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

22.1 Share capital and share premium

Accounting policy

Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

	2024 Number of ordinary shares	2023 Number of ordinary shares	**2024 £m**	2023 £m
Called up share capital				
Allotted, issued and fully paid ordinary shares of 3.5p	**119,334,341**	119,236,850	**4.2**	4.2
Share premium account				
Share premium			**322.6**	322.6

The movements in the called up share capital and share premium are as follows:

	Number of ordinary shares	**Share capital £m**	**Share premium £m**
As at 4 September 2023	**119,236,850**	**4.2**	**322.6**
Allotted in respect of share option schemes	**97,491**	**–**	**–**
As at 1 September 2024	**119,334,341**	**4.2**	**322.6**

	Number of ordinary shares	**Share capital £m**	**Share premium £m**
As at 1 September 2022	99,940,235	3.5	245.7
Allotted in respect of share option schemes	202,814	–	–
New shares issues	19,093,801	0.7	76.9
As at 3 September 2023	119,236,850	4.2	322.6

Notes to the Consolidated Financial Statements continued

22 SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES – CONTINUED

22.2 Other reserves

The table below sets out the movements in other reserves:

	Cash flow hedge reserve £m	Currency translation reserve £m	Convertible bond reserve £m	Other reserves £m
As at 4 September 2023	**17.2**	**(3.0)**	**58.9**	**73.1**
Net translation movements	–	–	–	–
Net fair value gains on cash flow hedges	1.5	–	–	1.5
Fair value movements reclassified from cash flow hedge reserve to consolidated income statement	(13.9)	–	–	(13.9)
Cash flow hedges gains and losses transferred to non-financial assets	(2.8)	–	–	(2.8)
Tax on above items	4.0	–	–	4.0
Balance as at 1 September 2024	**6.0**	**(3.0)**	**58.9**	**61.9**
As at 1 September 2022	26.2	(2.7)	58.9	82.4
Net translation movements	–	(0.3)	–	(0.3)
Net fair value losses on cash flow hedges	(29.6)	–	–	(29.6)
Fair value movements reclassified from cash flow hedge reserve to consolidated income statement	1.7	–	–	1.7
Cash flow hedges gains and losses transferred to non-financial assets	16.9	–	–	16.9
Tax on above items	2.0	–	–	2.0
Balance as at 3 September 2023	17.2	(3.0)	58.9	73.1

Cash flow hedge reserve

The cash flow hedge reserve represents the effective portion of gains or losses on derivatives designated as, and that qualify as, cash flow hedges. Amounts are transferred to the balance sheet and included within the initial cost of the asset which is being hedged, or to the income statement, as appropriate.

Currency translation reserve

The currency translation reserve accumulates foreign exchange differences arising on the translation of net assets in foreign operations which are recognised in Other Comprehensive Income. The cumulative amount is reclassified to retained earnings when the related investment is disposed.

Convertible bond reserve

The convertible bond reserve represents the equity component of the £500m convertible bond issued in April 2021.

22.3 Employee Benefit Trust

The provision of shares to satisfy some of the Group's share incentive plans is facilitated by the Group's Employee Benefit Trust and Link Market Services Trustees Limited (the "Trusts"). Investment in own shares are recorded at cost, net of directly attributable costs for the purchase of issued, or issuance of new shares, and recognised within equity (within retained earnings). The costs of operating the Trusts are borne by the Group and are not material.

	2024			2023		
	Market value £m	Nominal value £m	Number of ordinary shares	Market value £m	Nominal value £m	Number of ordinary shares
Investment in own shares	**0.6**	**–**	**172,721**	1.0	–	228,814

23 FINANCIAL RISK MANAGEMENT

The Group's Treasury function seeks to reduce exposures to capital risk, liquidity risk, credit risk, interest rate risk and foreign currency risk, to ensure liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group does not engage in speculative trading in financial instruments and transacts only in relation to underlying business requirements. The Group's treasury policies and procedures are reviewed annually with material changes approved by the Audit Committee.

23.1 Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders through an appropriate balance of debt and equity funding, while maintaining a strong credit rating and sufficient headroom. There have been no changes to capital risk management policies during the period. Refer to Note 28 for the value of the Group's net debt, and the consolidated statement of changes in equity for the value of the Group's equity.

The Board can manage the Group's capital structure by diversifying the debt portfolio, issuing new shares or repurchasing shares in the open market and flexing capital expenditure. From time-to-time, the Employee Benefit Trust may purchase shares in the Company from the open market for the purpose of satisfying awards under the Group's employee share plans, however the Group does not currently operate a defined share buy-back plan.

The Group's Term Loan and RCF have previously been subject to a minimum liquidity threshold of £90m, which has been removed as part of the new agreement and replaced with a condition to maintain positive liquidity. Further information is included within Note 30.

23.2 Liquidity risk

Liquidity risk is the risk that the Group may be unable to meet its financial obligations as they fall due.

The Group manages its exposure to liquidity risk by continuously monitoring short and long-term forecasts and actual cash flows, ensuring it has the necessary banking and reserve borrowing facilities available to meet the requirements of the business. At 1 September 2024, the Group was fully drawn on the £200m term loan with Bantry Bay, and had an undrawn revolving credit facility ("RCF") of £17m, both with a maturity of April 2026. Borrowings under the RCF and term loan bear interest at a rate linked to SONIA. Commitment fees are payable on the daily undrawn balance of the RCF. On 5 September 2024, the facilities were subject to a 12-month extension – refer to Note 30.

In April 2021 the Group issued convertible bonds to fund future growth totalling £500m. The unsecured instruments pay a coupon of 0.75% until April 2026, or the conversion date, if earlier. Refer to Note 30 for details of post-period end changes.

Surplus cash is invested with relationship banks and money market funds to optimise returns on cash balances, while also considering counterparty risk and business liquidity requirements.

Notes to the Consolidated Financial Statements continued

23 FINANCIAL RISK MANAGEMENT – CONTINUED

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows or an estimate of cash flows in respect of floating interest rate liabilities.

2024	Less than 1 year £m	1 to 2 years £m	2 to 5 years £m	Over 5 years £m
Term loan	**30.2**	**217.6**	–	–
Convertible bond	**3.8**	**503.8**	–	–
Nordstrom loan	**1.3**	**1.3**	**3.9**	**19.8**
Trade and other payables[1]	**601.3**	–	–	–
Derivatives – gross settled				
Cash inflows	**812.5**	**51.3**	–	–
Cash outflows	**(807.9)**	**(51.0)**	–	–

2023	Less than 1 year £m	1 to 2 years £m	2 to 5 years £m	Over 5 years £m
Term loan	31.1	31.1	218.1	–
Convertible bond	3.8	3.8	503.8	–
Nordstrom loan	1.3	1.3	4.0	20.3
Obligation to repurchase own shares	–	–	–	4.9
Trade and other payables[1]	578.5	–	–	–
Derivatives – gross settled				
Cash inflows	1,023.1	107.8	–	–
Cash outflows	(1,008.7)	(102.5)	–	–

1 Excludes deferred revenue and any amounts in relation to taxation.

The maturities of lease liabilities are disclosed separately in Note 13.

23.3 Credit risk

Credit risk is the risk that a counterparty may default on its obligation to the Group in relation to lending, hedging, settlement and other financial activities. The Group's principal financial assets are trade and other receivables, financial derivatives, and cash and cash equivalents. The Group's credit risk is primarily attributable to its trade and other receivables and financial counterparties. The amounts included in the consolidated balance sheet are net of allowances for doubtful receivables.

The Group has a low retail credit risk due to transactions being principally of high volume, low value and short maturity. The Group's trade receivables are primarily with companies with which the Group has long-standing relationships, and wholesale suppliers, and therefore the risk of default and write-offs due to bad debts is considered to be low.

The Group has no significant concentration of credit risk, as exposure is spread over a large number of counterparties and customers. The credit risk on liquid funds is considered to be low, as the Group Treasury Policy limits the total value that can be placed with each approved counterparty to minimise the risk of loss.

The Group considers its maximum exposure to credit risk to be as follows:

	2024 £m	2023 £m
Trade and other receivables	**48.3**	68.5
Cash and cash equivalents	**391.0**	353.3
Derivative financial assets	**9.8**	26.5
Total	**449.1**	448.3

Trade and other receivables above exclude prepayments and VAT receivables.

23 FINANCIAL RISK MANAGEMENT – CONTINUED

23.4 Interest rate risk

Interest rate risk is the risk of increased costs arising from unexpected movements in interest rates impacting the Group's borrowing portfolio. Interest on financial instruments is classified as fixed rate if interest resets on the instruments are less frequent than once every 12 months. Interest on financial instruments is classified as floating rate if interest resets on the instruments occur every 12 months or more frequently.

The Group is exposed to cash flow interest rate risk on its RCF to the extent that this is utilised, and £200m term loan, which both incur interest linked to SONIA. The Group's remaining borrowings pay fixed coupons.

The mix of the Group's financial assets and liabilities at the balance sheet date was as follows:

	2024			2023		
	Fixed £m	**Floating £m**	**Total £m**	Fixed £m	Floating £m	Total £m
Cash and cash equivalents	**–**	**391.0**	**391.0**	–	353.3	353.3
Borrowings	**(497.9)**	**(190.2)**	**(688.1)**	(488.0)	(184.8)	(672.8)
Total	**(497.9)**	**200.8**	**(297.1)**	(488.0)	168.5	(319.5)

The Group considers that a 100bps movement in interest rates is a reasonable measure of volatility. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt portfolio are all constant as at 1 September 2024. The sensitivity of floating rate balances to a change of 100bps in the interest rate (or such lesser amount as would result in a zero rate of interest) at the balance sheet date is shown below:

	2024 Impact on pre-tax profit £m	2023 Impact on pre-tax profit £m
Change in floating rate +/-100bps	**1.9/(1.9)**	0.6/(0.6)

23.5 Foreign currency risk

The Group operates internationally and is therefore exposed to foreign currency transaction risk, primarily on sales denominated in Euros and US dollars as well as on US dollar denominated purchases. The Group's presentational currency is pound sterling, therefore the Group is also exposed to foreign currency translation risks due to movements in foreign exchange rates on the translation of non-sterling assets and liabilities.

The primary use of forward exchange and option contracts for sales and inventory purchases per the Group's hedging policy is to hedge material currency exposures with layered hedges over a 18-month period, with up to 100% coverage of the net unmatched exposure for the first six months preceding the forecast cash flows, and coverage decreasing between months 7 and 18. These forward foreign exchange contracts are classified as Level 2 derivative financial instruments under IFRS 13, "Fair Value Measurement".

The following table illustrates the hypothetical sensitivity of the Group's reported profit before tax and other comprehensive income to a 10% increase and decrease in the value of each of these currencies relative to pound sterling at the reporting date, assuming all other variables remain unchanged. The sensitivity rate of 10% is deemed to represent a reasonably possible change based on historic exchange rate volatility.

Notes to the Consolidated Financial Statements continued

23 FINANCIAL RISK MANAGEMENT – CONTINUED

The following assumptions were made in calculating the sensitivity analysis:

- Exchange rate fluctuations on currency derivatives that form part of an effective cash flow hedge relationship affect the fair value reserve in equity and the fair value of the hedging derivatives, with no impact on the Income Statement.
- All hedge relationships are fully effective.

The sensitivities are calculated with reference to a single moment in time and are subject to change due to a number of factors including fluctuating trade payable, cash balances and changes in the currency mix. In addition, each of the sensitivities is calculated in isolation while, in reality, foreign currencies do not move independently. Positive figures represent an increase in profit before tax or in other comprehensive income. . The sensitivity calculation has been refined during the year with prior year sensitivities updated as appropriate.

	Profit before tax		Other comprehensive income	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Sterling strengthens by 10% against:				
US dollar	**(0.1)**	(1.4)	**(6.3)**	(13.9)
Euro	**(5.6)**	2.2	**20.6**	16.7
Sterling weakens by 10% against:				
US dollar	**0.1**	1.7	**7.7**	17.0
Euro	**6.9**	(2.7)	**(25.2)**	(20.5)

24 FINANCIAL INSTRUMENTS

Accounting policies

See accounting policies as follows:

- Trade and other receivables – Note 17
- Cash and cash equivalents – Note 18
- Trade and other payables – Note 19
- Leases – Note 13
- Borrowings – Note 20
- Derivative financial instruments – Note 25

24.1 Financial instruments by category

The carrying amount of the Group's financial assets, financial liabilities and derivative financial instruments as at the balance sheet date are as follows:

2024	Amortised cost £m	Fair value through profit or loss £m	Total £m
Derivative financial assets	**–**	**9.8**	**9.8**
Cash and cash equivalents	**391.0**	**–**	**391.0**
Trade and other receivables[1]	**48.3**	**–**	**48.3**
Derivative financial liabilities	**–**	**(7.1)**	**(7.1)**
Lease liabilities	**(289.6)**	**–**	**(289.6)**
Trade and other payables[2]	**(601.3)**	**–**	**(601.3)**
Borrowings	**(688.1)**	**–**	**(688.1)**
	(1,139.7)	**2.7**	**(1,137.0)**

2023	Amortised cost £m	Fair value through profit or loss £m	Total £m
Derivative financial assets	–	26.5	26.5
Cash and cash equivalents	353.3	–	353.3
Trade and other receivables[1]	68.5	–	68.5
Derivative financial liabilities	–	(6.5)	(6.5)
Lease liabilities	(329.0)	–	(329.0)
Trade and other payables[2]	(578.5)	–	(578.5)
Borrowings	(672.8)	–	(672.8)
	(1,158.5)	20.0	(1,138.5)

1 Trade and other receivables excludes prepayments and VAT receivables.
2 Trade and other payables excludes deferred revenue and any amounts in relation to taxation.

Derivative financial instruments are currently held at fair value on the balance sheet – all are within level 2 of the fair value hierarchy.

Notes to the Consolidated Financial Statements continued

24 FINANCIAL INSTRUMENTS – CONTINUED

24.2 Carrying amount versus fair value

Set out below is a comparison of the carrying amount and the fair value of financial instruments that are carried in the financial statements at a value other than fair value. The fair value of financial assets and liabilities are based on prices available from the market on which the instruments are traded. Where market values are not available, the fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest rates. The fair values of cash and cash equivalents, trade receivables, and trade payables are assumed to approximate to their book values.

2024	Fair value hierarchy	Carrying amount £m	Fair value £m
Convertible bond	1	(478.1)	(358.3)
Nordstrom loan	2	(19.8)	(9.6)
Term loan	2	(190.2)	(200.8)
Total		**(688.1)**	**(568.7)**

2023[1]	Fair value hierarchy	Carrying amount £m	Fair value £m
Convertible bond	1	(464.4)	(344.9)
Nordstrom loan	2	(20.4)	(9.8)
Term loan	2	(184.8)	(200.3)
Total		(669.6)	(555.0)

1 The methodology to calculate the fair value of the Term Loan and Nordstrom Loan has been refined during the period. Prior period comparatives have been restated.

Fair value hierarchy is defined as:

- Level 1 fair value measurements are derived from quoted market prices (unadjusted) in active markets for identical assets or liabilities at the balance sheet date. This level includes listed equity securities and debt instruments on public exchanges.
- Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments is determined by discounting expected cash flows at prevailing interest rates.
- Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

24.3 Offsetting financial instruments

There are no financial assets and financial liabilities that are offset in the balance sheet.

25 DERIVATIVE FINANCIAL INSTRUMENTS

Accounting policy

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks. These derivative financial instruments are designated as cash flow hedges, and are initially measured at fair value on the contract date and then measured at fair value at subsequent reporting dates. To qualify for hedge accounting, the Group documents, at the inception of the hedge, the hedging risk management strategy, the relationship between the hedging instrument and the hedged item or transaction, the nature of the risks being hedged and an assessment of the effectiveness of the hedging relationship, to ensure it is highly effective on an ongoing basis.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income, and the ineffective portion is recognised immediately in the income statement. Where the hedged item subsequently results in the recognition of a non-financial asset such as inventory or property, plant and equipment, the amounts accumulated in other comprehensive income are included in the initial cost of the asset. For all other cash flow hedges, the amounts accumulated in other comprehensive income are recognised in the consolidated income statement when the hedged item or transaction affects the income statement.

Where derivatives do not qualify for hedge accounting, any changes in the fair value of the derivative financial instrument are recognised in the income statement as they arise.

25.1 The effects of hedge accounting on the Group's financial position and performance

The table below provides a breakdown of the Group's cash flow hedges as well as derivatives not in a formal hedge accounting relationship:

	2024			2023		
		Fair value			Fair value	
	Notional £m	Asset £m	Liability £m	Notional £m	Asset £m	Liability £m
Foreign currency derivatives						
Inventory hedges	**122.1**	**1.4**	**(4.7)**	191.4	7.2	(1.2)
Capex hedges	**13.2**	**–**	**(0.7)**	24.3	0.5	(0.9)
Sales hedges	**292.3**	**8.4**	**(0.8)**	395.8	18.6	(3.8)
Derivatives not in a formal hedging relationship						
Foreign currency derivatives	**238.7**	**–**	**(0.9)**	239.7	0.2	(0.6)
Total	**666.3**	**9.8**	**(7.1)**	851.2	26.5	(6.5)

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange contracts are identical to the hedged risk components. Hedge effectiveness is determined at inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks. Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instrument compared to the hedged items.
- Changes to the forecasted cash flows of hedged item.

The derivatives have been fair valued at 1 September 2024 with reference to forward exchange rates and option pricing models that are quoted in an active market, with the resulting value discounted back to present value.

Notes to the Consolidated Financial Statements continued

25 DERIVATIVE FINANCIAL INSTRUMENTS – CONTINUED

25.2 Maturity profile of hedging instruments

The table below analyses the Group's derivative financial instruments into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2024	**1 to 6 months**	**Maturity 6 to 12 months**	**More than one year**
US dollars (highly probable forecast purchases)			
Notional amount (in £m)	**82.9**	**37.7**	**14.7**
Average GBP:USD contract rate	**1.28**	**1.27**	**1.27**
Euro (highly probable forecast sales)			
Notional amount (in £m)	**113.3**	**88.2**	**23.9**
Average GBP:EUR contract rate	**1.15**	**1.16**	**1.15**
Other (highly probable forecast sales)			
Notional amount (in £m)	**38.3**	**24.8**	**3.8**
Average GBP: Other contract rate		**Various currencies**	

2023	1 to 6 months	Maturity 6 to 12 months	More than one year
US dollars (highly probable forecast purchases)			
Notional amount (in £m)	66.6	109.3	39.8
Average GBP:USD contract rate	1.31	1.28	1.30
Euro (highly probable forecast sales)			
Notional amount (in £m)	86.6	97.0	25.6
Average GBP:EUR contract rate	1.14	1.15	1.14
Other (highly probable forecast sales)			
Notional amount (in £m)	74.3	73.8	38.5
Average GBP: Other contract rate		Various currencies	

25 DERIVATIVE FINANCIAL INSTRUMENTS – CONTINUED

25.3 Impact of change in value of hedged items on cash flow hedge reserve

2024	**Change in value of hedged item for calculating hedge ineffectiveness £m**	**Change in value of hedging instrument for calculating hedge ineffectiveness £m**	**Cumulative impact on cash flow hedge reserve £m**
Hedges of foreign currency sales	**(6.7)**	**6.7**	**7.6**
Hedges of foreign currency inventory purchases	**4.6**	**(4.6)**	**(2.3)**
Hedges of foreign currency purchases of property, plant and equipment	**0.6**	**(0.6)**	**0.9**

2023	Change in value of hedged item for calculating hedge ineffectiveness £m	Change in value of hedging instrument for calculating hedge ineffectiveness £m	Cumulative impact on cash flow hedge reserve £m
Hedges of foreign currency sales	(30.5)	30.5	14.8
Hedges of foreign currency inventory purchases	53.8	(53.8)	4.5
Hedges of foreign currency purchases of property, plant and equipment	6.3	(6.3)	2.1

25.4 Analysis of fair value movements in cash flow hedge reserve by risk category

2024	**Opening £m**	**Fair value movements recognised in other comprehensive income £m**	**Amounts reclassified £m**	**Closing £m**	**Reclassification recognised in**
Hedges of foreign currency sales	**14.8**	**6.7**	**(13.9)**	**7.6**	**Revenue**
Hedges of foreign currency inventory purchases	**4.5**	**(4.6)**	**(2.2)**	**(2.3)**	**Inventory**
Hedges of foreign currency purchases of property, plant and equipment	**2.1**	**(0.6)**	**(0.6)**	**0.9**	**Property, plant and equipment**
Tax	**(4.2)**	**4.0**	**–**	**(0.2)**	
	17.2	**5.5**	**(16.7)**	**6.0**	

2023	Opening £m	Fair value movements recognised in other comprehensive income £m	Amounts reclassified £m	Closing £m	Reclassification recognised in
Hedges of foreign currency sales	(17.4)	30.5	1.7	14.8	Revenue
Hedges of foreign currency inventory purchases	43.6	(53.8)	14.7	4.5	Inventory
Hedges of foreign currency purchases of property, plant and equipment	6.2	(6.3)	2.2	2.1	Property, plant and equipment
Tax	(6.2)	2.0	–	(4.2)	
	26.2	(27.6)	18.6	17.2	

Notes to the Consolidated Financial Statements continued

26 SHARE-BASED PAYMENTS

Accounting policies

The Group issues equity-settled share-based payments to certain employees, whereby employees render services in exchange for shares or rights over shares of the parent company.

The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or options granted, excluding the impact of any non-market vesting conditions. All share options are valued using an option-pricing model. This fair value is charged to the income statement over the vesting period of the share-based payment scheme with a corresponding increase in equity.

The value of the charge is adjusted in the income statement over the remainder of the vesting period to reflect expected and actual levels of options vesting, with the corresponding adjustments made in equity.

The Group incurred a cost of £3.4m (2023: £5.2m) net of capitalised costs totalling £1.2m (2023: £1.2m) in relation to share-based payments during the year.

26.1 Save As You Earn (SAYE) scheme

Under the terms of the current SAYE scheme, the Board grants options to purchase ordinary shares in the Company to employees who enter into an HMRC-approved SAYE scheme for a term of three years. Options are granted at up to a 20% discount to the market price of the shares on the day preceding the date of offer and are normally exercisable for a period of six months after completion of the SAYE contract. These option grants are settled on exercise either through the issue of new ordinary shares or through a transfer of shares from the Employee Benefit Trust.

	2024		2023	
	Number of options (no. of shares)	**Weighted average exercise price (pence)**	Number of options (no. of shares)	Weighted average exercise price (pence)
Outstanding at beginning of period	**1,345,993**	**350**	287,037	1,933
Granted	**1,663,748**	**312**	1,497,390	298
Lapsed	**(1,032,956)**	**560**	(438,434)	1,209
Exercised	**(1,282)**	**225**	–	–
Outstanding at end of period	**1,975,503**	**374**	1,345,993	350
Exercisable at end of period	**169**	**532**	4,323	914

The weighted average share price for options exercised over the period was 351 pence. The weighted average remaining contractual life of options outstanding at 1 September 2024 was 2.6 years (2023: 2.3 years).

The fair value of SAYE options granted during the current and prior periods was calculated using the Black-Scholes model, assuming the following inputs:

	2024		2023
	Grant 1	**Grant 2**	
Share price (pence)	**400**	**344**	665
Exercise price (pence)	**312**	**317**	532
Expected volatility (%)	**64**	**63**	63
Expected life (years)	**3.6**	**3.5**	2.1
Risk-free rate (%)	**4.0**	**4.1**	3.3
Dividend yield	**–**	**–**	–
Weighted average fair value of options (pence)	**225**	**174**	298

Volatility has been estimated by taking the historical volatility in the Company's share price over a three-year period.

26.2 ASOS Long-Term Incentive Scheme (ALTIS)

Under the terms of the ALTIS, certain Executive Directors and Senior Leaders may be granted conditional awards, the base value of which is calculated as a fixed multiple of salary, and will only vest to the extent the related performance targets, as detailed in the Directors' Remuneration Report on page 102, are met. These awards are settled on exercise either through the issue of new ordinary shares or through a transfer of shares from the Employee Benefit Trust.

26 SHARE-BASED PAYMENTS – CONTINUED

Awards granted under the ALTIS are shown below:

	2024	2023
Outstanding at beginning of period	**1,820,720**	790,724
Granted	**1,797,919**	1,564,478
Lapsed	**(540,136)**	(510,069)
Exercised	**(148,352)**	(24,413)
Outstanding at end of period	**2,930,151**	1,820,720

The weighted average share price for awards exercised over the period was 381 pence. The weighted average remaining contractual life of share awards outstanding at 1 September 2024 was 1.8 years (2023: 1.8 years). Details of shares conditionally allocated at 1 September 2024 are set out below:

Date of grant	2024	2023
ALTIS '20	–	160,375
ALTIS '21	**236,104**	290,160
ALTIS '22	**1,098,176**	1,370,185
ALTIS '23	**1,595,871**	–
Total	**2,930,151**	1,820,720

The fair value of awards granted during the current and prior periods under sales, EPS and ESG performance conditions were calculated using the Black-Scholes model, and the fair value of awards granted under the ALTIS TSR (Total Shareholder Return) performance conditions were calculated using the Monte Carlo model. Both sets of inputs are shown below:

	2024					2023	
	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 1	Grant 2
Share price (pence)	**365**	**377**	**348**	**344**	**377**	642	406
Exercise price (pence)	–	–	–	–	–	–	–
Expected volatility (%)	**74.2**	**66.1**	**67.1**	**66.7**	**66.1**	72.4	69.8
Expected life (years)	**2.1**	**2.5**	**2.8**	**2.8**	**2.5**	2.9	2.4
Risk-free rate (%)	**4.5**	**4.0**	**4.3**	**4.0**	**4.0**	3.2	4.6
Dividend yield	–	–	–	–	–	–	–
Weighted average fair value of options for EPS performance condition (pence)	**365**	**377**	**348**	**344**	**377**	642	406
Weighted average fair value of options for TSR performance condition (pence)[1]	–	–	–	–	–	270	171

1 Inputs to the Monte Carlo model for all grants from 2023 were as follows: share price of 642 pence, exercise price of nil, expected volatility of 57.0%, expected life of 2.8 years, risk-free rate of 3.2% and dividend yield of nil.

Volatility has been estimated by taking the historical volatility in the Company's share price over a three-year period.

26.3 Restricted Stock Unit (RSU)

Certain Executive Directors and Senior Leaders may be granted conditional awards, the base value of which is calculated as a fixed multiple of salary, and will only vest to the extent the members remain in employment to the end of the vesting period. These RSUs are granted under the ALTIS rules and will be share-settled.

Awards granted are shown below:

	2024	2023
Outstanding at beginning of period	**229,866**	114,294
Granted	**1,296,199**	323,208
Lapsed	**(58,031)**	(29,235)
Exercised	**(151,739)**	(178,401)
Outstanding end of period	**1,316,295**	229,866

Notes to the Consolidated Financial Statements continued

26 SHARE-BASED PAYMENTS – CONTINUED

The weighted average share price for awards exercised over the period was 360 pence. The weighted average remaining contractual life of share awards outstanding at 1 September 2024 was 2.2 years (2023: 0.4 years).

No performance conditions were included in the fair value calculations. The fair value per award granted during the period and the assumptions used in the calculation as well as details of shares conditionally allocated are as follows:

Date of grant	Fair value of options (pence)	2024	2023
30.08.22	727	–	4,814
19.01.23	761	–	104,996
31.05.23	354	70,622	120,056
31.01.24	378	810,421	–
25.04.24	378	435,252	–
		1,316,295	229,866

26.4 Share Incentive Plan (SIP)

Under the terms of the SIP, in 2012 and 2013 the Board awarded free shares to every employee under an HMRC-approved SIP. Shares must be held in trust for a period of at least three years after grant date and became transferable to SIP-recipients three years after date of grant. The trustee of the SIP is Link Market Services Trustees Limited. Only 2,338 shares remain allocated to SIP-recipients at the period end (2023: 2,901).

27 RELATED PARTY TRANSACTIONS

27.1 Key management personnel

The aggregate compensation to key management personnel, being the Directors of ASOS Plc (Executive and Non-Executive) and the members of the Management Committee was as follows:

	2024 £m	2023 £m
Short-term employee benefits	5.7	5.1
Post-employment benefits	0.3	0.3
Share-based payments charge	0.8	0.9
Joining costs and loss of office costs	0.2	0.5
	7.0	6.8

Components of the highest-paid Director's remuneration are detailed in the Directors' remuneration table on page 108.

27.2 Transactions with other related parties

During the period, the Group made purchases of inventory, net of VAT, totalling £59.7m (2023: £65.9m) from Aktieselskabet af 5.5.2010, a company which has a significant shareholding in the Group. At 1 September 2024, the amount due to Aktieselskabet af 5.5.2010 was £11.2m (2023: £6.8m).

Frasers Group is now a related party since 15 March 2024, becoming one of the Group's major shareholders during the period. During the period, the Group made purchases of inventory, net of VAT, totalling £0.6m (2023: not applicable) from entities under the control of Frasers Group. At 1 September 2024, the amount due to Frasers Group entities was £0.1m (2023: not applicable).

28 NET DEBT RECONCILIATION

Group net debt comprises cash and cash equivalents less any borrowings drawn down at period-end (including accrued interest), but excluding outstanding lease liabilities.

	2024 £m	2023 £m
Borrowings	**(688.1)**	(672.8)
Leases	**(289.6)**	(329.0)
Liabilities from financing activities	**(977.7)**	(1,001.8)
Cash and cash equivalents	**391.0**	353.3
Net debt	**(586.7)**	(648.5)
Net debt APM (ex-leases)	**(297.1)**	(319.5)

The table below sets out the movements in liabilities arising from financing activities:

	Lease liabilities £m	Borrowings £m	Liabilities from financing activities £m
As at 4 September 2023	**(329.0)**	**(672.8)**	**(1,001.8)**
Cash flows from financing activities			
Repayments of principal	25.5	0.5	26.0
Interest paid	5.5	37.1	42.6
Non-cash movements			
Movement in lease liabilities	9.9	–	9.9
Foreign exchange impacts	4.0	–	4.0
Accrued interest	(5.5)	(52.9)	(58.4)
As at 1 September 2024	**(289.6)**	**(688.1)**	**(977.7)**

	Lease liabilities £m	Borrowings £m	Liabilities from financing activities £m
As at 1 September 2022	**(380.1)**	**(475.9)**	**(856.0)**
Cash flows from financing activities			
Repayments of principal/(drawdown of borrowings)	22.4	(198.3)	(175.9)
Interest paid	5.6	28.0	33.6
Financing fees paid	–	15.8	15.8
Non-cash movements			
Movement in lease liabilities	21.1	–	21.1
Foreign exchange impacts	7.6	–	7.6
Accrued interest	(5.6)	(42.4)	(48.0)
As at 3 September 2023	**(329.0)**	**(672.8)**	**(1,001.8)**

Notes to the Consolidated Financial Statements continued

29 COMMITMENTS AND CONTINGENCIES

29.1 Capital commitments

Capital expenditure committed at the reporting date but not yet incurred is as follows:

	2024 £m	2023 £m
Fixtures and fittings	**15.9**	71.3
Intangible assets	**54.9**	76.2
	70.8	147.5

29.2 Subsidiary audit exemptions

The following UK subsidiary undertakings are exempt from the requirements of the Companies Act 2006 (the "Act") relating to the audit of individual accounts by virtue of Section 479A of the Act.

Name	Company number	Name	Company number
ASOS Global Limited	07817472	Covetique Limited	07491491
ASOS Marketplace Limited	07289272	Crooked Tongues Limited	06579850
ASOS Payments Holdings Limited	13332420	Eight Paws Projects Limited	07990751
ASOS Projects Limited	08218702	Mornington & Co (No.1) Limited	08506761
ASOS Transaction Services Limited	08207408	Mornington & Co (No.2) Limited	08506877
ASOS Ventures Limited	09356546	ASOS Payments UK Limited	13337408

29.3 Contingent liabilities

From time to time, the Group is subject to various legal proceedings and claims that arise in the ordinary course of business, which due to the fast-growing nature of the Group and its e-commerce base, may concern the Group's brand and trading name or its product designs. All such cases brought against the Group are robustly defended and a liability is recorded only when it is probable that the case will result in a future economic outflow which can be reliably measured.

As previously reported, ASOS is currently party to legal proceedings in overseas territories which the Group is robustly defending. The claim considers the laws applicable to the sale of goods in the relevant territory, under which the claimants are seeking a financial remedy for alleged breaches by ASOS of local laws. The claim remains in its early stages, and will be heard in two phases. Completion of such a claim can be a lengthy process, with a final court decision of the first phase potentially taking up to two years after the initial hearing. The claim and its defence are relatively complex, there are multiple factual and legal defences to the claims and the Group intends to defend them vigorously. The Group therefore cannot make an assessment of the likely outcome of the litigation, or the potential quantum of any liability were it to arise or the potential impact on the Group at this stage. Furthermore, management are of the opinion that, given the early stages of the claim, disclosure of any potential quantification could be prejudicial to the Group at this time.

As disclosed in the prior year annual accounts, the Group has made a voluntary disclosure to an overseas tax authority in relation to potentially overclaimed VAT. As explained, whether or not the VAT was overclaimed was ultimately dependent on the relevant tax authority's view. The overseas tax authority has now concluded that the VAT was correctly charged to ASOS, hence ASOS was correct in recovering the VAT and no repayment or multi-party non-cash agreement is necessary. This issue is therefore considered successfully resolved without the liability crystallising. The Group notes that there are a small number of suppliers who should likely have historically charged VAT on services but have not. The Group has notified the relevant suppliers of this and any amount payable will not be material and will be able to be reclaimed by ASOS from the overseas tax authority in the normal course of business.

30 POST BALANCE SHEET EVENTS

Disposal of Topshop and Topman brands

On 5 September 2024, the Group entered into a binding agreement to sell the intellectual property relating to the Topshop and Topman (TSTM) brands to a subsidiary of Heartland A/S (a related party of the Group), for a consideration as follows:

- Cash of £135m.
- 25% of the issued ordinary shares in the entity that will hold the brands, valued at £45m.

As disclosed in Note 16, assets of £165.5m have been classified as held for sale as at the year-end. The transaction has subsequently completed, resulting in the derecognition of the assets held for sale, the recognition of an investment in an associate of £45m, and a profit on disposal of c.£14m.

ASOS has the right, at its sole discretion, to sell a 5% interest in the associate to Heartland A/S for £9m.

As part of the arrangement, the purchasing entity has granted a licence to ASOS.com of 10 years (extendable up to 25 years at ASOS' discretion), pursuant to which ASOS.com has the exclusive right to continue to design TSTM products (subject to de minimis rights to design local products) for global distribution and to sell Topshop and Topman products through the ASOS.com website in consideration for a royalty fee. ASOS also has the right to operate Topshop.com and Topman.com globally, and has been granted exclusive wholesale distribution rights in the UK and North America, while the purchasing entity retains the rights to open branded stores globally and distribute through wholesale partners outside of the UK and North America.

Refinancing

After the period end, in September 2024, the Group launched a refinancing exercise of the Convertible Bonds due 2026 as follows:

- £253m was exchanged into new Convertible Bonds due 2028;
- £173.4m of the Convertible Bonds due 2026 was accepted for repurchase at a discount of par 15%, and
- As a result, £73.6m remains in the Convertible Bonds due 2026.

The new Convertible Bonds were issued at par and carry a fixed annual coupon of 11%, payable semi-annually in arrears. The initial conversion price has been set at £79.65, in line with the Convertible Bond due 2026. The Bonds will be redeemed on 19 September 2028, unless previously converted, exchanged, redeemed or purchased and cancelled in accordance with the terms and conditions of the Bonds, at a redemption price of 120% of the principal amount.

In addition, ASOS announced an amendment and extension of its existing facilities agreement with Bantry Bay Capital to May 2027 with an option for a 12-month extension. As part of this, £50m of the term loan has been repaid, with a corresponding increase in the available accordion facility. The Group's previous minimum liquidity covenant has been removed, and maintaining positive liquidity is the only condition now required to avoid an event of default. In addition, the Group is also subject to a springing maturity clause in the term loan facility in April 2026, conditional upon forward projection of base case cash flows.

Following the disposal of the brands and the refinancing exercise, the Group recognised a reduction in net debt of approximately £130m.

Company Balance Sheet

	Note	1 September 2024 £m	3 September 2023 £m
Non-current assets			
Investments in subsidiaries	C3	**70.5**	65.9
Amounts due from subsidiary undertakings	C4	**845.6**	836.5
		916.1	902.4
Current assets			
Amounts due from subsidiary undertakings	C4	**1.6**	1.4
Current liabilities			
Amounts due to subsidiary undertakings	C5	**(1.6)**	(1.4)
Non-current liabilities			
Amounts due to subsidiary undertakings	C5	**(476.4)**	(467.3)
Net assets		**439.7**	435.1
Equity			
Called up share capital	C6	**4.2**	4.2
Share premium	C6	**322.6**	322.6
Convertible bond reserve		**58.9**	58.9
Retained earnings	C7	**54.0**	49.4
Total equity		**439.7**	435.1

The profit after tax for the financial period was £nil (2023: loss of £0.1m). Notes 1 to 7 are an integral part of the financial statements.

The financial statements of ASOS Plc, registered number 4006623, on pages 180 to 185, were approved by the Board of Directors and authorised for issue on 5 November 2024 and were signed on its behalf by:

José Antonio Ramos Calamonte
Chief Executive Officer

Dave Murray
Chief Financial Officer

Company Statement of Changes in Equity

	Called up share capital £m	Share premium £m	Convertible Bond reserve £m	Retained earnings £m	Total £m
As at 4 September 2023	4.2	322.6	58.9	49.4	435.1
Share-based payments contribution	–	–	–	4.6	4.6
As at 1 September 2024	**4.2**	**322.6**	**58.9**	**54.0**	**439.7**

	Called up share capital £m	Share premium £m	Convertible Bond reserve £m	Retained earnings £m	Total £m
As at 1 September 2022	3.5	245.7	58.8	43.1	351.1
Loss for the period and total comprehensive loss	–	–	–	(0.1)	(0.1)
Share issue	0.7	76.9	–	–	77.6
Share-based payments contribution	–	–	–	6.4	6.4
Adjustment	–	–	0.1	–	0.1
As at 3 September 2023	4.2	322.6	58.9	49.4	435.1

Retained earnings includes the share-based payments reserve.

Notes to the Company Financial Statements

C1 BASIS OF PREPARATION

The parent company's financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 as applicable to companies using FRS 101. The financial period represents the 52 weeks to 1 September 2024 (prior financial period 1 September 2022 to 3 September 2023). Within these financial statements, "2024" refers to the 52 weeks to 1 September 2024, or as at 1 September 2024; and "2023" refers to the financial period 1 September 2022 to 3 September 2023, or as at 3 September 2023.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present a cash flow statement
- The requirements of paragraph 17 of IAS 24 "Related Party Transactions", to disclose information related to key management personnel, and the requirements of IAS 24 to disclose related party transactions between two or more members of a group for wholly owned subsidiaries
- The requirements of paragraphs 30 and 31 of IAS 8 to disclose information assessing the possible impact of new standards issued but which are not yet effective
- The requirements of IFRS 7 and IFRS 13 for disclosure of financial instruments and fair values
- The requirements of IFRS 2, to disclose information related to share-based payment arrangements
- The requirements of IAS 1 to present comparative information in respect of certain assets and the disclosure information related to capital management

The financial statements are presented in pound sterling, rounded to the nearest £0.1m unless otherwise stated. They have been prepared on the going concern basis under the historical cost convention.

The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and not presented an income statement nor a statement of comprehensive income for the Company alone.

Amendments to published standards

The Company adopted the following accounting standards and amendments during the year with no material impact:

- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The Company is assessing the impact of the following standards, interpretations and amendments that are not yet effective.

- Amendments to the IFRS for SMEs Accounting Standard – International Tax Reform – Pillar Two Model Rules
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases
- Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants – Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures
- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

The Company has considered the impact of the remaining above standards and revisions and have concluded that they will not have material impact on the Company's financial statements.

C2 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires the use of judgements, estimates and assumptions in applying the Company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses.

Estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. Actual results may differ from these estimates. Any revisions to accounting estimates are applied prospectively. None of the estimates and judgements used in preparation of the Company financial statements are considered significant.

C3 INVESTMENTS IN SUBSIDIARIES

Accounting policy

Investments in subsidiaries are carried at cost less any impairment loss in the financial statements of the Company. At each reporting period, the Company assesses the carrying amounts of its investments to determine whether there is any indication of impairment. Where such an indication exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the investment is less than its carrying amount, the investment is written down to its recoverable amount. Any impairment loss is immediately recognised in the income statement.

In accordance with IFRS 2, ASOS.com Limited (a subsidiary of the Company) is required to recognise share-based payment arrangements involving equity instruments where ASOS.com Limited has remunerated those providing services to the entity in this way. ASOS Plc makes contributions to ASOS.com Limited equal to the charge for the share-based payment arrangement which is reflected as an increase in ASOS Plc's capital contribution to ASOS.com Limited. For the period from 4 September 2023 to 1 September 2024, ASOS.com Limited recognised a charge of £4.6m (2023: £6.4m) in respect of share-based payment arrangements. Accordingly, this is included within investment additions within the table below.

	2024 £m	2023 £m
At the beginning of the period	**65.9**	59.5
Additions	**4.6**	6.4
At the end of the period	**70.5**	65.9

An impairment test over the investment in subsidiaries was performed at the period-end, with no impairments identified. Where value-in-use calculations have been used to estimate the recoverable amounts of the investments, sensitivity analysis has been performed. The analysis indicates that there is sufficient headroom such that a reasonably possible change to key assumptions would not result in any impairment in any of the Company's investments in subsidiaries.

C4 AMOUNTS DUE FROM SUBSIDIARY UNDERTAKINGS

Accounting policy

Amounts due from subsidiary undertakings are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method less any provision for impairment.

	2024 £m	2023 £m
Current	**1.6**	1.4
Non-current	**845.6**	836.5
	847.2	837.9

Included within non-current receivables are interest-bearing amounts of £478.1m (2023: £493.8m). The remainder is non-interest bearing. All amounts are repayable on demand.

Receivable balances with Group companies are reviewed for potential impairment based on the ability of the counterparty to meet its obligations. No impairment losses were recognised in the financial period.

Notes to the Company Financial Statements continued

C5 AMOUNTS DUE TO SUBSIDIARY UNDERTAKINGS

Accounting policy
Amounts due to subsidiary undertakings are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method.

	2024 £m	2023 £m
Current	**1.6**	1.4
Non-current	**476.4**	467.3
	478.0	468.7

Non-current amounts due to subsidiary undertakings relate to a term loan with Cornwall (Jersey) Limited relating to the convertible bond due in 2026. The terms of the loan mirror those of the Convertible Bond which are described in Note 20 of the Group financial statements.

C6 CALLED UP SHARE CAPITAL AND SHARE PREMIUM

Accounting policy
Ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	2024 Number of ordinary shares	2023 Number of ordinary shares	2024 £m	2023 £m
Called up share capital				
Allotted, issued and fully paid ordinary shares of 3.5p	**119,334,341**	119,236,850	**4.2**	4.2
Share premium account				
Share premium			**322.6**	322.6

The movements in the called up share capital and share premium are as follows:

	Number of ordinary shares	Share capital £m	Share premium £m
As at 4 September 2023	**119,236,850**	**4.2**	**322.6**
Allotted in respect of share option schemes	**97,491**	**–**	**–**
As at 1 September 2024	**119,334,341**	**4.2**	**322.6**

	Number of ordinary shares	Share capital £m	Share premium £m
As at 1 September 2022	99,940,235	3.5	245.7
Allotted in respect of share option schemes	202,814	–	–
New shares issues	19,093,801	0.7	76.9
As at 3 September 2023	119,236,850	4.2	322.6

C7 RETAINED EARNINGS

	2024 £m	2023 £m
As at 4 September 2023 and 1 September 2022	**49.4**	43.1
Loss for the financial period and total comprehensive loss	**–**	(0.1)
Share-based payments contribution	**4.6**	6.4
As at 1 September 2024 and 3 September 2023	**54.0**	49.4

C8 CONTINGENT LIABILITIES AND GUARANTEES

Contingent liabilities
Refer to Note 29 of the Group financial statements.

Guarantees
Via the statutory audit exemptions as disclosed on page 178, ASOS Plc will guarantee all outstanding liabilities that the relevant subsidiaries are subject to as at the financial period ended 1 September 2024 in accordance with Section 479C of the Act, as amended by the Companies and Limited Liability Partnerships (Accounts and Audit Exemptions and Change of Accounting Framework) Regulations 2012. In addition, ASOS Plc will guarantee any contingent and prospective liabilities that these subsidiaries are subject to.

Related Undertakings of the ASOS Group

In accordance with Section 409 of the Companies Act 2006 and Schedule 4 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, a full list of related undertakings, registered office address and the percentage of share class owned as at 1 September 2024 are disclosed below. All shares held are ordinary shares unless otherwise stated.

Name of company	Country of incorporation	Proportion of ordinary shares held	Holding	Nature of business
ASOS Intermediate Holdings Limited	UK	100%	Direct	Holding company
Mornington & Co (No. 1) Limited	UK	100%	Direct	Vehicle for implementation of ALTIP
Mornington & Co (No. 2) Limited	UK	100%	Direct	Vehicle for implementation of ALTIP
ASOS.com Limited[1,2]	UK	100%	Indirect	Internet retailer
Crooked Tongues Limited	UK	95%	Indirect	Internet retailer
Covetique Limited	UK	100%	Indirect	Discontinued internet marketplace
ASOS Marketplace Limited	UK	100%	Indirect	Internet marketplace
ASOS Global Limited	UK	100%	Indirect	Holding company
Eight Paw Projects Limited	UK	100%	Indirect	Brand management company
ASOS US, Inc	US	100%	Indirect	Employer of marketing staff based in the US
ASOS Germany GmbH	Germany	100%	Indirect	Employer of supply chain staff based in Germany
ASOS France SAS	France	100%	Indirect	Non-trading company
ASOS Transaction Services France SAS	France	100%	Indirect	Payment processing company
ASOS Australia Pty Limited	Australia	100%	Indirect	Non-trading company
ASOS Canada Services Limited	Canada	100%	Indirect	Non-trading company
ASOS Transaction Services Limited	UK	100%	Indirect	Holding company
ASOS Transaction Services Australia Pty Limited	Australia	100%	Indirect	Payment processing company
ASOS US Sales, LLC	US	100%	Indirect	Payment processing company
ASOS Projects Limited[3]	UK	100%	Indirect	Holding company
ASOS Ventures Limited	UK	100%	Indirect	Non-trading company
ASOS (Shanghai) Commerce Co. Limited	China	100%	Indirect	Discontinued internet retailer
ASOS Payments UK Limited	UK	100%	Indirect	Payment processing company
ASOS Payments Europe B.V.	Netherlands	100%	Indirect	Payment processing company
ASOS Payments Holdings Limited	UK	100%	Indirect	Holding company
Cornwall (Jersey) Limited	Jersey	100%	Indirect	Vehicle for issue of convertible bond
ASOS Holdings Limited	UK	90%	Indirect	Brand management company

1 ASOS.com Limited has a 7.2% interest in Needle and Thread Design Holdings Limited.
2 ASOS.com Limited additionally has a branch registered in the Netherlands.
3 ASOS Projects Limited has a 2.9% interest in Action Artificial Intelligence Limited.

All UK incorporated entities share the same registered office as ASOS Plc and non-UK entities' registered offices are detailed below:

Entity	Registered office
ASOS US Inc	300 Creek View Road, Suite 209, Newark, DE 19711
ASOS Germany GmbH	An der Anhalter Bahn 6, 14979 Grossbeeren, Germany
ASOS France SAS	TMF France SAS, 3-5 Rue Saint Georges, 75009 Paris, France
ASOS Transaction Services France SAS	TMF France SAS, 3-5 Rue Saint Georges, 75009 Paris, France
ASOS Australia Pty Limited	Company Matters Pty Limited, Level 12, 680 George Street, Sydney NSW 2000, Australia
ASOS Canada Services Limited	777 Dunsmuir Street, Suite 1700, Vancouver, BC V7Y 1K4, Canada
ASOS Transaction Services Australia Pty Limited	c/o Company Matters Pty Limited, Tower 4, 727 Collins Street, Docklands, VIC 3008, Australia
ASOS US Sales LLC	300 Creek View Road, Suite 209, Newark, DE 19711
ASOS (Shanghai) Commerce Co. Limited	Unit 506A Level 5, No. 2911 Zhongshan North Road, Putuo District, Shanghai, China
ASOS Payments Europe B.V.	Suites 2.02 and 2.03, Prinsengracht 769, 1017 JZ Amsterdam, The Netherlands

Alternative Performance Measures (APMs)

The Group uses the below non-IFRS performance measures to allow shareholders to better understand underlying financial performance and position. These should not be seen as substitutes for IFRS measures of performance and may not allow a direct comparison to other companies.

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Like-for-like revenue growth	None	Like-for-like revenue growth reflects constant currency revenue, which includes retail sales and income from other services, adjusted for the impact of foreign exchange translation. The current period also adjusts for the impact of four less trading days in FY24.	This measure is presented as a means of eliminating the effects of exchange rate fluctuations on the period-on-period reported results.

	2024 £m	2023 £m	Growth %
Group revenue	**2,905.8**	3,549.5	(18%)
Adjusted for:			
Adjusted items	**(9.8)**	(11.5)	
LFL financial periods	**49.7**	–	
Impact of foreign exchange translation	**11.0**	–	
Like-for-like revenue growth	**2,956.7**	3,538.0	(16%)

	2023 £m	2022 £m	Growth %
Group revenue	3,549.5	3,936.5	(10%)
Adjusted for:			
Impact of foreign exchange translation, adjusted items, and LFL financial periods	(101.5)	–	
Excluding Russia	–	(76.8)	
Like-for-like revenue growth	3,448.0	3,859.7	(11%)

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Retail sales	Revenue	Internet sales recorded net of an appropriate deduction for actual and expected returns, relevant vouchers, discounts and sales taxes. Retail sales exclude income from delivery receipt payments, marketing services, commission on partner-fulfilled sales and revenue from wholesale sales.	A measure of the Group's trading performance focusing on the sale of products to end customers. Used by management to monitor overall performance across markets, and the basis of key internal KPIs such as ABV. A reconciliation of this measure is included in Note 4.

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Adjusted revenue	Revenue	Revenue excluding the impact of adjusting items.	A measure of the Group's revenue and gross profitability, excluding the impact of any adjusting items. Reconciliation is shown below:
Adjusted gross margin	None	Gross profit divided by revenue and excluding the impact of adjusting items.	

	2024 £m	2023 £m
Revenue	**2,905.8**	3,549.5
Adjusting items	**(9.8)**	(11.5)
Adjusted revenue	**2,896.0**	3,538.0
Gross profit	**1,162.5**	1,459.0
Adjusting items	**94.8**	104.4
Adjusted gross profit	**1,257.3**	1,563.4
Gross margin %	**40.0%**	41.1%
Adjusted gross margin %	**43.4%**	44.2%

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Adjusted EBIT	Operating (loss)/profit	Profit before tax, interest, and any adjusting items excluded from adjusted profit before tax (see below).	A measure of the Group's underlying profitability for the period, excluding the impact of any transactions outside of the ordinary course of business and not considered to be part of ASOS' usual cost base. Used by management to monitor the performance of the business each month.
Adjusted (loss)/profit before tax	(Loss)/profit before tax	Adjusted (loss)/profit before tax excludes items recognised in reported profit or loss before tax which, if included, could distort comparability between periods. In determining which items to exclude, the Group considers items which are significant either by virtue of their size and/or nature, or that are non-recurring.	

	2024 £m	2023 £m
Operating loss	**(331.9)**	(248.5)
Adjusting items excluding finance costs (Note 3)	**250.4**	219.5
Adjusted EBIT	**(81.5)**	(29.0)
Net finance costs (Note 8)	**(47.4)**	(48.2)
Add back adjusting finance costs (Note 3)	**2.9**	6.9
Adjusted loss before tax	**(126.0)**	(70.3)

Details of adjusting items are included within Note 3.

Alternative Performance Measures (APMs) continued

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Adjusted EBITDA	Operating (loss)/profit	Adjusted EBIT above, adjusted for depreciation, amortisation and impairments.	Adjusted EBITDA is used to review the Group's profit generation and the sustainability of ongoing capital reinvestments and finance costs.
Adjusted EBITDA margin		Adjusted EBITDA divided by adjusted revenue	
Net cash/ (debt)	No direct equivalent	Cash and cash equivalents less the carrying value of borrowings (including accrued interest) drawn down at period-end, but excluding outstanding lease liabilities.	A measure of the Group's liquidity. Information is included in Note 28. A reconciliation is included below:

	2024 £m	2023 £m
Adjusted EBIT (above)	**(81.5)**	(29.0)
Add back depreciation and amortisation (per cash flow)	**172.3**	172.5
Add back impairment (per cash flow)	**119.9**	32.1
Less depreciation and amortisation excluded from adjusted profit[1]	**(10.7)**	(19.6)
Less impairment excluded from adjusted profit	**(119.9)**	(31.5)
Adjusted EBITDA	**80.1**	124.5
Group revenue	**2,905.8**	3,549.5
Adjusting items	**(9.8)**	(11.5)
Adjusted Group revenue	**2,896.0**	3,538.0
Adjusted EBITDA margin	**2.8%**	3.5%

1 The prior year comparative comprises £18.3m within property initiatives, and £1.3m within the commercial operating model change.

	2024 £m	2023 £m
Cash and cash equivalents	**391.0**	353.3
Borrowings	**(688.1)**	(672.8)
Lease liabilities	**(289.6)**	(329.0)
Net borrowings	**(586.7)**	(648.5)
Add back lease liabilities	**289.6**	329.0
Group net debt	**(297.1)**	(319.5)

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Free cash flow	Operating cash flow	Free cash flow is net cash generated from operating activities, less payments to acquire intangible and tangible assets, payment of the principal portion of lease liabilities and net finance expenses.	A measure of the cash generated by the Group outside cash flows relating to M&A and financing transactions, which allows management to better assess the cash being generated by the business. A reconciliation to the Group cash flow is shown below:

	2024 £m	2023 £m
Cash generated from operations (per cash flow)	**228.0**	16.4
Purchase of tangible and intangible assets	**(133.5)**	(177.9)
Repayment of principal portion of lease liabilities	**(25.5)**	(22.4)
Net interest paid	**(31.3)**	(29.1)
Free cash flow	**37.7**	(213.0)

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Other working capital movements (per Financial Review)	No direct equivalent	Removes working capital and cash movements relating to adjusted items.	To provide a reconciliation of the working capital movement in the financial statements to the other working capital movement in the Financial Review.

	2024 £m	2023 £m
Decrease/(increase) in other working capital (per Financial Review)	**12.1**	(260.4)
Comprises:		
Working capital per cash flow (excluding inventory)	**7.1**	(275.4)
Working capital relating to adjusted items (see below)	**5.0**	15.0
	12.1	(260.4)
Working capital relating to adjusting items:		
Adjusted items (Note 3)	**(253.3)**	(226.4)
Add back adjusted impairment (Note 3)	**119.9**	31.5
Add back adjusted depreciation (Note 3)[1]	**10.7**	19.6
Add back commercial model change (Cost of sales) (Note 3)	**104.6**	130.0
Add back adjusted finance costs (Note 3)	**2.9**	6.9
Adjusted working capital before cash impacts	**(15.2)**	(38.4)
Cash impact of adjusted items	**20.2**	53.4
Working capital relating to adjusted items	**5.0**	15.0

1 The prior year comparative comprises £18.3m within property initiatives, and £1.3m within the commercial operating model change

Alternative Performance Measures (APMs) continued

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Cost to serve	No direct equivalent	Operating expenses (excluding depreciation and amortisation and excluding adjusting items) as a percentage of adjusted revenue.	Cost to serve reflects the underlying profitability of the business and demonstrates discipline on cost structure.

	2024 £m	2023 £m
Operating expenses	**1,496.4**	1,709.5
Less depreciation and amortisation	**(172.3)**	(172.5)
Less adjusting items	**(155.6)**	(115.1)
Add back adjusted depreciation and amortisation[1]	**10.7**	19.6
	1,179.2	1,441.5
Adjusted revenue	**2,896.0**	3,538.0
Costs to serve	**40.7%**	40.8%

1 The prior year comparative comprises £18.3m within property initiatives, and £1.3m within the commercial operating model change

Performance measure	Closest IFRS measure	Definition	How ASOS uses this measure
Adjusted diluted EPS	Diluted EPS	Diluted EPS measure used for ALTIS awards, assessed using adjusted (loss)/profit after tax, and with the Convertible Bond treated as dilutive.	A measure of the Group's diluted EPS and is used as the basis for assessing the outrun of the Group's ALTIS scheme targets. A reconciliation of the Group diluted EPS is shown below:

	2024	2023
Adjusted loss after tax (£m)	**(123.4)**	(52.9)
Add back P&L impact of convertible bond (net of tax) (£m)	**14.6**	10.4
Adjusted loss after tax for diluted EPS calculation (£m)	**(108.8)**	(42.5)
Shares (k)	**119,085**	104,729
Convertible bond shares (k)	**6,277**	6,277
Shares for diluted EPS calculation (k)	**125,362**	111,006
Adjusted diluted EPS	**(86.8)p**	**(38.3)p**

The Group has added costs to serve as an APM this year to show year-on-year movements in the Group's cost structure. In addition, a reconciliation of working capital movements per the Financial Review to the statutory cash flow is included to aid readers of the financial statements.

Adjusted free cash flow has been removed as an APM this year as it is no longer a performance measure for the Group's bonus.

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If you have only a small number of shares which are uneconomical to sell you may wish to donate them to charity free of charge through ShareGift (Registered Charity 10528686).

Find out more at www.sharegift.org.uk or by telephoning **020 7930 3737**.

Share fraud warning
Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in "boiler rooms" that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority (FCA) has found most share fraud victims are experienced investors who lose an average of £20,000, with around £200m lost in the UK each year.

Protect yourself
If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

- Get the name of the person and organisation contacting you.
- Check the Financial Services Register at http://www.fca.org.uk to ensure they are authorised.
- Use the details on the FCA Register to contact the firm.
- Call the FCA Consumer Helpline on **0800 111 6768** if there are no contact details on the Register or you are told they are out of date.
- Search our list of unauthorised firms and individuals to avoid doing business with.

Remember: if it sounds too good to be true, it probably is!

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

Report a scam

If you are approached about a share scam you should tell the FCA using the share fraud reporting form at http://www.fca.org.uk/scams, where you can find out about the latest investment scams. You can also call the Consumer Helpline on **0800 111 6768**.

If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

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