

17 May 2023

## Aurrigo International plc

### Full year results for year ended 31 December 2022

#### *Good progress since IPO - foundations laid for future growth*

Aurrigo International plc (AIM: AURR, the “Company” or “Aurrigo”), a leading international provider of transport technology solutions, reports its full year results for the year ended 31 December 2022.

#### Highlights

- Autonomous and Aviation division signed multi-year partnering agreement with Changi Airport Group (Singapore) Pte Ltd (‘CAG’) for continued joint development of Auto-Dolly, Auto-DollyTug and Auto-Sim
- Automotive division also saw good activity levels, particularly amongst new potential customers
- Headcount increased at all levels, expanding the team from 50 at IPO to 78 as at end April 2023
- Established full-time teams in North America and Singapore offices
- Continued investment in R&D, with the development of the Auto-Dolly MK3 and Auto-DollyTug MK3
- Continued IP generation with patents granted
- Revenues of £5.3m, with Adjusted EBITDA loss of £0.9m
- Cash of £5.4m at period end, strong cost controls in place

#### Outlook

- Momentum of 2022 continuing into 2023, with industry partnerships and grant-funded projects signed in Autonomous and Aviation and good customer traction across Automotive
- Investment in sales and marketing, alongside the CAG partnership, resulting in encouraging potential customer engagement globally
- Rapid recovery of global aviation to almost pre-pandemic levels, with demand for better efficiencies and solutions for staff shortages, underpins Aurrigo’s key growth drivers
- In a strong position to continue to deliver on the opportunities presented at IPO, particularly in Aviation

**David Keene, CEO of Aurrigo**, commented:

*“We delivered an exciting year of progress in 2022 with the IPO, fundraising and partnership agreement with Changi Airport Group laying the foundations for our future growth. Since joining AIM, we have scaled our team, developed new vehicles and are now rapidly building a leadership position in autonomous aviation solutions.”*

*“The momentum of 2022 has continued into 2023. We are now demonstrating and proving our autonomous aviation products on the ground which we believe will translate into new long-term partnerships.”*

*“With the rapid recovery of the global aviation industry driving the need for efficiencies and automation, we are well positioned to continue to deliver the growth outlined at IPO.”*

**For further enquiries:**

**Aurrigo International plc**

David Keene, Chief Executive Officer  
Ian Grubb, Chief Financial Officer

+44 (0)2476 635818

**Singer Capital Markets (Nominated Adviser and Sole Broker)**

Phil Davies, Rick Thompson, George Tzimas, Jalini Kalaravy

+44 (0)20 7496 3000

**Instinctif Partners (Financial Communications)**

Rozi Morris, Tim McCall, Isadora Pegler

+44 (0)20 7457 2020  
aurrigo@instinctif.com

**About Aurrigo**

Aurrigo is a leading international provider of transport technology solutions. Listed on the London Stock Exchange's AIM Market (AIM: AURR) and headquartered in Coventry, UK, it designs, engineers, manufactures and supplies OEM products and autonomous vehicles to the automotive and transport industries. It is highly regarded as a specialist in autonomous and semi-autonomous technology solutions for the aviation, ground handling and cargo industries.

Aurrigo has three divisions, Automotive Technology, Autonomous Technology and Aviation Technology. For more information, see [www.aurrigo.com](http://www.aurrigo.com)

## **CHAIR'S STATEMENT**

I am delighted and privileged to present Aurrigo International plc's maiden full year results as a public company following our successful IPO on AIM in September 2022. It is also my first as Chair, since joining Aurrigo as an adviser 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 quoted 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 IPO 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 78 as at the end of April 2023, 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 Penny 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 our annual report.

### **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 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.

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**

17 May 2023

## **CEO REPORT**

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. Potential customers have responded well to seeing the vehicles in action and the demonstration of their full range of capabilities and potential will continue to be key, particularly as we trial the next generation of vehicles such as the Auto-Dolly Tug MK3.

There has been significant positive engagement with other airport groups, both for Auto-Dolly and Auto-Sim, our airport design, development, simulation and modelling tool and we anticipate signing additional aviation customers over the next 12 months.

### **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. Following feedback from our partners, significant improvements have also been made with new features including automated Unit Load Device (ULD) loading and unloading, towing additional ULD's on trailers, sideways movement and ride height control as well as 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.

**David Keene**

**Chief Executive Officer**

17 May 2023

## **FINANCIAL REVIEW**

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 statement of comprehensive income 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 Automotive revenues were down by 2.3% compared to 2021. This is 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 Company joining AIM. One-off costs related to this process charged to the statement of comprehensive income 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 payments 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 Aurigo well to build on its current year results.

**Ian Grubb**

**Chief Financial Officer**

17 May 2023

## FINANCIAL STATEMENTS

### GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

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

	2022	2021
	£ per share	£ per share
<b>Earnings per share</b>		
Basic (£ per share)	(0.12)	0.06
Diluted (£ per share)	(0.12)	0.06

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

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

Retained earnings	1,305	3,524
<b>Total equity</b>	<b>8,634</b>	<b>3,524</b>

The financial statements were approved by the board of directors and authorised for issue on 17 May 2023.

**GROUP STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital	Share premium account	Share option reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2021</b>	-	-	-	3,552	3,552
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year	-	-	-	72	72
Transactions with owners in their capacity as owners:					
Dividends	-	-	-	(100)	(100)
<b>Balance at 31 December 2021</b>	-	-	-	3,524	3,524
<b>Year ended 31 December 2022:</b>					
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	33	8,133	-	-	8,166
Costs of issue set against premium	-	(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)	-
<b>Balance at 31 December 2022</b>	83	7,103	143	1,305	8,634

**GROUP STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Operating activities</b>				
(Loss)/profit for the year		(2,195)		72
<i>Adjustments for:</i>				
Tax charge		(301)		106
Finance costs		26		23
Investment income		(2)		-
RDEC grant income		(107)		-
Loss on disposal of assets		-		1
Amortisation and impairment of intangible assets		172		4
Depreciation and impairment of property, plant and equipment		208		184
Impairment of debts from third parties		-		(36)
Non cash grant income		-		(13)
Equity settled share based payment expense		143		-
		(2,056)		341
<i>Movements in working capital:</i>				
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
<b>Net cash (outflow)/inflow from</b>				

<b>operating activities</b>		(2,282)	328
<b>Investing activities</b>			
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	-	
<b>Net cash used in investing activities</b>		(524)	(338)

	2022		2021	
	£'000	£'000	£'000	£'000
<b>Financing activities</b>				
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)	
<b>Net cash generated from/(used in) financing activities</b>		6,903		(303)
<b>Net increase/(decrease) in cash and cash equivalents</b>		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

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1. Basis of preparation

While the financial information in these results has been prepared using the recognition and measurement principles of UK adopted International Accounting Standards, this announcement does not contain sufficient information to comply with this. The principal accounting policies used in preparing the results have been applied in the comparatives for the year-ended 31 December 2021.

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2022 or 2021, but is derived from those accounts noting that the Group transitioned to UK Adopted International Accounting Standards as disclosed in the Admission Document upon the Group's admission to the AIM Market. Statutory accounts for the year ended 31 December 2021 have been delivered to the Registrar of Companies and those for the year ended 31 December 2022 will be delivered following the Company's annual general meeting.

The auditors have reported on those accounts and their reports were qualified in respect of earlier years' accounts not being subject to audit.

#### 2. 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.

##### *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.

#### 3. 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:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Revenue analysed by class of business</b>		
Automotive components	4,803	4,915
Autonomous	499	353
	<b>5,302</b>	<b>5,268</b>

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.

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:

<b>Year ended 31 December 2022:</b>	<b>Automotive components</b>	<b>Autonomous</b>	<b>Central</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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)

	<b>Automotive components</b>	<b>Autonomous</b>	<b>Central</b>	<b>Total</b>
<b>Year ended 31 December 2021:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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:

	<b>2022</b>	2021
	<b>£'000</b>	£'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.

	<b>2022</b>	2021
	<b>£'000</b>	£'000

<b>Revenue analysed by geographical market</b>		
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).

#### **4. Other Operating Income**

	<b>2022</b>	2021
	<b>£'000</b>	£'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 totaling £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:

	<b>2022</b>	2021
	<b>£'000</b>	£'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).

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.

#### **5. Dividends**

Amounts recognised as distributions:

	<b>2022</b>	2021	<b>2022</b>	2021
	<b>per share</b>	per share	<b>Total</b>	Total

	£'000	£'000	£'000	£'000
Final dividend paid	-	0.08	-	100

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

## 6. Earnings Per Share

	2022	2021
	Number	Number
<b>Number of shares</b>		
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	2021
	£'000	£'000
<b>Earnings</b>		
<b>Continuing operations</b>		
Loss/profit for the period from continued operations	(2,195)	72
	2022	2021
	£ per share	£ per share
<b>Earnings per share for continuing operations</b>		
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.

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:

	<b>2022</b>	2021
	<b>Number</b>	Number
<b>Number of shares</b>		
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

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Adjusted earnings</b>		
Loss/profit for the period from continued operations	(2,195)	72
<i>Adjusted for:</i>		
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
	<b>2022</b>	2021
	<b>£ per share</b>	£ 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.

## 7. Share Capital

	<b>2022</b>	2021	<b>2022</b>	2021
	<b>Number</b>	Number	<b>£'000</b>	£'000
<b>Ordinary share capital</b>				
<b>Authorised, issued and fully paid</b>				
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.

<b>Reconciliation of movements during the year:</b>	<b>Number</b>
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
<b>At 31 December 2022</b>	<b>41,666,667</b>

*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.

## **8. Annual Report and Notice of Annual General Meeting**

The annual report and accounts for the year ended 31 December 2022 will be available on the Company's website and posted to shareholders in due course, together with the notice of the Annual General Meeting, which will be held on 14th June 2023 at the offices of Aurrigo International plc.