25 September 2023

Aurrigo International plc

Interim results for the six months to 30 June 2023

Aurrigo International plc (AIM: AURR, the "Company" or "Aurrigo"), a leading international provider of transport technology solutions, reports its interim results for the six months to 30 June 2023 ("H1 23").

Highlights

- Autonomous and Aviation division making good progress following the announcement in February 2023 of a strategic partnership with Changi Airport Group ("CAG")
- Positive performance from the Automotive division with new customers added
- Acquisition of GB Wiring Systems Limited ("GB Wiring") in June 2023, integrating well
- Continued progress against IPO objectives, including scaling headcount to 97 at H1 23 (FY 22: 70)
- Sunderland Advanced Mobility Shuttle ("SAMS") project and grant funding announced in February 2023
- Revenue growth of 35% to £3.1m (H1 22: £2.3m)
- Gross profit consistent with the prior year at £0.7m (H1 22: £0.7m)
- Adjusted EBITDA loss of £1.6m (H1 22 loss: £0.3m), reflects the scale up of the autonomous and aviation division
- Cash of £2.8m at period end

Post period-end

- Collaboration with UPS to develop and pilot Auto-Cargo® at East Midlands Airport, with £483k UK Government grant announced September 2023
- European Institute of Innovation and Technology grant of €275k for project to deploy Auto-Shuttle® in Prague announced in September 2023
- Auto-DollyTug® mk3 completed its extended development and will be delivered to market during 2023

David Keene, CEO of Aurrigo International plc, commented:

"We saw good progress during the first half of the year, engaging with both new and existing customers and partners. I believe that we have now developed in the Auto-DollyTug mk3 a vehicle that will revolutionise operations at airports internationally."

"Interest from aviation organisations and airport groups in our solutions and the ability to showcase the capabilities of our technologies on the ground has been invaluable. We are now seeing an accelerated level of interest in Aurrigo's innovative aviation solutions for future deployments within Europe and North America."

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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, Autonomous and Aviation. For more information, see www.aurrigo.com

OPERATIONAL REVIEW

Summary

The first half of this year has been one of engaging with both new and existing customers and partners, with the Autonomous and Aviation divisions working hard with strategic partners. We have continued to operate live demonstrations whilst at the same time developing the new Auto-DollyTug mk3. Our marketing efforts are leading to increasing numbers of enquiries for our automated aviation technology and good levels of industry and new customer engagement.

The Sunderland Advanced Mobility Shuttle project, announced in February 2023, is progressing on schedule, building three automated, zero-emission Auto-Shuttles mk3 in partnership with Sunderland City Council.

The Automotive division has seen good growth and this has been augmented with the Company's acquisition in June this year of GB Wiring, specialist providers of electrical wiring harnesses and assemblies for the Automotive industry.

Autonomous and Aviation

Growth drivers

Technological developments continue to advance interest in Aurrigo's Autonomous and Aviation product and services, with both global airport groups, passenger and cargo airlines expressing interest in automation. The long-term structural growth drivers which are encouraging the adoption of automation and the efficiencies it can bring are beginning to be fuelled as air traffic and passenger demand return to normal levels following the global pandemic.

Workforce shortages and costs post pandemic continue to be an issue, whist the industry at the same time remains under pressure to reduce its environmental impact. This increases the demand for efficient and sustainable vehicles, smart airport planning software and autonomous solutions.

Aurrigo is making encouraging progress in engaging with airlines and other airport groups. As well as site visits and airside demonstrations, there has also been strong engagement with potential customers at key international conferences and trade shows such as Aviation Festival Asia, Ground Handling International and the IATA Ground Handling Conference.

Meanwhile, Aurrigo continues to build on its leadership position in aviation automation by working with aviation industry regulator IATA and the UK Government's Centre for Connected and Autonomous Vehicles ("CCAV") to set industry standards for automated vehicles.

Customers and partner programmes

The formal partnership agreement with CAG announced in February 2023 is focused on the continued joint development and testing of the Auto-Dolly®, Auto-DollyTug® and Auto-Sim® airport simulation software platform. The development and testing of Aurrigo's autonomous vehicles at CAG is partially funded by the Civil Aviation Authority of Singapore ("CAAS") through its Aviation Development Fund ("ADF"). The ADF supports initiatives to improve productivity in the Singapore aviation sector through the use of innovative solutions.

The ability to showcase the technology to airport groups and stakeholders is proving invaluable. Potential customers are responding positively to seeing the vehicles in a live operating environment and their full range of capabilities and the potential to revolutionise operations at airports internationally.

The Sunderland SAMS project continues and Aurrigo is on schedule to deliver three automated, zero-emission Auto-Shuttle mk3's to Sunderland City Council and their transport providers in the first quarter of 2024. The success of winning this project is resulting in conversations with other local authority transport providers.

Post period-end, in September 2023, the Company announced a collaboration with UPS. The project will receive £482,020 in grant funding from Innovate UK and the Centre for Connected and Autonomous Vehicles ("CCAV"). The two companies will develop and pilot Aurrigo's Auto-Cargo® over a 14-month period from September 2023 at East Midlands Airport, the UK's second-largest cargo terminal. If successful, it will then move to real-world driverless cargo movement operations with in-service aircraft.

On 19 September 2023, Aurrigo announced another grant project win for the deployment of its Auto-Shuttle autonomous passenger transport vehicle in Prague, Czech Republic. The grant of €274,820 comes from the European Institute of Innovation and Technology (EIT) and the project has started immediately.

Automotive

Demand is ahead of expectations through both new and existing customers. Additionally the acquisition of GB Wiring has contributed by diversifying the customer base into new automotive and industrial customers. The acquisition has integrated well and the Aurrigo and GB Wiring teams are working together to target new customer opportunities.

R&D

The key focus for R&D during H1 23 has been completing the development of Auto-DollyTug, an autonomous electric baggage dolly which can also pull conventional baggage trailers. The design has had significant developments which are IP-protected. The first Auto-DollyTug mk3 has completed development and is expected to be delivered to market during 2023.

People

The Company's headcount continues to grow as it delivers on its strategy to scale the business. As of June 2023, the headcount was 97 FTEs, up from 70 at the end of December 2022. This includes new hires particularly in the Autonomous and Aviation engineering team, as well as the additional staff from GB Wiring.

Staff retention is currently strong, with formalised employee engagement programmes and staff incentives in place.

Recruitment is also assisted by work experience programmes at Aurrigo's HQ in Coventry for students at local schools and colleges, alongside a formal academic placement programme with Warwick, Coventry and Aston Universities.

Aurrigo also has a formal Knowledge Transfer Partnership with Aston University, helping students and researchers apply their academic knowledge to real-world commercial projects, enhancing their experience and skills as well as their job prospects.

The Company has also signed up to introduce apprentices across the business.

Current Trading and Outlook

The second half of the year has continued to perform well for the Automotive division which currently delivers the majority of the business' revenues. The strategic growth areas of autonomous vehicles and autonomous aviation technology continue to develop significant existing and potential new customer traction. The new partnership announced recently with UPS demonstrates an important milestone of the Company's autonomous technology development.

The ongoing product trials at CAG, as part of the partnership agreement announced in February 2023, have enabled substantial technical development of the vehicles. As a result of this the project phases have been replanned to take advantage of the increased capability, which consequently means the revenue streams will now be realised in 2024 and 2025.

Following visits and live demonstrations in Singapore to a number of aviation organisations, we are now seeing an accelerated level of interest in Aurrigo's innovative aviation solutions for future deployments within Europe and North America.

FINANCIAL REVIEW

Revenue

Revenue in the period was £3.1m (H1 22: £2.3m), an increase of £0.8m (34.8%) compared to H1 22. This increase represents a growth in Automotive revenues, including one month's contribution from newly acquired GB Wiring. While a significant proportion of the increase derives from the Company's largest customer in the period, the addition of GB Wiring and new actively engaged customers will help to dilute customer concentration for the remainder of the year and into 2024.

Revenue from the Autonomous segment has remained consistent with H1 22 at £0.3m. The sale of Autonomous Passenger products and services on an enquiry basis continued through the period but accounts for a lower proportion of the segmental revenues in H1 2023 compared to H1 2022 as Aviation revenues crystalise.

Gross profit

Gross profit for the period was £0.7m (H1 22: £0.7m). Gross profit margin was 22.3% (H1 22: 32.6%) which was lower than H1 22 due in part to a change in the sales mix with the proportion of Automotive revenues increasing compared to the prior period. Incremental lower margin Automotive product revenues have added to the effect of this.

Adjusted EBITDA

Adjusted EBITDA loss increased to £1.6m (H1 22: £0.9m), representing an increase of £0.7m (77.8%), compared to H1 22. H1 23 reflects the Company's first interim period as a public company in which it has incurred additional governance and related costs. Increased staff recruitment, primarily within R&D and the Autonomous division have been actioned according to the objectives set out at IPO, increasing the Company's cost base in preparation for future development and marketing within Aviation.

Depreciation and amortisation

The total charge for the period was £0.3m (H1 22: £0.1m), of which £0.15m (H1 22: £0.03m) related to the amortisation of intangible assets.

Share-based payments

The total charge for the period under IFRS 2 "Share-based payments" was £0.1m (H1 22: £0m). This charge related to the awards made under the 2022 Share Option Plan established on admission on 15 September 2022.

Cashflow

The Company's cash is position £2.8m (H1 22: £0.02m). The net cash used for operating activities was £1.9m (H1 22: £0.7m) with the increase reflecting the additional costs of operating as a public company as described above. The net cash outflow includes inflows from grants of £0.1m in the period (H1 2022: £0.5m) as the Company continues to take advantage of this form of funding.

The acquisition of GB Wiring Systems Limited reduced cash in the period by £0.1m.

Balance Sheet

The Group had net assets of £6.8m as at 30 June 2023 (H1 22: £3.2m). Property, plant and equipment increased reflecting the renewal of property related leases, capitalised in accordance with IFRS16.

FINANCIAL STATEMENTS

Consolidated Income Statement

For the period ended 30 June 2023

	Notes	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited Year ended 31 December 2022 £'000
Revenue	4	3,083	2,275	5,302
Cost of sales		(2,397)	(1,533)	(3,483)
Gross profit		**686**	**742**	**1,819**
Other operating income		353	139	278
Administrative expenses including non-recurring expenses, share based payment charges, depreciation and amortisation		(3,013)	(1,253)	(4,569)
Operating loss		**(1,974)**	**(372)**	**(2,472)**
Costs of admission to AIM		-	-	1,010
Share based payments		121	-	143
Depreciation		131	95	208
Amortisation		147	26	172

Adjusted EBITDA *		**(1,575)**	**(251)**	**(939)**
Finance income		49	-	2
Finance costs		(21)	(10)	(26)
Loss before taxation		**(1,946)**	**(382)**	**(2,496)**
Income tax (charge)/income		(43)	59	301
Loss for the period attributable to equity shareholders of the parent		**(1,989)**	**(323)**	**(2,195)**
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Currency translation differences		6	**-**	(2)
Total other comprehensive income		**6**	**-**	**(2)**
Total comprehensive loss for the period attributable to equity shareholders of the parent		**(1,983)**	**(323)**	**(2,197)**
Basic EPS (£ per share)	**5**	(0.05)	(0.27)	(0.12)
Diluted EPS (£ per share)	**5**	(0.05)	(0.27)	(0.12)

* Adjusted EBITDA refers to earnings before interest, tax, depreciation and amortisation and impairment. Share based payments and one-off costs of admission to the AIM are also excluded.

All results were derived from continuing operations.

Consolidated Statement of Financial Position

For the period ended 30 June 2023

	Notes	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
Non-current assets				
Intangible assets	**6**	5,681	5,358	5,403
Goodwill	**7**	122	-	-
Property, plant and equipment	**8**	721	155	306
Deferred tax asset		-	151	-
Total non-current assets		**6,524**	**5,664**	**5,709**
Current assets				
Inventories		959	843	931
Trade and other receivables		1,839	2,402	1,532
Current tax receivable		264	268	174
Cash and cash equivalents		2,797	179	5,386
Total current assets		**5,859**	**3,692**	**8,023**
Total assets		**12,383**	**9,356**	**13,732**
Current liabilities				
Trade and other payables		(1,341)	(1,795)	(1,143)
Borrowings		(30)	(30)	(30)
Lease liabilities		(187)	(107)	(79)
Deferred grant income		(217)	-	(217)

Deferred consideration	(50)	-	-
Total current liabilities	**(1,825)**	**(1,932)**	**(1,469)**
Net current assets	**4,034**	**1,760**	**6,554**
Total assets less current liabilities	**10,558**	**7,424**	**12,263**
Non-current liabilities			
Borrowings	(40)	(70)	(55)
Lease liabilities	(383)	-	(132)
Deferred tax liabilities	-	(385)	-
Deferred grant income	(3,333)	(3,768)	(3,442)
Total non-current liabilities	**(3,756)**	**(4,223)**	**(3,629)**
Total liabilities	**(5,581)**	**(6,155)**	**(5,098)**
Net assets	**6,802**	**3,201**	**8,634**
Equity attributable to equity holders of the Group			
Share capital	83	-	83
Share premium account	7,103	-	7,103
Share option reserve	264	-	143
Retained earnings	(648)	3,201	1,305
Total equity	**6,802**	**3,201**	**8,634**

Consolidated Statement of Changes in Equity

For the period ended 30 June 2023

	Share capital	Share Premium account	Share option reserve	Retained earnings	Total equity attributable to owners of the parent
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2022 (audited)	-	-	-	3,524	3,524
Loss for the six month period ended 30 June 2022	-	-	-	(323)	(177,228)
At 30 June 2022 (unaudited)	-	-	-	3,201	3,201
Loss for the six month period ended 31 December 2022	-	-	-	(1,872)	(1,872)
Currency translation differences	-	-	-	(2)	(2)
Transactions with owners in their capacity as owners:					
Issue of share capital	33	8,133	-	-	8,166
Costs of issue set against share 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)	-
At 31 December 2022 (audited)	83	7,103	143	1,305	8,634
Loss for the six month period ended 30 June 2023	-	-	-	(1,989)	(1,989)
Currency translation differences	-	-	-	6	6
Transactions with owners in their capacity as owners:	-			-	121

	Share capital	Share Premium account	Share option reserve	Retained earnings	Total equity attributable to owners of the parent
Share option expense		-	121		
Deferred tax on share based payment transactions	-	-	-	30	30
At 30 June 2023 (unaudited)	83	7,103	264	(648)	6,802

Consolidated Statement of Cash Flows

For the period ended 30 June 2023

	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited Year ended 31 December 2022 £'000
Cash flow from operating activities			
Loss for the period	(1,989)	(323)	(2,195)
Adjustments for:			
Tax charge/(credit)	43	(59)	(301)
Finance costs	21	9	26
Investment income	(49)	-	(2)
RDEC grant income	(103)	-	(107)
Amortisation of intangible assets	131	26	172
Depreciation of tangible assets	147	95	208

Equity settled share based payment expense	121	-	143
	(1,678)	**(252)**	**(2,056)**
Changes in working capital:			
Increase in inventories	(28)	(65)	(153)
Increase in trade and other receivables	(307)	(15)	(367)
Increase/(decrease) in trade and other payables	163	(366)	58
Cash used in operations	**(1,850)**	**(698)**	**(2,518)**
Interest paid	(4)	-	(2)
Income taxes refunded	-	1	238
Net cash used in operating activities	**(1,854)**	**(697)**	**(2,282)**
Cash flow from investing activities			
Capitalised development costs	(395)	(982)	(1,155)
Grant income on capitalised research and development	-	826	715
Purchase of intangible assets	(30)	(6)	(24)
Purchase of property, plant and equipment	(92)	(4)	(62)
Acquisition of subsidiary (net of cash acquired)	(138)	-	-
Interest received	49	4	2
Net cash used in investing activities	**(606)**	**(162)**	**(524)**
Cash flow from financing activities			
Interest paid	(21)	(10)	(21)
(Costs of) / proceeds from issue of shares	-	(146)	7,136
Repayments of bank loans and borrowings	(15)	(15)	(30)
Payment of lease liabilities	(91)	(83)	(182)

Net cash (used in) / generated from financing activities	**(127)**	**(254)**	**6,903**
(Decrease) / increase in cash and cash equivalents	**(2,587)**	**(1,113)**	**4,097**
Cash and cash equivalents at beginning of the period	5,386	1,292	**1,290**
Effect of foreign exchange rates	(2)	-	**(1)**
Cash and cash equivalents at end of period	**2,797**	**179**	**5,386**

Notes to the Interim Financial Statements

For the period ended 30 June 2023

1. Company information

Aurrigo International Plc is a public limited company domiciled and incorporated in England and Wales. The registered office is Unit 33, Bilton Industrial Estate, Humber Avenue, Coventry, United Kingdom, CV3 1JL. These consolidated interim financial statements comprise Aurrigo International Plc and all of its subsidiaries, collectively the "Group".

The principal activity of the Group is that of the supply of electrical components to the automotive industry and the development of electric autonomous vehicles.

2. Significant accounting policies

2.1 Basis of preparation

The financial information set out in these interim consolidated financial statements for the six months ended 30 June 2023 is unaudited. The financial information presented are not statutory accounts prepared in accordance with the Companies Act 2006, and are prepared only to comply with AIM requirements for interim reporting. Statutory accounts for the year ended 31 December 2022, on which the auditors gave an audit report which was unqualified and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

These financial statements have been prepared in accordance with international accounting standards ("IFRS") as adopted by the United Kingdom ("UK") insofar as these apply to interim financial statements.

The interim consolidated financial statements have been prepared using consistent accounting policies as those adopted in the financial statements for the year ended 31 December 2022.

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

The financial statements have been prepared on the historical cost basis, modified to include the revaluation of certain financial instruments at fair value.

2.2 Basis of consolidation

The interim 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 30 June 2023. 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.

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.

2.3 Going concern

As at 30 June 2023 the Group had net assets of £6,802k and cash and cash equivalents of £2,797k.

Management has prepared detailed financial projections for a period of at least twelve months from the date of signing these interim financial statements. These projections have been subject to various sensitivity analysis and stress-testing, so as to estimate the impact of severe but plausible risks. The board challenged the underlying assumptions of the projections and the stress-test models.

Having considered the Group's cashflow forecasts, the Directors believe that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of approval of these financial statements.

Accordingly, these interim financial statements have been prepared on a going concern basis. The interim financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

2.4 Use of estimates and judgements

In the application of the group'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 revision and future periods if the revision affects both current and future periods.

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

Development costs

Development costs included within intangible fixed assets are amortised over their estimated useful life of 10 years, once they are brought into use. The selection of estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorter 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 assess 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 chose of a discount rate in order to calculate the present value of the cash flows. The Directors are satisfied that all recorded asests will be fully recovered from expected future cash flows.

Capitalisation of development costs

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, expectation 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 areas for the Group's admission to AIM which helps to justify the capitalisation and demonstrates the Group's ability to capitalise these assets.

3. Revenue

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.

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.

4. Segmental analysis of revenue

	Unaudited 6 months ended 30 June 2023	Unaudited 6 months ended 30 June 2022	Audited Year ended 31 December 2022
	£'000	£'000	£'000
Automotive components	2,771	1,951	4,803
Autonomous	312	324	499
Total revenue from contracts with customers	3,083	2,275	5,302

Revenue from customers who individually accounted for more than 10% of total Group revenue was as follows:

	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited Year ended 31 December 2022 £'000
Customer 1	696	716	1,454
Customer 2	1,796	720	2,597
	2,492	1,436	4,051

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited 30 June 2023	Unaudited 30 June 2022	Audited 31 December 2022
Earnings used in calculation (£'000)	(1,989)	(323)	(2,195)
Weighted average number of ordinary shares	41,666,667	1,208,215	18,721,737
Basic EPS (£)	(0.05)	(0.27)	(0.12)
Weighted average number of dilutable shares	41,666,667	1,208,215	18,721,737
Diluted EPS (£)	(0.05)	(0.27)	(0.12)

On 27 July 2022 the Group reorganised its share capital and issued new shares in anticipation of the AIM floatation. The EPS disclosures presented for June 2022 were not restated to include any necessary adjustments for this reorganisation.

In the current, prior period and prior year the group has 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.

6. Intangible assets

	Patents	Research and development	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 January 2022	71	4,331	4,402
Additions	6	982	988
At 30 June 2022	**77**	**5,313**	**5,390**
Additions	19	173	192
At 31 December 2022	**96**	**5,486**	**5,582**
Additions	30	395	425
At 30 June 2023	**126**	**5,881**	**6,007**
Amortisation and impairment			
At 1 January 2022	6	-	6
Amortisation charged for the period	2	24	26
At 30 June 2022	**8**	**24**	**32**
Amortisation charged for the period	3	144	147
At 31 December 2022	**11**	**168**	**179**
Amortisation charged for the period	3	144	147
At 30 June 2023	**14**	**312**	**326**

Carrying amount

At 30 June 2023 (unaudited)	112	5,569	5,681
At 31 December 2022 (audited)	85	5,318	5,403
At 30 June 2022 (unaudited)	69	5,289	5,358

7. Business combinations

On 31 May 2023, Aurrigo International Plc acquired 100% of the ordinary share capital of GB Wiring Systems Limited. In accordance with IFRS 3 Business Combinations, goodwill of £122k arising from the acquisition has been provisionally recognised, subject to final completion accounts being provided. The Group expects to provide a finalised business combinations calculation in the financial statements for the year ended 31 December 2023.

The following amounts of assets, liabilities and contingent liabilities have been provisionally recognised at the date of acquisition, based on book value:

	Provisional Book value
	£'000
Assets and liabilities acquired:	
Inventory	11
Trade and other receivables	159
Cash and cash equivalents	81
Trade and other payables	(104)
Provisional identifiable assets	**147**
Goodwill	122
Total provisional purchase consideration	**269**

Provisional

	£'000
Consideration:	
Cash	219
Deferred consideration	50
	269

The deferred consideration is payable by 31 May 2024 and included within current liabilities. There is no contingent element pertaining to the deferred consideration.

Additional cash payments may be due upon receipt of the completion accounts, although the impact of this is not expected to be material to the financial statements.

The June 2023 results for GB Wiring Systems Limited have been consolidated with those of the pre-existing Group members in these financial statements from the date of acquisition.

8. Property, plant and equipment

	Unaudited 30 June 2023 £'000	**Unaudited 30 June 2022 £'000**	**Audited 31 December 2022 £'000**
Property, plant and equipment	165	59	101
Right of use assets	556	96	205
	721	**155**	**306**

The Group has lease contracts for buildings and vehicles used in its operations.

During the period, property leases were renewed at three locations each for a duration of 3 years. As a result, additions amounting to £455k (year ended 31 December 2022: £215k; 6 months period ended 30 June 2021: £8k) have been recorded within right of use assets. The depreciation charge relating to right of use assets for the period was £102k (year ended 31 December 2022: £176k; 6 months period ended 30 June 2021: £78k).