26 September 2024

Aurrigo International plc

("Aurrigo", “the Group” or the "Company")

Interim results for the six months to 30 June 2024

Strong growth in Autonomous solutions and enhanced margin performance

Aurrigo International plc (AIM: AURR, the “Company” or “Aurrigo”), a leading international provider of smart airside solutions and automotive products, reports its interim results for the six months to 30 June 2024 (“H1 24”).

Financial highlights

- Revenue increased in line with expectations by 26% to £3.9m (H1 23: £3.1m), comprising:
  - 160% increase in Autonomous division to £0.8m (H1 23: £0.3m)
  - 11% increase in Automotive division to £3.1m (H1 23: £2.8m)
- Gross profit increased 100% to £1.4m (H1 23: £0.7m)
- Significantly improved gross margin of 35% (H1 23: 22.3%), reflecting an increase in Autonomous sales and improved Automotive product mix
- Adjusted EBITDA loss reduced to £1.2m (H1 23 loss: £1.6m)
- Cash of £1.8m at period end (30 June 2023: £2.8m)

Operational highlights

- Significant expansion of Autonomous division, with H1 revenue higher than total prior full year period
  - Accelerated uptake of airside solutions with five direct airport engagements (H1 23: 1 customer), eight contracts for our proprietary Auto-Sim® product, one cargo handler agreement and three strategic partnerships, which together provide a network of over 460 airports:
  - Pipeline of inbound interest has grown substantially in the period, alongside initial revenues from customers using Auto-Sim® technology
  - Enhanced Autonomous solution following vehicle functionality advancements, driving increased interest from new customers
  - Operational readiness to scale including increased teams at international airports, bringing total Group headcount to over 100
- Double-digit growth in Automotive division, with good order intake from longstanding customers

Post-period end and outlook

- Two vehicles delivered under the Changi Phase 2b contract post period end following vehicle enhancement works as previously announced. A further two vehicles will then be completed and shipped to achieve the four vehicle fleet. All-weather testing under fleet operations is scheduled in early H1 2025 using Aurrigo’s Auto-Connect® management platform, and thus these revenue contract milestones are now expected to fall in H1 FY 2025.
- Autonomous full year revenues expected to be c.£3m (representing c.450% increase on FY 2023)
- Automotive orderbook provides robust underlying revenue and cash flow visibility, with full year revenues expected to be broadly in line with Board expectations.
- Group overhead costs are being managed and tracking better than budget, thus resulting in improved margins and with EBITDA for the full year expected to be broadly in line with the Board’s expectations.

David Keene, CEO of Aurrigo, commented: *“We are pleased to report a period of strong growth as we scale our technology, teams and customer engagements. The growth in our Autonomous division reflects the steady scale-up of the Group’s smart airside solutions in key airport hubs around the world, which is driving increased across our target aviation market and a growing pipeline.*

During the period, we have expanded our international teams, enhanced our hardware and software offering, and advanced our engagement with key strategic partners, providing a robust foundation for growth. We enter *the second half with good momentum, improving margins and a clear pipeline of deliverables, giving us confidence in our growth opportunity to deliver the airport of the future."*

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Notes to Editors:

Aurrigo International plc is an international designer and developer of fully integrated smart airside solutions for the aviation industry, including automated vehicles, systems and software.

The Group's proprietary, award-winning autonomous technology and secure management system is supporting some of the world's leading airports. Customers choose to partner with Aurrigo to transform their baggage and cargo handling operations, improving safety, operational efficiencies and meeting sustainability targets, while navigating growing passenger volumes, rising costs and increasing labour shortages.

Headquartered in Coventry, UK with offices in Singapore, Cincinnati and Ottawa, the Group has a 30+ year heritage designing and supplying automotive vehicle manufacturers with highly advanced, innovative product and system solutions. For more information, please visit the Group's website at www.aurrigo.com.

OPERATIONAL REVIEW

Introduction

We are pleased to report a period of strong progress, in line with our vision to be the leading provider of smart solutions for the aviation and automotive industries that deliver a sustainable future. The Group has delivered a period of robust double-digit growth, accelerated its market penetration through new customers and partnerships, and continued to progress existing aviation contracts from proof-of-concept through to staged deployment.

This progress has resulted in the Group's Autonomous division growing by 160% to £0.8m, reflecting the steady scale-up of the Group's smart airside solutions in key airport hubs around the world. From an operations standpoint, the Group surpassed a strategic milestone by having its technology and vehicles in deployment across multiple customer sites simultaneously, with operational teams on the ground in 3 continents. This is driving growing market awareness as the Group's blueprint for unlocking significant ROI through modernising airport operations is increasingly demonstrated with existing customers. Coupled with growing industry pressure for airports to implement autonomous technology, the pipeline of inbound interest has grown substantially, along with demand for initial engagements using the Group's Auto-Sim® simulation technology.

We continue to make solid progress with Changi and we are working closely as the work stipulated in our Phase 2b contract (stage 4 of the sales process) is ongoing. Following implementation of vehicle design upgrades as previously disclosed, the first two vehicles were delivered at the start of September 2024. The remaining two vehicles will then be completed and shipped to achieve the four vehicle fleet and all-weather testing under fleet operations is scheduled in early H1 2025 using Aurrigo's Auto-Connect® management platform. Whilst this will result in these revenue contract milestones to now fall into H1 FY25, we look forward to being able to demonstrate the results of the next stage of the contract, which will see full fleet operations using the Auto-Connect® platform across the airport.

Along with continued progress across the Group's other strategic partnerships, learnings from initial contract deployments have led to further refinement of pricing for new engagements, with all aviation contracts now comprising an upfront cash component.

With the heavy lifting of product development and production achieved, and the Group's technology and systems now successfully through trials in global airport operations, the Group is entering a period of deployment and implementation. With six vehicles now in operation we have 34 airports and 18 airlines in Stage 1 of our sales cycle, with a further eight customers using Auto-Sim® (stage 2 of our sales cycle). This visibility, together with the growing reputation of our solutions across our target Aviation customer base, gives us confidence as we look ahead.

The Group's Automotive division continues to deliver strong cash flows and good revenue visibility. The division grew 11% in the period to £3.1m, generating £1.0m gross profit (H1 23: £2.8m and £0.7m respectively). Post-period end we were pleased to announce a c.£1.5m contract win with an existing global automotive manufacturing customer following a competitive tender process. The Automotive division's market leading reputation and strong customer relationships underpins its ability to win contracts with both new and existing customers, underpinning its long-term growth prospects. The pipeline remains strong and the Board continues to see good organic and selectively acquisitive growth opportunities.

The Board continues to focus on efficiently managing costs and optimising its manufacturing operations. Adjusted EBITDA loss narrowed to £1.2m (H1 23 loss: £1.6m). The cash balance of £1.8m at period end leaves the Group sufficiently capitalised for its current needs and the Board continues to explore non-dilutive funding for projects, including grant funding.

Business Review

Aurrigo is an international designer and developer of fully integrated smart airside solutions for the aviation industry, including automated vehicles, systems and software. The Group supports some of the world's leading airports, helping them to become more scalable whilst improving safety, operational efficiencies, passenger experience and sustainability.

The Group achieves this through a combination of highly-engineered hardware and proprietary software which works together to help aviation customers transform baggage and cargo handling operations. The Group's end-to-end transformation solution principally comprises:

Hardware:

- Auto-DollyTug®: fully automated autonomous baggage handling vehicles

Software:

- Autonomous Driving Software stack (ADS): in-house software for Auto-DollyTug®
- Auto-Sim®: purpose-built Airport Simulation and 3D visualisation software tool
- Auto-Connect®: cyber-secure and resilient vehicle fleet SaaS management platform

The Group's solutions have been designed from the ground-up and in collaboration with customers to meet the specific needs of the aviation industry, including improved aircraft turnaround, an important KPI.

This ground-up approach means Artificial Intelligence (AI) and Automation Technology are at the heart of each of our products, with each technology being harnessed to maximise effectiveness and results in the airside environment. As an example, our vehicles use AI to enable the processing of data coming from the in-built camera and lidar sensors which helps to understand the scene it is looking at and moving through.

Airports are facing mounting pressure to transform decades old diesel-powered ground handling equipment to meet growing demand from environmental pressures and increasing passenger volumes, whilst navigating rising costs, limiting risk exposure and tackling labour shortages.[1] We believe our technologies offer a compelling investment case for airports. Based on Company modelling, our autonomous solutions, once fully implemented, illustratively provide customers with an estimated return on investment in under three years for a typical 40m+ passenger terminal. This is in addition to increased efficiency and an estimated c.72% reduction in tug carbon emissions, which are all tangible benefits that our solutions bring to airside operations.

The accelerating speed of change and adoption within the industry is demonstrated by a growing number of industry participants coming together to address these industry challenges, such as the FTE Baggage Innovation Working Group comprising leading aviation groups with the objective of "*developing new techniques, technologies, and business models to deliver tangible change in the baggage sector*."[2]

The Group also provides innovative engineering support, product solutions and services to global Tier 1 vehicle manufacturers, including Aston Martin, Bentley, Jaguar and Land Rover, through its Automotive division. The Group's strong heritage of automotive expertise, track record of innovation and R&D and experience in supply chain management and specialised products commercialisation continues to provide a robust business platform underpinning the Group's growth strategy.

Growth Strategy

Aviation customer growth

The Group has successfully grown its strategic partner engagement from one customer at H1 23 to five direct airport engagements, eight contracts on our proprietary Auto-Sim® product, one cargo handler agreement, and three strategic partnerships, which together provide a network of over 460 airports and a substantial, qualified total addressable revenue opportunity of over £2bn.

[1] https://www.iata.org/en/programs/ops-infra/ground-operations/safety/#:~:text=One%20of%20the%20main%20causes,unless%20preventive%20action%20is%20taken.

[2] https://www.futuretravelexperience.com/fte-baggage-innovation-working-groups/

The pipeline for new engagements continues to grow following a significant increase in inbound enquiries. The Group continues to assess and prioritise key relationships through early consultancy engagements using the Group's Auto-SIM® technology, a foundational step before progressing to Auto-DollyTug® trials. The success and well-publicised demonstrations to date with existing customers is working to streamline this exploratory phase with newer customers and should result in increased speed of implementation and progression through future staged deployments.

Fundamentally, we are an ambitious company, and we look forward to the continued growth of our Autonomous division as customers opt to take more of our products in the Aviation space. We believe our products are primed to disrupt an industry where our solutions are capable of resolving some of its largest challenges. It is this confidence that underpins our target of material annual growth in Autonomous revenues over the next 3 – 4 years.

Accelerate customers through staged deployments
The Group continues to make good progress transitioning existing clients through its phased deployment model, with these transitions shaping the pricing structure for future profitable deployments. The Group has now delivered vehicles to five airport customers, with expanded teams on the ground at international customer locations, including the first team in the US, and added personnel in Singapore, London and utilised our central deployment team to support expanding engagements such as at Schiphol. Progress with existing customers includes:

- Continued roll-out of multi-year partnership agreement with Changi Airport Group (CAG). Two vehicles delivered, and delivery of two additional Auto-DollyTug® vehicles to complete the four vehicles required for automated baggage handling fleet operations, using Auto-Connect®.
- A contract for Auto-Sim® and Auto-DollyTug® at a large UK Airport under the IAG agreement has now delivered a single vehicle for trialling.
- Following an agreement with International Airlines Group (IAG), a contract for Auto-Sim® and Auto-DollyTug® at Cincinnati / Northern Kentucky International Airport (CVG) has now delivered a single vehicle for trialling.
- A full demonstration completed under a contract with Stuttgart Airport and the Digital Testbed Cargo Project (DTAC) Consortium to trial Auto-DollyTug® to transport cargo from the terminal to the deck of the aircraft.
- Following an agreement with Schiphol Airport, a contract for Auto-Sim® and Auto-DollyTug® has now delivered a vehicle for trialling.

The Group's core focus in the second half is to continue to deliver existing single vehicle deployments through to multiple fleet operations in 2025.

Optimising Automotive business to grow sales
The Group's Automotive business continues to benefit from longstanding customer relationships with multi-year contracts providing robust revenue visibility and strong cash flows. The division continued to see double-digit growth following new customer wins and repeat business with existing customers. The landscape of specialist suppliers remains highly fragmented, providing good growth opportunities, both organically and through selective acquisition, underpinned by Aurrigo's leading reputation.

R&D

Following significant investment and collaboration with strategic partners to date, the Group has surpassed a number of key technology milestones to reach its current market leading position. This includes the major development and launch of the Group's next generation autonomous airside solutions, the rollout of an enhanced electrification Auto-SIM® module that enables airports to plan and optimise charging infrastructure programmes, and ongoing collaboration with UPS to develop and deploy a larger capacity cargo vehicle, Auto-Cargo®, at their East Midlands Airport hub, the UK's second largest cargo terminal.

It is this cutting-edge innovation that has resulted in the Group successfully securing a number of R&D grants to date and the Group continues to explore future grant applications where it fits the growth strategy to do so.

Furthermore, the Company continues to strengthen its patent portfolio and IP register to protect key features and technology. As of September 2022, the Group's patented software and hardware portfolio had a collective value of £16m.

In addition to continued investment in its established hardware and software products in line with its development roadmap, the Group is now increasingly focused on cost optimisation and value engineering to prepare for volume deployments. As part of this, the Group is focused on developing scale in the manufacturing facility in Coventry (UK) and also investigating opportunities for additional outsourced capacity in the USA, Europe and Asia.

Current Trading and Outlook

With partnerships secured with some of the largest organisations in the aviation industry, the Group continues to make solid progress, deploying and demonstrating its smart aviation solutions in large, global airport environments. The Group enters the second half with momentum and a clear focus on the short-term objectives. These include the continued staged deployments at its current four operational airports, including readiness for stage 4 deployment with Changi and meeting milestones with the single vehicle deployments at the other three airport sites. In addition, the Group is focussed on developing further Auto-SIM® engagements for 2025 and completing 2024 projects, evaluating future distribution partnerships and growing Automotive contracts with existing and new customers. Following the delivery of two vehicles under the Changi Phase 2b contract post period, the remaining two vehicles will be completed and shipped to achieve the four vehicle fleet. All-weather testing under fleet operations is scheduled in early H1 2025 using Aurrigo's Auto-Connect® management platform.

With these revenue contract milestones for the Changi Phase 2b contract therefore now expected in H1 2025, the Board anticipates that the Autonomous Division will deliver c. £3m of revenues in FY24, representing a c.450% increase on FY 2023. Full year revenues for the Automotive Division is expected to be broadly in line with Board expectations. Overhead costs are being managed and tracking better than budget, thus resulting in improved margins and with EBITDA for the full year expected to be broadly in line with the Board's expectations. The achievements made to date in 2024 represents significant progress of the Group's growth strategy, which, combined with a good pipeline, leaves the Board optimistic about the Group's long-term opportunity to deliver the airport of the future.

FINANCIAL REVIEW

Revenue

Revenue in the period was £3.9m (H1 23: £3.1m), an increase of £0.8m (25.9%) compared to H1 23.

Revenue from the Autonomous segment has increased by £0.5m to £0.8m compared to H1 23, an increase of 160%. All revenues for H1 24 derive from aviation contracts compared to £0.1m in H1 23 with an increase in Aviation customers from 1 to 5 and the embedding of Auto-Sim® within these customers. Aviation revenues (a subset of the Autonomous segment) have increased by 552% to £0.8m and exceeds the FY23 Autonomous revenues by 48% (FY23: £0.5m).

Automotive revenues have increased by 10.8% including six month's contribution from GB Wiring compared to one month in H1 23. The addition of GB Wiring and new actively engaged customers have reduced customer concentration of the top two customers from 80.8% of total revenue in H1 23 to 56.4% in H1 24.

Gross profit

Gross profit for the period was £1.4m (H1 23: £0.7m). Gross profit margin was 35.0% (H1 23: 22.3%). The increase in margin reflects a margin increase for Automotive due to sales mix and higher margin Autonomous revenues in line with strategic objectives.

Adjusted EBITDA

Adjusted EBITDA loss reduced to £1.2m (H1 23: £1.6m), representing a reduction of £0.4m (23.1%) compared to H1 23. Other operating income of £0.3m (H1 23: £0.4m) has reduced resulting from lower RDEC tax credits. This reflects the reduced R&D spend as Aviation products have matured over the last twelve months.

Depreciation and amortisation

The total charge for the period was £0.3m (H1 23: £0.3m), of which £0.16m (H1 23: £0.15m) 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 23: £0.1m). 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 £1.8m (H1 23: £2.8m). The net cash used for operating activities was £1.5m (H1 23: £1.9m) supporting growth in employees and vehicle production.

Balance Sheet

The Group had net assets of £7.4m as at 30 June 2024 (H1 23: £6.8m).

Consolidated Statement of Total Comprehensive Income For the period ended 30 June 2024

	Notes	Unaudited 6 months ended 30 June 2024 £'000	Unaudited 6 months ended 30 June 2023 £'000	Audited Year ended 31 December 2023 £'000
Revenue	4	3,883	3,083	6,628
Cost of sales		(2,525)	(2,397)	(5,152)
Gross profit		**1,358**	**686**	**1,476**
Other operating income		299	353	812
Administrative expenses including non-recurring expenses, share based payment charges, depreciation and amortisation		(3,245)	(3,013)	(6,325)
Operating loss		**(1,588)**	**(1,974)**	**(4,037)**
Share based payments		60	121	246
Depreciation		154	131	274
Amortisation		163	147	294
Adjusted EBITDA *		**(1,211)**	**(1,575)**	**(3,223)**
Finance income		58	49	76
Finance costs		(26)	(21)	(46)
Loss before taxation		**(1,556)**	**(1,946)**	**(4,007)**
Income tax (charge)/credit		(21)	(43)	90
Loss for the period attributable to equity shareholders of the parent		**(1,577)**	**(1,989)**	**(3,917)**
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Currency translation differences		(13)	6	7
Total other comprehensive income		**(13)**	**6**	**7**
Total comprehensive loss for the period attributable to equity shareholders of the parent		**(1,590)**	**(1,983)**	**(3,910)**
Basic EPS (£ per share)	5	(0.03)	(0.05)	(0.09)
Diluted EPS (£ per share)	5	(0.03)	(0.05)	(0.09)

* 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 2024

	Notes	Unaudited 30 June 2024 £'000	Unaudited 30 June 2023 £'000	Audited 31 December 2023 £'000
Non-current assets				
Intangible assets	**6**	6,042	5,681	5,974
Goodwill		202	122	202
Property, plant and equipment	**7**	762	721	742
Total non-current assets		**7,006**	**6,524**	**6,918**
Current assets				
Inventories		2,185	959	1,709
Trade and other receivables		2,023	1,839	2,306
Current tax receivable		323	264	330
Cash and cash equivalents		1,785	2,797	3,462
Total current assets		**6,316**	**5,859**	**7,807**
Total assets		**13,322**	**12,383**	**14,725**
Current liabilities				
Trade and other payables		(2,023)	(1,341)	(1,818)
Borrowings		(30)	(30)	(30)
Lease liabilities		(257)	(187)	(216)
Deferred grant income		(293)	(217)	(217)
Deferred consideration		-	(50)	-
Total current liabilities		**(2,603)**	**(1,825)**	**(2,281)**
Net current assets		**3,713**	**4,034**	**5,526**
Total assets less current liabilities		**10,719**	**10,558**	**12,444**
Non-current liabilities				
Borrowings		(10)	(40)	(25)
Lease liabilities		(208)	(383)	(284)
Deferred grant income		(3,151)	(3,333)	(3,271)
Total non-current liabilities		**(3,369)**	**(3,756)**	**(3,580)**
Total liabilities		**(5,972)**	**(5,581)**	**(5,861)**
Net assets		**7,350**	**6,802**	**8,864**
Equity attributable to equity holders of the Group				
Share capital		91	83	91
Share premium account		10,934	7,103	10,927
Share option reserve		438	264	383
Retained losses		(4,105)	(652)	(2,542)
Foreign exchange reserve		(8)	4	5
Total equity		**7,350**	**6,802**	**8,864**

Consolidated Statement of Changes in Equity For the period ended 30 June 2024

	Share capital £'000	Share Premium account £'000	Share option reserve £'000	Foreign exchange reserve £'000	Retained losses £'000	Total equity attributable to owners of the parent £'000
At 1 January 2023 (audited)	83	7,103	143	(2)	1,307	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:						
Share option expense	-	-	121	-	-	121
Deferred tax on share based payment transactions	-	-	-	-	30	30
At 30 June 2023 (unaudited)	83	7,103	264	4	(652)	6,802
Loss for the six month period ended 31 December 2023	-	-	-	-	(1,928)	(1,928)
Currency translation differences				1		
Transactions with owners in their capacity as owners:	-	-	-	-	-	1
Issue of share capital				-		
Costs of issue set against share premium	8	4,109	-	-	-	4,117
Share option expense	-	(293)	-	-	-	(293)
Deferred tax on share based payment	-	-	125		-	125
transactions	-	-	-		32	32
Issue of share capital from reserves	-	8	(6)		6	8
At 31 December 2023 (audited)	91	10,927	383	5	(2,542)	8,864
Loss for the six month period ended 30 June 2024	-	-	-	-	(1,577)	(1,577)
Currency translation differences	-	-	-	(13)	-	(13)
Transactions with owners in their capacity as owners:				-		
Share option expense	-	-	60		-	60
Share option exercises	-	7	(5)	-	(2)	-
Deferred tax on share based payment transactions	-	-	-	-	16	16
At 30 June 2024 (unaudited)	91	10,934	438	(8)	(4,105)	7,350

Consolidated Statement of Cash Flows For the period ended 30 June 2024

	Unaudited 6 months ended 30 June 2024 £'000	Unaudited 6 months ended 30 June 2023 £'000	Audited Year ended 31 December 2023 £'000
Cash flow from operating activities			
Loss for the period	(1,577)	(1,989)	(3,917)
Adjustments for:			
Tax charge/(credit)	21	43	(90)
Finance costs	26	21	46
Investment income	(58)	(49)	(76)
RDEC grant income	(47)	(103)	(16)
Amortisation of intangible assets	163	131	294
Depreciation of tangible assets	154	147	274
Profit on disposal of tangible assets	(30)	-	-
Grant income recognised	(252)	-	(796)
Equity settled share based payment expense	60	121	246
	(1,540)	**(1,678)**	**(4,035)**
Changes in working capital:			
Increase in inventories	(476)	(28)	(767)
(Decrease)/increase in trade and other receivables	283	(307)	(619)
Increase in trade and other payables	192	163	523
Cash used in operations	**(1,541)**	**(1,850)**	**(4,898)**
Interest paid	-	(4)	-
Income taxes refunded	50	-	-
Net cash used in operating activities	**(1,491)**	**(1,854)**	**(4,898)**
Cash flow from investing activities			
Acquisition of subsidiary (net of cash acquired)	-	(138)	(199)
Capitalised development costs	(206)	(395)	(813)
Grant income	208	-	625
Purchase of intangible assets	(22)	(30)	(52)
Purchase of property, plant and equipment	(98)	(92)	(223)
Proceeds from the sale of property, plant and equipment	30	-	-
Interest received	58	49	76
Net cash used in investing activities	**(30)**	**(606)**	**(586)**
Cash flow from financing activities			
Interest paid	(26)	(21)	(46)
Proceeds from issue of shares	7	-	3,832
Repayments of bank loans and borrowings	(15)	(15)	(30)
Payment of lease liabilities	(127)	(91)	(198)
Net cash (used in) / generated from financing activities	**(161)**	**(127)**	**3,558**
Decrease in cash and cash equivalents	**(1,682)**	**(2,587)**	**(1,926)**
Cash and cash equivalents at beginning of the period	3,462	5,386	**5,386**
Effect of foreign exchange rates	5	(2)	**2**
Cash and cash equivalents at end of period	**1,785**	**2,797**	**3,462**

Notes to the Interim Financial Statements For the period ended 30 June 2024

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 2024 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 2023, 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 2023.

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 2024. 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 2024 the Group had net assets of £7,335k and cash and cash equivalents of £1,785k.

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.

The Directors regularly monitor the Group cash position and available potential funding. 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 assets 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.

Incremental borrowing rates applied to calculate lease liabilities

The Group has used the incremental borrowing rate to calculate the value of the lease liabilities relating to its property lease liabilities recognised under IFRS 16. The discount rate used reflects the estimates risks associated with borrowing against similar assets by the Group, incorporating assumptions for similar terms, security, and funds at that time.

Share based payments
Share options have been fair valued excluding implied exit probabilities. At each reporting period end, the Group makes an assessment of the likelihood of a range of exit routes, including implied probabilities, dates and values for each, and apply this to the outstanding share options yet to be exercised. The share-based payment expense included in the Group Statement of Comprehensive Income is then adjusted to reflect the straight-line expensing of the underlying fair value through to expected exit date.

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 2024 £'000	Unaudited 6 months ended 30 June 2023 £'000	Audited Year ended 31 December 2023 £'000
Automotive components	3,071	2,771	6,081
Autonomous	812	312	547
Total revenue from contracts with customers	3,883	3,083	6,628

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

	Unaudited 6 months ended 30 June 2024 £'000	Unaudited 6 months ended 30 June 2023 £'000	Audited Year ended 31 December 2023 £'000
Customer 1	516	696	1,494
Customer 2	1,673	1,796	3,528
Customer 3	527	124	341
	2,716	2,616	5,363

Customer 3, whilst a long term client of the group, has only accounted for more than 10% of group revenues since 1 January 2024. Nevertheless, we have reported the revenue derived from customer 3 in the comparative periods to aid understanding.

ngs per share

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

	Unaudited 30 June 2024	Unaudited 30 June 2023	Audited 31 December 2023
Earnings used in calculation (£'000)	(1,577)	(1,989)	(3,917)
Weighted average number of ordinary shares	45,833,291	41,666,667	42,177,356
Basic EPS (£)	(0.03)	(0.05)	(0.09)
Weighted average number of dilutable shares	45,833,291	41,666,667	42,177,356
Diluted EPS (£)	(0.03)	(0.05)	(0.09)

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.

gible assets

	Patents	Research and development	Total
	£'000	£'000	£'000
Cost			
At 1 January 2023	96	5,486	5,582
Additions	30	395	425
At 30 June 2023	**126**	**5,881**	**6,007**
Additions	22	418	440
At 31 December 2023	**148**	**6,299**	**6,447**
Additions	22	206	228
At 30 June 2024	**170**	**6,505**	**6,675**
Amortisation and impairment			
At 1 January 2023	11	168	179
Amortisation charged for the period	3	144	147
At 30 June 2023	**14**	**312**	**326**
Amortisation charged for the period	3	144	147
At 31 December 2023	**17**	**456**	**473**
Amortisation charged for the period	4	156	160
At 30 June 2024	**21**	**612**	**633**
Carrying amount			
At 30 June 2024 (unaudited)	**149**	**5,893**	**6,042**
At 31 December 2023 (audited)	131	5,843	5,974
At 30 June 2023 (unaudited)	112	5,569	5,681

erty, plant and equipment

	Unaudited 30 June 2024 £'000	Unaudited 30 June 2023 £'000	Audited 31 December 2023 £'000
Property, plant and equipment	324	165	295
Right of use assets	436	556	447
	760	**721**	**742**

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