

**Arrival UK Ltd
(in Administration)
(‘AUK’ or ‘the Company’)**

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

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

■■■

The better the question. The better the answer.
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TO ALL KNOWN CREDITORS

22 August 2025

Ref: TRS/Arrival/SE/CS/LJ

Email: aukadministration@uk.ey.com

Dear Sir or Madam

Arrival UK Ltd (in Administration) ('AUK' or 'the Company')

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

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 Administration. This report (the 'Progress Report') covers the period from 5 February 2025 to 4 August 2025 ('the Period') and should be read in conjunction with:

- the Joint Administrators' statement of proposals dated 28 March 2024 ('the Proposals');
- our first six-month progress report dated 29 August 2024 (the "First Progress Report") for the period 5 February 2024 to 4 August 2024; and
- our second progress report dated 28 February 2025 (the "Second Progress Report") for the period 5 August 2024 to 4 February 2025 (all together 'Updates to Creditors').

The Updates to Creditors can be viewed and downloaded at the following web address, <https://www.ips-docs.com/>, using creditor key code **Arrival UK Ltd**. To access the site, you can either use your unique ID that you have previously received or 'password'.

The Company entered Administration on 5 February 2024 and Alan Hudson, Sam Woodward and I were appointed to act as Joint Administrators (the 'Joint Administrators'). The appointment was 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 Administration. Certain statutory information about the Company, the Administration and the office holders is given at *Appendix 1*.

Yours faithfully
for the Company



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 Company are being managed by the Joint Administrators, Simon Edel, Alan Hudson and Sam Woodward who act as agents of the Company 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 Company 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' appointment. 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, 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
AFA indebtedness	Outstanding indebtedness owed to the Secured Lenders under the AFA
Antara	Corbin ERISA Opportunity Fund Ltd and Antara Capital Master Fund LP
Appointment	The appointment of Alan Hudson, Sam Woodward and Simon Edel to act as Joint Administrators of the Company on 5 February 2024
AUK	Arrival UK Ltd (in Administration)
AUTO	Arrival Automotive UK Limited (in Administration)
Date of Appointment	5 February 2024
EOS	Estimated outcome statement
EY	Ernst & Young 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 and 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 Company's remaining digital IP assets
IT	Information technology
IPCo	IP company
NIC	National Insurance Contributions
Non-core Assets	Assets identified as outside the scope of potential business sale transactions
Fee Estimate	The Joint Administrators' fee estimate dated 28 March 2024
Fee Uplift / Revised Fee Estimate	The Joint Administrators' revised fee estimate dated September 2024
PAYE	Pay As You Earn
Period	5 February 2025 to 4 August 2025
Prescribed Part	A portion of a company's net floating charge assets set aside for unsecured creditors, as required under Section 176A of the Insolvency Act 1986
RPS	Redundancy Payments Service
Sales Process	The going concern sale of the Company's business and core assets
Secured Lenders	Certain funds and accounts managed or advised by each of Antara and Highbridge
S 455	Section 455 of the Corporation Tax Act 2010
SIP 9	Statement of Insolvency Practice Number 9
SLT	Senior leadership team
the Act	The Insolvency Act 1986

the Company	Arrival UK Ltd (in Administration)
the Court	The High Court of Justice Business and Property Courts of England and Wales, Insolvency and Companies List (ChD)
the CT Act	Corporation Tax Act 2010
the Joint Administrators or the Administrators	Simon Edel, Alan Hudson and Sam Woodward
the Loans	Pre-appointment loans made by the Company to certain employees for the acquisition of shares
the Proposals	the Joint Administrators' statement of proposals dated 28 March 2024
the Rules	The Insolvency (England & Wales) Rules 2016
TSA	Transitional services agreement
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 reports dated 29 August 2024 and 28 February 2025
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 Administration, focusing on these key points:

- ▶ Update on the Joint Administrators' actions to recover funds for creditors.
- ▶ Provide details of receipts and payments in the Administration 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"> ▶ 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"> ▶ Funding - No new funds have been drawn under the AFA during the period. £800.0k was repaid on 14 March 2025, from floating charge assets in accordance with the distribution waterfall. £19.3m plus interest remains outstanding under the AFA. ▶ Employees – The last remaining employee was made redundant and the HR contractor's undertaking was withdrawn. Two contractors providing IT and vehicle software support were also terminated in the Period. Three contractors remain to assist the Joint Administrators in managing AUK's software and IT. ▶ Suppliers – A limited number of IT suppliers remain to support the IP Sales Process and to assist in statutory returns. ▶ Leasehold properties – The Company has now exited all of the properties it occupied at the Date of Appointment and all have been surrendered.
Non-core Assets' realisations (Section 3.3)	<ul style="list-style-type: none"> ▶ The Joint Administrators instructed Gordon Brothers to auction the remaining Non-core Assets and prototypes, resulting in total proceeds of £378.7k and £31.2k respectively (excluding VAT and agent's fees), both received during the Period and ranking as fixed charge realisations for the benefit of the Secured Lenders. ▶ On 11 August 2025, HMRC confirmed in writing to the Company that it had accepted the position that the Loans were rescinded and we are currently discussing the quantum that will be received by the Company once Crown Set Off has been applied. The recoveries from this source are considered to be recoveries from a floating charge asset.
Receipts and payments (Section 4)	<ul style="list-style-type: none"> ▶ Details of the Joint Administrators' receipts and payments in the Period are provided at <i>Section 4</i>.

	Commentary
Distributions to creditors (Section 5)	<ul style="list-style-type: none"> ▶ No distributions have been made to date. ▶ Secured creditors were owed \$110.5m (GBP equivalent of £87.0m) secured by way of fixed and floating charge debentures against the Company's assets at the Date of Appointment. ▶ Primary preferential claims (i.e. employees) are presently estimated to be £311.7k and it currently remains unlikely that there will be any dividend distribution to primary preferential creditors. ▶ We currently estimate the secondary preferential claim (HMRC) to be £1.0m. On 11 August 2025, HMRC confirmed in writing to the Company that this amount will be satisfied in full by HMRC exercising Crown Set Off against the Loans tax claim amount due. ▶ Non-preferential, unsecured creditors are estimated at £131.8m, noting that we have not formally adjudicated creditor claims at this stage and therefore this is subject to change.
Creditors' approval (Section 7)	<ul style="list-style-type: none"> ▶ The Administration was extended by a period of 12-months, to 4 February 2026, having received consent from the requisite creditors. To date, no creditors have expressed an interest in forming a creditors' committee.
Remaining work (Section 9)	<ul style="list-style-type: none"> ▶ Key remaining work in the Administration includes: potentially having to apply for a 6-12 months extension of the Administration, securing possible recoveries from the IP Sale Process, receiving the funds in respect of tax claims (pre and post appointment), making creditor distributions, attending to ongoing treasury management, finalising and paying Administration expenses, statutory compliance (including VAT and corporation tax reporting), any necessary court applications and subsequently closing the Administration and dissolving the Company.

3. Progress of the Administration

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

3.1. Sales processes

As reported in the Second Progress Report, the Sales Process, despite significantly progressed commercial negotiations with two interested parties, was terminated due to late stage material developments hindering both parties' ability to complete, allied to the severe deterioration in the electric vehicle market, together with no further funding being available from the Secured Lenders, meaning that there were no viable alternatives.

The Joint Administrators changed their focus to the IP Sales Process, whilst also disposing of all of AUK's remaining physical assets via auction (see *Section 3.3* below).

In respect of the IP Sales Process, the Joint Administrators are currently in discussions with an interested party to purchase certain software and patent assets from AUK. The expectation is that the purchase will be completed on a cashless basis, with the consideration being a reduction of the outstanding indebtedness owed to the Secured Lenders under the AFA, as the Secured Lenders will likely retain an economic interest in the acquiring company. This strategy will allow for the maintenance of the IP and provide the best opportunity to achieve its ultimate monetisation.

The Joint Administrators and the interested party are engaged in active discussions to progress the IP Sales Process. We will provide you with an update in our next progress report.

3.2. Trading

3.2.1. Funding (£800.0k repayment)

No further funds have been drawn under the AFA in the Period. An amount of £800.0k was repaid under the AFA on 14 March 2025, from AUK's floating charge assets. Accordingly, a sum of £19.3m plus interest remains outstanding under the AFA.

In accordance with the terms of the AFA, the AFA indebtedness ranks ahead of the secured debt and as an expense of the Administration and until it is repaid in full, there will be no funds that can be paid to the fixed or floating charge creditors, the preferential creditors or to unsecured non preferential creditors under the Prescribed Part. We will update on this position post the sale of the IP in the next progress report.

3.2.2. Employees and contractors (£64.4k)

During the Period, the last remaining employee was made redundant which also resulted in the HR contractor no longer being required and hence, their agreement was terminated. In addition, two contractors providing IT and vehicle software support were terminated in the Period. Three contractors remain to assist the Joint Administrators in managing AUK's software and IT.

3.2.3. Suppliers (£129.5k)

During the Period, three undertakings for IT services were withdrawn. Six IT subscriptions and six undertakings remain in respect of:

- critical IT services to maintain the Company's IP portfolio for the IP Sales Process;
- the ongoing storage of the Company's books and records pursuant to the Joint Administrators' statutory duties; and
- lawyers who advise on and manage the Company's patent portfolio.

Payments totalling £129.5k were made during the Period as follows:

- IT suppliers of £108.9k – certain suppliers have been retained to maintain the Company's IP portfolio. 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.
- Insurance expenses of £15.2k – during the Period, the Company made a first and final payment for the insurance costs in respect of the Administration period. The insurance covered the Company's assets, leasehold properties and employment related matters. The Company no longer holds any assets, leaseholds or employment contracts and therefore there are no future payments due in respect of insurance.
- Other suppliers of £5.4k – this reflects payments made in respect of the ongoing storage of the Company's books and records pursuant to the Joint Administrators' statutory duties and payment to the Company's payroll supplier to enable payment to be made to the final employee and to preserve the records of the platform in accordance with the Joint Administrators' statutory duties. A final payment of £1.9k is outstanding to this supplier, which has been made following the end of the Period.

3.2.4. Leasehold properties (£144.4k)

During the Period, payments totalling £144.4k were made as follows:

- Rent of £39.4k – final rent for Unit 2 Banbury and rent for sites used to store surplus assets and prototypes relocated from Unit 2 Banbury was paid. An online auction of the Company's surplus assets and prototypes was conducted by Gordon Brothers on behalf of the Joint Administrators. The auction concluded on 28 May 2025 and further details regarding this sale is provided in *Subsection 3.3.1* below.
- Utility expenses of £55.8k – final payments were made in respect of water and electricity supplied to Unit 2 Banbury, Unit 6 Banbury and Beaumont House Banbury during the Administration period.
- Rates of £49.2k – final payment was made in respect of rates incurred for Unit 2 Banbury during the Administration period.

Also, during the Period, the Joint Administrators successfully negotiated a lease surrender with the landlord of Unit 2, following the Company vacating the site on 18 December 2024. The deed of surrender was signed on 14 April 2025, mitigating any future claims from the landlord.

The Company has now exited all leasehold properties and there are no further payments due.

3.3. Non-core Assets' realisations

3.3.1. Plant & machinery / furniture & equipment / motor vehicles (£409.9k)

Following termination of the Sales Process, the Joint Administrators instructed Gordon Brothers to conduct an auction of the remaining Non-core Assets. This auction concluded on 23 January 2025 and sale proceeds of £378.7k (excluding VAT and agent's fees) were received in the Period.

The Joint Administrators engaged Gordon Brothers again to conduct a further auction of the prototypes, once it became clear that there was no interest in the Company's physical IP assets. The auction completed on 28 May 2025, realising the sum of £31.2k (excluding VAT and agent's fees) which was received in the Period.

Proceeds from both auctions rank as fixed charge realisations under the terms of the Secured Lenders' security documents.

There are a small number of other tooling assets held by pre-appointment suppliers, with limited to no realisable value. We are negotiating de minimis amounts to realise or organise scrappage of these assets with the relevant parties as appropriate. These are the only physical assets of the Company remaining.

3.3.2. Pre-appointment debtors (£25.8k)

During the Period, the Company received a refund of £19.8k in respect of a pre-appointment undertaking with solicitors, Lewis Silkin LLP. No further recoveries are expected from this source.

Also, during the Period, it was identified that a debtor amount received earlier in the Administration was recorded as a sale in the Administration period when it should have been recorded as a sale prior to the Administration. As a result, VAT of £6.0k was incorrectly paid to HMRC. We have now corrected this transaction and have sought a refund of this amount from HMRC in our VAT return for the March 2025 quarter.

3.3.3. VAT

Pre-appointment VAT

We have reviewed the Company's records to finalise the pre-appointment VAT returns. We have submitted the pre-appointment VAT returns which show that the Company is in a refund position of £603.0k. We are currently in discussions with HMRC regarding this refund.

Post-appointment VAT

We have submitted VAT returns up to June 2025. The Company is currently owed £830.8k in respect of outstanding refunds which have been withheld by HMRC whilst the position in relation to the Company's tax claim for the Loans is resolved. We are in contact with HMRC to expedite the repayment process for these amounts and this should hopefully be resolved at the same time as the Loans' tax claim position (refer to *Subsection 3.3.4.* below) is finalised.

3.3.4. Loans and tax claim

The Loans were used to purchase shares in Arrival Sàrl (which was, at that time, the ultimate beneficial parent company of 'Arrival') and carried an obligation on the relevant individuals to repay amounts owed under the Loans in 2027.

Under S 455, the Company was subject to tax of 32.5% on the Loans as it was deemed a 'close company' for tax purposes and had made a loan that remained outstanding for more than nine months from the end of the relevant accounting period. In accordance with the CT Act, the tax would be recoverable when the loan was repaid, released or written off. As such, the Company paid an aggregated sum of £10.0m to HMRC prior to the Joint Administrators' appointment in respect of these Loans.

In 2023, the employees instructed solicitors to commence a process to rescind the Loans. Following communication between the employees' solicitors and Company's lawyers, the employees approached HMRC to seek agreement that the Loans should be rescinded because the employees considered that the financial position of the Company was misrepresented to them at the date the relevant Loans were entered into.

The Joint Administrators have worked through this matter with HMRC over several months and can now confirm that HMRC have agreed with the position that the Loans should be rescinded and therefore no taxable benefit in kind arose in the 2021/22 tax year (when the Loans were entered into) or beyond, in respect of these individuals. Based on the position taken by HMRC with the employees, if the loans were rescinded then no tax liability should have arisen for the Company.

Consequently, the Joint Administrators submitted a claim to HMRC in respect of the corporation tax payments made by the Company in relation to the Loans.

On 11 August 2025, HMRC confirmed in writing to the Company that it had accepted the position that the Loans were rescinded and we are currently discussing the quantum that will be received by the Company once Crown Set Off has been applied, satisfying, *inter alia*, HMRC's secondary preferential claim in full. The recoveries from this source are considered as a recovery from a floating charge asset.

4. Receipts and payments account

The Joint Administrators' receipts and payments account for the Period is attached at *Appendix 2*. It does not reflect estimated future realisations or costs.

Summaries of the more significant cashflows in the Period are provided in the commentary that follows, to the extent it has not been provided in *Section 3* above:

4.1. Receipts

4.1.1. Bank interest (£21.7k)

Bank interest of £21.7k was received in the Period.

4.2. Payments

4.2.1. Legal fees (£45.9k)

Legal fees of £45.9k were incurred in the Period in respect of:

- ▶ specialist IP legal advisors to preserve the IP assets (£43.4k); and
- ▶ for work in relation to the surrender of the lease of Company's former premises at Unit 2 Banbury (£2.5k).

4.2.2. Agent fees (£13.6k)

Payment of £13.6k was made to Gordon Brothers in respect of the auctions they conducted on the Joint Administrators' instruction.

5. Distributions to creditors

5.1. 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 have a significant deficiency against their secured debt.

5.2. 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. Subject to the terms of the IP Sale Process, it is unlikely that sufficient funds will be realised to repay the indebtedness under the AFA in full and therefore we do not anticipate any distribution to primary preferential creditors, as they rank below the repayment of the AFA in the distribution waterfall.

5.3. 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 NIC pre-appointment liabilities) at the date of our Appointments to be £1.0m. Conversations remain ongoing with HMRC to confirm the extent of secondary preferential creditor claims, as part of the Loans' tax claim discussions.

As mentioned in *Subsection 3.3.4* above, 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 claim against the funds that it would need to repay in respect of Loans' taxes paid by the Company pre-appointment. Therefore, it is anticipated that HMRC's secondary preferential debt will be satisfied in full.

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

5.4. Non-preferential unsecured creditors

The Joint Administrators continue to receive claims from non-preferential unsecured creditors of the Company. It is currently estimated that non-preferential unsecured creditors total approximately £131.8m.

We expect that there will be insufficient funds to pay a dividend to the non-preferential unsecured creditors, including under the Prescribed Part, as they rank below both the repayment of the AFA and payments to preferential creditors in the distribution waterfall. It is unlikely that sufficient funds will be realised to repay the AFA indebtedness in full.

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, we have incurred time costs of £564.6k excluding VAT.

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.

The table below summarises the time spent compared with the Revised Fee Estimate:

	Fee uplift estimate		Variance to Fee estimate		Actuals to date	
	Hours	Fees	Hours	Fees	Hours	Fees
Sale of business	1,492	1,059,303	(1,193)	(834,395)	2,684	1,893,697
Administration and planning	3,027	1,295,955	(740)	(301,652)	3,767	1,597,607
Employee matters	1,350	878,284	(274)	(128,142)	1,625	1,006,426
Trading	1,180	564,265	(259)	(119,160)	1,439	683,425
Reporting	414	221,716	(195)	(102,194)	609	323,910
VAT and taxation	317	192,227	(86)	(63,974)	403	256,201
Other	3,393	1,768,082	430	121,453	2,963	1,646,629
Total hours / fees	11,172	5,979,832	(2,316)	(1,428,063)	13,488	7,407,895

In addition to the reasons set out in our Second Progress Report, our remuneration has exceeded the fee estimate for the following reasons:

- ▶ **Sales Process** – the fee estimate assumed that the Sales Process would conclude on 7 October 2024, however it continued until the end of November 2024, before it was terminated and the Joint Administrators' efforts turned to pursuing the IP Sales Process, which continues to date. The extension of the Sales Process and the IP Sales Process, that was done at the request of and was funded by, the Secured Lenders, not only increased the Joint Administrators' time spent attending to the IP Sales Process, but additional time has also been incurred attending to the following matters, as an indirect result of the extension of the sales processes:
 - **Administration and planning** – the change of Administration strategy and pivot from a sale of the Company's business and / or assets required revised financial planning to support the Joint Administrators' strategy. Originally, it was anticipated that the Administration would conclude within 12-18 months; however, the extended duration of the sales process resulted in a longer Administration period, which in turn necessitated more reporting to the Secured Lenders and the general body of creditors.
 - **Employee matters** –the Joint Administrators attended to the retention of critical contractors and employee to maintain the Company's software and IT, preserving value in the business and managing the Company's prototypes for realisation. This includes attending to contractors' agreements, processing payments, managing their workload, attending to the Company's statutory duties as an employer and processing the subsequent redundancy of the final employee.
 - **Trading** – in order to maintain the Company's portfolio to enable the IP Sale Process, the Joint Administrators have actively preserved and managed the Company's patents through ongoing discussions with AUK's IP Legal Advisors and continued to make payments to the Company's critical IT suppliers to maintain access to software.
 - **VAT and taxation** – the Joint Administrators have made continued and significant efforts throughout the Administration to seek a material recovery from HMRC regarding

the Company's Loans' S 455 claim. Delays from HMRC have resulted in additional time being incurred on this matter, however it is noted the Joint Administrators' time costs are de minimis in the context of expected recoveries.

- ▶ **Timeline** – the extension of timeline beyond the original forecasted completion date for the Sales Process of 7 October 2024 and the ongoing IP Sales Process, has resulted in further efforts to preserve the business for sale, impacting the majority of workstreams in addition to those explained above.

The Joint Administrators intend to request a fee uplift and will be writing to the Secured Lenders and preferential creditors on this matter in due course.

6.2. Joint Administrators' statement of expenses incurred

During the Period, we have incurred and paid expenses totalling £399.7k excluding VAT. There is a breakdown of expenses incurred in the Period at *Appendix 5* of this report.

Expenses incurred by the Joint Administrators to date amount to £18.8m, exceeding the previously estimated total expenses of £7.9m outlined in the fee estimate and the details document dated 28 March 2024.

The increase primarily reflects the extension of the Sales Process and the pivot to the IP Sales Process, 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 Administration is provided at *Appendix 5* to this report. These expenses represent operating expenses incurred by the Company and include, but are not limited to, legal fees, employee and contractor costs, TSA payments to subsidiaries and property and IT costs.

7. Creditors' approval

7.1. Extension of the Administration

Following the requisite creditors' consent being obtained in terms of paragraph 76(2)(b) of Schedule B1 of the Act and Rules 3.54, 15.7 and 15.8 of the Rules, the period of the Administration was extended by 12 months to 4 February 2026.

There is a possibility that we may be required to apply to Court to extend the period of the Administration by a further 6 - 12 months to allow time to complete the IP Sales Process and conclude on tax recoveries for the benefit of secured and preferential creditors.

7.2. Creditors' committees

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

8. Other matters

On 6 August 2025, the Administration of AUTO, a related company, ceased as the company was placed into Creditors' Voluntary Liquidation and Simon Edel, Alan Hudson and Sam Woodward of Ernst & Young LLP were appointed as Joint Liquidators. All queries specifically relating to AUTO should be sent to autocvl@uk.ey.com.

9. Remaining work

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

- ▶ Monitoring the cashflow and liaising with the Secured Lenders regarding repayment of part of the AFA.
- ▶ Agreeing and then receiving funds from HMRC regarding the Loans' tax claim and finalising the position of the secondary preferential creditors (including Crown Set Off).
- ▶ Continuing to liaise with the interested party to complete the sale of the IP assets.
- ▶ Reviewing and adjudicating preferential claims (as applicable).
- ▶ Distributing amounts to the secured and preferential creditors of the Company (as applicable).
- ▶ Dealing with non-preferential unsecured creditor queries.
- ▶ Dealing with corporation tax and VAT matters, which includes filling statutory returns.
- ▶ Ensuring all statutory reporting and compliance obligations are met.
- ▶ Finalising the Administration, including payment of all Administration expenses and liabilities.
- ▶ If the Joint Administrators deem it appropriate, seeking a further extension to the Administration from the Court.
- ▶ At the end of the Administration, seeking 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 Administration.

10. Next report

We will report to you again at the conclusion of the Administration or in six months' time, whichever is the sooner.

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 Company 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
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:	Emma White

Appendix 2

Joint Administrators' summary of receipts and payments for the Period

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 February 2025	5 February 2025 to 4 August 2025	Cumulative to 4 August 2025	5 February 2024 to 4 February 2025	5 February 2025 to 4 August 2025	Cumulative to 4 August 2025	5 February 2024 to 4 February 2025	5 February 2025 to 4 August 2025	Cumulative to 4 August 2025	
Fixed charge receipts	1, 2										
Nil Lender funding	3	20,119,170	-	20,119,170	-	-	-	-	-	-	20,119,170
523,313 Plant & machinery		3,002,986	409,882	3,412,868	-	-	-	-	-	-	3,412,868
42,170 Motor vehicles		121,650	-	121,650	-	-	-	-	-	-	121,650
Nil Contribution to costs		115,793	-	115,793	-	-	-	-	-	-	115,793
Nil Return of surplus payments to subsidiaries		-	-	-	172,124	-	172,124	-	-	-	148,883
Nil Bank interest		83,602	11,850	95,452	118	122	240	-	-	-	95,660
91,337 Furniture & equipment		45,458	-	45,458	-	-	-	-	-	-	45,458
Nil Sundry receipts		2,955	-	2,955	-	-	-	-	-	-	2,955
Total fixed charge receipts	1, 2	23,491,614	421,732	23,913,346	172,242	122	172,364	-	-	-	24,062,437
Floating charge receipts	1, 2										
2,692,435 Pre-appointment debtors		3,135,922	25,839	3,161,761	3,754	-	3,754	41,975	-	41,975	3,196,730
Included above Prepayments		-	-	-	-	-	-	5,944	-	5,944	4,492
Nil Return of surplus payments to subsidiaries		-	-	-	12,131	-	12,131	-	-	-	10,493
149,146 Cash on appointment		60,802	-	60,802	22,061	-	22,061	77,263	-	77,263	138,275
Nil Transfer from GBP account		-	-	-	-	-	-	113,241	-	113,241	85,582
Nil Rent deposit refunds		35,108	-	35,108	-	-	-	-	-	-	35,108
Nil Materials		8,825	-	8,825	-	-	-	-	-	-	8,825
Nil Bank interest		101,464	9,602	111,066	745	61	806	451	199	650	112,253
Total floating charge receipts	1, 2	3,342,121	35,441	3,377,562	38,691	61	38,752	238,874	199	239,073	3,591,758
Total receipts	1, 2	26,833,735	457,173	27,290,908	210,933	183	211,116	238,874	199	239,073	27,654,195

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 February 2025	5 February 2025 to 4 August 2025	Cumulative to 4 August 2025	5 February 2024 to 4 February 2025	5 February 2025 to 4 August 2025	Cumulative to 4 August 2025	5 February 2024 to 4 February 2025	5 February 2025 to 4 August 2025	Cumulative to 4 August 2025	
Payments	1, 2										
Repayment of lender funding		-	(800,000)	(800,000)	-	-	-	-	-	-	(800,000)
Employee costs	4	(7,752,384)	(4,001)	(7,756,385)	-	-	-	-	-	-	(7,756,385)
Payments to subsidiaries		(5,380,287)	-	(5,380,287)	(74,906)	-	(74,906)	(29,407)	-	(29,407)	(5,467,303)
Administrators' fees		(5,534,702)	-	(5,534,702)	-	-	-	-	-	-	(5,534,702)
Legal fees		(1,192,535)	(45,927)	(1,238,462)	-	-	-	-	-	-	(1,238,462)
IT costs		(863,610)	(108,913)	(972,523)	(23,701)	-	(23,701)	(5,497)	-	(5,497)	(997,178)
Property costs		(1,050,613)	(144,408)	(1,195,021)	-	-	-	-	-	-	(1,195,021)
Other professional fees		(708,281)	-	(708,281)	-	-	-	(80,000)	-	(80,000)	(768,740)
Contractor costs		(1,148,176)	(60,439)	(1,208,615)	(9,654)	-	(9,654)	(2,956)	-	(2,956)	(1,219,199)
Pre-appointment Administrators' fees		(173,423)	-	(173,423)	-	-	-	-	-	-	(173,423)
Pre-appointment legal fees		(102,523)	-	(102,523)	-	-	-	-	-	-	(102,523)
Insurance		-	(15,161)	(15,161)	-	-	-	-	-	-	(15,161)
Other suppliers*		(105,797)	(5,413)	(111,210)	-	-	-	-	-	-	(111,210)
Transfer to USD account		(89,447)	-	(89,447)	-	-	-	-	-	-	(89,447)
Agents' fees		(16,107)	(13,626)	(29,733)	-	-	-	-	-	-	(29,733)
Motor vehicle finance		(6,784)	-	(6,784)	-	-	-	-	-	-	(6,784)
Bank charges		(9,823)	(1,803)	(11,626)	(266)	-	(266)	(2,431)	-	(2,431)	(13,693)
Reimbursement of payments to suppliers		(2,279)	-	(2,279)	-	-	-	-	-	-	(2,279)
Statutory costs		(104)	-	(104)	-	-	-	-	-	-	(104)
Total payments	1, 2	(24,136,875)	(1,199,691)	(25,336,566)	(108,527)	-	(108,527)	(120,291)	-	(120,291)	(25,521,347)
Net receipts/(payments)	1, 2	2,696,860	(742,518)	1,954,342	102,406	183	102,589	118,583	199	118,782	2,132,848
Represented by:											
Fixed charge bank accounts (inc. debit card)		195,724	51,478	247,202	64,813	121	64,934	-	-	-	303,368
Floating charge bank accounts		1,344,093	(771,476)	572,617	32,853	62	32,915	118,583	199	118,782	690,857
Funding bank account		427,869	9,589	437,458	-	-	-	-	-	-	437,458
VAT receivable		729,174	(32,109)	697,065	4,740	-	4,740	-	-	-	701,165
		2,696,860	(742,518)	1,954,342	102,406	183	102,589	118,583	199	118,782	2,132,848
GBP equivalent	5	2,696,860	(742,518)	1,954,342	88,579	158	88,737	89,618	150	89,768	

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 and, as such, this funding has been allocated as a fixed charge receipt.
4. Employee costs include net pay, PAYE, NIC, pension and all other employee costs.
5. The GBP equivalent amounts are translated at FX rates on 4 August 2025, of 1.32 USD / GBP and 1.16 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.

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 Administration. 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 Company's 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 this engagement. 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

	Hours							Total hours	Total cost (£)	Average hourly rate (£)
	Partner	Director	Assistant Director	Manager	Executive	Assistant Executive	Analyst			
Administration and planning	4	8	22	62	162	-	116	373	125,134	336
Creditors	-	9	-	8	-	4	-	21	10,740	516
Data preservation	-	1	1	10	2	-	-	14	7,100	507
Employee matters	-	4	-	61	21	6	-	92	42,780	466
Job acceptance and strategy	18	10	12	-	7	-	-	48	37,557	784
Legal issues	7	1	-	-	-	-	-	8	7,235	965
Other assets	4	7	1	11	43	-	-	66	32,475	495
Other matters	-	-	-	9	3	-	-	12	4,350	357
Property	1	4	-	9	2	0	-	16	9,240	570
Reporting	1	8	-	6	-	-	-	15	17,737	1,152
Sale of business	6	62	2	3	2	-	-	75	60,927	809
Statutory duties	11	27	21	81	39	2	-	181	84,592	468
Trading	-	22	-	22	65	-	1	110	54,680	498
VAT and taxation	8	16	49	11	24	-	-	108	70,096	650
Total hours	59	179	108	293	370	12	117	1,138	564,643	496
Total fees (£)	58,608	144,500	74,830	125,820	140,250	3,025	17,610	564,643		
Average hourly rate (£)	990	807	691	430	379	250	150	496		

Appendix 5

Summary of Joint Administrators' expenses incurred

Type of expense	Per Proposals estimate dated 28 March 2024 (£)	Total incurred as at 4 February 2025 (£)	Paid in the Period (£)	Cumulative to 4 August 2025 *	Estimate to complete (£)	Estimated total (£)
Payments made from the estate which are not disbursements						
Category 1						
Legal fees	670,000	1,192,536	45,927	1,238,463	126,000	1,364,463
Agents' fees	35,000	16,107	13,626	29,733	-	29,733
Insurance	150,000	-	15,161	15,161	-	15,161
Employee costs	2,700,000	7,752,384	4,001	7,756,385	-	7,756,385
Contractor costs	150,000	1,158,792	60,439	1,219,231	53,000	1,272,231
TSA payments to subsidiaries	2,200,000	5,467,745	-	5,467,745	-	5,467,745
Property costs	850,000	1,050,613	144,408	1,195,021	-	1,195,021
Bank charges	6,000	11,961	1,803	13,764	1,000	14,764
Statutory costs	2,000	104	-	104	-	104
IT costs	710,000	888,290	108,913	997,203	265,000	1,262,203
Corporation Tax	TBC	-	-	-	7,000	7000
Transportation costs	37,500	-	-	-	-	0
Other professional fees	275,000	771,174	-	771,174	-	771,174
Other suppliers	140,000	105,797	5,413	111,210	90,000	201,210
Reimbursement of payments to suppliers	-	2,279	-	2,279	-	2,279
Motor vehicle finance	-	6,784	-	6,784	-	6,784
Total Expenses	7,925,500	18,424,565	399,691	18,824,257	542,000	19,366,257

* Note: Cumulative costs to 4 August 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 receipts and payments account as part of these costs have been accounted for in the prior period, which is when they were incurred.

Category 1 disbursements

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

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 cashflow 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 Administration strategy ▶ Aligning strategy and key updates across the engagement team ▶ Preservation of the Company's physical books and records ▶ Preparation and ongoing monitoring and maintenance of the EOS and the receipts and payments account to understand returns to creditors ▶ Calculating the interest position at the Secured Lenders' request for amounts drawn under the AFA on a periodical basis ▶ Monitoring of trading and payments against the Administration cashflow forecast ▶ Time cost monitoring and reporting
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 ▶ Lodging and managing creditors' claims received as and when received ▶ Review of claims received in the Administration to date compared to claim value expected under the statement of affairs
Data preservation	<p><i>Tasks providing an indirect benefit to creditors and as required by statute:</i></p> <ul style="list-style-type: none"> ▶ Review of third party data held on the Company's servers and strategising and then implementing, the appropriate and secure export of such data to an alternative platform to retain access to the same ▶ Continuing discussions with key data storage and IT applications' providers and agreement of terms of supply in the Administration ▶ Preservation of IP assets
Employee matters	<p><i>Tasks providing a direct benefit to the creditors and as required by statute:</i></p> <ul style="list-style-type: none"> ▶ Dealing with employees, including receipt and recording of employee claims

	<ul style="list-style-type: none"> ▶ Preparing the appropriate filing of statutory documentation ▶ Dealing with HMRC penalty letters received by the Company as appropriate ▶ Processing payrolls for retained employee ▶ Assisting redundant employees with any claims against the Redundancy Payments Office or the Company ▶ Issuing correspondence to employees re the Loans ▶ Managing the extension of contracts for critical contractors ▶ Agreeing and processing the redundancy of the remaining employee ▶ Dealing with ad hoc employee enquiries
Job acceptance and 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 ▶ Considering exit routes from the Administration
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 Administration ▶ Discussions with lawyers in regards to the potential requirement to extend the Administration
Other assets	<i>Tasks providing a direct benefit to creditors:</i>
	<ul style="list-style-type: none"> ▶ Realisation of remaining Non-core Assets owned by the Company ▶ Implementation and management of the asset realisation strategy ▶ Ongoing consideration of the security of the Company's assets ▶ Managing the renewal of certain patents to preserve value as appropriate ▶ 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 Company ▶ Seeking final insurance charges for the Administration and subsequent settlement of insurance costs
Property	<i>Tasks providing a direct benefit to creditors:</i>
	<ul style="list-style-type: none"> ▶ Dealing with all matters relating to the Company's leasehold properties, including correspondence with landlords, security firms, rating authorities and utility suppliers ▶ Finalising deed of surrender in respect of Unit 2 Banbury

	<ul style="list-style-type: none"> ▶ Ongoing discussions with landlord of Upper Heyford to finalise the deed of surrender for the lease. ▶ Terminating the post appointment lease at Upper Heyford following the sale of remaining assets and prototypes ▶ Termination of lease with Boxx Storage following the auction of assets
Reporting	<i>Tasks providing an indirect benefit to creditors:</i>
	<ul style="list-style-type: none"> ▶ Preparation of cashflow and EOS updates as required pursuant to the AFA, illustrating an actual vs forecast ▶ Holding regular update calls with the Secured Lenders to discuss ongoing live updates as the IP Sales Process continues
Sale of business	<i>Tasks providing a direct benefit to creditors:</i>
	<ul style="list-style-type: none"> ▶ Re-marketing the business following termination of the Eagle and Falcon transactions ▶ Managing the migration of the Company IP to cloud storage ▶ Continuing the IP Sales Process including liaising with the interested party and the Secured Lenders to agree a transaction structure and perimeter
Statutory duties	<i>Tasks providing an indirect benefit to creditors and as required by statute:</i>
	<ul style="list-style-type: none"> ▶ Drafting, preparing and submitting the Joint Administrators' second six month progress report ▶ Internal review of the Administration file to ensure the satisfactory recording and preservation of documents to fulfil the Joint Administrators' statutory duties ▶ Ongoing monitoring to ensure adherence to the Joint Administrators' statutory requirements
Trading	<i>Tasks providing a direct benefit to creditors:</i>
	<ul style="list-style-type: none"> ▶ Discussions with suppliers to resolve issues and ensure continuity of supply as appropriate ▶ Termination of undertakings to reduce Administration expenses as appropriate
VAT and 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 ▶ Taxation matters in respect of the sale of the Company's business and assets ▶ Calculating and assessing the Company's VAT position

- ▶ Submitting a letter to HMRC in regards to the Company's Loans' S455 claim and continuing to pursue recovery of the same
- ▶ Ongoing weekly discussions with HMRC in respect of the Company's S455 claim
- ▶ Evaluating and progressing tax recoveries for the Company
