

**Arrival UK Ltd ('AUK') and
Arrival Automotive UK Limited ('AUTO')
(both in Administration)
(together 'the Companies')**

**Joint Administrators' Progress Report for the period from
5 August 2024 to 4 February 2025**

Pursuant to Rule 18.3 of the Insolvency (England and Wales)
Rules 2016

TO ALL KNOWN CREDITORS

28 February 2025

Ref: TRS/Arrival/SE/LN/LJ

Email: aukadministration@uk.ey.com

Dear Sir or Madam

Arrival UK Ltd ('AUK') and Arrival Automotive UK Limited ('AUTO') (both in Administration) (together 'the Companies')

The High Court of Justice, Business and Property Courts of England and Wales, Insolvency and Companies List (ChD), Court Case Number CR-2024-00065

I write, in accordance with Rule 18.3 of the Insolvency (England and Wales) Rules 2016 ('the Rules'), to provide creditors with a report on the progress of the Administrations. This report (the 'Progress Report') covers the period from 5 August 2024 to 4 February 2025 ('the Period') and should be read in conjunction with the Joint Administrators' statement of proposals dated 28 March 2024 ('the Proposals'), the update to creditors dated 25 April 2024 and our progress report dated 29 August 2024 (all together 'Updates to Creditors'), all of which can be viewed and downloaded at the following web address, <https://www.ips-docs.com/>, using creditor key code **Arrival UK Ltd** or **Arrival Automotive UK Limited** (depending on which entity you are a creditor of). To access the site, you can either use your unique ID that you have previously received or 'password'.

The Companies entered Administration on 5 February 2024 and Alan Hudson, Sam Woodward and I were appointed to act as Joint Administrators (the 'Joint Administrators'). The appointments were made by the Court under the provisions of paragraph 12(1)(b) of Schedule B1 to the Insolvency Act 1986.

As licensed Insolvency Practitioners, we are bound by the Insolvency Code of Ethics when carrying out all professional work relating to the Administrations. Certain statutory information about the Companies, the Administrations and the office holders is given at *Appendix 1*.

Yours faithfully
for the Companies



Simon Edel
Joint Administrator

Simon Edel and Alan Hudson are licensed in the United Kingdom to act as Insolvency Practitioners by the Insolvency Practitioners Association. Sam Woodward is licensed in the United Kingdom to act as an Insolvency Practitioner by The Institute of Chartered Accountants in England and Wales. As Insolvency Practitioners, they are bound by the Insolvency Code of Ethics in carrying out all professional work relating to the appointment.

The affairs, business and property of the Companies are being managed by the Joint Administrators, Simon Edel, Alan Hudson and Sam Woodward who act as agents of the Companies only and without personal liability.

The Joint Administrators may act as data controllers of personal data as defined by the UK General Data Protection Regulation (as incorporated in the Data Protection Act 2018), depending upon the specific processing activities undertaken. Ernst & Young LLP and/or the Companies may act as data processors on the instructions of the Joint Administrators. Personal data will be kept secure and processed only for matters relating to the Joint Administrators' appointments. The Office Holder Data Privacy Notice can be found at www.ey.com/uk/officeholderprivacy.

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1. Abbreviations

The following abbreviations are used in this report and the Updates to Creditors, which should be read in conjunction with this report:

AFA	Administration Funding Agreement between AUK and AUTO as the Borrowers, and the Joint Administrators and the following entities as the lenders:
	<ul style="list-style-type: none"> • Highbridge Tactical Credit Institutional Fund Ltd., • Highbridge Tactical Credit Master Fund, L.P, • 1992 Master Fund Co-Invest SPC Series Segregated Portfolio, • Corbin ERISA Opportunity Fund Ltd, and • Antara Capital Master Fund LP
Antara	Antara Capital Master Fund LP Corbin ERISA Opportunity Fund Ltd
Appointments	The appointment of Alan Hudson, Sam Woodward and Simon Edel to act as Joint Administrators of the Companies on 5 February 2024
AUK	Arrival UK Ltd
AUTO	Arrival Automotive UK Limited
Bidder A	Interested party focused on the commercial electric vehicle platform
Bidder B	Interested party focused on the software platform
CDDA	Company Directors Disqualification Act 1986
Date of Appointment	5 February 2024
Elements UK	Arrival Elements UK Ltd
EY	Ernst & Young LLP
Freshfields	Freshfields Bruckhaus Deringer LLP
FX	Foreign Exchange
GBP	Pounds Sterling
Gordon Brothers	Gordon Brothers International, LLC
Highbridge	Highbridge Tactical Credit Institutional Fund Ltd Highbridge Tactical Credit Master Fund, L.P 1992 Master Fund Co-Invest SPC Series Segregated Portfolio
HMRC	HM Revenue and Customs
IP	Intellectual Property
IP Legal Advisors	Kilburn & Strode LLP and Origin Ltd
IP Sales Process	The sale of the Companies' remaining physical and digital IP assets
IT	Information Technology
Kensington	Beaumont House, Kensington Village, London

NDA	Non Disclosure Agreement
NIC	National Insurance Contributions
Non-core Assets	Assets identified as outside the scope of potential business sale transactions
Original Fee Estimate	The Joint Administrators' fee estimate dated 28 March 2024
Other Group Entities	Roborace Ltd and Arrival Elements B.V.
PAYE	Pay As You Earn
Period	5 August 2024 to 4 February 2025
Ropes & Gray	Ropes & Gray International LLP
ROT	Retention of Title
RPS	Redundancy Payment Services
Sales Process	The going concern sale of the Companies' business and core assets
Secured Lenders	Certain funds and accounts managed or advised by each of Antara and Highbridge
SIP 2	Statement of Insolvency Practice Number 2
SIP 9	Statement of Insolvency Practice Number 9
SLT	Senior Leadership Team
the Companies	Arrival UK Ltd and Arrival Automotive UK Limited
the Court	The High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
The Georgian Entity	Arrival GE LLC
the Joint Administrators or the Administrators	Simon Edel, Alan Hudson and Sam Woodward
the Proposals	the Joint Administrators' statement of proposals dated 28 March 2024
the Rules	The Insolvency (England & Wales) Rules 2016
The US Entity	Arrival Automotive USA Inc
TSA	Transitional Services Agreements
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations 2006
UK	United Kingdom
Updates to Creditors	the Joint Administrators' statement of proposals dated 28 March 2024, the update to creditors dated 25 April 2024 and our progress report dated 29 August 2024
US	United States of America
USD	United States Dollar
VAT	Value Added Tax
£ [x]bn / \$ [x]bn / €[x]bn	£ [x] billion / \$ [x] billion / €[x] billion
£ [x]m / \$ [x]m / €[x]m	£ [x] million / \$ [x] million / €[x] million

£ [x]k / \$ [x]k / €[x]k

£ [x] thousand / \$ [x] thousand / €[x] thousand

2. Executive Summary

The purpose of this report is to update creditors on the progress of the Administrations, focusing on these key points:

- Update on the Joint Administrators' actions to recover funds for creditors.
- Provide details of receipts and payments in the Administrations during the Period and to date.
- Update on the outlook for distributions to creditors.

Below is a summary of the key messages for creditors. This summary should be read in conjunction with the full report herein and the Updates to Creditors.

	Commentary
Sales Process (Section 3.1)	<ul style="list-style-type: none"> • Whilst the Sales Process' commercial negotiations were significantly progressed and legal documentation nearly complete, the Joint Administrators were informed, at a very late stage, that neither Bidder A nor Bidder B would be able to complete a transaction in their current forms. • As a result, the decision was taken to terminate the Sales Process, shut down all operations and effect employee redundancies. • Efforts are now focused on the IP Sale Process, the outcome of which will be communicated to creditors and stakeholders in our next progress report.
Trading (Section 3.2)	<ul style="list-style-type: none"> • Employees – at the date of writing, only one employee remains to assist with the IP Sales Process. • Suppliers – A limited number of IT suppliers remain to support the IP Sales Process and to assist in statutory returns and debtor recoveries in the Period. • Leasehold properties – The Companies have exited all of the properties they occupied at the Date of Appointment, and all have been surrendered, bar one. The Companies currently retain three sites, with new leases entered in to following the Date of Appointment to realise surplus assets and to store the prototypes.
Non-core Assets' realisations (Section 3.3)	<ul style="list-style-type: none"> • A total of £206.2k has been realised and received from the sale of the Non-core Assets of the Companies in the Period. A further £368.4k is due to be received within the next month. • £429.9k has been received by the Companies in the Period in respect of debtor recoveries. In addition, he have been negotiating the recovery of amounts due from Elements UK, of which £700.0k has been received following the end of the Period.
Receipts and payments (Section 4)	<ul style="list-style-type: none"> • Details of the Joint Administrators' receipt and payments in the Period are provided at <i>Section 4</i>.

	Commentary
Distributions to creditors (Section 0)	<ul style="list-style-type: none"> • No distributions have been made to date. • Secured creditors were owed \$110.5m (GBP equivalent of £87.01m) secured by way of fixed and floating charge debentures in AUK and fixed charge debenture in AUTO against the Companies' assets at the Date of Appointment. • Primary preferential claims (i.e. employees for AUK) are currently estimated to be £311.7k and it currently appears unlikely that there will be any dividend distribution to primary preferential creditors. • For AUTO, primary preferential creditors are estimated to be £33.1k and we expect a dividend distribution to preferential creditors of 100p in the £. The timing of any such distribution to primary preferential creditors is expected to be within the next six months. • We currently estimate secondary preferential claims (HMRC) to be £881.7k in AUK and £527.3k in AUTO; for both AUK and AUTO the timing and quantum of any distribution is dependent on the outcome of the ongoing tax claims, which is being negotiated and agreed with HMRC. We anticipate that HMRC will seek to set off of its secondary preferential claim against sums due to be refunded to AUK and AUTO. • Non-preferential, unsecured creditors are estimated at £139.03m (AUK) and £114.27m (AUTO, including £87.01m of Secured Lenders' potential claims) noting that we have not formally adjudicated creditor claims at this stage and therefore this is subject to change. There is a likelihood that the Secured Lenders, for the amount of their indebtedness that has not been repaid from other sources, will seek to make a non-preferential, unsecured claim in the AUTO estate in respect of their deficiency.
Creditors' approval (Section 7)	<ul style="list-style-type: none"> • The Administrations of both AUK and AUTO were extended by a period of 12-months, to 4 February 2026, having received the consent from the requisite creditors. To date, no creditors have expressed an interest in forming a creditors' committee.
Remaining work (Section 8)	<ul style="list-style-type: none"> • Key remaining work in the Administrations includes: securing potential recoveries from the IP Sale Process, finalising further physical asset realisations, recovering funds in respect of the tax claims, making creditor distributions, attending to ongoing treasury management, finalising and paying Administration expenses, statutory compliance (including VAT and corporation tax reporting) and any necessary court applications.

3. Progress of the Administrations

Set out below is an update on progress to date in the Administrations during the Period.

3.1. Sales Process

In our previous progress report, we indicated that Phase 2 of the Sales Process had been significantly progressed with several interested parties. In the Period, we entered advanced due diligence and intensive negotiations (including contractual discussions), with two parties, Bidder A and Bidder B (anonymised for confidentiality), each with an interest in different parts of the Arrival business. The divided transaction perimeters, as envisaged, would have resulted in: (i) the transfer of all employees to either Bidder A and Bidder B, in accordance with TUPE regulations respectively; and (ii) shares in The Georgian Entity being conveyed to Bidder B as part of the transaction closing.

We note that the valuation expectations associated with the proposed transactions for Bidder A and Bidder B was of a level sufficient to provide a material recovery to the Secured Lenders, as well as: (i) a full discharge of primary and secondary preferential creditor liabilities; and, (ii) a dividend for non-preferential, unsecured creditors.

Although commercial negotiations for the two transactions were significantly progressed and legal documentation nearly complete, the Joint Administrators were informed, at a very late stage, of material developments that would hinder both parties' ability to close the respective transactions. Bidder A due to its financing, and Bidder B, owing to a final stage governance / approval issue due to developments in its own group, meaning that neither bidder was able to complete a transaction. Despite significant efforts by the Joint Administrators to navigate the issues raised by the respective bidders, the proposed transactions could not be salvaged in their current form.

Recognising: (i) the severe deterioration of the electric vehicle market (evidenced by numerous other bankruptcy filings in the sector); (ii) the fact that an exhaustive sales process had been undertaken, in which more than 160 interested parties had been contacted; and (iii) absent further funding from the Secured Lenders to support an extension to the Sales Process; the decision was made to terminate the Sales Process, shut down all operations for the respective sales perimeters and effect employee redundancies across the business. Steps were taken to protect IP rights (including prototypes, patents and software) by "cold storing" the underlying data by migrating it to the Cloud and reducing the number of applications, in order to preserve any residual value for the digital IP assets of the business, whilst minimising ongoing IT costs.

All efforts are now focused on debtor recoveries (the largest being the intercompany amount due from Elements UK), the sale of the remaining physical and digital IP assets ("the IP Sales Process"), whilst also disposing, via auction or private treaty sale, of the remaining sundry assets of the Companies in separate disposals / auctions (see *Section 3.3*).

3.2. Trading

3.2.1. Funding

During the Period, no further funds were drawn by AUTO under the AFA. Instead, an amount of £1.53m was repaid under the AUTO AFA on 6 November 2024. This repaid all of the outstanding principal due under the AUTO AFA. The accrued interest due under the AUTO AFA of £286.7k was repaid in full on 6

December 2024. These amounts were repaid from the realisation of assets subject to AUTO's fixed charge.

As there continued to be a funding need in AUK, it was agreed with the Secured Lenders that the AUTO repayment would subsequently be made available for drawdown by AUK. During the Period, £6.79m was drawn down by AUK under the AFA. At the end of the Period, the outstanding amount due to the Secured Lenders under the AUK AFA was £20.12m excluding accrued interest.

As repayment of any advances made ranks as an Administration expense under paragraph 99 of Schedule B1 to the Insolvency Act 1986, ahead of distributions to preferential creditors, the Secured Lenders will receive the proceeds from the realisation of all of AUK's floating charge assets (up to the value of the AFA funding provided) after the expenses of the Administration. It is too early to forecast how much the Secured Lenders will receive from these assets, but it currently appears unlikely that sufficient funds will be realised by AUK to repay the indebtedness under the AUK AFA in full. An update will be provided in our next progress report.

Refer to Section 4.1.1 of this report for further details of the amounts drawn under the AFA.

3.2.2. Employees (employee costs in the Period of AUK £2.77m and AUTO £277.7k)

AUK

	AUK	AUTO	Total
Employees retained as at 4 August 2024	86	4	90
Resignations	(15)	-	(15)
Redundancies	(70)	(4)	(74)
Remaining employees	1	-	1

The table above summarises the employee position of the Companies at the end of the Period. As noted in the previous progress report, 90 employees were retained as at 4 August 2024.

During the Period, 15 employees resigned. We negotiated shorter notice periods for those employees who resigned, reducing costs while ensuring smooth handovers and mitigating knowledge leakage.

On 21 November 2024, following the termination of the Sales Process, 53 employees in AUK and three employees in AUTO were made redundant. Ten further employees of AUK were made redundant on 25 November 2024.

Subsequently, almost all of the remaining employees (seven in AUK and one in AUTO) were made redundant on 20 December 2024, following the termination of the Sales Process. Only one employee remains in AUK on a part time basis to support the IP Sales Process. *AUK subsidiaries*

As previously reported, 99 staff members were retained by the Georgian Entity under its TSA. In the Period, there were six resignations. Total payments made in the Period were £1.43m bringing the total cumulative amount paid to the AUK subsidiaries since appointment to £5.47m.

The TSA with the Georgian entity was terminated on the 27 November 2024, as it became clear that the prospective buyers were not interested in acquiring the shares of the Georgian Entity. Subsequently, nine Georgian employees were retained as contractors in AUK until 16 December 2024, to support with

answering technical questions and maintaining the IP and IT systems, as part of the ongoing IP Sales Process.

Following the termination of the Sales Process, contracts with five of the Georgian contractors were terminated, while four contractors were retained to support with the migration and cold storage of IT systems. The number of contractors retained is expected to be reduced once the migration is completed, which is expected to happen by the end of February. Additionally, three key members of the SLT, who were previously employed by the US Entity, were retained under consultancy agreements to aid with the Sales Process in the Period.

3.2.3. Suppliers (excluding utilities (refer next section) total cost in the Period for AUK £351.7k and AUTO £3.6k)

Category	No. of individual payment undertakings issued at appointment	No. of individual payment undertakings as at 4 August 2024	No. of individual payment undertakings as at 4 February 2025
Key IT suppliers	11	10	9
Utilities	5	3	-
Other suppliers inc. logistics, transportation and specialist contractors	15	8	4
Totals	31	21	13

The table above summarises the key categories of critical suppliers that have been issued with a post-appointment payment undertaking by the Joint Administrators to secure their ongoing services, due to these services being identified as critical to preserve value for the Sales Process and provide key support for retained employees.

A number of IT suppliers will be withdrawn post the migration at the end of February. One IT undertaking was withdrawn in the Period

As noted in our previous progress report, a supplier agreed to a full and final settlement of its ROT claim and any non-preferential, unsecured claims against the Companies in exchange for the collection of certain equipment that remained at Unit 2 Banbury Cross. Subsequently, the equipment was collected by the supplier in the Period.

During the Period, one further ROT claim was received. This claim was formally rejected as the assets involved in the purported ROT claim were not able to be identified by the creditor.

3.2.4. Leasehold properties (total cost of rent, rates and utilities in the Period for AUK £524.6k)

AUK

As at 5 August 2024, Unit 2, Banbury Cross, remained the sole site occupied by AUK. It was retained as part of the strategy to preserve value for the Sales Process by continuing to house ringfenced assets identified as critical for the Sales Process, including prototype vehicles and other plant & machinery, whilst also maintaining a physical UK footprint for the employees of the Companies. Following the termination of the Sales Process, this site was vacated on 18 December 2024.

To facilitate the exit from Unit 2, Banbury Cross and implement the strategy to realise surplus assets of value within the premises and also to maintain a limited perimeter for the IP Sales Process, three leases were entered into by AUK. There were two separate leases entered into on 17 December 2024, with Upper Heyford, one for the surplus assets and one for the prototypes, whilst a lease was entered into with Boxx Storage on 11 December for two units to house the surplus assets.

An online auction of the surplus assets was conducted by Gordon Brothers on behalf of the Joint Administrators. The auction concluded on 23 January 2025, with final assets collected before 14 February 2025. Further detail on the auction sales, including realisations achieved, is provided in *Subsection 3.3.1* below.

The requisite notice period was issued to Boxx Storage to terminate AUK's occupation of the two units with effect from 14 February 2025.

In the Period, lease surrenders were successfully negotiated with the landlords of the Kensington Village and the original Upper Heyford site. The landlord for Unit 2, Banbury Cross has offered a surrender of the lease and discussions are currently ongoing regarding a surrender.

3.3. Non-core Assets' realisations

3.3.1. Plant & machinery / furniture & equipment / motor vehicles (AUK £203.7k and AUTO £2.5k)

The table below reflects the amounts realised in the Administrations from the sales of physical Non-core Assets in the Period. All sales in the Period relate to assets sold from Unit 2, Banbury Cross via private treaty by either Gordon Brothers or retained employees.

Asset sub-category	AUK Realised in the Period £'000	AUTO Realised in the Period £'000	Consolidated Realised in the Period £'000
Plant & machinery	193.8	2.5	196.3
Furniture & equipment	2.5	Nil	2.5
Motor vehicles	7.4	Nil	7.4
Totals	203.7	2.5	206.2

Sales in the Period of plant & machinery, furniture & equipment and motor vehicles have realised £203.7k for AUK and £2.5k for AUTO. The proceeds rank as fixed charge realisations under the terms of the Secured Lenders' security documents.

We engaged Gordon Brothers to conduct a final auction of physical Non-core Assets removed from Unit 2, Banbury Cross. This concluded on 23 January 2025, generating additional realisations of £283.0k. These realisations are in addition to those presented in the table above. The proceeds from the sale less the associated costs (marketing, asset valuation, auction hosting and portage) are expected to be received into the Administration bank accounts shortly. We do not anticipate any further material realisation from this asset category.

Gordon Brothers are looking to realise value (estimated £85.4k) for the plant & machinery that did not sell at the aforementioned auction from parties known to them or identified by them through the auction process.

There are other tooling assets held at a number of suppliers, with limited realisable value. We are negotiating de minimis amounts to release these assets to the relevant supplier.

Prior to the exit from Unit 2, Banbury Cross, all desks owned by AUK were sold for a total of £2.5k.

In the Period, £7.4k was realised from the sale of motor vehicles, including the sale of eight redundant prototype vehicles for scrap metal recycling.

The only physical assets remaining are prototypes that have been identified as required for the IP Sales Process. In the event that these assets are not sold or required as part of the IP Sales Process, they will be realised for the benefit of creditors.

3.3.2. Other group entities' (Roborace Ltd and Arrival Elements B.V.) assets (AUK £12.6k)

It was agreed with the director of Roborace Ltd and Arrival Elements B.V. that AUK staff would assist in realising assets belonging to those two entities, which were being stored at Unit 2, Banbury Cross, via private treaty sales, in return for a fee payable to AUK in recognition of and as contribution to, the ongoing costs to AUK of operating out of Unit 2, Banbury Cross.

As a result, invoices were raised and issued during the Period totalling £12.6k to Arrival Elements B.V. for storage and related services up to 4 October 2024, when the final assets belonging to Roborace Ltd and Arrival Elements B.V. were removed from site. These funds have been received into the estate. See *Section 4.1.2* for more details.

AUK (in its capacity as sole shareholder) has been requested by Arrival R Ltd to sign a special resolution approving its winding up. The resolution was signed by the Joint Administrators on 30 January 2025 and returned to the proposed liquidator.

3.3.3. Pre-appointment debtors (AUK £429.9k)

The Companies' books and records identified a number of accounts receivable balances outstanding as at the Date of Appointment. We set out below amounts recovered in the Period.

AUK		
Asset Sub-Category	Recovered in the Period £'000	Estimated future recoveries £'000
Rates refunds	168.5	-
Pre-appointment asset sales	30.4	-
Trade receivables	231.0	-
Related parties	-	700.0
Totals	429.9	700.0

NB: No recoveries were made for AUTO in the Period.

Rates refunds (AUK £168.5k)

We have recovered business rates refunds in the amount of £168.5k following extensive negotiations and correspondence with Cherwell District Council and London Borough of Hammersmith & Fulham, which are subject to floating charge security in AUK. No additional recoveries are expected from this source.

Pre-appointment asset sales (AUK £30.4k)

Prior to our appointment, it was identified that certain assets had been sold to, but proceeds had not been received from, two purchasers, as follows:

- the first purchaser with an outstanding debt of £30.4k due to AUK; and
- the second purchaser with a balance of £10.6k owed to AUK and £25.0k to AUTO.

During the Period, the amount due from the first purchaser of £30.4k was collected. Despite numerous attempts, we have been unable to make contact with the second debtor, therefore we do not anticipate any recovery from this source.

Trade receivables (AUK £231.0k)

In the Period, amounts of £227.8k and €3.8k for AUK (GBP equivalent of £231.0k) were received.

The largest recovery in the Period was the £200.0k receipt plus £22.0k interest for late payment for AUK under a payment plan agreed with one of the debtors.

Separately, a dispute had arisen with a related party debtor, Charge Cars Ltd, over an amount of £940.7k due to AUK in respect of software services provided to Charge Cars Ltd. As the debtor had entered administration in the UK, an unsecured claim was submitted to the administrators of Charge Cars Ltd on behalf of AUK. The latest Charge Cars Ltd progress report indicates that there is unlikely to be a dividend to unsecured creditors.

It was agreed that debtor balances amounting to £55.1k were uncommercial to continue pursuing following numerous attempts to contact the debtors with no response received.

Where invoices are written off as irrecoverable, we will consider our ability to seek VAT bad debt relief, by reclaiming the VAT the Companies previously paid to HMRC in respect of these invoices.

Related parties (intercompany loans) (nil recovered)

The Companies' books and records indicate gross intercompany receivable amounts owed to AUK and AUTO amounting to £19.90m and £11.65m, respectively. However, we understand that there may be counterclaims by these debtors which may offset the respective amounts owing to the Companies.

In addition, a number of these entities are subject to or shortly will be subject to, insolvency proceedings.

We understand that Elements UK owes AUTO £4.79m for services provided to Elements UK which AUTO paid for. This has resulted in AUTO being the largest creditor of Elements UK, which has

recovered from HMRC the VAT in respect of the payment. As Elements UK is shortly to be placed into liquidation, there is an expectation that, after costs, the majority of the VAT repayment will be available to pay an unsecured dividend to AUTO. In this regard, £700.0k has been received following the end of the Period and no further recoveries will be expected from this source.

3.3.4. VAT

Pre-appointment VAT

We have reviewed the Companies' records in order to finalise the pre-appointment VAT returns. This has included adding back VAT on invoices dated prior to 5 August 2023, where VAT was previously claimed, but the invoices remain unpaid, as required by VAT bad debt relief rules. An additional claim in relation to VAT on invoices that were received post-appointment, but relate to pre-appointment supplies, including drawdowns from deposit accounts by Landlords for rental arrears, has been made thereby reducing HMRC's claim.

It is now anticipated that AUTO will be in a VAT payable position and AUK will be in a VAT receivable position. We are currently in discussions with HMRC regarding the agreement of this position and we will provide a further update on this matter in our next progress report.

Post-appointment VAT

We have submitted VAT returns up to December 2024 for AUTO and AUK. HMRC currently owes £58.2k to AUTO and £158.2k for AUK in respect of outstanding refunds due relating to VAT returns. We are in contact with HMRC to expedite the repayment process for these amounts.

4. Receipts and payments account

The Joint Administrators' receipts and payments account for the period from 5 August 2024 to 4 February 2025 is attached at *Appendix 2*. It does not reflect estimated future realisations or costs.

Summaries of the most significant cashflows in the Period are provided in the table below and commentary follows, to the extent it has not been provided in *Section 3* above:

Movements during the Period	Report Section ref.	AUK GBP consolidated ¹ £'000	AUTO GBP consolidated ¹ £'000	Consolidated Total ¹ £'000
Fixed charge receipts				
Lender funding	3.2.1. & 4.1.1.	6,788.1	-	6,788.1
Bank interest		(9.1)	29.4	20.3
Furniture & equipment	3.3.1.	2.5	-	2.5
Plant & machinery	3.3.1.	193.8	2.5	196.3
Motor vehicles	3.3.1.	7.4	-	7.4
Return of surplus payments to subsidiaries		143.1	-	143.1
Contribution to costs	3.3.2. & 4.1.2.	115.8	40.5	156.3
Sundry receipts	4.1.3.	2.1	-	2.1
Total fixed charge receipts		7,243.7	72.4	7,316.1
Floating charge / uncharged receipts				
Return of surplus payments to subsidiaries		(143.1)	-	(143.1)
Pre-appointment debtors	3.3.3.	429.9	-	429.9
Contribution to costs	3.3.2 & 4.1.2.	(103.2)	(40.5)	(143.7)
Other receipts ²		179.4	3.2	182.6
Total floating charge / uncharged receipts		363.0	(37.3)	325.7
Payments				
Employee costs	3.2.2.	(2,771.6)	(277.7)	(3,049.3)
Payments to subsidiaries	3.2.2.	(1,431.7)	-	(1,431.7)
Administrators' fees	6.1.	(3,473.8)	(885.9)	(4,359.7)
Legal fees	4.2.1.	(735.4)	(115.6)	(851.0)
IT costs	3.2.3. & 4.2.2.	(325.1)	-	(325.1)
Property costs	3.2.4.	(524.6)	-	(524.6)
Other professional fees	4.2.3.	(301.3)	-	(301.3)
Contractor costs	3.2.2.	(633.6)	-	(633.6)
Other payments ³		(121.6)	(4.8)	(126.4)
Repayment of lender funding	3.2.1. & 4.1.1.	-	(1,534.0)	(1,534.0)
Repayment of AFA interest	3.2.1. & 4.1.1.	-	(286.7)	(286.7)
Total payments		(10,318.7)	(3,104.7)	(13,423.4)
Balances in hand (incl. VAT receivable) – 5 August 2024		5,589.7	4,801.0	10,390.7
Net receipts/payments for the Period		(2,712.0)	(3,069.6)	(5,781.6)
Balances in hand (incl. VAT receivable) – 4 February 2025		2,877.7	1,731.4	4,609.1

Notes

1. Please note any amounts paid and received in currency amounts are translated at FX rates of 1.24 USD / GBP and 1.20 EUR / GBP. These FX rates are as at 4 February 2025 and have been used consistently throughout this progress report to creditors.
2. Other receipts include the following:
 - a. AUK – Bank interest (£92.9k) and transfers between currency bank accounts (£89.0k) less adjustments due to a reclassification of £4.7k from the prepayments account to the pre-appointment debtors account.
 - b. AUTO – Bank interest (£3.2k).
3. Other payments include the following:
 - a. AUK – Other suppliers (£26.4k) largely relating to HR service platforms and H&S service and maintenance providers, transfers between currency bank accounts (£89.4k) and bank charges (£5.8k).
 - b. AUTO – Other suppliers (£4.7k) and Bank charges (£0.1k).

4.1. Receipts

4.1.1. Lender funding – (£6.79m received in AUK)

An amount of £6.79m has been drawn during the Period by AUK under the AFA. See *Section 3.2.1* for further details. Of this amount, £1.82m was a drawdown from amounts repaid by AUTO.

During the Period, no further funds were drawn by AUTO under the AFA. Instead, amounts were repaid under the AUTO AFA, until the AUTO AFA was repaid in full (including accrued interest) on 6 December 2024. These amounts were repaid from the realisation of assets subject to AUTO's fixed charge. Please see *Section 3.2.1* for further details.

As previously advised, the AFA was amended to allow funding to be reallocated in its entirety to fixed charge realisations. This was agreed with the Secured Lenders in accordance with the terms of the amendments to the AFA. As such, net fixed charge realisations would repay the AFA to the extent possible. Net floating charge or uncharged realisations would only repay the AFA if there is a deficiency in repayment of the AFA from net fixed charge realisations.

4.1.2. Contribution to costs – (£12.6k received in AUK)

AUK received 15% commission in respect of the facilitation of sales of computer equipment owed by Arrival Elements B.V. and Roborace Ltd. Total commission received during the Period was £7.1k. As all assets have now either been realised or removed, no further commission is expected to be received. Additionally, any time costs incurred by the Administrators or retained employees in assisting with the removal of Arrival Elements B.V. and Roborace Ltd assets from Unit 2, Banbury to an alternative location was recovered in full. The total sums invoiced and received in respect of this were £5.5k, giving total recoveries in the Period of £12.6k.

The balance of £103.2k in respect of AUK and £40.5k in respect of AUTO, reflects funds being reallocated from floating charge receipts to fixed charge receipts during the Period, as the underlying costs were in respect of fixed charge assets. It is a book entry only and does not relate to any funds being received.

4.1.3.Sundry receipts – (£2.1k received in AUK)

We have received £2.1k in the Period, which relates to the proceeds received from an insurance claim for a stolen laptop. No further funds are expected to be received as part of this insurance claim.

4.2. Payments

4.2.1.Legal fees – (£735.4k paid by AUK and £115.6k paid by AUTO)

Legal fees incurred in the Period are in respect of:

- Advice in respect of the sale of the Companies' business to various parties and preparing the draft transaction documents for the proposed transactions with Bidder A and Bidder B.
- The ongoing advice relating to property and leasehold related matters (e.g. to progress the surrender of leases and the entering into new arrangements).
- The ongoing advice from specialist IP Legal Advisors to preserve the IP assets.
- Seeking advice from employee specialist lawyers regarding TUPE requirements under the transactions.
- Seeking advice in regard to the Joint Administrators' duty under the Environment Act for batteries held on site.
- Processing amendments to the AFA including the AFA upsize, drafting AFA confirmation letters and utilisation requests and reviewing the mechanics for drawdowns and deemed repayments of the AFA, drafting documents for the same.
- Preparing the Deed of Release in respect of employee loans.

4.2.2.IT costs – (£325.1k paid by AUK)

AUK IT costs incurred in the Period relate to:

- Maintaining the IT architecture and infrastructure of AUK, including systems critical to preserving books and records and office systems for ongoing trade in the Administrations.
- Maintaining and retaining the relevant IP of the Companies to support the Sales Process.
- Specific costs associated with the virtual data room to facilitate the Sales Process.

During the Period, an exercise was undertaken to reduce IT costs by migrating all critical IP related digital assets to a single low cost IT platform.

4.2.3. Other professional fees – (£301.3k paid by AUK)

An advisor was retained to assist with the Sales Process. The advisor was retained due to their prior experience in and knowledge of, the Sales Process. Their agreement has been revised and is currently placed on pause, whilst the IP Sales Process is being explored.

5. Distributions to creditors

No distributions have been made to date to any creditors.

5.1.1. Secured creditors

The Secured Lenders' position remains unchanged since our Proposals and our first progress report. Please refer to our Proposals for further information. It is currently estimated that the Secured Lenders will suffer a shortfall against their debt.

The extent of the Secured Lenders recoveries will be limited to the realisations achieved from the sale of AUTO's assets subject to fixed charges and AUTO's uncharged assets.

5.1.2. Primary preferential creditors – employees

Claims from employees in respect of accrued but unpaid arrears of pay up to £800, accrued but unpaid holiday pay and certain pension benefits, rank preferentially and in priority to other preferential creditors. These claims are therefore referred to as 'primary preferential creditors'.

We estimate the amount of primary preferential creditors at the date of our appointment to be £311.7k for AUK and £33.1k for AUTO. It currently appears unlikely that sufficient funds will be realised to repay the indebtedness under the AUK AFA in full. We do not anticipate any distribution to primary preferential creditors of AUK as they rank below the AFA repayments in the distribution waterfall.

We do expect to pay a dividend distribution to primary preferential creditors of AUTO of 100p in the £.

5.1.3. Secondary preferential creditors

Claims from HMRC, in relation to VAT, PAYE and employees' NICs rank preferentially, but secondary to the employee primary preferential creditors. These claims are therefore referred to as 'secondary preferential creditors'.

We currently estimate the amount of secondary preferential claims (VAT, PAYE and NI pre appointment liabilities) at the date of our Appointments to be £881.7k for AUK and £527.3k for AUTO.

The Joint Administrators are in the process of agreeing several claims with HMRC for tax refunds relating to the pre appointment period. We expect that HMRC will most likely seek to set off not only its secondary preferential claims but also its non-preferential, unsecured claims against the funds that it would need to repay in respect of taxes paid by the Companies pre appointment. Therefore, it is anticipated that HMRC's debt in AUK will be satisfied in full and, in respect of AUTO, it is anticipated that HMRC will still have a secondary preferential claim. We currently estimate this to be £204.7k, after applying set off. We anticipate that we will have sufficient funds available in AUTO to pay this claim in full, in due course.

We will provide an update on the outcome of our discussions with HMRC in our next report.

5.1.4. Non-preferential unsecured creditors

The Joint Administrators continue to receive claims from non-preferential unsecured creditors of the Companies. It is currently estimated that non-preferential, unsecured creditors are £139.03m for AUK and £114.27m for AUTO (out of which £87.01m represent the Secured Lenders).

We currently expect that there will be insufficient funds available to pay a dividend to the non-preferential unsecured creditors of AUK as they rank below the AFA repayments and preferential creditors in the distribution waterfall. It currently appears unlikely that sufficient funds will be realised to repay the indebtedness under the AUK AFA in full.

A small distribution to the non-preferential, unsecured creditors of AUTO is anticipated out of recoveries from uncharged assets. The timing and quantum of this distribution is currently unknown, but we expect to shortly start the process to adjudicate on non-preferential, unsecured claims. An update regarding this matter will be provided in our next progress report.

5.1.5. The Prescribed Part

The Prescribed Part is a portion of floating charge assets set aside for non-preferential, unsecured creditors pursuant to section 176A of the Insolvency Act 1986. The Prescribed Part applies to floating charges created on or after 15 September 2003. It should, however, be noted that on 6 April 2020, the Insolvency Act 1986 (Prescribed Part) (Amendment) Order 2020 came into force. It increased the maximum amount of the Prescribed Part from £600,000 to £800,000, however the increase will only apply where the floating charge affected was created on or after 6 April 2020.

AUK

As noted above, there will be no distribution to non-preferential unsecured creditors of AUK.

AUTO

As noted in the Proposals, there was no floating charge security in respect of AUTO. Consequently, section 176A of the Insolvency Act 1986 does not apply to this Administration and there is no Prescribed Part to be set aside for the non-preferential, unsecured creditors.

6. Remuneration

6.1. Joint Administrators' remuneration

The statutory provisions relating to remuneration are set out in Part 18 of the Rules. Further information is given in the Association of Business Recovery Professionals' publication 'A Creditors' Guide to Administrators' Fees', a copy of which may be accessed from the web site of the Institute of Chartered Accountants in England and Wales at <https://www.icaew.com/en/technical/insolvency/creditors-guides> or is available in hard copy upon written request to us. The Joint Administrators policy for charging remuneration and disbursements is outlined at *Appendix 3*.

In certain circumstances, creditors are entitled to request further information about our remuneration or expenses or to apply to Court if they consider the costs to be excessive (Rules 18.9 and 18.34 of the Rules). Further information is provided in 'A Creditors' Guide to Administrators' Fees' referred to above.

During the Period, on 13 September 2024, an uplift to the Joint Administrators' remuneration for the entirety of the Administration period was agreed by the relevant creditors. Our remuneration remains fixed on a time-cost basis, as follows:

- £5,979,832 for AUK by a resolution of the Secured Lenders and preferential creditors; and
- £2,319,946 in AUTO by a resolution of the general body of creditors.

During the Period, we have incurred time costs of £3.03m excluding VAT (£2.40m for AUK and £0.63m for AUTO).

An analysis of the time spent in the Period is presented at *Appendix 4* and the summary narrative for the Period is attached at *Appendix 6* to this report. Whilst we anticipate that our time costs will exceed the revised fee estimate and already has done so in the case of AUK by £0.87m, we do not propose seeking any further uplift in our remuneration. In respect of AUTO, we do not expect to exceed the revised fee estimate.

Table below summarises the time spent compared with the revised fee estimate for AUK:

	Fee Uplift Estimate		Variance to Fee Estimate		Actuals to date	
	Total hours	Time costs	Total hours	Time costs	Total hours	Time costs
Administration and planning	3,027.4	1,295,955	366.9	176,518	3,394.3	1,472,473
Employee matters	1,350.3	878,284	182.3	85,362	1,532.6	963,646
Reporting	413.8	221,716	179.3	91,457	593.1	313,173
Sale of business	1,491.5	1,059,303	1,123.1	779,408	2,614.7	1,838,710
Trading	1,179.8	564,265	149.0	64,480	1,328.8	628,745
Other	3,709.1	1,960,309	(816.8)	(327,864)	2,892.3	1,632,445
Total hours / fees	11,171.9	5,979,832	1,183.8	869,361	12,355.8	6,849,192

Our remuneration in AUK exceeded the revised fee estimate for the following reasons:

- The revised fee estimate was built on the assumption that the Sales Process would complete by 7 October 2024. However, at the request of the Secured Lenders this has been extended

beyond this timeline, significantly increasing time spent by the Joint Administrators and their staff attempting to achieve a potential business sale. In the Period of an extended Sales Process, the Joint Administrators and their staff have spent time attending to Bidder A and Bidder B's queries, supporting their due diligence processes, including a visit to Georgia, preparing detailed, draft final transaction documents for each of the proposed transactions and revising the documentation for their bids, providing regular, detailed updates to the Secured Lenders and addressing queries from Bidder B's financial advisors on the creation of a business model for Bidder B. These activities continued whilst the Sales Process was progressing and some of the activities are continuing as the IP Sales Process is being pursued.

- The extension of the Sales Process and, subsequently, the IP Sales Process, primarily increased the Joint Administrators' time costs on work directly involved in progressing a sale, but further time costs were also incurred in respect of Administration and planning, Employee matters and Trading to support a continued Sales Process and IP Sales Process, by ensuring the stability of the critical components of the business.
- Other factors as noted below, which were not included into the original forecast, have driven the increase in our fee estimate:
 - Engaging in tax discussions when considering potential sale structures to minimise tax leakage.
 - An extended period to realise physical assets which were previously part of the Sales Process, but were not required for the IP Sales Process, managing Gordon Brothers for an extended timeframe, reviewing asset sales and coordinating the completion of transactions (e.g. release documents, receipt of and accounting for, proceeds).
 - Exploring potential tax recoveries which are complex in nature for the benefit of the estates.
 - Defending / responding to landlords and their legal advisors in relation to the property exit strategy, which has taken some time to resolve and is likely to extend beyond any period of occupation / exit. If these claims are not defended, they become expenses of the Administrations that would need to be settled, and it is therefore critical that these are fully defended where commercial to do so. This involves numerous calls, meetings with landlords and / or their representatives and protracted communications.

6.2. Joint Administrators' statement of expenses incurred

During the Period, we have incurred and paid expenses totalling £6.66m in AUK and £0.40m in AUTO excluding VAT. There is a breakdown of expenses incurred in the Period at *Appendix 5* of this report.

The Joint Administrators have exceeded the total estimate for expenses provided in their fee estimate and details of expenses document dated 28 March 2024, for AUK, which totalled £7.93m.

The increase primarily reflects the extension of the Sales Process to attempt to achieve a sale of the Companies' business and certain of its assets, as detailed in the *Section 3.1* of this report.

Accordingly, an updated estimate of total expenses, together with an analysis of the expenses incurred in the Period for the Administrations is provided at *Appendix 5* to this report. These expenses represent

operating expenses incurred by the Companies and include, but are not limited to, legal fees, employee costs, payments to subsidiaries under TSAs, IT costs, rent and rates and insurance.

7. Creditors' approval

7.1. Extension of the Administrations

As there remains a number of outstanding matters to conclude in the Administrations beyond the initial 12-month period, such as those dependent on the structure and timing of the ongoing Sales Process and post-transaction obligations, payments to preferential and non-preferential, unsecured creditors and tax refund claims, a 12-month extension to the initial period of the Administrations was sought from the creditors. We are pleased to advise that the requisite creditors' consent was received on 13 September 2024, allowing the Administrators to extend the period of the Administrations by 12 months to 4 February 2026. The relevant statutory forms have been filed with Companies House and the Court.

7.2. Creditors' committees

To date, no creditors have expressed an interest in forming a creditors' committee.

8. Remaining work

We will continue to deal with the Administrations in line with the stated objectives outlined in the Proposals. Future tasks will include, but may not be limited to, the following:

- Monitoring the cash flow and liaising with the Secured Lenders regarding repayment of part of the AUK AFA.
- Continuing to liaise with interested parties regarding a potential sale of the remainder of the Companies' physical and IP assets.
- Finalising lease surrenders with landlords of the properties.
- Investigating the extent of any other assets or potential claims held by the Companies and pursuing recovery, where possible and cost effective.
- Collecting debtors and receivables due to the Companies including recovery of any outstanding balances due from related entities and tax assets.
- Reviewing and adjudicating preferential claims (as applicable).
- Distributing amounts to the secured and preferential creditors of the Companies (as applicable).
- Distributing amounts to the non-preferential, unsecured creditors of AUTO, which would require an application to Court in terms of paragraph 65(3)(b) of Schedule B1 to the Insolvency Act 1986¹ or if appropriate, take steps to place AUTO into creditors' voluntary liquidation and/or place AUK into compulsory liquidation.
- Dealing with non-preferential, unsecured creditor queries.

¹ This application is required because it involves obtaining the Court's approval to make distributions to unsecured creditors outside the normal course of the administration process. The approval ensures that the distribution is conducted fairly, legally, and in accordance with the priorities established under insolvency law, safeguarding the interests of all creditors involved in the administration.

- Reviewing and adjudicating non-preferential, unsecured creditor claims (as applicable).
- Assisting redundant employees with any claims against the RPS and / or the Companies (as applicable).
- Dealing with corporation tax and VAT matters, which includes filling statutory returns.
- Ensuring all statutory reporting and compliance obligations are met.
- Finalising the Administrations, including payment of all Administration expenses and liabilities.
- If the Joint Administrators deem it appropriate, to seek further extensions to the Administrations from the Court.
- At the end of the Administrations, to seek a discharge order from the Court pursuant to paragraph 98 of Schedule B1 to the Insolvency Act 1986.
- Any other actions required to be undertaken by the Joint Administrators in order to fulfil the purpose of the Administrations.

9. Next report

We will report to you again in six months' time.

In the meantime, if you have queries regarding the content of this report, please do not hesitate to contact us by email at aukadministration@uk.ey.com.

Appendix 1 -

Information about the proceedings, the Companies and the office holders

Name of Court:	The High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
Court reference:	CR-2024-000650

Registered name of the company:	Arrival UK Ltd
Registered office address of the company:	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Registered number:	09475811
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A

Registered name of the company:	Arrival Automotive UK Limited
Registered office address of the company:	c/o Ernst & Young LLP, 1 More London Place, London, SE1 2AF
Registered number:	11974606
Country of incorporation (for a company incorporated outside the United Kingdom):	N/A

Date of appointment of the Joint Administrators:	5 February 2024
Details of any changes of Administrator:	None
Full names of the Joint Administrators:	Simon Jamie Edel, Alan Michael Hudson and Samuel James Woodward
Office holder numbers:	9810, 9200 and 12030
Joint Administrators' addresses:	Ernst & Young LLP 1 More London Place, London, SE1 2AF Ernst & Young LLP 2 St Peters Square, Manchester, M2 3EY

Email:	aukadministration@uk.ey.com
Name of alternative person to contact with enquiries about the case:	Lucy McWalters

Appendix 2 -

Joint Administrators' summary of receipts and payments for the Period

Arrival UK Limited (In Administration)
Joint Administrators' summary of receipts and payments to 4 February 2025

Per directors' Statement of Affairs estimated realisable value	Notes	GBP (ex VAT)			EUR (ex VAT)			USD (ex VAT)			GBP (ex VAT) Consolidated
		5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	
Fixed charge receipts	1, 2										
Nil Lender funding	3	13,331,104	6,788,066	20,119,170	-	-	-	-	-	-	20,119,170
523,313 Plant & machinery		2,809,183	193,803	3,002,986	-	-	-	-	-	-	3,002,986
42,170 Motor vehicles		114,250	7,400	121,650	-	-	-	-	-	-	121,650
Nil Contribution to costs	4	-	115,793	115,793	-	-	-	-	-	-	115,793
Nil Return of surplus payments to subsidiaries	4	-	-	-	-	172,124	172,124	-	-	-	143,067
Nil Bank interest	4	92,787	(9,185)	83,602	-	118	118	-	-	-	83,700
91,337 Furniture & equipment		42,958	2,500	45,458	-	-	-	-	-	-	45,458
Nil Sundry receipts		825	2,130	2,955	-	-	-	-	-	-	2,955
Total fixed charge receipts	1, 2	16,391,107	7,100,507	23,491,614	-	172,242	172,242	-	-	-	23,634,779
Floating charge receipts	1, 2										
2,692,435 Pre-appointment debtors	5	2,709,182	426,740	3,135,922	-	3,754	3,754	41,975	-	41,975	3,172,860
Included above Prepayments	5	4,670	(4,670)	-	-	-	-	5,944	-	5,944	4,789
Nil Return of surplus payments to subsidiaries	4	-	-	-	184,255	(172,124)	12,131	-	-	-	10,083
149,146 Cash on appointment		60,802	-	60,802	22,061	-	22,061	77,263	-	77,263	141,388
Nil Contribution to costs	4	103,205	(103,205)	-	-	-	-	-	-	-	-
Nil Transfer from GBP account		-	-	-	-	-	-	113,241	113,241	113,241	91,236
Nil Rent deposit refunds		35,108	-	35,108	-	-	-	-	-	-	35,108
Nil Materials		9,013	(188)	8,825	-	-	-	-	-	-	8,825
Nil Bank interest	4	8,833	92,631	101,464	540	205	745	117	334	451	102,447
Total floating charge receipts	1, 2	2,930,813	411,308	3,342,121	206,856	(168,165)	38,691	125,299	113,575	238,874	3,566,736
Total receipts	1, 2	19,321,920	7,511,815	26,833,735	206,856	4,077	210,933	125,299	113,575	238,874	27,201,515

Arrival UK Limited (In Administration)
Joint Administrators' summary of receipts and payments to 4 February 2025

Per directors' Statement of Affairs estimated realisable value	Notes	GBP (ex VAT)			EUR (ex VAT)			USD (ex VAT)			GBP (ex VAT) Consolidated
		5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	
Payments	1, 2										
Employee costs	6	(4,980,742)	(2,771,642)	(7,752,384)	-	-	-	-	-	-	(7,752,384)
Payments to subsidiaries		(3,947,096)	(1,433,191)	(5,380,287)	(74,906)	-	(74,906)	(31,260)	1,853	(29,407)	(5,466,240)
Administrators' fees	7	(2,060,908)	(3,473,794)	(5,534,702)	-	-	-	-	-	-	(5,534,702)
Legal fees		(457,112)	(735,423)	(1,192,535)	-	-	-	-	-	-	(1,192,535)
IT costs		(538,447)	(325,163)	(863,610)	(23,701)	-	(23,701)	(5,538)	41	(5,497)	(887,739)
Property costs		(525,986)	(524,627)	(1,050,613)	-	-	-	-	-	-	(1,050,613)
Other professional fees		(407,002)	(301,279)	(708,281)	-	-	-	(80,000)	-	(80,000)	(772,735)
Contractor costs		(514,434)	(633,742)	(1,148,176)	(9,654)	-	(9,654)	(3,120)	164	(2,956)	(1,158,582)
Pre-appointment Administrators' fees		(173,423)	-	(173,423)	-	-	-	-	-	-	(173,423)
Pre-appointment legal fees		(102,523)	-	(102,523)	-	-	-	-	-	-	(102,523)
Other suppliers*		(79,394)	(26,403)	(105,797)	-	-	-	-	-	-	(105,797)
Transfer to USD account		-	(89,447)	(89,447)	-	-	-	-	-	-	(89,447)
Agents' fees		(16,107)	-	(16,107)	-	-	-	-	-	-	(16,107)
Motor vehicle finance		(6,784)	-	(6,784)	-	-	-	-	-	-	(6,784)
Bank charges		(5,634)	(4,189)	(9,823)	(266)	-	(266)	(373)	(2,058)	(2,431)	(12,003)
Reimbursement of payments to suppliers	8	(2,291)	12	(2,279)	-	-	-	-	-	-	(2,279)
Statutory costs		(104)	-	(104)	-	-	-	-	-	-	(104)
Total payments	1, 2	(13,817,987)	(10,318,888)	(24,136,875)	(108,527)	-	(108,527)	(120,291)	-	(120,291)	(24,323,997)
Net receipts/(payments)	1, 2	5,503,933	(2,807,073)	2,696,860	98,329	4,077	102,406	5,008	113,575	118,583	2,877,518
Represented by:											
Fixed charge bank accounts (inc. debit card)	9	1,653,771	(1,458,047)	195,724	-	64,813	64,813	-	-	-	249,596
Floating charge bank accounts	9	1,078,814	265,279	1,344,093	93,589	(60,736)	32,853	5,008	113,575	118,583	1,466,939
Funding bank account	9	2,703,795	(2,275,926)	427,869	-	-	-	-	-	-	427,869
VAT receivable		67,553	661,621	729,174	4,740	-	4,740	-	-	-	733,114
		5,503,933	(2,807,073)	2,696,860	98,329	4,077	102,406	5,008	113,575	118,583	2,877,518
GBP equivalent	10	5,503,933	(2,807,073)	2,696,860	81,730	3,389	85,119	4,035	91,504	95,539	

Notes

1. Receipts and payments are stated net of VAT.
2. The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments.
3. Funding has been provided by the Secured Lenders to run the Sales Process for AUK and, as such, this funding has been allocated as a fixed charge receipt.
4. Movements in these accounts include a reallocation of the prior period's balance from floating charge receipts to fixed charge receipts and vice versa. This reallocation was undertaken as these amounts were incorrectly allocated when first entered into our accounting system. The costs are now aligned with the associated asset realisations.
5. The movement in this account represents the reclassification of this amount from the Prepayments account to the Pre-appointment debtors account.
6. Employee costs include net pay, PAYE, NIC, pension and all other employee costs.
7. This is the amount of Administrators' fees that have been paid in the Period, as approved by creditors.
8. Reimbursement of payments to suppliers relates to payments that have directly been made by the Administrators' team for IT costs and which have been reimbursed by AUK.
9. All funds are held in interest bearing bank accounts. Drawdowns from the Secured Lenders are made to the Administration funding account which then get subsequently allocated to the fixed charge bank account.
10. The GBP equivalent amounts are translated at FX rates on 4 February 2025 of 1.24 USD / GBP and 1.20 EUR / GBP. Funds have been held in non-GBP denominated bank accounts in order to minimise any FX losses whilst discharging non-GBP payments. There has been no financial impact on the estate in holding these amounts in non-GBP denominated bank accounts.

Arrival Automotive UK Limited (In Administration)
Joint Administrators' summary of receipts and payments to 4 February 2025

Per Directors' Statement of Affairs estimated realisable value	Notes	GBP (ex VAT)			EUR (ex VAT)			USD (ex VAT)			GBP (ex VAT) Consolidated
		5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	5 February 2024 to 4 August 2024	5 August 2024 to 4 February 2025	Cumulative to 4 February 2025	
Fixed charge receipts	1, 2										
3,764,566	Plant & machinery	4,344,292	2,500	4,346,792	-	-	-	-	-	-	4,346,792
Nil	Lender funding	3	2,634,000	-	2,634,000	-	-	-	-	-	2,634,000
Nil	Bank interest	63,020	29,434	92,454	-	-	-	-	-	-	92,454
11,520	Furniture & equipment	12,260	-	12,260	-	-	-	-	-	-	12,260
Nil	Contribution to property costs	4	-	40,500	40,500	-	-	-	-	-	40,500
Total fixed charge receipts	1, 2	7,053,572	72,434	7,126,006	-	-	-	-	-	-	7,126,006
Uncharged receipts	1, 2										
1,326,765	Cash on appointment	1,137,459	-	1,137,459	201,853	-	201,853	20,467	-	20,467	1,321,726
Nil	Materials	41,237	-	41,237	-	-	-	-	-	-	41,237
Nil	Contribution to property costs	4	40,500	(40,500)	-	-	-	-	-	-	-
62,596	Pre-appointment debtors	20,170	-	20,170	-	-	-	-	-	-	20,170
Bank interest		11,121	2,499	13,620	882	767	1,649	62	63	125	15,091
Total uncharged receipts	1, 2	1,250,487	(38,001)	1,212,486	202,735	767	203,502	20,529	63	20,592	1,398,224
Total receipts	1, 2	8,304,059	34,433	8,338,492	202,735	767	203,502	20,529	63	20,592	8,524,230
Payments	1, 2										
Administrators' fees	5	(1,158,095)	(885,927)	(2,044,022)	-	-	-	-	-	-	(2,044,022)
Repayment of lender funding	3	(1,100,000)	(1,534,000)	(2,634,000)	-	-	-	-	-	-	(2,634,000)
Repayment of AFA interest	3	-	(286,721)	(286,721)	-	-	-	-	-	-	(286,721)
Property costs		(458,313)	-	(458,313)	-	-	-	-	-	-	(458,313)
Employee costs	6	(341,119)	(277,715)	(618,834)	-	-	-	-	-	-	(618,834)
Pre-appointment Administrators' fees		(141,893)	-	(141,893)	-	-	-	-	-	-	(141,893)
Legal fees		(283,835)	(115,629)	(399,464)	-	-	-	-	-	-	(399,464)
Agent fees		(119,965)	-	(119,965)	-	-	-	-	-	-	(119,965)
Pre-appointment legal fees		(66,293)	-	(66,293)	-	-	-	-	-	-	(66,293)
Other suppliers		(10,062)	(4,702)	(14,764)	-	-	-	-	-	-	(14,764)
IT costs		(7,874)	-	(7,874)	-	-	-	-	-	-	(7,874)
Bank charges		(308)	(66)	(374)	(32)	-	(32)	(34)	-	(34)	(428)

Arrival Automotive UK Limited (In Administration)
Joint Administrators' summary of receipts and payments to 4 February 2025

Per Directors' Statement of Affairs estimated realisable value	Notes	GBP (ex VAT)			EUR (ex VAT)			USD (ex VAT)			GBP (ex VAT) Consolidated
		5 February 2024	5 August 2024	Cumulative to 4 February 2025	5 February 2024	5 August 2024	Cumulative to 4 February 2025	5 February 2024	5 August 2024	Cumulative to 4 February 2025	
Reimbursement of payments to suppliers	7	(180)	-	(180)	-	-	-	-	-	-	(180)
Statutory costs		(104)	-	(104)	-	-	-	-	-	-	(104)
Total payments	1, 2	(3,688,041)	(3,104,760)	(6,792,801)	(32)	-	(32)	(34)	-	(34)	(6,792,855)
Net receipts/(payments)	1, 2	4,616,018	(3,070,327)	1,545,691	202,703	767	203,470	20,495	63	20,558	1,731,375
Represented by:											
Fixed charge bank accounts (inc. debit card)	8	4,017,268	(2,854,486)	1,162,782	-	-	-	-	-	-	1,162,782
Floating bank accounts	8	312,462	(149,389)	163,073	202,703	767	203,470	20,495	63	20,558	348,757
Funding bank account	8	21,854	1,223	23,077	-	-	-	-	-	-	23,077
VAT receivable		264,434	(67,675)	196,759	-	-	-	-	-	-	196,759
GBP equivalent	9	4,616,018	(3,070,327)	1,545,691	202,703	767	203,470	20,495	63	20,558	1,731,375

Notes

1. Receipts and payments are stated net of VAT.
2. The receipts and payments account has been prepared on a cash basis and does not reflect future estimated receipts and payments
3. Funding has been provided by the Secured Lenders in order to run the Sales Process for AUTO, and as such, this funding has been allocated as a fixed charge receipt. This funding was repaid during the period along with interest as calculated under the terms of the AFA.
4. The movement in this account during the Period represents a reallocation of the prior period's balance from uncharged receipts to fixed charge receipts. This reallocation was undertaken as these amounts were incorrectly allocated when first entered into our accounting system. The costs are now aligned with the associated asset realisations.
5. This is the amount of Administrators' fees that have been paid in the Period, as approved by creditors.
6. Employee costs include net pay, PAYE, NIC and all other employee costs.
7. Reimbursement of payments to suppliers relates to payments that have been directly made by the Administrators' team for IT costs and which have been reimbursed by AUTO.

8. All funds are held in interest bearing bank accounts. Drawdowns from the Secured Lenders are made to the Administration funding account which then get subsequently allocated to the fixed charge bank account.
9. The GBP Equivalent amounts are translated at FX rates on 4 February 2025 of 1.24 USD / GBP and 1.20 EUR / GBP. Funds have been held in non-GBP denominated bank accounts in order to minimise any FX losses whilst discharging non-GBP payments. There has been no financial impact on the estate in holding these amounts in non-GBP denominated accounts.

Appendix 3 -

Statement of Joint Administrators' charging policy for remuneration and disbursements pursuant to SIP 9

Joint Administrators' charging policy for remuneration

The Joint Administrators have engaged managers and other staff to work on the Administrations. The work required is delegated to the most appropriate level of staff taking account of the nature of the work and the individual's experience. Additional assistance is provided by accounting and treasury executives dealing with the Companies' bank accounts and statutory compliance diaries. Work carried out by all staff is subject to the overall supervision of the Joint Administrators.

All time spent by staff working directly on case-related matters is charged to a time code established specifically for these engagements. Time is recorded in units of six minutes. Each member of staff has a specific hourly rate, which is subject to change over time.

Joint Administrators' charging policy for expenses

SIP 9 divides expenses into two categories.

- Category 1 expenses are defined as specific expenditure relating to the Administration of the insolvent's affairs and referable to payment to an independent third party. Such expenses can be paid from the insolvent's assets without approval from the creditors' committee or the general body of creditors. In line with SIP 9, it is our policy to disclose Category 1 expenses drawn but not to seek approval for their payment. We are prepared to provide such additional information as may reasonably be required to support the expenses drawn.
- Category 2 expenses are charges made by the office holder's firm that include elements of shared or overhead costs. SIP 9 provides that such expenses are subject to approval as if they were remuneration. It is our policy, in line with SIP 9, to seek approval of Category 2 expenses at the same time as our fees and before they are drawn.

Appendix 4 -

Joint Administrators' time costs for the Period

Arrival UK Ltd (in Administration)

	Hours							Total hours	Time costs	Average hourly rate
	Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst			
Administration and planning	62	110	26	390	400	168	124	1,278	542,423	424
Creditors	-	3	-	18	9	8	-	37	13,205	355
Data Preservation	-	8	-	25	4	-	-	37	20,120	548
Debtors	-	5	1	3	7	-	-	16	9,080	568
Employee matters	31	48	67	148	120	-	8	422	240,636	570
Environmental Issues	-	1	-	8	-	-	-	9	4,900	533
Job acceptance & strategy	82	5	4	3	1	-	-	95	89,720	948
Other assets	1	18	-	66	24	-	-	109	57,502	528
Other matters	-	-	-	10	-	-	-	10	3,390	329
Property	-	3	-	26	32	-	-	62	28,320	460
Public Relations Issues	-	-	2	-	1	-	-	3	1,610	555
Reporting	36	42	3	29	67	47	27	251	130,134	519
Retention of title	-	1	-	0	1	-	-	2	940	522
Sale of business	136	586	167	235	106	3	24	1,255	887,737	707
Statutory duties	2	28	17	64	26	8	6	149	76,850	514
Trading	4	30	2	192	214	-	0	442	210,505	477
VAT & taxation	14	17	27	14	7	12	1	91	59,586	657
Legal issues	10	8	-	6	-	-	-	24	18,957	780
Total hours	378	911	314	1,237	1,018	244	188	4,291	2,395,615	558
Total fees	374,220	728,880	217,600	602,580	366,230	72,670	33,435	2,395,615		

Joint Administrators' time costs for the Period

Arrival Automotive UK Limited (in Administration)

	Hours									
	Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst	Total hours	Time costs	Average hourly rate
Administration and planning	9	25	20	63	94	42	15	268	113,799	425
Bank & statutory reporting	-	2	-	1	-	-	-	2	1,450	725
Creditors	-	2	-	10	-	4	-	16	6,315	395
Data Preservation	-	3	-	4	-	-	-	8	4,870	632
Debtors	-	3	6	1	-	2	-	11	7,150	638
Employee matters	7	21	14	17	59	-	-	119	66,107	557
Job acceptance & strategy	20	4	15	0	-	-	-	38	32,865	856
Other assets	-	3	2	10	5	-	-	20	10,600	538
Other matters	-	-	-	1	-	-	-	1	390	300
Property	-	-	-	1	-	-	-	1	350	500
Public Relations Issues	-	-	-	-	1	-	-	1	240	400
Reporting	6	18	3	12	16	22	14	92	43,919	477
Retention of title	-	1	-	3	-	-	-	3	1,730	541
Sale of business	14	166	118	27	24	-	-	348	251,762	723
Statutory duties	-	29	11	27	16	4	-	88	49,650	567
Trading	-	2	10	3	2	-	-	17	10,980	638
VAT & taxation	8	5	10	5	9	5	-	43	26,889	630
Legal issues	2	3	-	2	-	-	-	8	5,470	729
Total hours	65	286	209	186	227	80	29	1,082	634,536	586
Total fees	64,746	228,720	145,700	87,060	80,205	23,695	4,410	634,536		

Appendix 5 -

Summary of Joint Administrators' expenses incurred

Arrival UK Ltd (in Administration)

Type of expense	Per fee estimate dated 28 March 2024	Total incurred as at 4 August 2024	Paid in the Period	Cumulative to 4 February 2025 *	Estimate to complete	Estimated total
Payments made from the estate which are not disbursements						
Category 1						
Legal Fees	670,000	460,134	732,402	1,192,536	80,000	1,272,536
Agents' Fees	35,000	16,107	-	16,107	18,893	35,000
Insurance	150,000	-	-	-	163,065	163,065
Employee Costs	2,700,000	4,980,742	2,771,642	7,752,384	18,834	7,771,218
Contractor Costs	150,000	525,179	633,613	1,158,792	31,211	1,190,003
TSA Payments to Subsidiaries	2,200,000	4,036,011	1,431,734	5,467,745	-	5,467,745
Property Costs	850,000	592,653	457,960	1,050,613	116,876	1,167,488
Bank Charges	6,000	6,155	5,806	11,961	188	12,149
Statutory Costs	2,000	104	-	104	1,896	2,000
IT costs	710,000	581,639	306,651	888,290	99,169	987,459
Corp Tax	TBC	-	-	-	7,000	7,000
Transportation Costs	37,500	-	-	-	37,500	37,500
Other Professional Fees	275,000	480,395	290,779	771,174	-	771,174
Other Suppliers*	140,000	79,394	26,403	105,797	15,825	121,622
Reimbursement of payments to suppliers	-	2,291	(12)	2,279	-	2,279
Motor Vehicle Finance	-	6,784	-	6,784	-	6,784
Total Expenses	7,925,500	11,767,587	6,656,978	18,424,565	590,456	19,015,022

Note: Cumulative costs to 4 February 2025 represent costs both incurred and paid up to this date. The costs incurred in the Period are less than the amounts presented in the R&P as part of these costs have been accounted for in the prior period, which is when they were incurred.

Category 1 disbursements

Category 1 disbursement	Per fee estimate dated 28 March 2024	Total incurred as at 4 August 2024	Paid in the Period	Cumulative to 4 February 2025	Estimate to complete	Estimated total
Copying, printing and postage	700	-	822	822	500	1,322
Travel costs (excluding mileage)	2,500	6,232	6,927	13,159	1,000	14,159
Specific penalty bond	500	-	-	-	500	500
Total category 1 disbursements	3,700	6,232	7,749	13,981	2,000	15,981

Category 2 expenses

We have not incurred and do not expect to incur Category 2 expenses in the Administration.

Arrival Automotive UK Limited (in Administration)

Type of expense	Per fee estimate dated 28 March 2024	Total incurred as at 4 August 2024	Paid in the Period	Cumulative to 4 February 2025	Estimate to complete	Estimated total
Payments made from the estate which are not disbursements						
Category 1						
Legal Fees	450,000	283,835	115,629	399,465	119,021	518,486
Agent fees	35,000	119,965	-	119,965	-	119,965
Insurance	30,000	-	-	-	31,170	31,170
Employee Costs	180,000	341,119	277,715	618,834	0	618,834
Property Costs	720,000	458,312	-	458,312	-	458,312
Statutory Costs	2,000	104	-	104	-	104
IT costs	55,000	7,874	-	7,874	-	7,874
Bank Charges	6,000	362	65	428	-	428
Corp Tax	TBC	-	-	-	3,000	3,000
Recharge from Arrival UK	200,000	-	-	-	-	-
Other suppliers	-	11,335	3,430	14,765	-	14,765
Reimbursement of payments to suppliers	-	180	-	180	-	180
Total Expenses	1,678,000	1,223,088	396,839	1,619,927	150,191	1,770,118

Note: Cumulative costs to 4 February 2025 represent costs both incurred and paid up to this date. The costs incurred in the Period are less than the amounts presented in the R&P as part of these costs have been accounted for in the prior period, which is when they were incurred.

Category 1 disbursements

Category 1 disbursement	Per fee estimate dated 28 March 2024	Total incurred as at 4 August 2024	Paid in the Period	Cumulative to 4 February 2025	Estimate to complete	Estimated total
Copying, printing and postage	450	-	-	-	450	450
Travel costs (excluding mileage)	2,500	1,853	109	1,962	538	2,500
Specific penalty bond	500	-	48	48	452	500
Total category 1 disbursements	3,450	1,853	157	2,010	1,440	3,450

Category 2 expenses

We have not incurred and do not expect to incur Category 2 expenses in the Administration.

Appendix 6 -

Joint Administrators' time costs – explanation of the work done during the Period

Category of work	Description of the work done
Administration and planning	<p><i>Tasks providing an indirect benefit to creditors:</i></p> <ul style="list-style-type: none"> Preparation and maintenance of the Administration cashflows on both an accruals and receipts and payments basis Instruction, review and approval of third party payments to ensure continuation of services and support the Administrations' strategy Aligning strategy and key updates across the engagement team Preservation of the Companies' physical books and records Preparation and ongoing monitoring and maintenance of the estimated outcome statement and the receipts and payments accounts to understand returns to creditors Calculations for the funding drawdown and utilisation request pursuant to the AFA and attending to Secured Lenders queries on the same Analysing the requirement to increase the Administration funding limit under the AFA owing to the continued slippage in the timeline for a transaction Managing the handover of the Companies' Finance Team roles following their resignations Analysing and calculating the notional repayment from AUTO to AUK required to reduce the new money requirement from Lenders Consideration and analysis of cash sources and uses in respect of the Companies' liquidity and with assessment of the potential consideration from the sale of business and attending to Secured Lenders' queries regarding costs to settle on closing the proposed transactions Calculating the interest position at Lenders' request for amounts drawn under the AFA on a periodical basis Monitoring of trading and payments against the Administration cash flow forecast and Time cost monitoring and reporting.
Bank & statutory reporting	<p><i>Tasks providing an indirect benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> Reporting to the Secured Lenders pursuant to the terms of the AFA Drafting, preparing and submitting the Joint Administrators' first six month progress report Seeking creditor approval for the Joint Administrators' fee estimate uplift Seeking creditor approval for the extension of the Administrations and preparing and filing the notice for the same Responding to the request made by external counsel representing former directors for access to certain books and records of Arrival and Ongoing monitoring to ensure adherence to the Joint Administrators' statutory requirements.
Creditors	<p><i>Tasks providing a direct benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> Receipt and recording of preferential and non-preferential, unsecured creditor claims Correspondence with preferential and non-preferential, unsecured creditors and attending to queries received through the creditors' mailbox and online portal

	<ul style="list-style-type: none"> • Lodging and managing creditors' claims received as and when received • Ascertaining the arrears and claim positions for critical suppliers to prepare for novating the contracts from the Company to a potential purchaser and • Review of claims received in the Administration to date compared to claim value expected under the Statement of Accounts.
Data preservation	<i>Tasks providing an indirect benefit to creditors and as required by statute:</i>
	<ul style="list-style-type: none"> • Consideration of data security and integrity impacts from the IT consolidation strategy • Review of data extracted from the Companies' online platforms and considering the appropriate data management approach • Review of third party data held on the Companies' servers and strategising the appropriate and secure export of such data should they require access to the same • Migration of applications to the Cloud • Continuing discussions with key data storage and IT applications' providers and agreement of terms of supply in the Administrations and • Preservation of IP assets.
Debtors	<i>Tasks providing a direct benefit to the creditors:</i>
	<ul style="list-style-type: none"> • Pursuing the recovery of debtor balances and engagement with parties to facilitate such recoveries • Maintaining a schedule of debtor balances • Preparing a payment plan with an employee regarding overpayment of wages • Liaising with third parties to progress receipt of funds for the benefit of creditors and • Invoicing as appropriate to facilitate recoveries.
Employee matters	<i>Tasks providing a direct benefit to the creditors and as required by statute:</i>
	<ul style="list-style-type: none"> • Dealing with employees, including receipt and recording of employee claims • Hosting employee Town Halls to address employees' queries and communicate the latest updates • Attending to matters in relation to the expiration of an employee's visa • Facilitating meetings with the Senior Leadership Team to discuss key updates • Preparing the appropriate filing of statutory documentation • Dealing with HMRC penalty letters received by the Companies' as appropriate • Discussions with the SLT to agree the plan for employees should the Administrations pivot to a shut down • Processing payrolls for employees retained • Undertaking calls with senior management, retained employees and redundant employees • Assisting redundant employees with any claims against the Redundancy Payments Office or the Companies • Corresponding with the Employment Tribunals and lawyers in relation to Employment Tribunal claims received for a Protective Award for lack of redundancy consultation (as applicable) • Attending to matters on employee pensions contributions with Royal London • Managing cross-border working policies with employees and senior management, as appropriate • Attending to employee resignations as appropriate

	<ul style="list-style-type: none"> • Processing the termination of the TSAs for subsidiary entities • Managing the extension of contracts for critical contractors • Agreeing and processing the redundancy of employees following the termination of the Eagle and Falcon transactions • Dealing with ad hoc employee enquiries and • Drafting and ongoing operation of non-UK employee consultancy agreements and TSAs for key subsidiary employees.
Environmental issues	<i>Tasks providing an indirect benefit to creditors:</i> <ul style="list-style-type: none"> • Attending to matters in relation to batteries on site to fulfil the Joint Administrators' and Companies' regulatory requirement and • Seeking advice from the Centre for Connected and Autonomous Vehicles in respect of industry regulations and guidance.
Investigations & CDDA	<i>Tasks providing an indirect benefit to creditors and as required by statute:</i> <ul style="list-style-type: none"> • Investigations into the Companies' affairs in accordance with SIP 2 "Investigations by Office Holders" • The Joint Administrators' report on the conduct of the directors of both AUK and AUTO under the CDDA • Review of insurance policies • Consideration of third party communications • Working with legal advisors and • Review of books and records of the Companies.
Job acceptance & strategy	<i>Tasks providing an indirect benefit to creditors:</i> <ul style="list-style-type: none"> • Formulating and executing the strategy adopted • Ongoing consideration and review of the Administrators' strategy and creditor outcomes impacted by such • Recalculating and assessing the Prescribed Part under the agreed transaction structures and consideration during the Sales Process • Preparing and maintaining a steps plan with consideration for the appropriate timing of tasks should the Administration pivot to a shut down, and • Considering exit routes from the Administrations.
Legal issues	<i>Tasks providing an indirect benefit to creditors:</i> <ul style="list-style-type: none"> • Dealing with any ad hoc legal issues which may arise in the Administrations • Attending to matters in relation to the AFA and amendments to such as required thereafter • Execution of resolutions in regards to the liquidation of Arrival R Ltd • Attending to matters in relation to TSAs and consultancy agreements and amendments as required and dealing with matters in relation to TUPE considerations in connection with the M&A transactions and seeking specialist legal advice on the same • Attending to matters in relation to the drafting of transaction documents and Review of AFA documents.
Other assets	<i>Tasks providing a direct benefit to creditors:</i> <ul style="list-style-type: none"> • Realisation of any Non-core Assets owned by the Companies • Implementation and management of the asset realisation strategy including the consolidation of asset locations to reduce storage costs and enable realisations through auctions • Analysis of costs due to be reimbursed to the Company by Arrival Elements B.V. for assets in storage at the Companies' site and services provided by the Companies' employees to assist in realisations • Ongoing consideration of the security of the Companies' assets

	<ul style="list-style-type: none"> • Addressing IP breach issues including drafting and issuing a cease and desist letter to ensure no value leakage from unauthorised use of IP • Managing the renewal of certain patents to preserve value as appropriate and • Engaging with advisors to value and realise any other assets including those above.
Other matters	<i>Tasks providing an indirect benefit to creditors:</i>
	<ul style="list-style-type: none"> • Dealing with insurance matters and ensuring the appropriate ongoing cover for the Companies • Correspondence with the insurance provider in relation to a stolen laptop and • Ongoing correspondence with the insurance provider in respect of the claim for a windscreen replacement.
Property	<i>Tasks providing a direct benefit to creditors:</i>
	<ul style="list-style-type: none"> • Dealing with all matters relating to the Companies' leasehold properties, including correspondence with landlords, security firms, rates authorities and utility suppliers • Pursuing the recovery of business rates refunds due to the Companies • Managing the on-site Health & Safety requirements and progressing actions highlighted as required on the report issued in respect of Unit 2, Banbury Cross from the third party Health & Safety officer and • Making arrangements for the exit from leasehold properties, negotiations with the landlords for surrenders, seeking legal consultation as appropriate.
Public Relations issues	<i>Tasks providing an indirect benefit to creditors:</i>
	<ul style="list-style-type: none"> • Attending to media enquiries as appropriate and • Drafting media releases in respect of the proposed transactions with Eagle and Falcon which were not released following termination of both transactions.
Reporting	<i>Tasks providing an indirect benefit to creditors:</i>
	<ul style="list-style-type: none"> • Reporting to the Secured Lenders pursuant to the terms of the AFA on the Joint Administrators' time costs and progress in the Administrations • Preparation of cashflow and EOS updates as part of the lender report as required pursuant to the AFA, illustrating an actuals vs forecast and • Holding regular update calls with the Secured Lenders to discuss ongoing live updates as the Sales Process continues.
Retention of title	<i>Tasks providing an indirect benefit to creditors:</i>
	<ul style="list-style-type: none"> • Review of retention of title claims against the Companies and • Negotiation and settlement of claims as appropriate, including ongoing discussions with creditors and the Companies' employees to understand and determine the basis and validity of such claims.
Sale of business	<i>Tasks providing a direct benefit to creditors:</i>
	<ul style="list-style-type: none"> • Continuing the Sales Process in respect of the IP, software, vehicle control programme and prototypes, including liaising with over 100 interested parties, running the due diligence process, review of offers received, selection of the preferred bidder and negotiation of the sale agreement • Progressing the proposed transactions for the sale of business with Eagle and Falcon, including the drafting of transaction documents, agreeing and negotiating transaction perimeters and cost analysis for post transaction transitional services agreements • Teaser document preparation, NDA execution • Dealing with non-binding offers • Facilitating site visits for bidders and supporting management presentations as needed

	<ul style="list-style-type: none"> • Creating a model for the Companies' business plans as at the request of the Secured Lenders • Consideration of various transaction structures, including cost analysis, investor engagements and discussions with the SLT and the Secured Lenders on the same • Re-marketing the business and Sales Process following termination of Eagle and Falcon transactions and • Managing the migration of the Companies IP to cloud storage.
Trading	<i>Tasks providing a direct benefit to creditors:</i>
	<ul style="list-style-type: none"> • Engagement with critical suppliers, including provision of letters of undertaking and subsequent cancellation of undertakings for suppliers • Extension of undertakings for critical suppliers as appropriate • Discussions with suppliers to resolve issues and ensure continuity of supply as appropriate • Liaising with Arrival IT leads to manage the cloud migration of data and reviewing contracts of key cloud providers to consider the requirement for additional cloud storage and • Negotiations and regular contact with suppliers to agree favourable terms for the Companies.
VAT & taxation	<i>Tasks providing a possible direct benefit to creditors and as required by statute:</i>
	<ul style="list-style-type: none"> • Preparing corporation tax and VAT returns, with input from EY VAT and tax specialists • Consideration of taxation on asset sales • Assessment of the VAT and tax treatments of transactions and agreements entered into during the Administrations • Taxation matters in respect of the sale of the Companies' business and assets • Calculating and assessing the Companies' VAT position and submitting a letter to HMRC in regards to the Companies' s455 claim in relation to employees' loans and continuing to pursue recovery of the same and • Evaluating and progressing tax recoveries for the Companies.
