AURRIGO

Aurrigo International plc
Annual Report 2022

AURRIGO IS A LEADING INTERNATIONAL PROVIDER OF TRANSPORT TECHNOLOGY SOLUTIONS.

We design, engineer, manufacture and supply OEM products and autonomous vehicles to the automotive, aviation and transport industries. We are highly regarded as a specialist in autonomous and semi-autonomous technology solutions for the aviation, ground handling and cargo industries.

OUR MISSION:
To be international transport technology leaders, engineering a sustainable future.

OUR STRATEGY:
To maintain our market-leading position by capitalising on our early mover advantage in the autonomous vehicle market and by continuing to invest in the research and development of our products and software.

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KEY FINANCIAL HIGHLIGHTS

£5.3m
Total revenue

£1.8m
Gross profit

-£0.9m
Adjusted EBITDA**
**EBITDA before costs of admission to AIM and share based payments

OPERATIONAL HIGHLIGHTS

- Autonomous and Aviation division signed an agreement in October 2022 with Singapore's Changi Airport Group for the next phase of development of the Auto-Dolly®, trialling it on the ground at Changi Airport.
- Automotive division saw good activity levels across all customers, particularly amongst new potential customers.
- Continued investment in R&D, with the development of the Auto-Dolly® MK3 and Auto-DollyTug® MK3.
- Headcount increased at all levels, expanding the team from 50 at IPO to 70 at year end.
- Continued to build partnerships with international academic institutions including the University of Ottawa, University of Warwick, Aston University and University of Galgotias in India to further validate our technology and help develop the engineers of the future.
- Established full-time teams at both our Canadian and Singapore offices.
- Post year-end, in February 2023, won £0.7 million Innovate UK grant as part of the Sunderland Advanced Mobility Shuttle ("SAMS") project with Sunderland City Council.
- In February 2023, signed a formal, multi-year partnership agreement with Changi Airport Group for the continued joint development and testing of Auto-Dolly® and Auto-DollyTug® along with the company's simulation software platform Auto-Sim®.

CURRENT TRADING AND OUTLOOK

- The momentum of 2022 has continued into 2023, with industry partnerships and grant-funded projects signed in Autonomous and Aviation division and good customer traction across Automotive, whilst also maintaining strong cost controls.
- Our investment in sales and marketing, alongside the announcement of our partnership with Changi Airport Group, is resulting in encouraging levels of new enquiries and potential customer engagement across the globe.
- Rapid recovery of global aviation to almost pre-pandemic levels, with demand for better efficiencies and staff shortages, underpins Aurrgio's key growth drivers
- Aurrigo is in a strong position to continue to deliver the planned projects and opportunities presented at IPO, particularly in the aviation sector.
- 2023 will be a year of demonstrating and proving our autonomous aviation products on the ground which we believe will translate into long-term partnerships.

OUR STRATEGY

We have a three-pronged strategy which encompasses key areas of the business but concentrates most effort on the vast potential at hand in the Aviation Division. We will look to maximise the potential whilst securing supplies of key components.

AVIATION

A sector where the largest potential exists and where most investment and effort will be directed. The potential to secure large contracts with multiple airports is very realisable. Autonomous vehicle technology has continued to evolve rapidly across multiple industries where there are clear advantages to be gained from improved efficiency, accuracy, reliability and a reduction in labour costs. The aviation industry is no different and the importance of these potential benefits have been elevated following the impact of the pandemic on airport operations.

The Directors believe there are several factors that support uptake in the aviation industry including:

- process standardisation of ground handling operations for aircraft;
- a homogenous and controlled environment, with mostly flat surfaces
- a known number of airside vehicles

The Directors believe that baggage and cargo handling is ideally suited to the deployment of autonomous vehicles as processes are largely standardised, time sensitive and repetitive, with predefined routes and operating times that are co-ordinated to flight schedules.

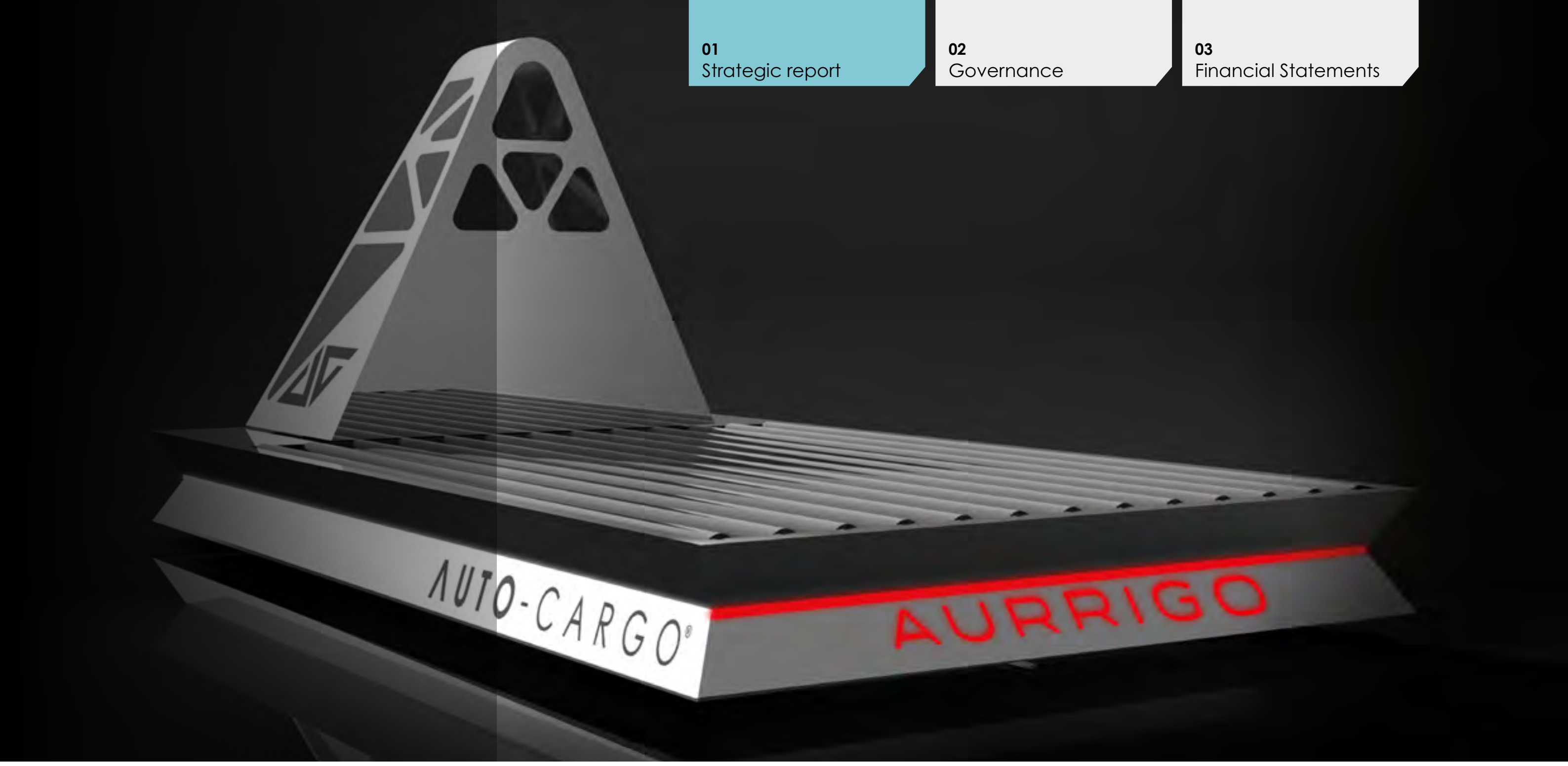
To assess market opportunity, the company has undertaken extensive research on the airport industry and has developed a flexible modelling tool, in part utilising data published by IATA, for the largest 500 international airports. These range from some of the largest such as Amsterdam Schiphol, Dubai International, Hartsfield-Jackson Atlanta and Shanghai Pudong International, across to provincial airports in South America, Africa and the Asia-Pacific region.

This analysis comprises passenger numbers, along with estimates of baggage, tugs and dollies operating at each airport, refined by utilising data gathered from the Company's trials at both London Heathrow and Changi Airport.

In terms of the Company's autonomous vehicles, the current focus is on the development and deployment of the Auto-Dolly® and the Auto-DollyTug®. Over the medium term, the Directors anticipate that there will be increasing demand for the Company's wider fleet of autonomous vehicles, particularly within the aviation sector. Preliminary discussions with potential customers for both the Auto-Shuttle® and Auto-Patro®l have been very encouraging and the Company intends to build on this following Admission.

The Company has developed a broad sales and marketing strategy, particularly in relation to Auto-Sim®, which will encompass PR, digital marketing, seminars and conferences. The Company will also attend international trade shows and is exploring the opportunity to share exhibition space with key customers at high profile shows. Amongst the trade shows are the following:

- ITS World Congress
- World Cargo Symposium
- World Aviation Forum
- Smarty City World Congress
- Passenger Terminal Expo
- IATA Ground Handling Conference
- Future Technology Expo



The Aviation division will continue to develop baggage and cargo autonomous vehicles and the command and control software to reach a minimal viable product for live operations within an airport environment. Sales of prototype and development vehicles leading to production rollout for live flights is expected to be the main revenue in the first two years post IPO. The division will market the Company's capability to demonstrate and deploy autonomous aviation vehicles and secure programs with international clients.

AUTONOMOUS

The Autonomous division will continue to take advantage of opportunities for paid domestic and international demonstrations together with small-scale sales as and when they arise. The Directors do not expect that sales of autonomous passenger vehicles will lead to significant revenue in the short to medium term, however the division will continue to seek opportunities in the UK and internationally to apply for grant funded projects to support the continued development of its core technology. The company will additionally look to gain sales for autonomous passenger vehicles from Aviation customers who are trialling autonomous baggage/cargo solutions as they will be confident with the technology and likely to be amongst the first adopters.

AUTOMOTIVE

The Company intends to build on its reputation, products, quality and skill set developed in the automotive division over the previous 30 years. Environmental issues and local content requirements mean customers are looking closer to home for suppliers. The IPO has allowed some additional resource to be allocated to commercial and business development to maximise current customer potential and acquire new customers in the sector. The Company's change of name to Aurrigo International plc has initiated a refresh of the brand to the automotive sector and will enable the Company to position its latest electric vehicle (EV), advanced electronics and software capabilities more prominently. Although the Company will focus its future efforts primarily on the Autonomous and Aviation divisions post admission, the Automotive division has the ability to grow and provide a solid revenue base for the Company.

The Automotive division will target organic growth through maximising existing relationships and acquiring new customers. The division will continue to focus predominantly on leading technology in wiring systems and electronic control modules. The division will continue to offer advanced design and manufacturing capabilities to customers.

OUR BUSINESS MODEL

The Company has three divisions, Automotive Technology, Autonomous Technology and Aviation Technology.

For the purposes of financial reporting the company combine Autonomous Technology and Aviation Technology into one operating segment.

AUTOMOTIVE TECHNOLOGY

The Automotive Technology division, which was established in 1993, develops and supplies a range of innovative design engineering support, product solutions, manufactured products and services to premium vehicle OEMs and global Tier 1 manufacturers. Products are designed, developed and manufactured in-house, and the Company operates within complex international supply chains and scheduled deliveries.

The Automotive Technology division develops a range of components, products and systems including electronic control units, wiring harness systems, interior and exterior parts, high level customer delight features and safety critical systems. The division works to IATF 16949 and ISO 14001. The division has the capability of supporting customers with a complete vehicle engineering service.

The division benefits from long-standing relationships with customers, including the likes of Jaguar Land Rover, Aston Martin, Morgan, Bentley, McLaren and others. Similarly, products are embedded into multi-year supply and manufacturing contracts together with long lead time schedules, providing strong revenue visibility.

Alongside its own designed products, the division also provides a total logistics service which procures and packages products on behalf of Aston Martin.

AUTONOMOUS TECHNOLOGY

The Autonomous Technology division was established in 2016 to develop autonomous capabilities, supported by the Company's strong and extensive experience in the Automotive Technology division for vehicle engineering. The division develops and manufactures autonomous vehicles and supporting systems from the "ground up".

The products which have been developed to date are as follows:

(A) AUTO-POD®

Auto-Pod® was the first autonomous vehicle developed by the Company and is a four-seat product designed for non-road going passenger transportation, for example to and from airports, city centres, sporting venues, university campuses and age care communities. It is capable of operating on a fully autonomous basis, albeit current UK and most international safety standards require a safety supervisor to be on-board whilst it is in an autonomous mode of operation.

(B) AUTO-SHUTTLE®

The development of the Auto-Shuttle® began in 2018 and is a ten-seat passenger vehicle with the ability to operate fully autonomously or be driven manually as a conventional EV shuttle. It is the first road-legal vehicle to be manufactured by the Company. This vehicle will receive a facelift in 2023 to produce a fully homologated vehicle suitable for repeated sales in multiple territories. The shuttles are currently utilised in a £0.7M grant program run by Sunderland Council.

(C) AUTO-DELIVER®

Auto-Deliver® has been designed and developed as a one-off prototype, first and last mile, home shopping/ logistics vehicle. The Auto-Deliver® could possibly be used in non-road environments, such as university campuses and age care communities. It can carry the same payload of forty standard containers and four chilled containers that are currently used by the fleets of home delivery vehicles operated by the leading UK supermarket chains.

Whilst the Auto-Pod®, Auto-Shuttle® and Auto-Deliver® concepts are clearly exciting market opportunities, the Company intends to focus on what the Directors consider to be the more immediate, and much larger, market opportunity which the aviation sector presents.

(D) AUTO-CONNECT®

Auto-Connect® is a purpose built, cyber resilient, vehicle manager platform which has been developed by the Company and is designed to monitor, supervise and ultimately capture revenues from the movements of all types of the Company's autonomous vehicles.

The Auto-Connect® platform is sub-divided into two access gateways.

Firstly, there is a smart phone app by which users of the passenger vehicles can view, book and pay for their trips, and airport staff would use this to see Auto-Dolly® movements and job requests as well as operational data.

Secondly, there is a web portal which is not available to the public, where operators are able to perform the fleet management tasks for the vehicles, i.e. controlling the job requests and interfacing to other systems such as airport ticketing and bag tracking.

The Auto-Connect® platform is required for all customers who want to run the Company's autonomous vehicles and therefore becomes an integral part of any other larger system that may already exist in those customers' operations.

(E) AUTO-STACK®

Auto-Stack® is the Company's Autonomous Driving Software (ADS) and has been developed solely in-house. Auto-Stack® is a set of software modules which control the core vehicle driving functions such as steering, braking, drive power, multiple sensor integration, safety, location mapping, localisation to the map and then route and navigation guidance. The platform manages all off-board data to and from the vehicle.

Auto-Stack® is a significant and valuable piece of the Company's intellectual property portfolio.

AUTO-POD®

AUTO-SHUTTLE®

AUTO-DELIVER®

AVIATION TECHNOLOGY

The Aviation Technology division was established in 2019 to exploit the potential opportunity for the introduction of automated airport vehicles and the supporting services both in consulting and operations. The Company initially developed a proof of concept baggage movement vehicle, which was trialed at Heathrow Terminal 5 in 2019 and subsequently won the 'Innovator Award' from Heathrow's Clean Vehicles Partnership Awards that year.

From this initial work, the Company quickly realised that it needed a simulation tool to model scenarios and help visualise operations as a first step in the process for a customer to understand the automated vehicle implementation journey. In addition to a simulation solution, it was clear that several other vehicle solutions were needed to cover the various operations of an airport.

The Aviation Technology division has since developed and is currently trialing a number of products as follows:

(A) AUTO-SIM®

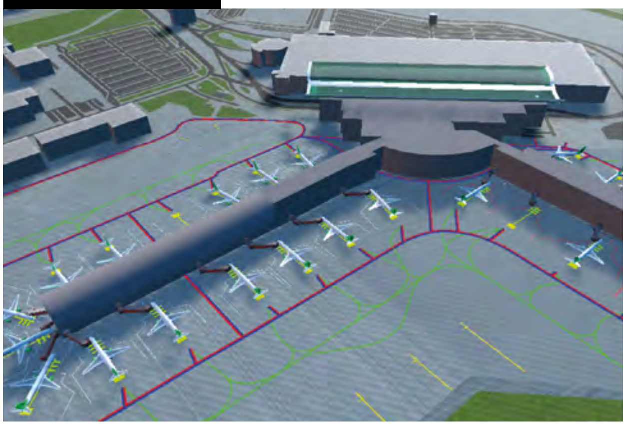
Auto-Sim® is a proprietary, sophisticated cloud-based tool which, amongst other uses, can be used by airports, airlines and ground handling companies to model the business case for the deployment of the Company's vehicles, including the Auto-Dolly®, Auto-DollyTug®, Auto-Cargo® and Auto-Patrol®. It can also be used for the simulation of all other currently manually driven airside vehicles and operations. The Auto-Sim® is driven by the airport's proposed flight schedules and then optimises all vehicle movements required to perform flight servicing, both prior to and after the arrival of passenger and cargo aircraft.

Auto-Sim® is a design, development and modelling tool that can be used to create a 3D digital twin of an airport, to visualise existing operations and plan for the future using the Company's aviation autonomous solutions. It can also be used by airport planners on a day-to-day basis to model changes or cope with disruptions to existing operations, such as flight delays, damaged equipment, road closures or other airside issues.

(B) AUTO-DOLLY®

Auto-Dolly® is an innovative baggage transportation solution for airports, utilising LIDAR and multiple sensor technology. Auto-Dolly® has been specifically designed to reduce baggage and cargo loading and unloading times, improve movement efficiencies, improve health and safety, significantly reduce the manpower required for operation and the operational costs.

AUTO-SIM®



AUTO-DOLLY®

The rechargeable, battery powered Auto-Dolly®, is designed to replace the fleets of diesel and electric tug vehicles, all of which are manned and deployed in considerable numbers at commercial airports globally.

Auto-Dolly®, which can carry a single ULD (unit load device), can either be operated individually or used in a platoon fleet. The operation of an autonomous fleet is expected to allow airport operators to improve operational efficiencies, environmental and health and safety performance.

(C) AUTO-DOLLYTUG®

Auto-DollyTug® is an exciting concept being developed by the Company. The vehicle is designed to carry a standard unit load device (ULD) just like the Auto-Dolly® but with the added benefit of being able to tow an additional three conventional dollies, each with a ULD. It also shares platform technology with the Auto-Dolly®.

This vehicle has the capacity therefore to carry one ULD and tow three ULDs. Further, the vehicle can be operated autonomously or driven in manual mode by a driver. The vehicle can even be manufactured as a manually driven vehicle only. This is an improvement over today's manually driven tugs which are mostly diesel and can tow but cannot carry a load themselves. The current tugs take up space in baggage halls where an Auto-DollyTug® could do the same job but with the advantage of carrying a ULD. This would lead to significant improvement in the utilisation of the baggage hall space and operation for moving ULDs.

The Directors believe that the considerable operational flexibility of the vehicle will enable early sales of purely manual versions to airports. Auto-DollyTug® would allow larger airports to implement automated vehicles whilst utilising their current manually towed dolly assets until their end of life, at which point they could be replaced with Auto-Dollies.

The first prototype Auto-DollyTug® has been manufactured and shipped to Changi Airport where it has, as of the 1 August 2022, gained CAAS accreditation to operate in trials airside.

(D) AUTO-PATROL®

Auto-Patrol® is a prototype product that has been designed to enable autonomous unmanned remote, security and surveillance. As the vehicle does not require a driver or an operator to be physically on-board, not only will it decrease overall operational costs but through the use of automated technology, improve the accuracy of security risk detections.

The Auto-Patro®l core structure and platform is similar to that of an Auto-Pod®, however it has been bolstered with security focused technology, including ultra-high quality cameras, beacons and an integrated tethered drone.

The Auto-Patrol® is still early in its lifecycle and will undergo further research and development prior to commercial sale.

The Directors anticipate that potential customers will initially come from airports looking to improve their perimeter security fence inspection releasing highly trained staff to focus on other roles within the airport which are currently in short supply.

AUTO-DOLLYTUG®

AUTO-PATROL®

CHAIR'S STATEMENT

ANDREW CORNISH
Non-Executive Chair

DEAR SHAREHOLDERS,

I am delighted and privileged to present Aurrigo International plc's maiden full year results as a public company following our successful listing on AIM in September 2022. It is also my first as Chair, since joining Aurrigo as an advisor in 2021.

Our IPO has already begun to deliver a number of strategic benefits to the Company, supporting our investment in product development and expanding our team to pursue new market opportunities. We begin life as a public company in a position of financial strength - delivering revenues in line with expectations of £5.3m, with a robust balance sheet and a solid cash position. As a listed company, we operate with a high level of integrity, transparency and strong governance that we know our investors, customers, partners and colleagues value.

KEY ACHIEVEMENTS

The biggest achievement of the year was our successful listing and fundraise in what were very challenging market conditions - a real testament to the great technology, sound business and talented team we have at Aurrigo, combined with a passion to succeed from the senior leadership team. It gives us a solid platform for growth and the whole team are proud to now be delivering on what we set out at IPO.

With the funding in place, Aurrigo is in a great position to deliver on our planned projects and opportunities, particularly in the aviation space, introducing autonomous solutions which can improve efficiencies, staffing shortages and sustainability for airport operations globally.

Building on this, in October 2022, we announced an agreement with Changi Airport Group (Singapore) Pte Ltd (CAG), for the next phase of development of the Auto-Dolly®, and post period end, in February 2023, we signed a formal partnership with CAG for the joint development and testing of our autonomous vehicles and our airport simulation software. This is a great platform from which to engage not only CAG, but other airports and airlines and we look forward to further opportunities arising from this.

FINANCIAL

Following our fundraise, Aurrigo is well capitalised for its current needs, with a cash balance of £5.4m at period end and delivering £5.3m of revenues, with an Adjusted EBITDA loss of £0.9m. We continue to efficiently manage costs whilst also exploring non-dilutive funding for some projects, particularly grant funding.

OUR PEOPLE

2022 was a year for ensuring solid foundations for future growth at Aurrigo, with our culture, values purpose and people a key focus.

Since IPO, Aurrigo has been able to grow its dedicated and experienced team, expanding its personnel from 50 at IPO to 70 as at 31st December 2022 with the aim and need of reaching around 100 staff by the end of 2023. We have particularly expanded our sales, marketing and engineering capabilities, together with senior positions, including hiring an experienced HR Director.

The journey ahead will be to continue to embed our values into business as usual.

LEADERSHIP

Our established senior leadership team have extensive experience across automotive engineering and manufacturing, as well as the robotic and autonomous industries. Alongside their technical capability is a proven ability to grow the Company, successfully developing new products and entering new geographies.

Since IPO, we have established a new Board of Directors, which involves experienced industry executives Penelope Coates, Joseph Elliott, Lewis Girdwood and myself as non-executive Directors, alongside the executive team. We aim to further enhance the profile and credibility of the Company's business and services, given our respective extensive experience across the aviation and automotive sectors.

CORPORATE GOVERNANCE

The Board is fully committed to its obligation individually and collectively to act in good faith to seek to promote the success of the company for the benefit of its shareholders as a whole and the interests of other stakeholders. Further details of our approach are set out in pages 24 to 35.

OUTLOOK

Aurrigo begins 2023 with excellent momentum and a clear strategy for growth, building on the revenue growth and key partnerships it is seeing following IPO.

We remain on-track to deliver the key phases of growth outlined at IPO. Our initial development agreement with CAG has progressed well, with the vehicles developed and delivered and now testing on the ground, on-schedule. The formal post-period end partnership with CAG now takes us to the next stage, progressing from prototype testing and also showcasing our capabilities to other airport groups and airlines.

The rapid recovery of the aviation sector to almost pre-pandemic levels during 2022 continues to reinforce industry demand for efficiencies, decarbonisation and solutions to staff shortages. This continues to underpin Aurrigo's growth drivers in aviation and our pipeline of opportunities. The Board therefore believes that we are well positioned to deliver on future growth ambitions.

Lastly, I would like to thank our staff for their dedication and support as we took the step of listing the business on AIM. Thank you to our founders, David and Graham Keene for having the vision on which the business was built and now celebrates 30 years of success. Thanks also to our investors and customers who share in that vision.

Andrew Cornish
Non-Executive Chair

16th May 2023

CEO REPORT

DAVID KEENE
Chief Executive Officer

A milestone year in Aurrigo's growth journey

2022 was a transformational year for Aurrigo. With our successful IPO on AIM in September 2022, we were able to raise the funds needed to invest in our innovative technology, develop our market position and grow our dedicated team. We delivered a strong operational and financial performance for the year, in line with market expectations and are proud to be achieving what we set out at the time of the IPO; increasing our headcount, building our Company profile and realising the growth potential of the autonomous aviation division.

OVERVIEW

Aurrigo has a strong heritage of automotive expertise, alongside valuable design capabilities. It has supplied leading vehicle manufacturers and Tier 1 suppliers for 30 years, including Aston Martin, Bentley, Jaguar, Land Rover, McLaren and Rolls Royce. Our consistent delivery of high-quality products has built long-term customer relationships.

We have created award winning, industry leading autonomous vehicles by investing in our proprietary products and software. Aurrigo has developed and owns all IP relating to our autonomous vehicle technology and we continue to invest in the research and development of products and software to maintain a market leading position.

Aviation is a key growth area for Aurrigo's autonomous vehicle technology, with long term structural drivers. The global airline industry is seeking to improve its processes, tackle workforce shortages and reduce the environmental impact of operations, and these trends will increase demand for smart and sustainable solutions, offering significant future growth opportunities. This, coupled with our proprietary airport planning software tool and autonomous vehicle fleet management system, gives Aurrigo a significant competitive advantage.

CUSTOMERS AND PARTNERS

As well as supplying leading vehicle manufacturers and Tier 1 suppliers, we have developed autonomous vehicles for the aviation industry and engaged with British Airways, Changi Airport Group, Gerald R. Ford International Airport (USA) and International Airlines Group. In addition, Aurrigo has partnerships with academic institutions including the University of Warwick, University of Coventry, Aston University, University of Galgotias and the University of Ottawa to further develop and validate its technology.

In October 2022, we signed an agreement with Changi Airport Group for the next phase of development of the Auto-Dolly®, our innovative baggage transportation solution for airports. This involved trialling the Auto-Dolly® on the ground at Changi Airport.

Post period-end, in February 2023, we signed a formal partnership with Changi Airport Group for the continued joint development and testing of our autonomous vehicles, Auto-Dolly® and Auto-DollyTug® and our airport simulation software platform, Auto-Sim®. The multi-year partnership agreement with Changi Airport Group provides an opportunity for further development of our autonomous solutions at the airport and, in addition, the ability to showcase the technology to other visiting global airport groups and stakeholders.

INDUSTRY POSITION

Our Automotive division continues to maintain its leadership position in supplying key components and design to the automotive industry.

Our Autonomous and Aviation division is rapidly building its own leading position, particularly within the use of autonomous and electric vehicles within the aviation industry. This has involved participating in and speaking at key industry conferences and roundtables, engaging with sector stakeholders and policymakers as well as potential customers.

With global air traffic recovering towards pre-pandemic levels during 2022, and a full recovery expected during 2023 (IATA estimates), the drivers for our aviation offering continue to be fundamentally strong. There is a continuous industry focus on efficiencies, solutions for staff shortages and reducing the environmental impact of aviation through the use of electric vehicles.

INNOVATION

Our strong focus on innovation and R&D continues, with the next generation of Auto-Dolly® and Auto-DollyTug® nearing completion. These vehicles are being developed as a modular system with a particular focus on the requirement to deliver commercial scale products in the short to medium term. Significant improvements have also been made with enhanced battery capacity and faster charging times.

Post period-end, the Company signed an Industry Innovation Collaboration Agreement with the University of Ottawa in Canada and also agreed to work closely with the University of Galgotias in India. We continue to develop opportunities with academia and industry partners for the development and demonstration of our autonomous technology solutions building on our national and international relationships within the aviation and autonomous sectors.

In February 2023, the Company won a £0.7 million Innovate UK grant as part of the Sunderland Advanced Mobility Shuttle ("SAMS") project with Sunderland City Council. The Company has won this funding to provide three Self-Driving zero-emission Auto-Shuttles®, which will transport passengers in central Sunderland. The project will research, build, trial and evaluate the deployment of a highly automated, remotely supervised, zero-emission passenger mobility service within the city. Development work has now commenced, with the aim of demonstrating a sustainable commercial service during 2024.

SUMMARY

The exciting progress seen during 2022 has continued into 2023, with industry partnerships and grant-funded projects signed in the Autonomous and Aviation division and good customer traction across Automotive, whilst also maintaining strong cost controls.

Our investment in sales and marketing, and the growth of our aviation industry profile, alongside our partnership with Changi Airport Group, is resulting in encouraging levels of new enquiries and potential customer engagement across the globe.

Our Company is in a strong position to continue to deliver the planned projects and opportunities presented at IPO, particularly in the aviation space. 2023 will be a year of demonstrating and proving our aviation products on the ground which will translate into long term partnerships and ultimately, product sales.

Keene

David Keene
Chief Executive Officer

16th May 2023

FINANCIAL REVIEW

IAN GRUBB
Chief Financial Officer

The year ended 31 December 2022 was transformational for the Company, successfully achieving our IPO on AIM during the third quarter, in what proved to be very difficult market conditions. In addition, the establishment of our Singapore operation co-located alongside CAG, our lead aviation partner and the recruitment of a dedicated team there has helped to cement that relationship.

CURRENT YEAR REVIEW

The Autonomous and Aviation division continues to develop and showcase its autonomous technology and product offerings and consult with potential customers. Revenue in this division has increased by 41.5% following demonstration deployments of the Auto-Pod® and Auto-Shuttle® across three sites in the UK. The related R&D capitalised costs and deferred revenue of these projects have been charged/released to the P&L account in the year.

The Automotive division was not directly affected by any supply chain issues. However, difficulties in within the automotive sector resulted in out of the norm shutdowns by some vehicle OEMs where they were not able to build vehicles and therefore volumes were down. As we supply mainly premium and special vehicle segments within the industry, we were partially protected from this, but revenues were down by 2.3% compared to 2021. Automotive revenues are expected to recover through 2023.

Gross profit margin for the year was fairly flat at 34.3% compared to 34.6% in 2021 resulting from increased inflationary pressures and product sales mix.

Overheads have significantly increased through the year, driven by the AIM listing. One-off costs related to this process charged to the P&L account amounted to £1,010k and the additional costs related to operating a public company have accrued through the final quarter of the year.

Adjusted EBITDA was a loss of £939K after other operating income of £278K, of which £107K relates to R&D tax credits. This compares to an adjusted EBITDA profit of £354k where increased costs due to being a listed business were not incurred.

We have continued to take advantage of grant funding in order to develop and demonstrate our autonomous products, with £842k of cash receipts added to deferred revenue in the year.

STATEMENT OF FINANCIAL POSITION

With the IPO having raised gross proceeds of £8.0 million in total, at 31 December 2022, the Company's cash balance was £5.4m, an increase of 317% at end 2021. We are now well funded to continue to take advantage of the opportunities that we are currently seeing.

Post IPO, proceeds have been invested in innovation and R&D and increasing our headcount - particularly building our engineering and sales and marketing capabilities and establishing full time operations in both Singapore and Ottawa. Inventory has also increased through the introduction of new product lines due to become core automotive sales from 2023 onwards. Development costs have continued to be capitalised, adding £1m to fixed assets net of amortisation. CBILS loans continue to be paid in accordance with the contracted schedule of payment and stand at £85k and are due to be fully paid in 2025.

OUTLOOK

Increased automotive interest and continued progress with our lead aviation partner for our autonomous baggage handling vehicles positions Aurrigo well to build on its current year results.

2023 has started strongly compared to 2022 and we expect R&D development to continue at pace, with further grant application wins expected to help support continued positive cash balances.

Ian Grubb
Chief Financial Officer

16th May 2023

KEY PERFORMANCE INDICATORS (KPIS)

The Group monitors performance against key financial objectives that the Directors judge to be effective in measuring the delivery of strategic aims and managing and controlling the business. These focus at Group level on revenue, gross profit margin and underlying EBITDA.

On an operational basis, KPIs also include working capital control, and customer related performance measures such as quotation win rates and DMN cost and recovery.

These key performance indicators are measured and reviewed against budget projections and prior year on a regular basis and this enables the business to set and communicate its performance targets and monitor its performance against these targets.

Gross Profit margin

Adjusted EBITDA %

OUR PEOPLE

Aurrigo appointed its first HR Director, Hilary Evans, with effect from 3rd January 2023.

HILARY EVANS
HR Director

GENDER DIVERSITY

female representation continues to increase in the business across all disciplines and as of 1 April 2023 it was 28%.

MALE 56

FEMALE 22

Amongst the above figures those within Board or Management level roles are :-

Executive/Management Board

MALE 13

FEMALE 3

DIVERSITY & INCLUSION

During February 2023, Aurrigo implemented the Gender De-Coder for use when preparing job descriptions and profiles.

Aurrigo has also committed to providing gender stats to the UK SMMT (Society of Motor Manufacturers and Traders) on an annual basis.

On 29 November 2022, Aurrigo was also proud to be a founding signatory of the UK automotive sector's first Diversity & Inclusion Charter, along with the Automotive Council UK and SMMT, committing to creating a diverse, equitable and inclusive workforce that is reflective of wider society.

Signatories pledge to: Create a respectful and inclusive company culture for all colleagues

- Embed DE&I policies into company values and ensure they are reflected in all communications
- Improve recruitment practices and targeting to remove bias, encourage diversity of applicants and increase the diversity of talent pipelines at every level
- Create a flexible working environment for all, with a focus on delivery
- Support career opportunities and progression for every employee, through training, talent management, mentoring and sponsorship programmes
- Appoint a board-level DE&I champion to lead change from the top and implement line manager training
- Engage and collaborate with our suppliers and the wider automotive sector to champion diversity, equity and inclusion and share best practice
- Collect DE&I data, and report and publish our progress annually to the Automotive Council

automotive council UK

SMMT DRIVING THE MOTOR INDUSTRY

SOME OF OUR STUDENTS AND APPRENTICES

LEARNING AND DEVELOPMENT

James Heaton
James joined Aurrigo as a sponsored student where he undertook a project with the Aston University KTP Program focused on developing and implementing a machine vision solution for autonomous vehicles in the Low-Speed Autonomous Transport Systems sector. This enables safe interaction in mixed environments to achieve full autonomous (Level 5) vehicle capability. Subsequently, in January 23 the system was awarded the highest award of 'outstanding' technology by Innovate UK. James is now a full-time Machine Learning Engineer at Aurrigo.

Aston University BIRMINGHAM UK
UNIVERSITY OF THE YEAR 2020 The Guardian
TEF Gold

Dan Chatters
Dan has been accepted on a Level 7 Apprenticeship Scheme with Aston University in Professional Engineering (MSc) which he will commence in April 2023 and this will run alongside his full time role as Technical Lead – Business Development.

Alberto Rodriquez Cuevas
Alberto has started a secondment assignment at Aurrigo from Aston University. He is currently studying for his PhD at Aston and whilst with us for 6 months will be undertaking a project assignment on lidar scanning. Alberto comes to Aurrigo from the College of Engineering and Physical Sciences and has been tasked to research the effect of rain and spray on laser scanners when running.

INITIATIVES

A long service award scheme has been rolled out for all employees with effect from 1st January 2023 rewarding 1, 10, 15, 20, 25 and 30 years of service.

A Company Performance Incentive Plan has been launched from 1 January 2023 to 31st December 2023 where all employees, will be rewarded upon the success of the organisation. As part of the scheme, the first payment is expected to be in made in February 2024.

Hilary Evans
HR Director

16th May 2023

"We in the UK automotive industry believe that people are the key to our success. The scale and pace of our innovation requires a rich diversity of skills, perspectives and experience, and our future prosperity hinges on our ability to attract the best and brightest talent from across all backgrounds, ages, races, religions, genders, sexual orientations and abilities to create a workforce that represents our customers and communities. We are committed to creating a diverse, equitable and inclusive workplace where everyone is welcomed, respected and enabled to play their part in helping us drive the future of mobility in the UK and globally."

OUR VALUES

Our core values, that distinguish Aurrigo as a dynamic organisation, are as follows:

1	A can-do attitude
2	A positive work ethic
3	Approachable management and staff
4	Experience to help find solutions to problems for our customers
5	Being thought leaders in our field

We have developed these values into the graphic below which is used when recruiting and on-boarding new employees, performing appraisals and engaging with customers. This graphic is used widely around the organisation reinforcing to all staff, the core values we expect and aim to achieve.

OUR CORE VALUES

Every employee can contribute towards out Core Values, living, working and leading as an example in all that we do. Let's make sure we embed our Core Values.

RISKS REPORT

PRINCIPAL RISKS AND UNCERTAINTIES

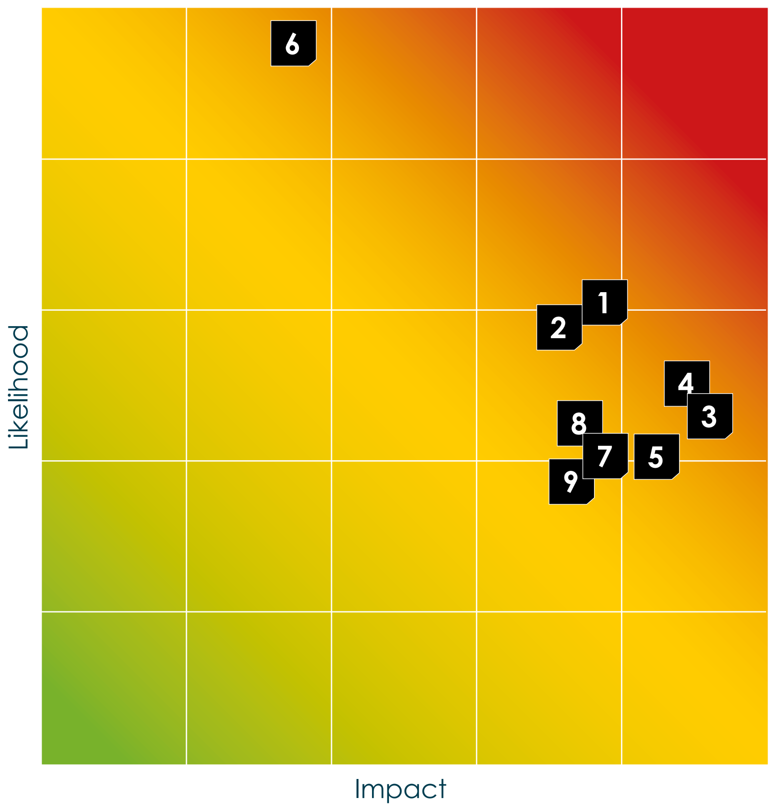
In order to gain an understanding of the risk exposure of the Company, we review each area of our business annually and use a methodology that will assist the Company in measuring, evaluating, documenting and monitoring its risks within all areas of its operations.

We use our risk management process as described to identify, monitor, evaluate and escalate risks as they emerge, enabling management to take appropriate action wherever possible in order to control them and also enabling the Board to keep risk management under review.

The risk factors addressed below are those which we believe to be the most material to our business model, which could adversely affect the operations, revenue, profit, cashflow or assets of the Company and which may prevent us from achieving the Company's strategic objectives. Additional risks and uncertainties currently unknown to us, or which we currently believe are immaterial, may also have an adverse effect on the Company.

The following table summarises the principal risks and uncertainties of the Company:

1	**Systems Risk**
2	**Competition Risk**
3	**Manufacturing at Scale Risk**
4	**Concentration Risk**
5	**Cyber Attack Risk**
6	**Inflation Risk**
7	**Loss of Key Personnel**
8	**Supply Chain restrictions Risk**
9	**Market Acceptance Risk**



#	Details	Mitigation
1	**Systems Risk**	**Exposure: Medium**
	The Company and main trading company accounts are maintained on legacy systems which it is rapidly outgrowing. This could result in a lack of pertinent Financial and Non-Financial information as the Company expands its operations domestically and globally.	In line with its Financial Position and Prospects Procedures (FPPP) created as part of the initial listing, the Board have resolved to review current systems with a view to implementing a new robust ERP system across all companies within the company. This is expected to be in place prior to significant growth planned in the Aviation sector over coming years.
2	**Competition Risk**	**Exposure: Medium**
	The Company operate and multiple operational segments. Competition already exists in the Automotive sector and has done throughout the Company's existence. As the Autonomous sector grows, particularly in the sphere of Aviation, there is the risk that new competitors enter the market reducing or removing the Company's first mover advantage.	The Board and senior management team regularly monitor competition through industry publications and research notes issued in the relevant sectors. There are significant barriers to entry into the Aviation industry, particularly in the realms of automation despite the growing need and demand for reduced carbon emissions and current manpower issues. The Board believes that the Company is well placed to maximize the potential from its first mover position.
3	**Manufacturing at Scale Risk**	**Exposure: Medium**
	As its Autonomous products become commercially viable the Company will be required to manufacture at scale. There is the risk that a lack of resource and know how for manufacturing Autonomous Vehicles at scale will adversely affect its ability to achieve its long term goals.	Product is not yet commercially available and is still in trial and demonstration with its lead customer. Current facilities, resource and management skill is expected to facilitate the near term levels of production required to achieve the company's near term forecasts. The Board regularly reviews and questions timescales and options for large scale production that are expected to be required in coming years.
4	**Concentration Risk**	**Exposure: Medium**
	The Company is currently exposed to a high concentration of sales across its top few customers currently in the Automotive industry. The loss of one of these major customers would significantly impair the Company's ability to achieve its short term revenue and profit forecasts. High concentration also carried the risk that customers can place undue influence on pricing and resources.	The Board is mindful of the Automotive concentration exposure. Senior management regularly reviews its strategy to reduce concentration through the addition of new customers and increasing revenue streams from lower concentration customers. Since Automotive sales are for Special Vehicle variants of OEM manufacture and not mass produced models the Board believes that there is a reduced risk of losing a contract to a competitor. The financial standing of key customer is monitored regularly. As the Autonomous sector matures, concentration will naturally reduce with these key customers.

	Details	Mitigation
5	**Cyber Attack Risk**	**Exposure: Medium**
	Cyber-attacks such as ransomware are an increasing threat to all businesses, particularly with the advent of the Ukrainian invasion by Russia and the Company's recent listing which brings with it public visibility. This can cause the temporary or permanent loss of data and IP and/or expose the business to extortion.	The Board believes that the Company has a robust infrastructure and Cyber resilience policy in place with secure connection to multiple fire walled local servers. Cyber security is recognized as a continually developing risk and the Board is cognizant of implementing best practices.
6	**Inflation Risk**	**Exposure: Medium**
	Given recent levels of inflation, increases to the cost of components and overheads including utilities could reduce margins and net profit putting strain on cash and other working capital.	Inflation has been factored into forecast and sensitivity analysis performed to determine the impact of increased levels of inflation over that forecast. Exceptional increases in direct and indirect costs are reflected in price negotiations.
7	**Loss of Key Personnel**	**Exposure: Medium**
	Due to the Company's size and number of employees it relies on the knowledge and skills of a few senior and technical employees. Loss of these employees exposes the business to loss of information, know how or strategic direction.	All employees have been entered into a share option scheme since listing whereby options vest over an extended period. This is intended to extend the current loyalty of its current and new employees evidenced by the company's retention rate which averaged 89% across 2022. Remuneration packages have been reviewed and set to attract and retain employees along with other measures currently being introduced to enhance the employee psychological contract. Systems have been developed and continue to be developed to spread know how across a great number of employee in order to mitigate single point of failure risks.
8	**Supply Chain restrictions Risk**	**Exposure: Medium**
	Issues with supply chain particularly in relation to silicon chip supply starting through the Covid period still exist, albeit that the issue is easing. Supply restrictions expose the business to reduces output and the risk of loss of contract if performance KPIs become an issue.	The company operates a multiple source strategy for high risk components including silicon chips. Potential supply shortages are discussed with customers and long term supply schedules have been agreed in order to secure supply.
9	**Market Acceptance Risk**	**Exposure: Medium**
	The Company's Autonomous solutions are still in development and testing stages. The exists the risk of low uptake levels without market knowledge of product offerings and what is required to introduce, run and maintain the products once commercially available.	The Board regularly monitors progress of product development and customer contact; particularly with the Company's main Aviation Partner where product testing and demonstrations continue and are being promoted.

GRAHAM KEENE
Corporate Development Officer

Our ESG Strategy document is published on the company's website and provides a framework for the Environmental, Social and Governance goals.

In line with our ESG Strategy we aim to monitor key KPIs and initiatives to drive success.

Our Autonomous and Aviation products will be a key driving force in helping our customers meet their own ESG targets. There are five key pillars which our products will benefit our customers and ultimately contribute to UN sustainable development goals.

COST
Reduce costs

EFFICIENCY
Provides efficient vehicle scheduling reducing emissions and improving aircraft turn around times

CUSTOMER EXPERIENCE
Passengers have a better, faster more efficient transfer through an airport and always get their bags on time

H&S
Improves H&S issues for workers and passengers, minimizes aircraft damage and potential costs and safety issues

ENVIRONMENTAL
Automated vehicles use EV power to move in efficient deployments, reducing charging times and impact on the airport operations

"We aspire to fulfil to the best of our abilities the United Nations sustainable development goals"

GRAHAM KEENE
CORPORATE DEVELOPMENT OFFICE

ENVIRONMENT:

There will be major benefits in environmental improvement as a result of both electrification of vehicles and greater operational efficiency, thus reducing harmful emissions.

The social and safety benefits are also enormous in terms of reducing highly manual jobs in tough conditions and replacing them with cleaner technical jobs. The reduction in both industrial accidents and unreported and reported damage to aircraft will enhance the lives of many people.

The company has held the ISO14001 Environmental accreditation for many years and we will continue to maintain that standard and improve upon it.

We also monitor and aim to reduce the use of packaging and recycle as much as possible. Our two main customers already have the majority of their products shipped in reusable packaging.

ENERGY USAGE:

We currently monitor energy usage and look for energy efficient ways to reduce consumption, such as LED lighting installation.

DEVELOPING OUR PEOPLE ACTIONS:

The physical and mental wellbeing and Safety of all our staff is a top priority. In January 2023 we created the post of HR Director to concentrate on our people actions as we grow rapidly.

We will develop people plans and monitor training both internally and externally to fully support and develop our staff where needed.

Every employee joined the company's share option scheme when we listed in September 2022.

A new 'Employee Forum' was created in early 2023, chaired by Andrew Cornish with an aim to further improve our employee engagement.

We also look beyond the confines of the company and look to Corporate Social Responsibility to engage with communities, universities, schools, Industrial groups and Charities.

Due to the Technical nature of our products this lends itself to partnering with Universities and local Government for Projects. We had a number of successful projects with Solihull MBC, Milton Keynes MBC, Aston University, Cambridge University, Britain Thinks, and CEO David Keene is an Honorary Visiting Professor at Coventry University.

We have also donated vehicles for education to The Coventry Transport Museum and The National Museum of Scotland. We also donated an Auto-Pod® to Western Michigan University's Energy Efficient and Autonomous Vehicle (EEAV) Lab, enabling students to conduct research and benefit from hands-on education with the company's proven platform.

GOVERNANCE:

We follow the QCA code on Corporate Governance. As such we have put in place a number of measures to set and monitor or performance in this area.

We have established a strong board structure and sub committees reporting on Renumeration, Audit and ESG.

On the website you can find our anti-bribery, whistle blowing and modern slavery policies.

We are also pleased to report that our Integrum ESG rating of B at the time of the IPO has now been upgraded to A.

Graham Keene
Corporate Development Officer

16th May 2023

SECTION 172 STATEMENT

The Board understands the views of the Company's key stakeholders and their interests, and the matters set out in Section 172 of the Companies Act 2006 have been considered in board discussions and decision-making.

The Directors must consider the following in meeting the requirements of Section 172 (1) of the Companies Act 2006:

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

We have identified our key stakeholders as follows:

OUR STAKEHOLDERS, AND WHY WE ENGAGE

Investors

We have a strong and supportive investor base whose ongoing support is key to realising the growth ambitions of the Company.

Engagement, including topics of engagement

The Executive Board met with all of the main investors during the initial roadshow prior to IPO, some of whom also made visits to site. Subsequent contact has been made as requested.

Communications of business developments are clearly communicated, and the Executive Board are available to respond to any enquiries following Company announcements.

Impact of the engagement and any actions taken

The Executive Board values shareholder input and believes that meetings with shareholders offer a valuable opportunity to not only share financial data and results, but also share the vision and progress of the business.

Employees

Employees are at the heart of our business and the key to ensuring delivery of our plans.

Engagement, including topics of engagement

All employees were entered into the Company share option scheme established on IPO with intention of including them in the Company's future success and recognise their input into its delivery. An employee forum has been established including representatives from all areas of the business, led by the HR Director and attended by the Chairman. Additional initiatives have been instigated by the recently appointed HR Director including the introduction of a company newsletter, many of which will come to fruition through 2023.

Impact of the engagement and any actions taken

The establishment of the share option scheme has been positively received. Feedback from the employee forum has been favourable and the Company is optimistic that this will lead to constructive suggestions which will help to develop employee engagement even further.

Customers

Effective communication with our customers is fundamental to our success.

Engagement, including topics of engagement

The Company engages in continuous communication and reviews with customers to understand their changing needs, align our plans, and develop collaborative partnerships.

Contact with customers is given from the highest level within the Company in order to demonstrate the importance placed on these relationships and gain insights into potential opportunities to cement relationships.

Impact of the engagement and any actions taken

There are numerous examples where engagement with Customers has deepened our understanding of their needs which has enabled us to win and develop further product lines.

Over the year face to face contact with our lead aviation partner has increased their confidence in the development of the Company's autonomous offerings and future product base.

Suppliers

The relationship with our suppliers is crucial to ensuring the timeliness and security of our raw material supply.

Engagement, including topics of engagement

Through our supplier performance management programme, we have been able to develop stronger relationships and drive meaningful benefits for both parties as part of longer-term agreements.

Impact of the engagement and any actions taken

We understand the importance of supporting our supplier base.

Through a transparent and collaborative approach, we have secured forward supply of high demand product lines which are in short supply.

Communities

We believe that it's important to support the communities that support our businesses.

Engagement, including topics of engagement

The Company tries to source from local companies where possible and commercially prudent in order develop local ties and relationships. Leading from the front the CEO is keen to assist local needs and was involved in securing water levels in nearby Kenilworth to protect fish stocks in the Abbey Fields lake which is enjoyed by all of the local population.

Impact of the engagement and any actions taken

We have a significant number of employees from the local area in Coventry and have an acute sense of the importance of community to our employees. It is very important for Aurrigo to have strong local standing due to its long trading history over the last thirty years. It is also important that our employees feel a sense of pride working for Aurrigo. Recent employee forums suggest a high level of engagement and pride in the Company's achievements to date.

GOVERNANCE REPORT

INTRODUCTION TO GOVERNANCE

DEAR SHAREHOLDERS,

I'm pleased to present the Company's first Corporate Governance Report since IPO for the year ended 31 December 2022. As a newly publicly listed company, we recognise the importance of maintaining high standards of governance practices that align with the expectations of our shareholders, employees, customers, and the broader society.

COMPANY DEVELOPMENT

The Company's initial public offering has been a great opportunity for the development of the Board. This year has welcomed the appointment of 3 new Non-Executive directors as well as my own appointment as Chair of the board.

Whilst the Company now faces additional regulations and challenges that come with being a plc, we view these as opportunities to enhance our practices and drive the development of the business.

BOARD EFFECTIVENESS

This report outlines our philosophy and approach to corporate governance, which is anchored in transparency, accountability, and ethical behaviour. Our commitment to these principles is reinforced by the leadership of our Board of Directors, which comprises experienced professionals with diverse backgrounds and expertise.

CULTURE AND VALUES

Our values form the foundation of our operations and how we engage with all our stakeholders with a strong culture of integrity, transparency, and accountability being central to this.

As a company, we are committed to upholding ethical behaviour and adhering to regulatory requirements. By aligning our culture and values with our corporate governance practices, we will create a framework that promotes responsible business practices and ethical behaviour. This framework ensures our long-term sustainability and success.

We believe that transparency about our culture and values is essential for our stakeholders, including our employees, investors, and the wider community.

STAKEHOLDERS

Whilst greater detail on the Company's engagement with specific Stakeholder groups can be found in our s.172 statement on page 22 of this report, we wish to emphasise the company's commitment to the long-term growth and development of all stakeholder groups.

Andrew Cornish
Non-Executive Chair

16th May 2023

BOARD OF DIRECTORS

ANDREW CORNISH
Non-Executive Chair

Andrew has spent the majority of his career in the aviation and automotive industries, as CEO of Liverpool Airport Holdings Ltd, Executive Board member at Aer Lingus, Managing Director and Group Board Director at Manchester Airport Group. Prior to aviation he was the Managing Director of Unipart's Automotive Division. His early career was spent at Eastman Kodak. Andrew is currently CEO of Middlesex County Cricket Club and previously CEO of Somerset County Cricket Club. Andrew is a Fellow of the Royal Aeronautical Society, Fellow of Liverpool Hope University Business School and guest lecturer to Liverpool University MBA program.

Committee membership:

N A R

DAVID KEENE
Chief Executive Officer

David has 40 years' experience in the Automotive industry, including 30 years' building Aurrigo. David founded RDM Group, in 1993 after 11 years at Rover Group having started on the graduate recruitment and development program and leaving at senior management level. David is a founding member and sits on the board of the UK Automotive Council which has set the strategy for Automotive in the UK for the last 12 years and the board of Warwick Manufacturing Group (WMG) High Value Manufacturing Catapult. David graduated from Coventry University with a BSc. In Electronics Electrical Engineering and is a Fellow of the Institute of Engineering and Technology (FIET) and the Royal Society for the Encouragement of Arts, Manufactures and Commerce (FRSA).

GRAHAM KEENE
Corporate Development Officer

Graham has 37 years' experience across management services, production and finance in automotive and manufacturing, holding both the manufacturing director role and CFO position at RDM Group for the last 29 years. Previous roles included in Management Services at Royal Doulton, and Business Process Development at Sandwell MBC having previously worked in organisational development at West Midlands Fire Service. Graham was a co-founder of RDM Group in 1993 with his brother, David Keene.

IAN GRUBB
Chief Financial Officer

Ian joined Aurrigo as CFO in February 2022 bringing extensive accountancy experience from a broad spectrum of industries. His previous roles include Leacy Classic Motor Group, Jupiter Marketing Limited, THE Distribution Ltd and Holiday Hypermarket - a travel agency with 37 hypermarkets with a turnover of c£350m sales. He also worked at Red Mill Snack Food Ltd and TSB plc. Ian trained at Touche Ross and graduated from the University of Warwick with degree in Classics.

LEWIS GIRDWOOD
Non-Executive Director

Non-Executive Director. Lewis brings strong aviation sector expertise and is currently CFO of Esken, a London Stock Exchange listed company which owns Southend Airport and provides GSE services to airports such as Manchester. Lewis previously served as Chief Financial Officer at IAG Cargo Limited, which provides global cargo services to British Airways, Iberia, Aer Lingus and other IAG airlines. Prior to that, he was Head of Financial Planning and Analysis at easyJet, responsible for financial business partnering across the airline. Lewis has also held senior finance roles at Premier Foods PLC, British Bakeries Limited and Racal Electronics Group International. He is also a member of the Audit Committee of the charity Tommy's.

Committee membership:

A R E

PENELOPE COATES
Non-Executive Director

Penelope's executive career began in Manufacturing with Mars and then Walkers Snackfoods (PepsiCo), followed by Retail, first in Strategy Development at Boots then becoming a Director of various Business Units and then of Own Brand for Asda (Wal*Mart). She moved into Airport management with the Manchester Airport Group as MD of Airports, Group COO and Main Board Director). As a Non Executive Director, she was interim Chair for the East Midlands Freeport and is now Deputy Chair of Chester Zoo, Advisor to the Councils of Birmingham (in relation to Birmingham Airport), a Non Executive Director of Supply Pilot, a Trustee of the National Forest and a Trustee of the National Space Centre. Penny is also a Deputy Lord Lieutenant for Leicestershire. Penelope brings prior Non Executive and Advisory experience with the Airport Operators Association, AMP Capital (member of Luton Airport Board), The Cooperative Society, Loughborough University and Melton Building Society

Committee membership:

R A N E

JOSEPH ELLIOTT MBE
Non-Executive Director

Joseph has considerable experience in the automotive industry and has previously been chairman of both SPA DIY Motor Stores and A1 Motor Stores. He is a director and trustee of Jaguar Daimler Heritage Trust. Previously he served on the Society of Motor Manufactures Aftermarket Committee from 1990 to 2000 and was Coventry City Football Club Chairman in 2007. He ran his family firm, Elliott's car parts and accessories from 1959 to 2004 and has held numerous other roles including, Chairman and Director of A1 Motor Stores, Director Baby Lifeline Charity, Chairman Coventry Transport Museum, Director Culture of Coventry, Coventry City of Culture Development Board Director and NSPCC Coventry Business Board.

Committee membership:

E A R*

*Joseph Elliott MBE was appointed as a member of the Remuneration Committee post IPO.

Committee Key:

- A Audit
- R Remuneration
- N Nominations
- E Sustainability and ESG
- Chair

CORPORATE GOVERNANCE REPORT

AIM-quoted companies are required to adopt a recognised corporate governance code with effect from their admission to trading on AIM, however, there is no prescribed corporate governance regime for AIM companies. The QCA has published the QCA Governance Code, a set of corporate governance guidelines, which include a code of best practice, comprising principles intended as a minimum standard, and recommendations for reporting corporate governance matters. The Directors acknowledge the importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to comply with the QCA Code.

The Board has established an Audit Committee, a Remuneration Committee, a Nominations Committee and a Sustainability and ESG Committee, with formally delegated duties and responsibilities as described below.

BOARD COMPOSITION AND INDEPENDENCE

The Board meets at least eight times a year to review, formulate and approve the Group's strategy, budgets and corporate actions and oversee the Group's progress towards its goals. A lower number of meetings were held in the current period due to the completion date of listing. The Board has established an Audit Committee, a Remuneration Committee, a Nominations and a Sustainability and ESG Committee with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues when the need arises.

The Board consists of the Non-Executive Chairman, three Executive Directors, and three Non-Executive Directors. The Company regards all of the Non-Executive Directors as "independent Non-Executive Director". The Board has determined that Penelope Coates, Andrew Cornish, Lewis Girdwood and Joseph Elliott are independent in character and judgement and that there are no relationships or circumstances which could materially affect or interfere with the exercise of their independent judgement. The Board believes this combination of Executive and Non-Executive Directors allows it to exercise objectivity in decision making and proper control of the Group's business and that this composition is appropriate in view of the size and requirements of the Group's business. However, the Board will continue to monitor the composition and balance of the Board.

MATTERS RESERVED TO THE BOARD

The Company has adopted a policy regarding matters reserved for the Board. Those matters include (amongst other things):

- Board appointments or removals, following recommendations from the Nominations Committee.
- The appointment of directors to specified offices of the Board (including the Chair and Senior Independent Director).
- Contracts not in the ordinary course of business.

CHAIR'S ROLES AND RESPONSIBILITIES

The Chair is responsible for the overall effectiveness of the Board through the provision of agendas, support for directors and directorship of the tone and style of the meetings.

The Chair strives to achieve an effective Board through the encouragement of debate, correct flow of information and engagement with the Board's Committees.

AUDIT COMMITTEE

The Audit Committee comprises Lewis Girdwood as chairman with Penelope Coates, Andrew Cornish and Joseph Elliott as the other members and meets at least three times a year. The principal duties of the Audit Committee are to review the half-yearly and annual financial statements before their submission to the Board and to consider any matters raised by the auditors. The Audit Committee also reviews the independence and objectivity of the auditors.

The terms of reference of the Audit Committee reflect current best practice, including authority to:

- recommend the appointment, re-appointment and removal of the external auditors; and
- ensure the objectivity and independence of the auditors including occasions when non-audit services are provided.

Corporate Governance Report continued

REMUNERATION COMMITTEE

The Company has established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director is involved in deciding their own remuneration.

The Remuneration Committee comprises Penelope Coates as chair with Andrew Cornish, Lewis Girdwood and Joseph Elliott as the other members. The Remuneration Committee considers the employment and performance of individual Executive Directors and determines their terms of service and remuneration. It also has authority to grant share options and any other equity incentives as part of overall remuneration packages. The Committee intends to meet at least twice a year.

NOMINATIONS COMMITTEE

The Company has established a formal and transparent procedure to review the composition and efficacy of the Board and where appropriate recommend nominees as new directors to the Board.

The Nominations Committee comprises Andrew Cornish as chairman with Penelope Coates and Joseph Elliott as the other members. The Committee intends to meet at least twice a year.

SUSTAINABILITY AND ESG COMMITTEE

The Sustainability and ESG Committee will have oversight over the Company's approach to ESG matters and comprises Penelope Coates and Lewis Girdwood, with Joseph Elliott as Chair of the Committee.

MEETINGS AND ATTENDANCE

The directors' attendance at Board and Committee meetings during the period is shown below:

Director	Full Board	Audit Committee	Remuneration Committee
Penelope Coates	3/3	1/1	1/1
Andrew Cornish	3/3	1/1	1/1
Ian Grubb	3/3	n/a	n/a
Lewis Girdwood	3/3	1/1	1/1
Joseph Elliott	3/3	1/1	1/1
David Keene	3/3	n/a	n/a
Graham Keene	3/3	n/a	n/a

Ian Grubb was appointed as a director on 1 May 2022, All Non-Executive directors were appointed on 9 September 2022 prior to admission to AIM on 15 September 2022. The directors appointed on admission participated in a number of meetings held in the period up to their appointment, these meetings included discussions around the establishment of the Audit Committee and the Remuneration Committee. The first Audit and Remuneration committee meetings were held in December 2023. The first Nominations Committee meeting was held in January 2023.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has ultimate responsibility for risk management and the internal control procedures maintained. The procedures in place are designed to manage rather than eliminate risk of failure to achieve Company objectives and can only provide reasonable assurance against material misstatement or loss. Principal Risks and Uncertainties are discussed in the Strategic Report and financial risk management objectives and policies are outlined in note 23 of the financial statements.

COMMUNICATIONS WITH SHAREHOLDERS

The Board views the Company's annual report and accounts as well as its half year report as key communication channels through which progress in meeting the Company's objectives and updating its strategic targets can be given to Shareholders. In addition, the Board uses the AGM as a primary mechanism to engage with Shareholders, both to give information and receive feedback about the Company and its progress. The 2023 AGM will be held at 10:00am on 14 June 2023 at Unit 33, Bilton Industrial Estate, Humber Ave, Coventry CV3 1JL. The Notice of Annual General Meeting can be found enclosed with this report.

The Chair, the Chief Executive Officer and the Chief Financial Officer undertake meetings with key Shareholders and analysts following publication of full and half year results in order to answer questions and ensure that the key messages are properly understood and effectively communicated onward.

ELECTION AND RETIREMENT OF DIRECTORS

The Directors will retire and offer themselves for re-election at the 2023 AGM.

COMPLIANCE WITH THE QCA CODE

As a company that is admitted to trading on AIM, the Company is not required to adopt a specific corporate governance code. However, the Company is required to provide details of the corporate governance code it has decided to adopt, state how it complies with that code and provide an explanation where it departs from compliance with that code.

The Directors support a high standard of corporate governance and have decided to adopt the QCA Code. The Directors believe that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all of its stakeholders.

THE COMPANY COMPLIES WITH THE TEN PRINCIPLES OF THE QCA CODE, AS DETAILED BELOW.

Principle 1	
Establish a strategy and business model which promotes long-term value for shareholders	The Company's business model and strategy is set out in page 4 of this report. The Directors believe that the Company's model and growth strategy will help to promote long-term value for Shareholders. An update on strategy will be given from time to time in the strategic report that is included in the annual report and accounts of the Company. The principal risks facing the Company are set out in page 17 of the annual report. The Directors will continue to take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks following Admission, including implementing a risk management framework.

Principle 2	
Seek to understand and meet shareholder needs and expectations	The Board is committed to and actively encourages effective relationships and communication with the Company's Shareholders. Prior to Admission the Directors undertook an investor roadshow, which has provided the Company with insight as to what shareholder expectations are likely to be following Admission. All shareholders are actively encouraged to participate in the Company's annual general meetings ("AGM"). The notice of AGM will be sent to all Shareholders and will be available for download from the Company's website. The Company seeks to maintain an active dialogue with Shareholders, who will be kept up to date with the Company's developments by way of announcements made through a Regulatory Information Service on matters of a significant substance and/or a regulatory nature. Updates will be provided to the market from time to time, including any financial information, and any expected deviations to market expectations will be announced through a Regulatory Information Service. The Company's AGM will be an opportunity for Shareholders to meet with the Chairman and other members of the Board. The Company's AGM will be an opportunity for Shareholders to meet with the Chairman and other members of the Board. The meeting will be open to all Shareholders, giving them the opportunity to ask questions and raise issues during the formal business or, more informally, following the meeting. The results of the AGM will be announced through a Regulatory Information Service. The Board is keen to ensure that the voting decisions of Shareholders are reviewed and monitored, and the Company intends to engage, as appropriate with Shareholders who do not vote in favour of resolutions at AGMs. All contact details for investor relations are included on the Company's website.

Principle 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Company takes its corporate social responsibilities very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders including Shareholders, staff, and customers part of its business strategy. The Directors will maintain an ongoing and collaborative dialogue with such stakeholders and take all feedback into consideration as part of the decision-making process and day to day running of the business. Details of the Company's ESG policy and s172 statement can be found on pages 20 and 22 of this report.

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation	The principal risks facing the Company are set out on pages 17 of this report. The Directors take appropriate steps to identify risks and undertake a mitigation strategy to manage these risks. A review of these risks is carried out at least on an annual basis, the results of which will be included in future annual reports and accounts going forward. The Board has overall responsibility for the determination of the Company's risk management objective and policies and has also established the Audit Committee.

Principle 5

Maintain the Board as a well-functioning, balanced team led by the Chair	The Board comprises three Executive Directors and four Non-Executive Directors, including the Non-Executive Chairman. The biographies of the Directors are set out on pages 26 and 27 of this report. The Board considers that it combines a blend of sector and market expertise, with an effective executive management team and appropriate oversight by independent Non-Executive Directors. The Company is satisfied that the current Board is sufficiently resourced to effectively discharge its governance obligations on behalf of all its shareholders and other stakeholders in the Company. The Board meets regularly, and processes are in place to ensure that each Director is, at all times, provided with such information as is necessary to enable each Director to discharge their respective duties. The Board is also supported by the Audit Committee, the Remuneration Committee and the Nominations Committee. The Nominations Committee have responsibility for reviewing the structure, size and composition of the Board, giving consideration to succession planning and reviewing the leadership needs of the organisation. The QCA Code recommends that the Board should comprise of a balance of executive and non-executive directors, with at least two non-executive directors being independent. The QCA Code suggests that independence is a board judgement, but where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained. Each of the Non-Executive Directors are considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. None of these Non-Executive Directors are employees, have significant business relationships with the Company, or are significant shareholders in the Company. As recommended by the QCA Code guidance, the independent Non-Executive Directors will not participate in performance-related remuneration schemes.

Compliance with the QCA Code continued

Principle 6	
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The skills and experience of the Directors are summarised in their biographies set out on pages 26 and 27 of this report. The Directors believe that the Board has a balance of sector, financial and public market skills and experience appropriate for the size and stage of current development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and business plan whilst also enabling each director to discharge his or her fiduciary duties effectively. Experiences are varied and contribute to maintaining a balanced board that has the appropriate level and range of skill to develop the Company. The Board is not dominated by one individual and all Directors have the ability to challenge proposals put forward to the meeting, democratically. While the Board has not yet adopted any formal policy on gender balance, ethnicity or age group, it is committed to fair and equal opportunity and fostering diversity subject to ensuring appointees are appropriately qualified and experienced for their roles. The Company retains the services of independent advisors including financial, legal, and investor relations advisers that are available to the Board and who provide support and guidance to the Board and complement the Company's internal expertise. The Directors have also received a briefing from the Company's Nominated Adviser in respect of continued compliance with, inter alia, the AIM Rules and the Company's solicitors in respect of continued compliance with, inter alia, MAR.

Principle 7	
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	The Directors consider the effectiveness of the Board, Audit Committee, Remuneration Committee, Nominations Committee and individual performance of each Director. The outcomes of performance will be described in the annual report and accounts of the Company. The Board considers that the corporate governance policies it has currently in place for Board performance reviews is commensurate with the size and development stage of the Company.

Principle 8	
Promote a corporate culture that is based on ethical values and behaviours	The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The culture is set by the Board and is considered and discussed at Board meetings and the Board is aware that the tone and culture its sets impacts all aspects of the Company and the way that employees behave. The Board promotes a culture of integrity, honesty, trust and respect and all employees of the Company are expected to operate in an ethical manner in all of their internal and external dealings. The staff handbook and policies promote this culture and include such matters as whistleblowing, social media, anti-bribery and corruption, communication and general conduct of employees. The Board takes responsibility for the promotion of ethical values and behaviours throughout the Company, and for ensuring that such values and behaviours guide the objectives and strategy of the Company. The Company also has an established code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with Rule 21 of the AIM Rules and MAR. The Directors believe that a long-term sustainable business model is essential for discharging the Board's responsibility to promote the success of the Company, its employees, shareholders and other stakeholders of the business. In considering the Company's strategic plans for the future, the Directors will proactively consider the potential impact of its decisions on all stakeholders within its business, in additional to considering the broader environmental and social impact as well as the positive impact it can have within the local community in which the Company operates. The Company fully endorses the aims of the Modern Slavery Act 2015, and takes a zero-tolerance approach to slavery and human trafficking within the Company and supply chain.

Principle 9	
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	The Chairman leads the Board and is responsible for its governance structures, performance and effectiveness. The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. David Keene is Chief Executive who, supported by the other Executive Directors, is responsible for the operation of the business and delivering the strategic goals agreed by the Board. The Non-Executive Directors (including the Non-Executive Chairman) are responsible for bringing independent and objective judgement to Board decisions and are all considered to be independent and were selected with the objective of bringing experience and independent judgement to the Board. The Board is supported by the Audit Committee, Remuneration Committee and Nominations Committee, further details of which are set out in pages 36 and 38 of this report. There are certain material matters which are reserved for consideration by the full Board. Each of the committees has access to information and external advisers, as necessary, to enable the committee to fulfil its duties. The Board intends to review the Company's governance framework on an annual basis to ensure it remains effective and appropriate for the business going forward.

Compliance with the QCA Code continued

Principle 10

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	Responses to the principles of the QCA Code and the information that will be contained in the Company's annual report and accounts and the Company's website provide details to all stakeholders on how the Company is governed. The Board is of the view that the annual report and accounts as well as its half year report are key communication channels through which progress in meetings the Company's objectives and updating its strategic targets can be given the Shareholders following Admission. Additionally, the Board will use the Company's annual general meetings as a mechanism to engage directly with Shareholders, to give information and receive feedback about the Company and its progress. The Company's website in compliance with the AIM Rules, www.aurrigo.com, will be updated on a regular basis with information regarding the Company's activities and performance, including financial information. All contact details for investor relations are included on the Company's website

AUDIT AND RISK REPORT

LEWIS GIRDWOOD
Chair of the Audit and Risk Committee

DEAR SHAREHOLDERS,

As the recently appointed Chair of the Audit and Risk Committee, I am pleased to present my first Committee report for the year ended 31 December 2022, which has been prepared by the committee and approved by the Board.

OUR OBJECTIVES

The key objective of the Committee is the provision of effective governance over the appropriateness of the Company's financial reporting. It has the primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's external auditors, in all cases having due regard to the interests of shareholders.

COMMITTEE MEMBERSHIP

The Audit Committee comprises of four Non-executive Directors, including myself as Chair, Penelope Coates, Joseph Elliott and Andrew Cornish. Detailed information on the experience, qualifications and skills sets of all committee members can be found on pages 26 and 27 of this report.

MEETINGS HELD

The Audit Committee met once during the year. the meeting was attended by all members of the committee. The Chief Financial Officer and Company Secretary were also present.

Representatives of the auditor BDO LLP met with the Board and Audit Committee members were present.

ROLE AND RESPONSIBILITIES

The primary function of the Audit Committee is to support the Board in discharging its responsibilities regarding financial reporting, internal and external controls, including:

- Monitoring the integrity of the Company's financial statements;
- Reviewing the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable;
- Reviewing the adequacy and effectiveness of the Company's internal financial reporting and internal control policies and systems;
- Ensuring appropriate whistleblowing mechanisms are in place through which employees and other stakeholders may raise any concerns;
- Monitoring the effectiveness of the Company's internal audit function; and
- Reviewing the effectiveness of the external auditor's independence and objectivity, including the provision of non-audit services.

The Audit Committee will report to the Board on all these matters.

KEY ACTIVITIES

A summary of the key activities which the Audit Committee undertook during the reporting period is as follows:

- Assessed the external audit plan;
- Assessed the accounting and audit issues identified during the audit process;
- Reviewed of the regulatory reporting including interim results announcement and trading update;
- Monitored key areas of focus in advance of the commencement of the year-end audit; and
- Reviewed and monitored the internal audit plan and assessed its progress.

Outside of the formal meetings, the Committee Chair also met privately with the external auditor to discuss the scope of the annual audit plan, resources required for the audit and key dates to meet the signing deadlines.

EXTERNAL AUDIT

The Audit Committee is responsible for ensuring that the external auditor provides an effective source of assurance for the Company's financial reporting and controls, including overseeing the relationship with the external auditor, evaluating the effectiveness of the services provided and its ongoing independence. The Committee is also responsible for recommending to the Board the appointment, re-appointment and removal of the external auditor.

BDO LLP was appointed by the shareholders as the Company's statutory auditor in 2022 prior to the IPO. The Committee recommends that BDO be re-appointed as the Company's statutory auditor.

REVIEW OF EXTERNAL AUDITORS' EFFECTIVENESS

The Committee reviewed the external auditors' performance and independence, by considering the qualifications, expertise and resources of BDO and its objectivity on an ongoing basis throughout the year. This was done by taking into account the following:

- The views of the Executive Directors
- Consideration of responses from BDO to questions from the Committee
- The audit findings reported to the Committee, including BDO's report on internal quality procedures
- The relationship with BDO as a whole, including the provision of any non-audit services, to confirm there are no relationships between the auditors and the Company other than in the ordinary course of business which could adversely affect independence and objectivity

Based on this information the Committee is satisfied that the external audit process has operated effectively, and BDO continued to bring independence and prove effective in its role as external auditors.

FINANCIAL REPORTING

At request of the Board, the Committee concluded that the Annual Report and Financial Statements, taken as whole, were fair, balanced and understandable and provided the information necessary for shareholders to assess the Company's business model, strategy and performance.

The Committee considered the budget for 2023 and concluded that the going concern basis is appropriate. The Committee also reviewed the Strategic Report and concluded that it presented a useful and fair, balanced and understandable review of the business.

Lewis Girdwood

Chair of the Audit Committee
16th May 2023

REMUNERATION REPORT

PENELOPE COATES
Chair of the Remuneration Committee

DEAR SHAREHOLDERS,

As the recently appointed Chair of the Remuneration Committee, I am pleased to present my first Committee report for the year ended 31 December 2022, which has been prepared by the committee and approved by the Board.

As a newly listed company, we recognise the importance of transparent and effective remuneration practices to support the long-term success of our business and create value for our shareholders. The Remuneration Committee is responsible for ensuring that our practices are aligned with our business strategy, promote good corporate governance, and attract and retain top talent. As such, we are committed to maintaining fair and competitive remuneration packages that motivate and reward our executives for delivering sustainable performance.

In this report, we will provide an overview of our remuneration policy, detailing the key principles that guide our decision-making process, the structure and components of our executive pay, and how our remuneration practices have been implemented since IPO.

We believe that a well-designed and transparent remuneration policy is essential to attracting, retaining, and motivating talented executives and delivering long-term value to our shareholders. We are committed to ensuring that our remuneration practices continue to be fair, transparent, and aligned with our business strategy, and we look forward to updating you on our progress in future reports.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The Remuneration Committee reviews the performance of the Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

COMPOSITION AND MEETINGS

As outlined in the Company's Admission Document, the members of the Remuneration Committee shall include only independent Non-Executive Directors. The Remuneration Committee currently comprises Lewis Girdwood, Joseph Elliott and Andrew Cornish, with myself acting as Chair of the Remuneration Committee.

From the period since Admission to the year-end date of 31 December 2022, the Remuneration Committee met once with full attendance at the meeting. The Committee is required by its Terms of Reference to meet at least twice per year.

DIRECTOR'S REMUNERATION POLICY

The Remuneration Committee determines the Company's policy on the structure of Executive Directors' and if required, senior management's remuneration. The following table summarises the key elements of the Directors' Remuneration Policy and how it supports the Company's short and long-term strategic objectives;

EXECUTIVE DIRECTORS:

Element	Overview	Purpose	Maximum Opportunity	Performance Metrics
Base salary	To attract and retain Executive Directors with the required skills and experience to deliver Aurrigo's continued growth strategy	Base salaries are normally reviewed on an annual basis with any changes normally effective 1 January each year	There is no maximum salary although salary levels are set to progressively move towards upper quartile levels for companies of similar size and operational and geographic complexity	Base salary levels and corresponding increases are based on individual experience, skills and Company performance along with competitiveness against similar companies
Benefits	To provide market competitive benefits	Benefits may include company car, medical cover, critical life and death in service insurance. Other benefits may be awarded as appropriate	Benefits may vary by role and individual circumstances and are periodically reviewed	Not performance related
Pensions	Competitive to market to reward sustained contribution by Executive Directors	Contributions to a Director's pension as appropriate. This takes the form of contributions to a money purchase scheme.	Aligned to the pension available to Aurrigo's UK workforce	No performance metrics applicable
Annual performance related bonus	To reward and incentivise based on the exceeding budget and achieving other business related objectives	Financial and non-financial performance targets are set and reviewed by the Remuneration Committee	There is no maximum bonus	Scaled financial performance
Base salary	To attract and retain Executive Directors with the required skills and experience to deliver Aurrigo's continued growth strategy	Base salaries are normally reviewed on an annual basis with any changes normally effective 1 January each year	There is no maximum salary although salary levels are set to progressively move towards upper quartile levels for companies of similar size and operational and geographic complexity	Base salary levels and corresponding increases are based on individual experience, skills and Company performance along with competitiveness against similar companies
Non-Executive Directors:				
Chairman and Non-Executive Directors' fees	To attract and retain a Chairman and independent Non-Executive Directors with the required skills and experience	Paid monthly in arrears and reviewed each year. Any reasonable business related expenses can be reimbursed	The Chairman's and Non-Executive Directors' fees are determined by relevant benchmark data	Annual review by the Board

DIRECTOR'S REMUNERATION

Salaries of Executive Directors are determined by the Remuneration Committee. The Board as a whole decides the remuneration of the Chair and Non-Executive Directors. Director's salaries and fees for the current year are as follows:

Other benefits are in line with the remuneration policy above.

Executive Member	Base salary	Pension	Performance-related bonus
David Keene	£250,000	£41,320	-
Graham Keene	£225,000	£41,320	-
Ian Grubb	£165,000	£9,570	-
Andrew Cornish	£120,000	-	-
Penelope Coates	£50,000	-	-
Lewis Girdwood	£50,000	-	-
Joseph Elliott	£50,000	-	-

NON-EXECUTIVE REMUNERATION

As recommended by the QCA Code guidance, independent Non-Executive Directors do not participate in performance-related remuneration schemes.

RECRUITMENT

Upon recruitment of an Executive Director, the remuneration package will be in line with the remuneration policy, the Committee has the discretion to adjust the Director's remuneration in line with this policy.

DIRECTORS' CONTRACTS

Name	Notice Period
Andrew Cornish	3 months
David Keene	6 months
Graham Keene	6 months
Ian Grubb	6 months
Joseph Elliott	3 months
Lewis Girdwood	3 months
Penelope Coates	3 months

LOSS OF OFFICE

There were no loss of office payments made during the year.

ANNUAL REPORT BONUS PAYMENTS

There were no annual bonus payments made during the year.

Remuneration Report continued

DIRECTORS' PARTICIPATION IN THE SIP

Director	Title	No. of Options	Exercise Price
Ian Grubb*	Chief Financial Officer	118,416	£0.24

*30% vested on grant, 23.33% on anniversary and 1.944% per month thereafter for the following 23 months.

DIRECTORS' INTERESTS AND EXECUTIVE DIRECTORS' SHAREHOLDING REQUIREMENTS

At the date of this report, the following directors have the below interests in the Company:

Director	No. of Shares	% of Holdings
David Keene	12,500,000	30.00%
Graham Keene	12,500,000	30.00%
Penelope Coates	312,500	0.75%
Andrew Cornish	210,000	0.50%
Lewis Girdwood	104,167	0.25%
Joseph Elliott	52,084	0.13%
Ian Grubb	5,000	0.02%

CHANGES TO BOARD MEMBERS

There have been no changes to the Board of Directors since IPO.

SHAREHOLDER APPROVAL OF THE DIRECTORS' REMUNERATION REPORT

The Company is not required to obtain shareholder approval for their Remuneration policy and as a result, the policy will not be tabled at the upcoming AGM.

This is the Company's first year as a public company and therefore, the 2023 AGM will be the first. This means that there is no historic voting outcome to disclose on the Company's executive remuneration.

Penelope Coates
Chair of the Remuneration Committee
16th May 2023

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Aurrigo International plc for the year ended 31 December 2022.

The principal activity of the Company is that of the supply of electrical components to the automotive industry and the development of electric autonomous vehicles. A description and review of the Company's performance during the financial year and indications of future development are set out within the strategic report, and this also incorporates the requirements of the Companies Act 2006.

RESULTS AND DIVIDENDS

The Company's financial results are discussed in the Finance Review on pages 53 to 95 of this report.

The Directors have not recommended the payment of a dividend for the year.

DIRECTORS

The directors who held office during the year were as follows;

- David Keene, CEO
- Ian Grubb, CFO (appointed 1 May 2022)
- Graham Keene, Head of Corporate Development
- Andrew Cornish, Non-Executive Chair (appointed 9 September 2022)
- Penelope Coates, Non-Executive Director (appointed 9 September 2022)
- Joseph Elliott, Non-Executive Director (appointed 9 September 2022)
- Lewis Girdwood, Non-Executive Director (appointed 9 September 2022)

Biographical details of the Directors can be found on pages 26 to 27.

Directors' interests in the ordinary shares of the Company can be found in the Remuneration Committee Report on page 41.

A company reorganisation took place prior to the IPO resulting in the Company being re-registered as a public limited company and becoming the ultimate holding company of the Company changing its name from RDM Group Limited in the process. The Directors of RDM Group Limited were David Keene and Graham Keene.

FINANCIAL RISK MANAGEMENT

The Company's principal risks and uncertainties are discussed on pages 17 to 19.

DIRECTORS INDEMNITIES AND INSURANCE

The Company maintains appropriate insurance cover in respect of any legal action against its directors including in respect of the prospectus issued for the initial public offering.

SIGNIFICANT SHAREHOLDINGS

As at 17th May 2023, the Company had been notified in accordance with the Disclosure and Transparency rules of the Financial Conduct Authority of the following interests holding 3% or more of the issued share capital in Aurrigo International plc.

	No. Ordinary Shares held	% of issued
David Keene	12,500,000	30.00
Graham Keene	12,500,000	30.00
Unicorn AIM VCT	6,247,500	14.99
Amati VCT II	4,343,750	10.43
RATHBONE NOMINEES LIMITED	2,304,502	5.53

* Inclusive of concert parties

EMPLOYEES

The Company had 70 employees at 31 December 2022, having expanding its personnel from 52 at IPO. It aims to reaching around 100 staff by the end of 2023. The focus is particularly on growing the Company's marketing and engineering capabilities.

RESEARCH AND DEVELOPMENT

During the year the Company invested over £1m in Research and Development. More information on this is provided in the Strategic Report and the notes to the financial statements.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year.

SIGNIFICANT EVENTS AFTER YEAR END

On 21st February 2023, Aurrigo International plc signed a formal partnership agreement with Changi Airport Group (Singapore) Pte Ltd ("CAG") for the continued joint development and testing of the Company's autonomous vehicles, Auto-Dolly and Auto-DollyTug and its airport simulation software platform Auto-Sim.

NOTICE OF ANNUAL GENERAL MEETING

Details of business to be conducted at this year's AGM are contained in the Notice of the Annual General Meeting which will be communicated to shareholders separately. It is the opinion of the Directors that the passing of these resolutions is in the best interest of the shareholders.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this report confirm that:

so far as they are each aware, there is no relevant audit information of which the Company's and Company's auditors are unaware; and each director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and Company's auditor is aware of that information. The auditor, BDO LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

GOING CONCERN

Management has produced forecasts and projections through to 2023 which have been reviewed by the Directors. These demonstrate that the Company is forecast to generate profits and cash in the year ending 31 December 2023 and beyond and that the Company has sufficient working capital to enable the Company to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

As such, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. The Directors therefore continue to adopt the going concern basis in preparing the consolidated financial statements.

INDEPENDENT AUDITORS

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

The Directors' Report was approved on behalf of the Board on 17th May 2023.

By order of the Board

David Keene
Chief Executive Officer

16th May 2023

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with UK adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AURRIGO INTERNATIONAL PLC

QUALIFIED OPINION ON THE FINANCIAL STATEMENTS

In our opinion, except for the possible effects on the corresponding figures of the matter described in the basis for qualified opinion section of our report,

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aurrigo International Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Group statement of comprehensive income, the Group and Company statements of financial position, the Group and Company statements of changes in equity, the Group statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR QUALIFIED OPINION

The statutory accounts for the year ended 31 December 2020 have not been audited because the Group was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. Consequently an independent auditor did not observe the counting of physical inventory as at 31 December 2020. Consequently, we were unable to determine whether there was any consequential effect of the cost of sales for the year ended 31 December 2021. The audit opinion on the financial statements for the period ended 31 December 2021 was modified accordingly. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs

(UK)) and applicable law. Our responsibilities under those standards are further described in the

Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

INDEPENDENCE

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We assessed the Group's trading and cash flow budgets and forecasts, which cover the period to 31 May 2024. Our work included assessing the key assumptions by reference to potential future pipeline of contracts and taking into account wider political and economic factors affecting the UK.
- We challenged the downward sensitivities modelled by Directors to assess the impact on going concern and cash headroom by reference to post year end performance against forecast performance.
- We have reviewed the disclosures in the financial statements to check they are in accordance with the Directors going concern assessment and supporting budgets and provided suitable information to the users of the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OVERVIEW

Coverage[1]	93% of Group profit before tax 100% of Group revenue 99% of Group total assets
Key audit matters	Accounting and valuation of share options Capitalisation of research and development costs The Parent company of the Group listed on the Alternative Investment Market of the London Stock Exchange in September 2022 and this is therefore the first year where key audit matters are reported.
Materiality	Group financial statements as a whole £53,000 based on 1% of Revenue.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

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

The Group manages its operations from one single location in Coventry, UK. At the statement of financial position date, the Group consisted of the Parent Company, one significant trading subsidiary, 3 non-significant trading subsidiaries based overseas and a number of dormant subsidiaries.

The Group engagement team have carried out full scope audit procedures on the Parent Company and the significant trading subsidiary. We have focused on these entities as they were significant components relevant to the Group's financial position and performance. For the remaining trading subsidiaries, a desktop review on the financial information was performed by the Group engagement team.

This work, together procedures performed at the Group level over the Group consolidation, provided the evidence required to form our opinion on the Group financial statements as a whole.

1 These are areas which have been subject to a full scope audit by the group engagement team and specified audit procedures performed by the group engagement team and the component auditor teams.

KEY AUDIT MATTERS

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

Key audit matter	How the scope of our audit addressed the key audit matter
Accounting and valuation of share options	
The Group's accounting policy is described in note 1.17 with further disclosure in note 29. During the year there was a new share option scheme introduced for all staff. The application of IFRS 2 Share-based payment requires the fair value of equity settled share-based payments to be calculated with reference to an appropriate valuation model. Given that this is a new scheme in the year, the we consider the accounting treatment and valuation to be a key audit matter.	We assessed managements accounting treatment by obtaining their technical paper and reviewed against the criteria of IFRS 2 Share based payment. We engaged with our internal experts to assist us to verify the key assumptions in determining the fair value of options such as the risk free rate and volatility. In addition, our internal experts reviewed the Black Scholes model to check this is an appropriate model. We verified the inputs in managements share options working by vouching a sample of individual share option agreements. We checked the overall arithmetical accuracy of the model and agreed the inputs to the share-based payments disclosure (note 29) in the financial statements. **Key observations:** Based on the work undertaken we consider the judgements and estimates made by management in valuing the share options, including the valuation model, to be appropriate.
Capitalisation of development costs	
The Group's accounting policy is described in note 1.5. A significant proportion of the Groups net assets comprise of development costs capitalised. There is judgement required in relation to the recognition of the development costs and determining whether they are eligible for capitalisation. Other judgements applied are when the amortisation period commences and whether existing assets should be impaired. The outcome of the judgements materially impact the reported results and therefore it is considered a significant risk and a key audit matter.	We obtained managements assessment of capitalised development costs including managements recognition criteria for intangible assets. Our audit work included inquiry and discussion with management to assess the criteria in accordance with IAS 38 Intangible Assets. Through our discussion, we were able to determine when the amortisation period commences. We reperformed the amortisation calculation to confirm the accuracy. We considered the impairment of the assets by taking into account the forecast in future years. As the projects are in the early stages, no impairment is considered necessary. We agreed a sample of additions in the year to supporting documentation, reviewing the nature of the costs and checking these should be capitalised accordingly. **Key observations:** Based on the work undertaken we consider the judgements and estimates made by management in the capitalisation of development costs to be appropriate and in accordance with IAS 38 Intangible Assets.

OUR APPLICATION OF MATERIALITY

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

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

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

<table>
<tr><th></th><th>Group financial statements</th><th>Parent company financial statements</th></tr>
<tr><th></th><th>2022
£</th><th>2022
£</th></tr>
<tr><td>Materiality</td><td>53,000</td><td>50,000</td></tr>
<tr><td>Basis for determining materiality</td><td>1% of revenue</td><td>95% of Group materiality</td></tr>
<tr><td>Rationale for the benchmark applied</td><td>Revenue is considered an appropriate benchmark as the group is currently loss making as a result of being in the development start up stage.</td><td>Capped at 95% of Group materiality given the assessment of the components' aggregation risk.</td></tr>
<tr><td>Performance materiality</td><td>37,000</td><td>35,000</td></tr>
<tr><td>Basis for determining performance materiality</td><td colspan="2" rowspan="2">Performance materiality for the Group and Parent company has been based upon 70% of materiality. We have determined 70% to be a prudent percentage as this is a first year audit and management are open to considering adjustments as well as only 1 location.</td></tr>
<tr><td>Rationale for the percentage applied for performance materiality</td></tr>
</table>

COMPONENT MATERIALITY

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group apart from the Parent Company whose materiality is set out above, based on a percentage of 95% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality was £50,000. In the audit of each component, we further applied performance materiality levels of 70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £2,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts 2022 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, where the other information refers to cost of sales or related balances the current year and corresponding figures may not be comparable.

OTHER COMPANIES ACT 2006 REPORTING

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

Strategic report and Directors' report	Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiring of management and the Audit Committee, including obtaining and reviewing supporting documentation, concerning the Group's and the Parent Company policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- obtaining an understanding of the legal and regulatory frameworks applicable to the Group and the Parent Company based on our understanding of the Group, sector experience and discussions with management and the Audit Committee. The most significant laws and regulations for the Group and the Parent Company are UK adopted international accounting standards, the Companies Act 2006, corporate taxes and VAT legislation, employment taxes, health & safety and the Bribery Act 2010; and
- discussing amongst the engagement team to assess how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
  - management override of controls; and
  - revenue recognition, specifically the manipulation of revenue using fraudulent journals.

OUR PROCEDURES IN RESPONSE TO THE ABOVE INCLUDED:

- enquiries of management and those charged with governance and reviewing correspondence with the relevant authorities to identify any irregularities, including fraud or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of Board meeting minutes;
- testing the appropriateness of accounting journals, including those relating to the consolidation process and other adjustments made in the preparation of the financial statements. We used data assurance techniques to identify and analyse the complete population of all journals in the year, using this information to identify any which we considered were indicative of management override. We also tested the manual journals posted in the recognition of the revenue. Testing over these journals was performed by agreeing to the relevant supporting documentation;
- reviewing the Group's accounting policies for compliance with the relevant accounting framework and testing disclosures to supporting documentation. Our work also included considering significant accounting estimates for evidence of misstatement or possible bias and testing any significant transactions that appeared to be outside the normal course of business; and
- assessing the appropriateness of the revenue recognition policies against the requirements of the applicable accounting standards and testing the application of the policies for a sample of transactions.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

USE OF OUR REPORT

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

Jon Gilpin

Jonathan Gilpin (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK
16th May 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Revenue	4	5,302	5,268
Cost of sales		(3,483)	(3,446)
Gross profit		1,819	1,822
Other operating income	5	278	168
Administrative expenses including non-recurring expenses, share based payment charges, depreciation and amortisation		(4,569)	(1,789)
Operating (loss)/profit	7	(2,472)	201
Costs of admission to AIM	6	(1,010)	-
Related party loan write back	6	-	36
Share based payments	29	(143)	-
Depreciation		(208)	(185)
Amortisation		(172)	(4)
Adjusted EBITDA*		(939)	354
Finance income	12	2	-
Finance costs	13	(26)	(23)
(Loss)/profit before taxation		(2,496)	178
Income tax income/(expense)	14	301	(106)
(Loss)/profit for the year attributable to equity shareholders of the parent		(2,195)	72
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Currency translation differences		(2)	-
Total items that will not be reclassified to profit or loss		(2)	-
Total other comprehensive income for the year		(2)	-
Total comprehensive income for the year		(2,197)	72

Profit and total comprehensive income for the year is all attributable to owners of the parent company. All (loss)/profit after taxation arise from continuing operations.

* Adjusted EBITDA refers to earnings before interest, tax, depreciation, amortisation, impairment, share-based payment charges, and exceptional items.

	Notes	2022 £ per share	2021 £ per share
Earnings per share	16		
Basic (£ per share)		(0.12)	0.06
Diluted (£ per share)		(0.12)	0.06

The notes on pages 60 to 95 form part of these group financial statements.

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Intangible assets	17	5,403	4,394
Property, plant and equipment	18	306	237
Deferred tax asset	26	-	3
Total non-current assets		5,709	4,634
Current assets			
Inventories	19	931	778
Trade and other receivables	20	1,532	1,168
Current tax recoverable	14	174	324
Cash and cash equivalents		5,386	1,290
Total current assets		8,023	3,560
Total assets		13,732	8,194
Current liabilities			
Trade and other payables	24	1,143	1,079
Borrowings	22	30	30
Lease liabilities	25	79	155
Deferred grant income	27	217	-
Total current liabilities		1,469	1,264
Net current assets		6,554	2,296
Total assets less current liabilities		12,263	6,930
Non-current liabilities			
Borrowings	22	55	85
Lease liabilities	25	132	26
Deferred tax liabilities	26	-	351
Deferred grant income	27	3,442	2,944
Total non-current liabilities		3,629	3,406
Total liabilities		5,098	4,670
Net assets		8,634	3,524
Equity			
Called up share capital	30	83	-
Share premium account	31	7,103	-
Share option reserve	32	143	-
Retained earnings		1,305	3,524
Total equity		8,634	3,524

The notes on pages 60 to 95 form part of these group financial statements.

The financial statements were approved by the board of directors and authorised for issue on 16 May 2023 and are signed on its behalf by:

Mr D Keene
Director

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Non-current assets					
Investments	38		153		10
Current assets					
Trade and other receivables	39	2,301		-	
Cash and cash equivalents		4,949		-	
		7,250		-	
Current liabilities	40	(397)		-	
Net current assets			6,853		-
Total assets less current liabilities			7,006		10
Equity					
Called up share capital	43		83		-
Share premium account	31		7,103		-
Share option reserve	32		143		-
Retained earnings			(323)		10
Total equity			7,006		10

The notes on form part of these parent financial statements.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £282,829 (2021 - £100,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 16 May 2023 and are signed on its behalf by:

Mr D Keene
Director

Company Registration No. 05546181

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £'000	Share premium account £'000	Share option reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2021		-	-	-	3,552	3,552
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	72	72
Transactions with owners in their capacity as owners:						
Dividends	15	-	-	-	(100)	(100)
Balance at 31 December 2021		-	-	-	3,524	3,524
Year ended 31 December 2022:						
Loss for the year		-	-	-	(2,195)	(2,195)
Other comprehensive income:						
Currency translation differences		-	-	-	(2)	(2)
Total comprehensive income for the year		-	-	-	(2,197)	(2,197)
Transactions with owners in their capacity as owners:						
Issue of share capital	30	33	8,133	-	-	8,166
Costs of issue set against premium	31	-	(1,030)	-	-	(1,030)
Share option expense		-	-	143	-	143
Deferred tax on share based payment transactions		-	-	-	28	28
Issue of share capital from reserves		50	-	-	(50)	-
Balance at 31 December 2022		83	7,103	143	1,305	8,634

The notes on pages 60 to 95 form part of these group financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Share option reserve £	Retained earnings £	Total £
Balance at 1 January 2021		-	-	-	10	10
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	100	100
Transactions with owners in their capacity as owners:						
Dividends		-	-	-	(100)	(100)
Balance at 31 December 2021		-	-	-	10	10
Year ended 31 December 2022:						
Loss and total comprehensive income for the year		-	-	-	(283)	(283)
Transactions with owners in their capacity as owners:						
Issue of share capital	43	33	8,133	-	-	8,166
Costs of issue set against premium	43	-	(1,030)	-	-	(1,030)
Share option expense	32	-	-	143	-	143
Issue of share capital from reserves		50	-	-	(50)	-
Balance at 31 December 2022		83	7,103	143	(323)	7,006

The notes on pages 60 to 95 form part of these group financial statements.

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Operating activities					
(Loss)/profit for the year			(2,195)		72
Adjustments for:					
Tax charge			(301)		106
Finance costs	13		26		23
Investment income			(2)		-
RDEC grant income			(107)		-
Loss on disposal of assets			-		1
Amortisation and impairment of intangible assets	7		172		4
Depreciation and impairment of property, plant and equipment	7		208		184
Impairment of debts from third parties			-		(36)
Non cash grant income			-		(13)
Equity settled share based payment expense			143		-
			(2,056)		341
Movements in working capital:					
Increase in inventories			(153)		(156)
Increase in trade and other receivables			(367)		(172)
Increase in trade and other payables			58		273
Cash (absorbed by)/generated from operations			(2,518)		286
Interest paid			(2)		-
Income taxes refunded			238		42
Net cash (outflow)/inflow from operating activities			(2,282)		328
Investing activities					
Capitalised development costs		(1,155)		(1,174)	
Grant income on capitalised research and development		715		847	
Purchase of intangible assets		(24)		(31)	
Purchase of property, plant and equipment		(62)		(16)	
Repayment of loans issued to third parties		-		36	
Interest received		2		-	
Net cash used in investing activities			(524)		(338)

Group Statement of Cash Flows continued

		2022		2021	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Financing activities					
Interest paid		(21)		(23)	
Proceeds from issue of shares		7,136		-	
Repayment of bank loans and borrowings		(30)		(17)	
Payment of lease liabilities		(182)		(163)	
Dividends paid		-		(100)	
Net cash generated from/(used in) financing activities			6,903		(303)
Net increase/(decrease) in cash and cash equivalents			4,097		(313)
Cash and cash equivalents at beginning of year			1,290		1,603
Effect of foreign exchange rates			(1)		-
Cash and cash equivalents at end of year			5,386		1,290

The notes on pages 60 to 95 form part of these group financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. ACCOUNTING POLICIES

COMPANY INFORMATION

Aurrigo International Plc is a public company limited by shares incorporated in England and Wales. The registered office is Unit 33 Bilton Industrial Estate, Humber Avenue, Coventry, CV3 1JL. The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of Aurrigo International Plc and all of its subsidiaries.

1.1 BASIS OF PREPARATION

The Group financial statements have been prepared in accordance with UK Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The Group's transition to UK Adopted International Accounting Standards was completed during the preparation of the Historical Financial Statements contained in the Admission Document upon the Group's admission to the AIM market.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below, and have been applied consistently across all years presented.

Parent company
These financial statements for the year ended 31 December 2022 are the first financial statements of Aurrigo International Plc prepared in accordance with FRS 101. On first time adoption of FRS 101 the Company has taken the exemption under IFRS 1.D15 to apply deemed cost to the investment, as opposed to cost, being the previous GAAP carrying amount at the same date. There have been no other mandatory or optional transitional exemptions applied to the company's financial statements.

The company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework. As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

(a) the requirements of IFRS 7 'Financial Instruments: Disclosure';

(b) the requirements within IAS 1 relating to the presentation of certain comparative information;

(c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;

(d) paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but it not yet effective); and

(e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

As permitted by S408 Companies Act 2006, the Company had not presented its own Statement of Comprehensive Income. The company's loss for the period was £282,829 (2021 - profit £100,000).

1.2 BASIS OF CONSOLIDATION

The consolidated group financial statements consist of the financial statements of the parent company Aurrigo International Plc together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

Notes to the Group Financial Statements continued

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 GOING CONCERN

The Company has consolidated its trading position in the year, maintaining sales of £5.3m and gross profit of £1.8m. Net cash stands at £5.4m having successfully listed on AIM with net proceeds of £7.2m.

Management has prepared detailed financial projections for a period of at least 12 months from the date of signing the financial statements ("Review Period"). These projections are based on the Company's detailed annual business plan. Sensitivity analysis has been performed to model the impact of more adverse trends compared to those included in the financial projections in order to estimate the impact of severe but plausible downside risks.

The key sensitivity assumptions applied include:

- Delay in revenues derived from R&D testing of Autonomous vehicles and related simulation.
- Increased wage rate inflation.
- Increased general inflation on input costs, including goods sold.

Mitigating actions available to the Company were applied and the Board challenged the assumptions used. After reviewing the forecasts the Board has formed the judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

1.4 REVENUE

The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

Within the automotive component sector there is a single type of revenue recognised:

Supply of automotive components
Goods are supplied under contracts where the key performance obligations for the Group are the manufacturing and delivery of the products. The fair value of the revenue, being the price per unit net of volume discounts and sales taxes, are recognised as revenue at a point in time at the point of transfer of control to the customer, which is typically on dispatch from the Group's premises. The transaction price includes an element of variable consideration in respect of volume discounts. The revenue recognised is constrained to the extent that it is highly probably that a significant reversal in the amount of cumulative revenue recognised will not occur when any uncertainty associated with the volume discounts is subsequently resolved.

Within the autonomous sector there are two types of revenue recognised:

Supply of autonomous vehicles
Vehicles are supplied under contracts where the key performance obligations for the Group are the manufacturing and delivery of the vehicles. The fair value of the revenue, being the price per vehicle net of volume discounts and sales taxes, are recognised as revenue at a point in time at the point of transfer of control to the customer, which is typically on dispatch from the Group's premises. The transaction price includes an element of variable consideration in respect of volume discounts. The revenue recognised is constrained to the extent that it is highly probably that a significant reversal in the amount of cumulative revenue recognised will not occur when any uncertainty associated with the volume discounts is subsequently resolved.

Simulation contracts
Contracts for autonomous proof of concept, simulation and demonstration are supplied under contracts which specify deliverable over a specified time period. Revenue is recognised on completion of deliverable within the contracted period and matched to costs incurred in order to deliver the project.

1.5 INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Research expenditure is written off against profits in the year in which it is incurred.

Development costs that are directly attributable to the design and testing of vehicles, systems and software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product such that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

As a result of the above, costs have only been capitalised from the point at which certain projects became commercially feasible.

Directly attributable costs that are capitalised as part of the vehicle, system or software include employee and contractor costs. Other development expenditures that do not meet these criteria, as well as ongoing maintenance and costs associated with routine upgrades and enhancements, are recognised as an expense, as incurred. Where grant income has been received as part of the development process the whole cost of the asset is capitalised and the associated grant income is deferred and shown within payables.

The depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life. Amortisation begins when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents - 20 years straight line Development costs - 10 years straight line

Amortisation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

Development costs capitalised are in relation to the manufacture of autonomous vehicles which are not in commercial production yet and therefore not currently being amortised.

1.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised as an asset only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Notes to the Group Financial Statements continued

After recognition, all property, plant and equipment are carried at costs less any accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Autonomous vehicles	20% straight line
Fixtures and fittings	25% - 33% straight line
Plant and machinery	20% - 33% straight line
Tooling	25% - 33% straight line
Motor vehicles	20% straight line
Right of use assets - Property	Over the life of the lease
Right of use assets - Motor vehicles	Over the life of the lease

The residual value and the useful life of an asset are reviewed at least at each financial period-end and if expectations differ from previous estimates, the changes are accounted for prospectively.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 NON-CURRENT INVESTMENTS (COMPANY ONLY)

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

1.8 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 INVENTORIES

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventory over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the statement of comprehensive income. Reversals of impairment losses are also recognised in the statement of comprehensive income.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 FINANCIAL ASSETS

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through the statement of comprehensive income are measured at fair value and any transaction costs are recognised in the statement of comprehensive income. Financial assets not classified as fair value through the statement of comprehensive income are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost
Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets
Financial assets are assessed for indicators of impairment at each reporting end date using an expected credit loss model.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Notes to the Group Financial Statements continued

1.12 FINANCIAL LIABILITIES

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities
Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.13 EQUITY INSTRUMENTS

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

1.14 TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. 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 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 end 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. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 RETIREMENT BENEFITS

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 SHARE-BASED PAYMENTS

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.18 LEASES

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is initially measured at an amount representing the expected cashflows discounted at the Group's incremental borrowing rate. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the group's estimate of the amount expected to be payable under a residual value guarantee; or the group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Notes to the Group Financial Statements continued

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

The interest expense is recognised as a financing cashflow, whilst the amortisation of the right of use asset is included within administrative expenses and operating cashflows.

1.19 GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate. A grant received before the recognition criteria are satisfied is recognised as deferred income.

Research and development expenditure credits
Where the Group receives research and development expenditure credits ("**RDEC**") it accounts for these as government grant income within operating income as it more closely aligns with grant income as opposed to a taxation credit. The income is recognised on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate, under IAS 20 'Accounting for Government Grants and Disclosures'.

As well as receiving RDEC, the Group also receives R&D tax credits on the development expenditure it makes on the commercial projects it undertakes. These taxation credits are considered to reflect enhanced tax relief and as such are shown as a reduction in income tax or an increase in receivables due from HM Revenue & Customs.

1.20 FOREIGN EXCHANGE

Functional and presentation currency
The Group's functional and presentation currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'cost of sales'.

Translation of overseas operations
The assets and liabilities of foreign operations are translated to the Group's presentation currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the currency reserve.

1.21 EARNINGS PER SHARE

Basic Earnings per share is calculated by dividing the profit for the year attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted Earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Details of the calculations presented under this are given in note 16.

2. ADOPTION OF NEW AND REVISED STANDARDS AND CHANGES IN ACCOUNTING POLICIES

In the current year, the following new and revised standards and interpretations have been adopted by the group but have had no impact on its reported results of financial position:

- Amendments to IAS 37 Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a First-time Adopter.
- Amendment to IFRS 9 Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities.

STANDARDS WHICH ARE IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the UK):

IFRS 17 'Insurance Contracts' and subsequent withdrawal of IFRS 4 'Insurance Contracts' and amendments to IFRS 17	1 January 2023*
Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)	1 January 2023*
Amendments to IFRS 10 and IAS 28 Sale of contribution of assets between an investor and its Associate or Joint Venture	1 January 2023*
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023*
Definition of an Accounting Estimate (Amendments to IAS 8)	1 January 2023*
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024*
Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024*
Amendments to IAS 1 Presentation of Financial Statements - Deferral of Effective Date Amendment (published 15 July 2020)	1 January 2024*
Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (published 23 January 2020)	1 January 2024*

* These standards, amendments and interpretations have not yet been endorsed by the UK and the dates shown are the expected dates.

The adoption of all above standards is not expected to have any impact on the Group's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

CRITICAL JUDGEMENTS

Autonomous vehicles

The directors make a judgement as to the appropriate classification of each autonomous vehicle constructed during a period. Where vehicles are constructed for sale, autonomous vehicles are classified as inventory and are measured at the lower of cost and estimated selling price less costs to complete and sell. Where vehicles are intended for use on a continuing basis in the Group's activities they are classified as tangible fixed assets and are measured at depreciated cost.

In addition there are estimation uncertainties around determining labour and overheads absorbed during the construction of vehicles as well as estimating likely selling price less costs to complete and sell.

KEY SOURCES OF ESTIMATION UNCERTAINTY

Useful lives and impairment of development costs

Development costs included within intangible fixed assets are amoritsed over their estimated useful life of 10 years, once they are brought into use. The selection of the estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten or increase then amortisation charges in the financial statements would increase or decrease and carrying amounts of the assets would change accordingly.

The Group is required to consider, on an annual basis, whether indications of impairment relating to such assets exist and if so, perform an impairment test. The recoverable amount is determined based on the higher of value in use calculations or fair value less costs to sell. The use of value in use method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The Directors are satisfied that all recorded assets will be fully recovered from expected future cash flows.

Capitalisation of development costs

As outlined in note 1.5 the Group recognises as intangible fixed assets development costs that are considered to meet the relevant capitalisation criteria. The measurement of such costs and assessment of their eligibility in line with the appropriate capitalisation criteria requires judgement and estimation around the time spent by eligible staff on development, expectations around the ability to generate future economic benefit in excess of cost and the point at which technical feasibility is established. The costs incurred on the intangible fixed assets were the key growth area for the Group's admission to AIM which helps to justify the capitalisation and demonstrates the Group's ability to capitalise these assets.

4. REVENUE AND SEGMENTAL ANALYSIS

IFRS 8 ‘Operating Segments’ requires operating segments to be identified on the basis of internal reports of the Group that are regularly reviewed by the Group’s chief operating decision maker. The chief operating decision maker of the Group is considered to be the Board of Directors. The Group has considered the overriding core principles of IFRS 8 ‘Operating segments’ as well as its internal reporting framework, management and operating structure. The conclusion is that the Group has two operating segments as follows:

- Automotive components - the supply of electrical components for use in the automotive sector and across other industrial applications, as well as trim and design components.
- Autonomous - the design, development and manufacture of autonomous vehicles and associated autonomous design and consultancy services.

Where costs cannot be meaningfully allocated to either primary operating segment, these are allocated as central costs and overheads.

The Group does not track its assets and liabilities by operating segment, and as such no information is provided to the chief operating decision maker in this respect. As such, no disclosure is provided of the segmental analysis of assets and liabilities.

The Group previously named the two sectors “Electrical components” and “Autonomous vehicles”. The change in name is to clarify the wider basis of operations in each division and does not otherwise represent any reorganisation of operating segments.

The revenues are allocated to the following operating segments:

	2022 £’000	2021 £’000
Revenue analysed by class of business		
Automotive components	4,803	4,915
Autonomous	499	353
	5,302	5,268

All revenue is recognised at a point in time when the single performance obligation is satisfied and the product is sold to the customer. This is usually at the point that the customer has signed for the delivery of the goods and the significant risks and rewards of ownership of the goods has transferred to the customer. There were no volume discounts in the current or prior year.

Notes to the Group Financial Statements continued

The Group presents the majority of its direct costs split on a reasonable basis for the operating segments identified, with any non-allocated income and costs presented within the central segment. The results are allocated to the following operating segments:

Year ended 31 December 2022:	**Automotive components £'000**	**Autonomous £'000**	**Central £'000**	**Total £'000**
Revenue	4,803	499	-	5,302
Cost of sales	(3,306)	(177)	-	(3,483)
Gross profit	1,497	322	-	1,819
Other operating income	-	278	-	278
Costs of admission to AIM	-	-	(1,010)	(1,010)
Expenditure	-	-	(3,178)	(3,178)
EBITDA	1,497	600	(4,188)	(2,091)
Depreciation and amortisation	-	(172)	(208)	(380)
Operating profit/(loss)	1,497	428	(4,396)	(2,471)
Interest receivable	-	-	2	2
Finance costs	-	-	(26)	(26)
Profit/(loss) before tax	1,497	428	(4,420)	(2,495)

Year ended 31 December 2021:	Automotive components £'000	Autonomous £'000	Central £'000	Total £'000
Revenue	4,915	353	-	5,268
Cost of sales	(3,417)	(29)	-	(3,446)
Gross profit	1,498	324	-	1,822
Other operating income	-	148	20	168
Related party loan write off	-	-	36	36
Expenditure	-	-	(1,637)	(1,637)
EBITDA	1,498	472	(1,581)	389
Depreciation and amortisation	-	-	(189)	(189)
Operating profit/(loss)	1,498	472	(1,770)	200
Interest receivable	-	-	-	-
Finance costs	-	-	(23)	(23)
Profit/(loss) before tax	1,498	472	(1,793)	177

Revenue from customers who individually accounted for more than 10% of total Group revenue amounted to £4,051,430 (2021 - £3,418,073) from two customers, as follows:

	2022 £'000	2021 £'000
Customer 1	1,454	1,432
Customer 2	2,597	1,986
	4,051	3,418

Revenue from each of the above customers is recognised in the supply of automotive components segment.

	2022 £'000	2021 £'000
Revenue analysed by geographical market		
United Kingdom	5,081	4,943
Europe	162	122
Rest of the World	59	203
	5,302	5,268

ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS:

The Group had no contract assets or contract liabilities at the year end (2021 - £nil).

5. OTHER OPERATING INCOME

	2022 £'000	2021 £'000
Government grants	171	23
Research and development expenditure credit	107	145
	278	168

Government grants comprise the following:

- Covid-19 job retention scheme grant totalling £nil (2021 - £6,756) which is credited to the income statement in the period in which the expenditure for which it is intended to contribute towards has been incurred;
- other Coronavirus support of £nil (2021 - £13,362); and
- other grant income of £171,173 (2021 - £3,262) in relation to Innovate UK, Australian and Canadian equivalents, and UK local government bodies.

The Group has recognised the following liabilities in relation to other grant income:

	2022 £'000	2021 £'000
At 1 January	2,944	2,097
Value of grant income to which entitlement was established in the year	886	850
Amounts recognised in other operating income during the year	(171)	(3)
At 31 December	3,659	2,944

Included in the above is deferred grant income due within one year of £217,248 (2021 - £nil), as detailed in note 27.

The release of deferred grant income is dependent on when amortisation of development costs begins but there are no other external contingencies in relation to recognising the grant income, except for the requirement to match the associated amortisation expense

6. NON-RECURRING EXPENSES

The Directors of the Group believe the following (credits)/charges to the statement of comprehensive income to be non-recurring expenses:

	2022 £'000	2021 £'000
Costs of admission to AIM	1,010	-
Related party loan write off	-	(36)
	1,010	(36)

IPO costs comprise of expenditure relating to the Group's listing and include; PR and marketing, IFRS conversion and preparation of Historical Financial Information, investor relation website, tax structuring, audit and consultancy expenditure. As these costs relate to the Group's admission to trading on AIM, which occurred on 15 September 2022, the costs have been recognised at this point in time and are classified as exceptional in these financial statements.

The loan write off, in the prior year, is in relation to a loan issued by the Group to Medical Devices Technology International Limited of which subsequently £36,000 was recovered (note 34).

7. OPERATING LOSS

Operating (loss)/profit for the year is stated after charging/(crediting):

	2022 £'000	2021 £'000
Exchange losses	2	31
Government grants	(171)	(23)
Depreciation of property, plant and equipment	32	26
Depreciation of right of use assets	176	158
Amortisation of intangible assets	172	4
Research costs not qualifying for capitalisation	-	25
Share-based payments	143	-
Provision against inventories	144	-

8. ALTERNATIVE PERFORMANCE MEASURES

The Directors have used an Alternative Performance Measure ("APM") in the preparation of these financial statements. The Consolidated Income Statement has presented Adjusted EBITDA, which represents Earnings Before Interest, Tax, Depreciation, Amortisation, share based payment charges, and non-recurring expenses.

The Directors have presented this APM because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business, and will allow an ongoing trend analysis of this performance based on current plans for the business.

9. AUDITOR'S REMUNERATION

Fees payable to the company's auditor and associates:

	2022 £'000	2021 £'000
For audit services		
Audit of the group financial statements and subsidiary undertakings	100	103
For other services		
Tax services	21	-
Other services	285	-
Total non-audit fees	306	-

Audit fees in the current year were payable to BDO LLP. Audit fees in the prior year were payable to Azets Audit Services Limited and covered the audit of 3 financial years up to and including the prior year as required for the Company's admission to AIM. Other services in the current year relate to the Company's admission to AIM.

10. EMPLOYEES

The average monthly number of persons (including directors) employed by the group during the year was:

	2022 Number	2021 Number
Executive Directors	3	2
Production	23	23
Research and development	17	13
Sales	3	1
Administration	12	10
Total	58	49

The geographical analysis of these employees is:

	2022 Number	2021 Number
United Kingdom	56	49
Canada	1	-
Singapore	1	-
	58	49

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	2,250	1,128
Social security costs	256	98
Pension costs	112	66
	2,618	1,292

Notes to the Group Financial Statements continued

In addition to the above, further employee costs (including directors) have been incurred as part of the development costs in each period, and are shown within additions in note 17. The total employment costs which have been capitalised as development are:

	2022 £'000	2021 £'000
Wages and salaries	497	860
Social security costs	66	99
Pension costs	11	51
	574	1,010

11. DIRECTORS' REMUNERATION

	2022 £'000	2021 £'000
Remuneration for qualifying services	626	188
Company pension contributions to defined contribution schemes	56	53
	682	241

In addition to the above, further employee costs have been incurred as part of the development costs in each period, and are shown within additions in note 17. The employment costs relating to directors which have been capitalised as development are:

	2022 £'000	2021 £'000
Remuneration for qualifying services	-	142
Company pension contributions to defined contribution schemes	-	39
	-	181

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	216	165
Company pension contributions to defined contribution schemes	26	46

In the prior year both directors received the same remuneration.

During the year to 31 December 2022 the directors received remuneration as follows:

	Salary £'000	Benefits in kind £'000	Pension £'000	Share option expense £'000	Total £'000
Mr G Keene	182	17	26	-	225
Mr D Keene	199	16	26	-	241
Ms P Coates (appointed 9 September 2022)	17	-	-	-	17
Mr A Cornish (appointed 9 September 2022)	40	-	-	-	40
Mr J Elliott (appointed 9 September 2022)	17	-	-	-	17
Mr L Girdwood (appointed 9 September 2022)	17	-	-	-	17
Mr I Grubb (appointed 1 May 2022)	106	2	4	13	125
	578	35	56	13	682

During the year to 31 December 2021 the directors received remuneration as follows:

	Salary £'000	Benefits in kind £'000	Pension £'000	Share option expense £'000	Total £'000
Mr G Keene	165	-	46	-	211
Mr D Keene	165	-	46	-	211
	330	-	92	-	422

12. FINANCE INCOME

	2022 £'000	2021 £'000
Interest income		
Bank interest received	2	-

13. FINANCE COSTS

	2022 £'000	2021 £'000
Interest on bank overdrafts and loans	15	10
Interest on lease liabilities	9	13
Interest on invoice finance arrangements	2	-
Total interest expense	26	23

All interest costs are on financial liabilities measured at amortised cost.

Notes to the Group Financial Statements continued

14. INCOME TAX EXPENSE

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current period	(48)	(41)
Adjustments in respect of prior periods	67	-
Total UK current tax	19	(41)
Deferred tax		
Origination and reversal of temporary differences	(307)	64
Adjustment in respect to prior periods	(13)	83
	(320)	147
Total tax (credit)/charge	(301)	106

The charge for the year can be reconciled to the loss per the income statement as follows:

	2022 £'000	2021 £'000
Loss before taxation	(2,496)	178
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2021: 19.00%)	(474)	34
Effect of expenses not deductible in determining taxable profit	130	2
Unrecognised tax losses	34	-
Adjustment in respect of prior years	54	-
Effect of change in UK corporation tax rate	(74)	83
Research and development tax credit	(16)	(21)
Results of overseas subsidiaries not subject to tax	35	1
Other tax differences	10	7
Taxation (credit)/charge for the year	(301)	106

The UK corporation tax rate was 19% throughout the year.

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are therefore measured at 25% (2021 - 25%). However, where individual timing differences are immaterial and expected to substantially unwind by 1 April 2023 the deferred tax balance is measured at 19% (2021 - 19%).

15. DIVIDENDS

Amounts recognised as distributions:

	2022 per share £'000	2021 per share £'000	2022 Total £'000	2021 Total £'000
Final dividend paid	-	0.08	-	100

The directors do not propose payment of a final dividend for the current year.

16. EARNINGS PER SHARE

	2022 Number	2021 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	18,721,737	1,208,215
Effect of dilutive potential ordinary shares:		
- Weighted average number outstanding share options	-	-
Weighted average number of ordinary shares for diluted earnings per share	18,721,737	1,208,215

	2022 £'000	2021 £'000
Earnings		
Continuing operations		
Loss/profit for the period from continued operations	(2,195)	72

	2022 £ per share	2021 £ per share
Earnings per share for continuing operations		
Basic earnings per share	(0.12)	0.06
Diluted earnings per share	(0.12)	0.06

In the current year the Group incurred losses and as such has not presented any dilutive shares in accordance with IAS 33 'Earnings per share'. The diluted earnings per share is therefore the same as the basic earnings per share.

The Group does have a number of share options, which have been issued during the current year, that would dilute the earnings per share should the Group become profitable. Details of the share options are given in note 29.

There were no share options outstanding at the end of the prior year.

ADJUSTED EARNINGS PER SHARE

The Directors use adjusted earnings before exceptional costs share based payment expenses, depreciation and amortisation. This creates an alternative performance measure which the Directors believe reflects a fair estimate of ongoing profitability and performance. The calculated Adjusted Earnings for the current period of accounts is as follows:

	2022 Number	2021 Number
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	18,721,737	1,208,215
Effect of dilutive potential ordinary shares:		
- Weighted average number outstanding share options	-	-
- Convertible debt	-	-
Weighted average number of ordinary shares for diluted earnings per share	18,721,737	1,208,215

Notes to the Group Financial Statements continued

	2022 £'000	2021 £'000
Adjusted earnings		
Loss/profit for the period from continued operations	(2,195)	72
Adjusted for:		
Non-recurring costs	1,010	(36)
Share based payment expense	143	-
Depreciation	208	185
Amortisation	172	4
Net finance costs	24	23
Taxation	(301)	106
Adjusted earnings for basic and diluted earnings per share	(939)	354

	2022 £ per share	2021 £ per share
Earnings per share for continuing operations		
Basic earnings per share	(0.05)	0.29
Diluted earnings per share	(0.05)	0.29

As the adjusted earnings per share still shows the Group incurring losses during the current year, the dilutive shares have not been presented for the adjusted earnings per share calculation also. The diluted earnings per share is therefore the same as the basic earnings per share.

17. INTANGIBLE ASSETS

	Patents & licences £'000	**Development costs £'000**	**Total £'000**
Cost			
At 1 January 2021	39	3,157	3,196
Additions	31	1,174	1,205
At 31 December 2021	70	4,331	4,401
Additions	26	1,155	1,181
At 31 December 2022	96	5,486	5,582
Amortisation and impairment			
At 1 January 2021	3	-	3
Charge for the year	4	-	4
At 31 December 2021	7	-	7
Charge for the year	4	168	172
At 31 December 2022	11	168	179
Carrying amount			
At 31 December 2022	85	5,318	5,403
At 31 December 2021	63	4,331	4,394

Development costs capitalised are in relation to the manufacture of autonomous vehicles, some of which are not in commercial production yet and therefore not currently being amortised. During the current year end, the autonomous vehicles which have now been brought into production (£2,883,130 included within the above cost for development costs as at 31 December 2022) are now being amortised over their estimated useful life of 10 years. All capitalised costs are associated with the Aurrigo cash generating unit which is described further in note 4.

The Directors prepare forecasts which show the projected growth of the business and use of these assets, which forms a key part of the Group's future strategy. The forecasts include an assessment of the likely commercialisation of the technology based on current demand and anticipated market growth strategies, profiled on a discounted cash flow basis. The Directors do not consider that the impairment review shows sensitivity to any discounted cashflow inputs.

18. PROPERTY, PLANT AND EQUIPMENT

	Autonomous vehicles £'000	Plant and machinery £'000	Fixtures and fittings £'000	Tooling £'000	Motor vehicles £'000	Right of use assets - Property £'000	Right of use assets - Motor vehicles £'000	Total £'000
Cost								
At 1 January 2021	78	315	8	140	25	684	60	1,310
Additions	-	11	-	5	-	-	8	24
Disposals	-	-	-	-	-	-	(15)	(15)
At 31 December 2021	78	326	8	145	25	684	53	1,319
Additions	-	59	3	-	-	200	15	277
Disposals	-	(10)	-	-	-	-	-	(10)
At 31 December 2022	78	375	11	145	25	884	68	1,586
Accumulated depreciation and impairment								
At 1 January 2021	17	306	7	138	17	387	41	913
Charge for the year	16	6	-	2	2	137	21	184
Eliminated on disposal	-	-	-	-	-	-	(15)	(15)
At 31 December 2021	33	312	7	140	19	524	47	1,082
Charge for the year	15	9	1	5	2	156	20	208
Eliminated on disposal	-	(10)	-	-	-	-	-	(10)
At 31 December 2022	48	311	8	145	21	680	67	1,280
Carrying amount								
At 31 December 2022	30	64	3	-	4	204	1	306
At 31 December 2021	45	14	1	5	6	160	6	237

IFRS 16 has been adopted and leased assets are presented above as right of use assets. The right of use assets are depreciated over the shorter of the asset's useful life and the lease term, on a straight line basis. The property leases are discounted at the Group's estimated incremental cost of borrowing at a rate of 5-6.24%. This has been derived by using the average borrowing rate for the transportation industry, which the Group is part of, and the average market rates for property leases.

The motor vehicle leases are discounted at the Group's incremental cost of borrowing at a rate of 6%. using the average borrowing rate for the transportation industry, which the Group is part of, and the average market rates for vehicle leases.

Notes to the Group Financial Statements continued

19. INVENTORIES

	2022 £'000	2021 £'000
Raw materials	599	350
Work in progress	21	8
Finished goods	311	420
	931	778

The Group has recognised a total provision of £144,026 (2021 - £nil) against its inventories.

20. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Trade receivables	1,205	807
Provision for bad and doubtful debts	(12)	-
	1,193	807
VAT recoverable	63	-
Directors' loan account receivables	-	161
Other receivables	89	186
Prepayments	187	14
	1,532	1,168

21. TRADE RECEIVABLES - CREDIT RISK

FAIR VALUE OF TRADE RECEIVABLES

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Expected credit loss assessment

TRADE RECEIVABLES	Balance £'000	Loss allowance £'000
2022	625	-
Current	391	-
Past due 0-30 days	103	-
Past due 31-60 days	88	12
Past due more than 60 days	1,207	12

TRADE RECEIVABLES	Balance £'000	Loss allowance £'000
2021	396	-
Current	307	-
Past due 0-30 days	23	-
Past due 31-60 days	81	-
Past due more than 60 days	807	-

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

Around 90% of sales made are self-billed by the customers. The average credit period given on self-billed sales is 60 days from the self-billed date. For other sales the average credit period given is 30 days. For autonomous sales specific terms are agreed in advance. The Group has assessed that it has little credit risk and anticipates that all balances will be fully recoverable.

The expected credit loss provision for impairment is considered based upon the historic rate of bad debt write off for the historic trading of the Group. There is limited established trading results for the autonomous sales operating segment and hence no credit loss provision for impairment is considered. However, sales are typically of high individual value with customers who have very secure credit ratings, and therefore credit risk is assessed to be minimal.

Overall, the total provision for impairment for all trade receivables, except for any specific provisions required, has been assessed as immaterial and therefore not recognised in the financial statements.

Movement in the allowances for doubtful debts

	2022 £'000	2021 £'000
Balance at 1 January	-	-
Additional allowance recognised	12	-
Balance at 31 December	12	-

22. BORROWINGS

	Current		**Non-current**	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Borrowings held at amortised cost:				
Bank loans	30	30	55	85

The Group's borrowings are received under the Coronavirus Business Interruption Loan Scheme ("CBILS") on which undiscounted amounts of £85,000 (2021 - £115,000) are due, and which has an interest rate of 12.1%. The Group was entitled to a Business Interruption Payment for the first 12 months up to a capped amount to cover payments of the interest.

Of these loans, £nil (2021 - £nil) falls due for repayment in more than 5 years.

Notes to the Group Financial Statements continued

23. FINANCIAL INSTRUMENTS

The Group has exposure to the following risks arising from financial instruments:

- foreign currency risk;
- interest risk;
- market risk;
- credit risk; and
- liquidity risk

The Group is not exposed to any material interest rate risk due to its borrowings being on fixed terms.

The Group's Chief Financial Officer, working alongside the rest of the Board maintain liquidity and credit risk and manages relations with the Group's bankers.

FOREIGN CURRENCY RISK

The UK company holds a Euro and US Dollar bank account therefore providing a natural hedge against a certain element of overseas transactions. The Australian, Canadian and Singaporean subsidiaries hold local currency bank accounts. There are no other hedging arrangements in place.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

Year ended 31 December 2022:	**Euros £'000**	**US Dollars £'000**	**Canadian Dollars £'000**	**Australian Dollars £'000**	**Singapore Dollars £'000**	**Sterling £'000**	**Total £'000**
Trade and other receivables	473	30	-	1	28	750	1,282
Cash and cash equivalents	47	1	56	5	94	5,183	5,386
Trade and other payables	(282)	(7)	(10)	-	(12)	(655)	(966)
Borrowings	-	-	-	-	-	(113)	(113)
Leases	-	-	-	-	-	(229)	(229)
	238	24	46	6	110	4,936	5,360

Year ended 31 December 2021:	Euros £'000	US Dollars £'000	Canadian Dollars £'000	Australian Dollars £'000	Singapore Dollars £'000	Sterling £'000	Total £'000
Trade and other receivables	167	47	-	-	-	935	1,149
Cash and cash equivalents	954	40	2	3	-	291	1,290
Trade and other payables	(207)	(15)	-	-	-	(681)	(903)
Borrowings	-	-	-	-	-	(148)	(148)
Leases	-	-	-	-	-	(186)	(186)
	914	72	2	3	-	211	1,202

Whilst the Group takes steps to minimise its exposure to foreign exchange risk, changes in foreign exchange rates will have an impact on profit.

The Group's foreign exchange risk is dependent predominantly on the movement in the Euro to sterling exchange rate. The effect of a 5% strengthening in the Euro against sterling at the reporting date on the Euro denominated financial assets and liabilities at the year end would, all other variables being held constant, have resulted in a decrease in the post-tax profit for the year of £12,000. A 5% weakening in the exchange rate would, on the same basis, would have increased post-tax profit by £12,000.

The Group is exposed to foreign exchange risk from the other currencies detailed in the table above, but all such risks are trivial due to the low value of underlying financial assets and liabilities involved.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The Group is exposed to market risk through its use of financial instruments.

Capital management

Capital is typically cash or liquid assets held or obtained by the Group for expenditures. 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 other stakeholders. The Group manages the capital structure, being cash and cash equivalents and reinvestment of a proportion of profits generated, and makes changes in light of movements in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust its borrowings and investment decisions.

The carrying amount of financial instruments is shown below:

	2022 £'000	2021 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,282	1,150
Cash and cash equivalents	5,386	1,290
	6,668	2,440
Carrying amount of financial liabilities		
Measured at amortised cost	1,308	1,236
	1,308	1,236

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets held at amortised cost represent the maximum credit exposure. The Group has a small number of high value blue chip customers and therefore does not consider credit risk to be significant. For new smaller customers the usual process involves the requirement of the customer to pay in advance for first order(s) (note 21).

The Group is not exposed to any significant credit risk in relation to any single counterparty or group or counterparties having similar characteristics.

Notes to the Group Financial Statements continued

As at the year end, approximately 60% of trade receivables are held with 3 individual parties, whose credit rating is AA3. Although there is concentration of risk, the external credit rating of the customers suggests the credit risk the Group is exposed to is low.

	2022 £'000	2021 £'000
Not credit-impaired		
External credit ratings AA3	5,237	1,290
External credit ratings A2*	56	2
External credit ratings AA1	94	-
	5,387	1,292

*The external credit rating of this facility moved from AA3 to A2 in 2022.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Group manages its liquidity by forecasting cash inflows and outflows on a daily basis. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The contractual maturity of financial liabilities is outlined below.

The undiscounted contractual maturity analysis for the Group financial instruments is shown below. The maturity analysis reflects the contractual undiscounted cashflows, including future interest charges, which may differ from the carrying value of the liabilities as at the reporting date.

Year ended 31 December 2022:	**Demand and less than 3 months £'000**	**From 3 to 12 months £'000**	**From 12 months to 2 years £'000**	**From 2 to 5 years £'000**	**More than 5 years £'000**	**Total £'000**
Financial assets						
Trade and other receivables	1,193	89	-	-	-	1,282
Cash and cash equivalents	5,386	-	-	-	-	5,386
	6,579	89	-	-	-	6,668
Financial liabilities						
Trade and other payables	966	-	-	-	-	966
Borrowings	10	30	40	33	-	113
Leases	42	46	64	77	-	229
	1,018	76	104	110	-	1,308

Year ended 31 December 2021:	Demand and less than 3 months £'000	From 3 to 12 months £'000	From 12 months to 2 years £'000	From 2 to 5 years £'000	More than 5 years £'000	Total £'000
Financial assets						
Trade and other receivables	829	320	-	-	-	1,149
Cash and cash equivalents	1,290	-	-	-	-	1,290
	2,119	320	-	-	-	2,439
Financial liabilities						
Trade and other payables	903	-	-	-	-	903
Borrowings	5	30	40	73	-	148
Leases	42	118	26	-	-	186
	950	148	66	73	-	1,237

The maturity gap analysis on the Group's financial assets and liabilities is as follows:

	Demand and less than 3 months £'000	**From 3 to 12 months £'000**	**From 12 months to 2 years £'000**	**From 2 to 5 years £'000**	**More than 5 years £'000**	**Total £'000**
Liquidity gap						
As at 31 December 2022	5,561	13	(104)	(110)	-	5,360
As at 31 December 2021	1,169	172	(66)	(73)	-	1,202

24. TRADE AND OTHER PAYABLES

	2022 £'000	2021 £'000
Trade payables	716	772
Accruals	254	110
Social security and other taxation	173	175
Other payables	-	22
	1,143	1,079

The Directors consider that the carrying amount of trade payables approximates to their fair value.

25. LEASE LIABILITIES

Maturity analysis	**2022 £'000**	2021 £'000
Within one year	88	160
In two to five years	141	26
Total undiscounted liabilities	229	186
Future finance charges and other adjustments	(18)	(5)
Lease liabilities in the financial statements	211	181

Notes to the Group Financial Statements continued

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £'000	2021 £'000
Current liabilities	79	155
Non-current liabilities	132	26
	211	181

Amounts recognised in profit or loss include the following:	**2022 £'000**	2021 £'000
Interest on lease liabilities	9	13

The Group's right of use asset additions and depreciation charge recognised on leases in the year is shown in note 18, and interest expense in note 13. The total cash outflows in the year are explained in the Statement of Cash Flows and associated note.

26. DEFERRED TAXATION

	2022 £'000	2021 £'000
Deferred tax liabilities	-	351
Deferred tax assets	-	(3)
	-	348

Deferred tax assets are expected to be recovered after more than one year

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	Accelerated capital allowances £'000	**Capitalised development costs £'000**	**Transition to IFRS £'000**	**Retirement benefit obligations £'000**	**Share based payments £'000**	**Tax losses £'000**	**Total £'000**
Liability at 1 January 2021	3	202	-	-	-	-	205
Asset at 1 January 2021	-	-	(4)	-	-	-	(4)
Deferred tax movements in prior year							
Charge/(credit) to profit or loss	1	62	1	-	-	-	64
Effect of change in tax rate - profit or loss	-	83	-	-	-	-	83
Liability at 1 January 2022	4	347	-	-	-	-	351
Asset at 1 January 2022	-	-	(3)	-	-	-	(3)
Deferred tax movements in current year							
Charge/(credit) to profit or loss	17	278	3	(5)	(36)	(577)	(320)
Credit direct to equity	-	-	-	-	(28)	-	(28)
Liability at 31 December 2022	21	625	-	-	-	-	646
Asset at 31 December 2022	-	-	-	(5)	(64)	(577)	(646)

There is an un-recognised deferred tax asset in relation to the parent company losses of approximately £129,000 (2021 - £nil). On a consolidated basis, there is an un-recognised deferred tax asset in relation to the Group losses of approximately £34,115 (2021 - £nil), in relation to unrecognised tax losses of approximately £136,000 (2021 - £nil). The asset has not been recognised as there is not sufficient certainty around the timing and use of these losses.

27. DEFERRED GRANT INCOME

	2022 £'000	2021 £'000
Arising from government grants (note 5)	3,659	2,944

Deferred revenues are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £'000	2021 £'000
Current liabilities	217	-
Non-current liabilities	3,442	2,944
	3,659	2,944

Details of the terms associated with deferred grant income are provided in note 5.

28. RETIREMENT BENEFIT SCHEMES

Defined contribution schemes	2022 £'000	2021 £'000
Charge to the statement of comprehensive income in respect of defined contribution schemes	114	117

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end the pension scheme liability was £20,159 (2021 - £6,225).

29. SHARE-BASED PAYMENTS

	Number of share options		Average exercise price	
	2022	2021	2022 £'000	2021 £'000
Outstanding at 1 January 2022	-	-	-	-
Granted in the period	1,666,664	-	0.24	-
Outstanding at 31 December 2022	1,666,664	-	0.24	-
Exercisable at 31 December 2022	293,280	-	0.24	-

Notes to the Group Financial Statements continued

Options granted during the year

Options granted in the year are set out below. Fair value was measured using Black-Scholes model.

	2022
Grant date	15 September 2022
Weighted average fair value	£447,183
Inputs for model:	
– Weighted average share price	0.48
– Weighted average exercise price	0.24
– Expected volatility	52.67%
– Expected life	0-3 years
– Risk free rate	3.01%
– Expected dividends yields	0%

Options outstanding

Expenses	2022 £'000	2021 £'000
Related to equity settled share based payments	143	-

Of the 1,666,664 share options grant during the year, 293,280 vested immediately upon grant and have therefore been excluded from the inputs shown above. The fair value of these options is £70,387 and is included in the total fair value of £447,183 shown above.

30. SHARE CAPITAL

Ordinary share capital	2022 Number	2021 Number	2022 £'000	2021 £'000
Authorised, issued and fully paid				
Ordinary shares of £0.002 each (2021 - £0.00001 each)	41,666,667	1,208,215	83	-

Various reorganisation steps were taken on 27 July 2022 in relation to the IPO as follows:

- Issue of one Ordinary share with nominal value of £0.00001 per share at the market value of £19.45 per share.
- Issue of 11,784 Ordinary shares from reserves to existing shareholders at a ratio of 1,743 new Ordinary shares for every 151,027 existing Ordinary shares held. The bonus shares issued are of the same class and same nominal value as the existing holdings.
- Consolidation its Ordinary shares at a ratio of 1 new Ordinary share for every 200 existing Ordinary shares held.
- Issue of 24,993,900 Ordinary shares from reserves to existing Ordinary shareholders at a ratio of 249,939 new Ordinary shares for every 61 existing Ordinary shares held. The bonus shares issued are of the same class and same nominal value as the existing holdings.

On 15 September 2022 the Company announced the admission to trading on the AIM market of the London Stock Exchange. The Company raised £8,166,667 (before expenses) by way of placing 16,666,667 Ordinary shares of £0.002 each.

Reconciliation of movements during the year:	Number
At 1 January 2022	1,208,215
Issue of fully paid shares	1
Issue from reserves	11,784
Consolidation of existing shares	(1,213,900)
Issue from reserves	24,993,900
Allotment of shares	16,666,667
At 31 December 2022	41,666,667

Reserves of the Company represent the following:

Share capital – Shares in the Company held by Shareholders.

Share premium account – premium on the company's ordinary share capital

Retained earnings – Retained earnings represent cumulative net gains and losses recognised in the Statement of Comprehensive Income.

Share option reserve - the cumulative charge for share based payments, less amounts subsequently exercised or cancelled.

31. SHARE PREMIUM ACCOUNT

	2022 £'000	2021 £'000
At the beginning of the year	-	-
Issue of new shares	8,133	-
Costs of issue set against premium	(1,030)	-
At the end of the year	7,103	-

32. SHARE OPTION RESERVE

	2022 £'000	2021 £'000
At the beginning of the year	-	-
Additions	143	-
At the end of the year	143	-

33. COMMITMENTS AND CONTINGENT LIABILITIES

The Group has no commitments or contingent liabilities at either the current or prior year end.

Notes to the Group Financial Statements continued

34. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2022 £'000	2021 £'000
Short-term employee benefits	1,459	654
Post-employment benefits	83	97
	1,542	751

Included within the above are share-based payment costs of £109,291 (2021 - £nil), in respect of 899,733 (2021 - nil) vested and vesting share options which were granted in favour of key management personnel.

Other transactions with related parties

The Group issued a loan of £238,000 to Medical Devices Technology International Limited, during the year ended 31 December 2020, of which £149,000 was repaid and £84,940 was written off in the same year. The Group subsequently recovered £1,912 during the current year. Mr D Keene and Mr G Keene (directors of Group) are also shareholders of Medical Devices Technology International Limited. The loan was non-interest bearing. Subsequent to the write off, the Group recovered £36,000 in the year to 31 December 2021 and has been recognised as a credit to administrative expenses (note 6).

During the year the Group also entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
Other related parties	1	24	-	1

Sales to and purchases from other related parties above were made to Leacy MG Limited, a company which Mr David Keene (a director of the Group) is a shareholder of. Leacy MG Limited ceased to be a related party in February 2022 when Mr David Keene disposed of his shares in the company.

In addition to the above consultancy fees of £188,424 (2021 - £nil) were paid to the non-executive directors prior to the Company's listing on AIM for IPO support.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties

	2022 £'000	2021 £'000
Other related parties	-	1

Amounts due to other related parties is due to Revival Cars Limited. Mr D Keene and Mr G Keene (directors of the Group) are also shareholders of Revival Cars Limited.

The following amounts were outstanding at the reporting end date:

Amounts due from related parties

	2022 £'000	2021 £'000
Other related parties	-	4

Amounts owed by other related parties is owed by Leacy MG Limited.

The balances shown above are unsecured, interest free and repayable on demand.

35. SUBSIDIARIES

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held Direct	% Held Indirect
Richmond Design & Marketing Limited	England and Wales[1]	Manufacture and sale of electronic components and autonomous vehicles	Ordinary	-	100.00
D G Automotive Limited	England and Wales[1]	Dormant	Ordinary	100.00	-
RDM Meditec Limited	England and Wales[2]	Dormant	Ordinary	100.00	-
RDM Trustee Limited	England and Wales[2]	Dormant	Ordinary	100.00	-
RDM Automotive Limited	England and Wales[2]	Dormant	Ordinary	100.00	-
Aurrigo Limited	England and Wales[1]	Dormant	Ordinary	100.00	-
Aurrigo Pty Ltd	Australia[3]	Promotion of the sale of autonomous vehicles	Ordinary	-	100.00
Aurrigo Canada Limited	Canada[4]	Promotion of the sale of autonomous vehicles	Ordinary	-	100.00
Aurrigo PTE. Ltd	Singapore[5]	Provision of autonomous simulation, demonstration and vehicles	Ordinary	-	100.00
Aurrigo LLC	USA[6]	Dormant	Ordinary	-	100.00

The registered office addresses of the subsidiaries is as follows:

[1] 33 Bilton Industrial Estate, Humber Avenue, Coventry, CV3 1JL.

[2] Azets, Ventura Park Road, Tamworth, B78 3HL.

[3] NVI, Flinders at Tonsley, 1284 South Road, Clovelly Park 5042, Australia.

[4] 7 Bayview Road, Ottawa ON K1Y 2C5, Canada.

[5] 60 Airport Boulevard, B16-30, Changi Airport Terminal 2, Singapore, 819643.

[6] 10370 Richmond Avenue, Suite 475, Houston, TX, 77042, USA.

36. NOTE TO THE STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	At 1 January 2022 £'000	Cash flows £'000	New leases £'000	Interest charged £'000	Other* £'000	At 31 December 2022 £'000
Bank loans	115	(45)	-	15	-	85
Lease liabilities	181	(191)	200	9	12	211
	296	(236)	200	24	12	296

	At 1 January 2021 £'000	Cash flows £'000	New leases £'000	Interest charged £'000	Other* £'000	At 31 December 2021 £'000
Bank loans	145	(27)	-	10	(13)	115
Lease liabilities	336	(176)	8	13	-	181
	481	(203)	8	23	(13)	296

The amount of £nil (2021 - £13,362) within bank loans other column relates to the Business Interruption Payments adjustment on the Coronavirus Business Interruption Loan Scheme (CBILS) loan.

The amount of £12,043 (2021 - £59) within lease liabilities other column relates to a lease modification under IFRS 16.

37. EMPLOYEES

Company

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Executive Directors	3	2

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	305	-
Social security costs	38	-
Pension costs	31	-
	374	-

38. INVESTMENTS

Company

	Current		Non-current	
	2022 £	2021 £	**2022 £**	2021 £
Investments in subsidiaries	-	-	153	10

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 35.

Movements in non-current investments

	Shares in subsidiaries £'000	Loans to subsidiaries £'000	Total £'000
Cost or valuation			
At 1 January 2022	10	-	10
Share based payment charges	-	143	143
At 31 December 2022	10	143	153
Carrying amount			
At 31 December 2022	10	143	153
At 31 December 2021	10	-	10

39. TRADE AND OTHER RECEIVABLES

Company	**2022 £**	2021 £
VAT recoverable	60	-
Amounts owed by subsidiary undertakings	2,185	-
Prepayments	56	-
	2,301	-

40. LIABILITIES

Company	**Notes**	**2022 £**	2021 £
Trade and other payables	41	358	-
Taxation and social security		39	-
		397	-

41. TRADE AND OTHER PAYABLES

Company	2022 £	2021 £
Trade payables	236	-
Accruals	122	-
Social security and other taxation	39	-
	397	-

42. SHARE-BASED PAYMENTS COMPANY

The company information for share-based payments is the same as the group information and is shown in note 29.

43. SHARE CAPITAL COMPANY

Refer to note 30 of the group financial statements.

COMPANY INFORMATION

Directors	Mr G Keene	
	Mr D Keene	
	Ms P Coates	(Appointed 9 September 2022)
	Mr A Cornish	(Appointed 9 September 2022)
	Mr J Elliott	(Appointed 9 September 2022)
	Mr L Girdwood	(Appointed 9 September 2022)
	Mr I Grubb	(Appointed 1 May 2022)
Secretary	Almond CS Limited	
Company number	05546181	
Registered office	33 Bilton Industrial Estate Humber Avenue Coventry United Kingdom CV3 1JL	
Auditor	BDO LLP Two Snowhill Birmingham B4 6GA	

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Unit 33 Bilton Industrial Estate
Humber Ave
Coventry
CV3 1JL
United Kingdom

www.aurrigo.com