

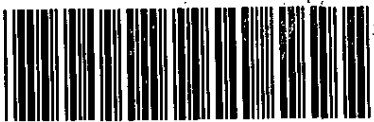
WAYVE TECHNOLOGIES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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WAYVE TECHNOLOGIES LTD

COMPANY INFORMATION

Directors	Michael Dempsey Alex Guy Kendall Kentaro Matsui (appointed 25 April 2024) Seth Winterroth
Registered number	10924127
Registered office	230 York Way London N7 9AG
Independent auditors	Price Bailey LLP Chartered Accountants and Statutory Auditors 24 Old Bond Street London W1S 4AP

WAYVE TECHNOLOGIES LTD

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Consolidated Statement of Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Consolidated Analysis of Net Debt	15
Notes to the Financial Statements	16 - 36

WAYVE TECHNOLOGIES LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Introduction

The Directors present the Group Strategic Report of Wayve Technologies Ltd (the "Company") and its subsidiary (the "Group") for the year ended 31 August 2023.

Business review

The Group continues to conduct research and development activities into "AV2.0": its approach to self-driving using end-to-end deep learning. The Group aims to use this approach to develop the World's first adaptable and economically viable self driving technology for assisted and autonomous driving systems. Traditional approaches to self-driving ("AV1.0") rely on brittle, hard-coded rules to perform the driving task. These systems struggle to deal with the complexity of urban environments and require heavy sensing equipment, such as LIDAR, and virtual infrastructure in the form of HD maps, in order to complete the self-driving task. Wayve is building embodied artificial intelligence (AI) allowing its vehicles to navigate autonomously and safely through complex urban scenarios, with a lean sensor suite and no requirement for HD maps. Wayve's thesis is that this differentiated AV2.0 approach will be the first to launch self-driving at scale.

In the financial year, the Group continued towards its mission of unlocking autonomy for everyone, everywhere. The Group achieved meaningful improvements in autonomous driving performance during the period. This was underpinned by work in previous years to build solid foundations within the robotics platform, as well as building larger AI models trained on more data. The Group also continued to build commercial traction with the launch of its commercial grocery pilot project with Asda - the largest autonomous delivery trial in Europe covering more than 70,000 households in London. Wayve continued to demonstrate progress in its AI platform with the launch of its GAIA model - the first generative AI model for synthetic text-to-video world generation.

Principal risks and uncertainties

The Group is still in the research and development phase. It does not yet generate material revenue or profits. It therefore relies on equity investment to fund its operations. The Group and directors carefully monitor the cash flow of the business to ensure operations can be managed in accordance with the Group's financing plans.

During the research and development phase, the Group faces technological and regulatory risk. The primary technological risk is around the Group's ability to build a safe, adaptable and economically viable autonomous driver using its end-to-end AV2.0 approach. At present, full self-driving is still an unsolved technological problem globally. In addition, there is regulatory uncertainty as government legislation does not yet permit the removal of the driver in the UK (though this is permitted in other jurisdictions, such as the USA, under specific licensing). UK government legislation would need to permit the removal of the safety driver in order for full self-driving to be legally deployed on UK public roads. The current government position does not prevent the deployment of driver-assistance features or systems.

The Group proactively manages its financial risk across credit, liquidity and foreign exchange risk. In terms of credit risk, the Group operates under its investment policy that governs the selection of instruments in which the Group may invest, or continue to invest. Credit ratings, type of investments and concentration of funds with counterparty are considerations that form part of the Group's investment decision process. In terms of liquidity risk, the Group maintains liquid access to its cash reserves and proactively monitors cash runway with respect to financing plans. In terms of foreign exchange risk, the Group holds all of its material expected foreign currency-denominated costs in the relevant local currency, providing a natural hedge against movements in the foreign exchange rate.

WAYVE TECHNOLOGIES LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Post year end events

Following the end of the Group's financial year on 31 August 2023, it is important to note the following material events and items.

In September 2023, the Group launched its LINGO model: a driving commentator combining vision, language, and action to enhance interpretation, explanation, and training of foundation driving models.

In November 2023, the UK government announced the new Automated Vehicles (AV) Bill as part of the King's Speech. This bill brings forward legislation for self-driving vehicles and is set to establish a comprehensive liability framework to ensure the safe deployment of self-driving vehicles. This legislation will provide crucial consumer protection and pave the way for commercialising self-driving technologies in the UK. Wayve has been working with partners for over two years to press on the need for this legislation, and warmly welcomes this success for the whole sector.

In early 2024, the Group completed its Series C financing for a total of £802 million led by Softbank Group, Microsoft Corporation, and NVIDIA.

Key performance indicators

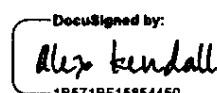
The directors consider the key financial performance indicators to be the total administrative expenses for the year, the net change in cash and cash held at bank.

The Group had total administrative expenses for the year of £45,127,353 (2022: £23,659,257).

The net change in cash for the period is a decrease of £37,925,658 (2022: increase of £129,778,493).

Cash held on the balance sheet at year end amounts to £118,294,544 (2022: £156,220,202).

This report was approved by the board and signed on its behalf.

DocuSigned by:

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A G Kendall
Director

Date: 5/29/2024

WAYVE TECHNOLOGIES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their report and the financial statements for the year ended 31 August 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £34,824,518 (2022: loss £19,682,446).

The directors do not recommend the payment of a dividend (2022: nil).

Directors

The directors who served during the year were:

Michael Dempsey
Alex Guy Kendall
Seth Winterroth

WAYVE TECHNOLOGIES LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Going concern

The Group does not yet generate material revenue or profits, as it is still in its research and development phase. Therefore, as expected, the Group recorded a loss in the year to 31 August 2023. The Group has used this expenditure to achieve significant technological and commercial milestones on its roadmap towards deploying autonomous vehicles at scale.

Since the Group does not yet generate material revenue, it relies on equity investment to fund its operations. The Group raised a £802 million Series C financing in early 2024, which provides sufficient runway to support the business in achieving its proof of value objectives. The directors maintain cash flow forecasts which reflect the capital deployment plan required for the Group to achieve these technological and commercial milestones. The forecasts also account for wider market-related impacts such as inflation and supply chain issues. These forecasts cover a period of more than 12 months from the date of approval of these financial statements. This demonstrates that the Group can operate with its available financial resources even as it records a loss in the financial year. The directors therefore deem it appropriate to prepare the financial statements on a going concern basis.

Future developments

In the following financial year, the Group will continue to deploy resources towards improving the performance of its autonomous driver. The Group will continue its recruitment efforts to bring in experienced talent in each of its core geographies to achieve this objective. The Group will also launch its next generation autonomous vehicle platform, through which its autonomous driver will be deployed into commercial operations and within internal testing. This will allow the Group to scale both its data collection and autonomous testing capabilities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

The post balance sheet events for the Group are discussed in the Strategic Report.

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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A G Kendall
Director

Date: 5/29/2024

WAYVE TECHNOLOGIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD

Opinion

We have audited the financial statements of Wayve Technologies Ltd (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 August 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Net Debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

WAYVE TECHNOLOGIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

WAYVE TECHNOLOGIES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, Corporation Tax Act 2010 and Financial Reporting Standard 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law and environmental regulations.

The group has a foreign subsidiary, therefore compliance with local laws and regulations; such as the state and federal corporation tax; are fundamental as well.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of foreign exchange rate, revenue recognition and management override. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- reviewing the legal expenses nominal code to identify transactions which may indicate litigation or other legal proceedings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;

WAYVE TECHNOLOGIES LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYVE TECHNOLOGIES LTD
(CONTINUED)**

- comparing year end, average and spot foreign exchange rates used to an external source and verifying that the translated amount is calculated correctly;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the group's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP

Adam Norman (Senior Statutory Auditor)

for and on behalf of
Price Bailey LLP

Chartered Accountants and Statutory Auditors

24 Old Bond Street
London
W1S 4AP

Date:

29 May 2024

WAYVE TECHNOLOGIES LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Administrative expenses		(45,127,353)	(23,659,257)
Fair value movements		(160,797)	44,724
Operating loss	4	<u>(45,288,150)</u>	<u>(23,614,533)</u>
Other income		4,056,663	38,117
Interest receivable and similar income	9	35,444	61,867
Loss before taxation		<u>(41,196,043)</u>	<u>(23,514,549)</u>
Tax on loss	10	6,371,525	3,832,103
Loss for the financial year		<u><u>(34,824,518)</u></u>	<u><u>(19,682,446)</u></u>
Other comprehensive expense for the financial year			
Currency translation differences		372,354	(229,544)
Total comprehensive income for the financial year		<u><u>(34,452,164)</u></u>	<u><u>(19,911,990)</u></u>
Loss for the financial year attributable to:			
Owners of the parent Company		<u>(34,824,518)</u>	<u>(19,682,446)</u>
		<u><u>(34,824,518)</u></u>	<u><u>(19,682,446)</u></u>

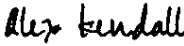
The notes on pages 16 to 36 form part of these financial statements.

WAYVE TECHNOLOGIES LTD
REGISTERED NUMBER: 10924127

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	2,673,795	2,424,103
Current assets			
Debtors	13	14,560,471	7,593,282
Cash at bank and in hand	14	118,294,544	156,220,202
		<u>132,855,015</u>	<u>163,813,484</u>
Creditors: amounts falling due within one year	15	(2,264,383)	(2,345,039)
Net current assets		<u>130,590,632</u>	<u>161,468,445</u>
Total assets less current liabilities		<u>133,264,427</u>	<u>163,892,548</u>
Creditors: amounts falling due after more than one year	16	(272,205)	(111,408)
Provisions for liabilities			
Deferred tax	18	(380,149)	(299,400)
Net assets		<u><u>132,612,073</u></u>	<u><u>163,481,740</u></u>
Capital and reserves			
Called up share capital	19	690	651
Share premium account	20	193,675,331	193,675,331
Share-based payments reserve	20	9,464,134	5,881,676
Foreign exchange reserve	20	142,810	(229,544)
Profit and loss account	20	(70,670,892)	(35,846,374)
		<u><u>132,612,073</u></u>	<u><u>163,481,740</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5/29/2024

DocuSigned by:

A G Kendall
 Director
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The notes on pages 16 to 36 form part of these financial statements.

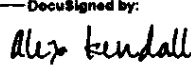
WAYVE TECHNOLOGIES LTD
REGISTERED NUMBER: 10924127

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	2,119,643	1,936,190
Investments	12	1,236,369	651,251
		<u>3,356,012</u>	<u>2,587,441</u>
Current assets			
Debtors	13	14,217,316	19,372,536
Cash at bank and in hand	14	117,578,791	144,265,883
		<u>131,796,107</u>	<u>163,638,419</u>
Creditors: amounts falling due within one year	15	(2,423,668)	(2,250,430)
Net current assets		<u>129,372,439</u>	<u>161,387,989</u>
Total assets less current liabilities		<u>132,728,451</u>	<u>163,975,430</u>
Creditors: amounts falling due after more than one year	16	(272,205)	(111,408)
Provisions for liabilities			
Deferred tax	18	(380,149)	(299,400)
Net assets		<u><u>132,076,097</u></u>	<u><u>163,564,622</u></u>
Capital and reserves			
Called up share capital	19	690	651
Share premium account	20	193,675,331	193,675,331
Share-based payments reserve	20	9,464,134	5,881,676
Profit and loss account brought forward	20	(35,993,036)	(16,163,928)
Loss for the year	20	(35,071,022)	(19,829,108)
		<u>(71,064,058)</u>	<u>(35,993,036)</u>
Profit and loss account carried forward		<u><u>132,076,097</u></u>	<u><u>163,564,622</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5/29/2024

A G Kendall
 Director

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The notes on pages 16 to 36 form part of these financial statements.

WAYVE TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2023

	Called up share capital £	Share premium account £	Share- based payments reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 September 2021	409	18,256,939	2,484,215	-	(16,163,928)	4,577,635
Comprehensive expense for the year						
Loss for the year	-	-	-	-	(19,682,446)	(19,682,446)
Currency translation differences	-	-	-	(229,544)	-	(229,544)
Total comprehensive expense for the year	-	-	-	(229,544)	(19,682,446)	(19,911,990)
Contributions by and distributions to owners						
Shares issued during the year (note 19)	273	175,418,392	-	-	-	175,418,665
Shares redeemed during the year (note 19)	(31)	-	-	-	-	(31)
Share based payment (note 21)	-	-	3,397,461	-	-	3,397,461
Total transactions with owners	242	175,418,392	3,397,461	-	-	178,816,095
At 1 September 2022	651	193,675,331	5,881,676	(229,544)	(35,846,374)	163,481,740
Comprehensive expense for the year						
Loss for the year	-	-	-	-	(34,824,518)	(34,824,518)
Currency translation differences	-	-	-	372,354	-	372,354
Total comprehensive expense for the year	-	-	-	372,354	(34,824,518)	(34,452,164)
Contributions by and distributions to owners						
Shares issued during the year (note 19)	39	-	-	-	-	39
Share based payment (note 21)	-	-	3,582,458	-	-	3,582,458
Total transactions with owners	39	-	3,582,458	-	-	3,582,497
At 31 August 2023	690	193,675,331	9,464,134	142,810	(70,670,892)	132,612,073

The notes on pages 16 to 36 form part of these financial statements.

WAYVE TECHNOLOGIES LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2023

	Called up share capital £	Share premium account £	Share-based payments reserve £	Profit and loss account £	Total equity £
At 1 September 2021	409	18,256,939	2,484,215	(16,163,928)	4,577,635
Comprehensive expense for the year					
Loss for the year	-	-	-	(19,829,108)	(19,829,108)
Total comprehensive expense for the year	-	-	-	(19,829,108)	(19,829,108)
Contributions by and distributions to owners					
Shares issued during the year (note 19)	273	175,418,392	-	-	175,418,665
Shares redeemed during the year (note 19)	(31)	-	-	-	(31)
Share based payment (note 21)	-	-	3,397,461	-	3,397,461
Total transactions with owners	242	175,418,392	3,397,461	-	178,816,095
At 1 September 2022	651	193,675,331	5,881,676	(35,993,036)	163,564,622
Comprehensive expense for the year					
Loss for the year	-	-	-	(35,071,022)	(35,071,022)
Total comprehensive expense for the year	-	-	-	(35,071,022)	(35,071,022)
Contributions by and distributions to owners					
Shares issued during the year (note 19)	39	-	-	-	39
Share based payment (note 21)	-	-	3,582,458	-	3,582,458
Total transactions with owners	39	-	3,582,458	-	3,582,497
At 31 August 2023	690	193,675,331	9,464,134	(71,064,058)	132,076,097

The notes on pages 16 to 36 form part of these financial statements.

WAYVE TECHNOLOGIES LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(34,824,518)	(19,682,446)
Adjustments for:		
Depreciation of tangible assets	1,150,263	703,844
Loss on disposal of tangible assets	6,053	2,450
Other investment income received	(4,056,663)	-
Interest received	(35,444)	(61,867)
Taxation charge	(6,371,525)	(3,832,103)
(Increase) in debtors	(2,309,945)	(1,102,422)
(Decrease)/increase in creditors	(210,714)	1,530,838
Net fair value losses/(gains) recognised in P&L	160,797	(44,724)
Corporation tax received	1,925,089	997,504
Foreign exchange	53,212	(229,544)
Share-based payments	3,582,457	3,397,461
Net cash generated from operating activities	(40,930,938)	(18,321,009)
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,454,067)	(2,136,076)
Sale of tangible fixed assets	3,059	-
Interest received	35,444	61,867
Other investment income received	4,056,663	-
Net cash from investing activities	2,641,099	(2,074,209)
Cash flows from financing activities		
Issue of ordinary shares	39	150,173,742
Purchase of ordinary shares	-	(31)
Net cash used in financing activities	39	150,173,711
Net (decrease)/increase in cash and cash equivalents	(38,289,800)	129,778,493
Cash and cash equivalents at beginning of year	156,220,202	26,441,709
Foreign exchange gains and losses	364,142	-
Cash and cash equivalents at the end of year	118,294,544	156,220,202
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	118,294,544	156,220,202

The notes on pages 16 to 36 form part of these financial statements.

WAYVE TECHNOLOGIES LTD

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 AUGUST 2023

	At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	156,220,202	(37,925,658)	-	118,294,544
Warrants	(111,408)	-	(160,797)	(272,205)
	<u>156,108,794</u>	<u>(37,925,658)</u>	<u>(160,797)</u>	<u>118,022,339</u>

The notes on pages 16 to 36 form part of these financial statements.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

Wayve Technologies Limited (the "Company") is a private company limited by shares and incorporated in England. Its registered office address is 230 York Way, London, N7 9AG.

The Group's principal activity in the year continued to be the development of software for autonomous vehicles (AV).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Financial reporting standard 102 - Company reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in these consolidated financial statements.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**2. Accounting policies (continued)****2.4 Going concern**

As at 31 August 2023, the Group's cash at bank and in hand amounted to £118,294,544. The directors maintain cash flow forecasts which reflect the capital deployment plan required for the Company to achieve the technological and commercial milestones. These forecasts also account for wider market-related impacts such as inflation and supply chain issues. The forecasts cover a period of more than 12 months from the date of approval of these financial statements. This demonstrates that the Group can operate with its available financial resources even as it records a loss in the financial year. The Group's directors therefore deem it appropriate to prepare the financial statements on a going concern basis.

2.5 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is British Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets will be recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Government grants

Government grants have been recognised under the accrual model. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate while grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

WAYVE TECHNOLOGIES LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023****2. Accounting policies (continued)****2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Leasehold improvements	- over the lease term
Plant and machinery	- 25% reducing balance basis
Fixtures and fittings	- 25% reducing balance basis
Computer equipment	- 33.3% straight line basis

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current and deferred tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met. Deferred tax balances are not recognised in respect of permanent differences.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**2. Accounting policies (continued)****2.16 Financial instruments**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors, creditors and loans and borrowings. The Group also enters into complex financial instrument transactions that result in the recognition of financial liabilities like warrants.

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Consolidated Statement of Comprehensive Income.

Basic financial liabilities, including trade and other payables and loans and borrowings, that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Complex financial instruments consist of warrants which are initially recognised at fair value on the date the warrant agreement is entered into and are subsequently re-measured at their fair value. Changes in the fair value are recognised in profit or loss in 'Fair value movements' in the Statement of Comprehensive Income.

2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

WAYVE TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Accounting policies (continued)

2.19 Share-based payments

The Group operates equity-settled share-based compensation plans whereby employees of the Group are granted equity awards in the Company in the form of share options, restricted shares and growth shares.

The fair value of the award is measured at the grant date, taking into account non-vesting conditions. The fair value is charged to profit or loss over the vesting period with a corresponding increase in equity.

At each statement of financial position date, the Group revises its estimate of the number of awards that are expected to become exercisable based on forfeiture rates, and makes adjustments such that at the end of the vesting period the cumulative charge is based on the number of awards that eventually vest. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period. There were no modifications to the terms and conditions of options during the current or previous financial period.

2.20 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Group's accounting policies the directors are required to make judgements, estimates and assumptions to determine the reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Share-based Payments

The Group operates equity-settled share-based compensation plans whereby employees are granted share options, restricted shares and growth shares in the Company. As the Group is not revenue generating and its shares not actively traded in any market, a significant estimate was present in relation to determining the fair value of the share-based awards at the grant date.

The Group uses the Black-Scholes-Merton option pricing model to calculate the fair value of the share-based awards at grant date. Estimates used for key inputs of the model, such as risk-free rate, volatility and expected term are summarised in note 21.

The outcomes from the option pricing model are sensitive to the expected terms of the share-based awards, which reflects the period to an exit event as this is expected to trigger conversion of the various preferred shares and growth shares and exercise of the share options. Further details including a sensitivity analysis on the expected terms over the estimated fair value are presented in note 21.

R&D expenditure tax credits

The Group invests resources to develop and build its differentiated autonomous-driving approach and recovers R&D expenditure credit for certain research and development costs incurred in the United Kingdom. Applications for the tax credits are submitted subsequent to the respective financial year and are subject to approval by the United Kingdom tax authorities. Therefore, Management is required to use estimates and apply judgement to calculate the amount of R&D expenditure credit recoverable, which may differ from the actual tax credit to be received.

In calculating the amounts of R&D expenditure credit recoverable, Management determines the amount of expenditure qualifying for the tax credit based on the approach of previous claims and applies judgement on costs resulting from organisational growth and the nature of costs.

4. Operating loss

The operating loss is stated after charging:

	2023 £	2022 £
Depreciation of tangible assets	1,150,263	703,844
Foreign exchange losses/(gains)	2,648,058	(938,042)
Other operating lease rentals	1,651,322	1,335,127
	<u> </u>	<u> </u>

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Other Income

	2023 £	2022 £
Income from investments	4,056,663	-
Grant income	-	36,217
Sundry income	-	1,900
	<u>4,056,663</u>	<u>38,117</u>

Income from investments relates to returns derived from cash equivalents held in money market funds during the year.

6. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	<u>44,000</u>	<u>33,000</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	21,016,888	12,829,662	17,381,701	11,433,769
Social security costs	2,574,647	1,623,494	2,065,231	1,436,517
Cost of defined contribution scheme	384,585	208,498	287,115	179,265
	<u>23,976,120</u>	<u>14,661,654</u>	<u>19,734,047</u>	<u>13,049,551</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Employees	<u>202</u>	<u>134</u>	<u>186</u>	<u>128</u>

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	168,750	145,999
Group contributions to defined contribution pension schemes	3,522	1,381
	<u>172,272</u>	<u>147,380</u>

During the year retirement benefits were accruing to 1 director (2022: 1) in respect of defined contribution pension schemes.

Key management personnel

The remuneration of key management personnel of the Group, who are also directors, was £168,750 (2022: £147,380).

9. Interest receivable

	2023 £	2022 £
Bank interest receivable	<u>35,444</u>	<u>61,867</u>

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on losses for the year	(6,751,674)	(3,995,324)
Total current tax	<u>(6,751,674)</u>	<u>(3,995,324)</u>
Deferred tax		
Origination and reversal of timing differences	380,149	100,541
Changes to tax rates	-	31,750
Increase in discount	-	30,930
Total deferred tax	<u>380,149</u>	<u>163,221</u>
Tax on loss	<u>(6,371,525)</u>	<u>(3,832,103)</u>

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the effective rate of corporation tax in the UK of 21.5% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(41,196,043)	(23,514,549)
Loss on ordinary activities multiplied by effective rate of corporation tax in the UK of 21.5% (2022: 19%)	(8,857,149)	(4,467,764)
Effects of:		
Expenses not deductible for tax purposes	939,237	29,588
Adjustments to tax charge in respect of prior periods	313,013	30,930
Fixed asset timing differences	(80,459)	-
Deferred tax on fixed asset differences	80,179	-
Changes in provisions	(6,754)	-
Non-taxable income	-	(9,870)
Exercising of share options	(326,559)	-
Additional expenditure for research and development	(3,298,243)	-
Research and development tax credit	(6,251,893)	(3,995,324)
Deferred tax not provided	11,117,103	31,750
Tax rate changes	-	4,548,587
Total tax charge for the year	(6,371,525)	(3,832,103)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	525,024	1,702,663	404,398	1,198,299	3,830,384
Additions	141,827	1,043,447	40,181	228,612	1,454,067
Disposals	-	-	(1,420)	(112,905)	(114,325)
Transfers between classes	(11,566)	(2,093)	20,306	(6,647)	-
Exchange adjustments	(14,567)	(25,095)	(11,436)	(6,385)	(57,483)
At 31 August 2023	640,718	2,718,922	452,029	1,300,974	5,112,643
Depreciation					
At 1 September 2022	178,174	512,681	94,820	620,606	1,406,281
Charge for the year on owned assets	199,722	538,327	84,023	328,191	1,150,263
Disposals	-	-	(260)	(104,953)	(105,213)
Transfers between classes	(4,549)	(125)	5,275	(601)	-
Exchange adjustments	(4,022)	(4,510)	(2,458)	(1,493)	(12,483)
At 31 August 2023	369,325	1,046,373	181,400	841,750	2,438,848
Net book value					
At 31 August 2023	271,393	1,672,549	270,629	459,224	2,673,795
At 31 August 2022	346,850	1,189,982	309,578	577,693	2,424,103

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. Tangible fixed assets (continued)

Company

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	352,970	1,510,686	295,084	1,134,694	3,293,434
Additions	111,257	841,778	23,890	186,666	1,163,591
Transfers intra group	-	(35,510)	-	-	(35,510)
Disposals	-	-	(1,420)	(112,905)	(114,325)
At 31 August 2023	464,227	2,316,954	317,554	1,208,455	4,307,190
Depreciation					
At 1 September 2022	156,730	501,644	84,053	614,817	1,357,244
Charge for the year on owned assets	132,894	446,228	55,337	301,057	935,516
Disposals	-	-	(260)	(104,953)	(105,213)
At 31 August 2023	289,624	947,872	139,130	810,921	2,187,547
Net book value					
At 31 August 2023	174,603	1,369,082	178,424	397,534	2,119,643
At 31 August 2022	196,240	1,009,042	211,031	519,877	1,936,190

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2022	651,251
Additions	585,118
At 31 August 2023	<u>1,236,369</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Wayve Technologies Inc	709 N. Shoreline Blvd, Mountain View, CA 94303, United States	Ordinary	100%

13. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due after more than one year				
Other debtors	198,578	198,578	198,578	198,578
Prepayments and accrued income	145,624	-	54,261	-
	<u>344,202</u>	<u>198,578</u>	<u>252,839</u>	<u>198,578</u>
Due within one year				
Amounts owed by group undertakings	-	-	-	12,242,002
Other debtors	2,726,528	721,013	2,607,439	649,961
Prepayments and accrued income	811,414	652,607	678,711	260,911
Tax recoverable	10,678,327	6,021,084	10,678,327	6,021,084
	<u>14,560,471</u>	<u>7,593,282</u>	<u>14,217,316</u>	<u>19,372,536</u>

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**14. Cash and cash equivalents**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	118,294,544	156,220,202	117,578,791	144,265,883

15. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	822,674	809,311	682,955	802,015
Amounts owed to group undertakings	-	-	708,557	-
Corporation tax	130,058	-	-	-
Other taxation and social security	657,276	570,782	657,276	570,782
Other creditors	106,047	109,385	104,852	78,090
Accruals and deferred income	548,328	855,561	270,028	799,543
	<u>2,264,383</u>	<u>2,345,039</u>	<u>2,423,668</u>	<u>2,250,430</u>

16. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Warrants	272,205	111,408	272,205	111,408

The Company issued a warrant which allows an additional subscription of senior shares at a price per share equal to the conversion price. The warrant is exercisable prior to an exit event or otherwise for a predetermined period after the conversion date or redemption date.

The fair value of the warrant is calculated using the Black-Scholes-Merton model following the same approach as for share-based payments. For detailed valuation process and discussions on the key model inputs, please see note 21.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial liabilities				
Other financial liabilities measured at fair value through profit or loss	272,205	111,408	272,205	111,408

Other financial liabilities measured at fair value through profit and loss comprise warrants.

18. Deferred taxation

Group & Company

	2023 £
At beginning of year	(299,400)
Charged to profit or loss	(80,749)
At end of year	(380,149)

The provision for deferred taxation is made up as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated capital allowances	(380,149)	(299,400)	(380,149)	(299,400)
	(380,149)	(299,400)	(380,149)	(299,400)

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. Called up share capital

	2023 £	2022 £
2,423,442 (2022: 2,141,872) Ordinary shares of £0.0001 (2022: £0.0001)	242	214
136,990 (2022: 47,096) Growth shares of £0.0001 (2022: £0.0001)	14	5
679,419 (2022: 679,419) Seed shares of £0.0001 (2022: £0.0001)	68	68
1,291,107 (2022: 1,291,107) Series A shares of £0.0001 (2022: £0.0001)	129	129
646,188 (2022: 646,188) Series B-1 shares of £0.0001 (2022: £0.0001)	65	65
1,688,436 (2022: 1,688,436) Series B shares of £0.0001 (2022: £0.0001)	169	169
34,524 (2022: 14,302) Deferred shares of £0.0001 (2022: £0.0001)	3	1
	<u>690</u>	<u>651</u>

Share capital represents the aggregate nominal value of all shares in issue.

All shares other than the Growth shares and Deferred shares are entitled to voting and dividend rights.

All shares apart from the Deferred shares are not redeemable.

On a distribution of assets on liquidation or a return of capital (other than a conversion, redemption or purchase of Shares), the surplus assets of the Company remaining after payment of its liabilities shall be distributed in accordance with article 5 of the Company's articles of association.

During the year, certain employees exercised share options to acquire 146,016 ordinary shares of £0.0001 each for a total consideration of £14.60. In addition, 135,554 Ordinary shares and 110,116 Growth shares were issued at nominal value under the Company's employee share schemes. Furthermore, Nil Deferred shares were redeemed in that period and Nil Ordinary shares and 20,222 Growth shares were re-designated into Deferred shares of £0.0001 each.

During the relevant period, the company also went through a funding round. In total, 4,054,657 Series C shares were issued. The total amount paid for Series C shares was £802 million. Refer to subsequent events disclosure (note 25)

WAYVE TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

20. Reserves

Share premium account

The share premium account represents consideration received in respect of the issuance of share capital in excess of the nominal value of that share capital, less any costs directly incurred in connection with the issue.

Share-based payments reserve

Share based payment reserve represents the cumulative amounts credited to equity in relation to share-based payments charged to the statement of profit or loss.

Foreign exchange reserve

Foreign exchange reserve represents accumulated foreign exchange differences generated on consolidation.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group and Company.

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**21. Share-based Payments**

During the financial year ended 31 August 2023, the Group had the following share-based payments arrangement in place, all of which are equity settled and have a vesting condition of continuous employment by the Group.

Share options

Share Options vest over 4 years, with cliff vesting of 25% after 1 year and in 1/16 increments every 3 months thereafter.

RSA

Restricted Shares vest over 4 years, with cliff vesting of 25% after 1 year and in 1/16 increments every 3 months thereafter.

Growth shares

All Growth Shares are subject to a Threshold Value. Any Growth Shares shall be treated as Qualifying Growth Shares if the aggregate proceeds on a liquidation, return of capital, sale or similar is greater than the Threshold Value. In the event of an IPO, all Growth Shares in relation to which the IPO valuation exceeds the relevant Threshold Value shall automatically convert into Ordinary Shares. All other Growth Shares shall automatically convert into Deferred Shares. Growth Shares vest over 4 years, either in 1/16 increments every 3 months, or with cliff vesting of 25% after 1 year and in 1/16 increments every 3 months thereafter.

The share-based payments charges for each type of award are summarised in the table below:

	2023 £	2022 £
Share options	1,688,386	2,245,034
RSA	1,552,354	1,115,999
Growth shares	341,718	36,428
	<u>3,582,458</u>	<u>3,397,461</u>

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

The number and weighted average exercise price for each of type of award are summarised in the table below.

Share options

	2023 Weighted average exercise price	2023 Number	2022 Weighted average exercise price	2022 Number
Opening Balance	£0.0053	890,344	£0.0079	601,209
Granted during the year	£0.0001	11,235	£0.0001	5,554
Forfeited / cancelled during the year	£0.2771	(304,769)	£0.3555	(237,559)
Exercised during the year	£0.0001	(146,016)	£0.0001	(28,805)
Outstanding at the end of the year	£0.1995	450,794	£0.1002	340,399

At the year end 68,085 (2022: 82,680) share options were exercisable at a weighted average exercising price of £3.7703 (2022: £3.2448) per option.

Fair Value

The option pricing methodology ("OPM") applies option pricing theory to allocate the current equity value of the Company amongst the various equity instruments in the capital structure. This approach is derived from the observation that on a liquidation or exit event, each equity instrument shall represent a claim over the equity of the Company, subject to the satisfaction of the claims of any prior ranking instruments. The future returns of each instrument can therefore be replicated by a series of call options.

The present value of each instrument can be valued by applying the Black-Scholes-Merton option pricing formula to calculate the present value of the expected payoff to these call options at an assumed future exit event.

As the OPM can be used to allocate the current equity value amongst all equity instruments, it can also be used to back-solve the current equity value from a known value for a particular instrument. In this case, the Company used the price agreed by investors in the latest funding round to back-solve the company's total equity value and, indirectly, the value of the awarded instruments.

The value ranges for inputs for the Black-Scholes-Merton model are summarised below:

Expected term	1.54 - 6.4 years
Expected volatility	42 - 79%
Risk-free rate	-0.08% - 4.42%
Expected dividend rate	£Nil

WAYVE TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Share options	£0.0001 - £25.32
RSA	£6.49 - £18.38
Growth shares	£2.82 - £7.45

The expected term reflects the period to an exit event as this is expected to trigger conversion of the various Preferred Shares and Growth Shares and exercise of the Options. For all equity awards granted at various dates, the Company have adopted an expected term consistent with an expected exit based on Management's expectations at the relevant grant date.

The risk-free rates have been estimated based on the yield to maturity on UK Government Debt with a tenor commensurate to the expected term as at each valuation date.

The expected volatility has been estimated with reference to the median historical volatility of broadly comparable companies at each valuation date when observed over a period commensurate to the expected term.

Management consider the estimation of the expected term to be a significant judgement, as a successful exit event would be based on various factors such as of the outcome of the Company's research and development, the general market condition and wider economic environment. A sensitivity analysis of how the fair value changes in relation to the movement of expected term have been prepared with results below. In case of multiple awards the range of impact on fair value is presented.

	-1.0 year	-0.5 year	base	+0.5 year	+1.0 year
RSA	£0.49 - £15.58	£0.48 - £14.91	£0.48 - £14.32	£0.47 - £13.81	£0.47 - £13.39
Growth share	£1.21 - £6.54	£2.13 - £7.01	£2.82 - £7.45	£3.24 - £7.87	£3.60 - £8.27
Share options	£0.49 - £27.65	£0.48 - £26.37	£0.48 - £25.32	£0.47 - £24.43	£0.47 - £23.64

22. Pension commitments

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £287,115 (2022: £208,498).

23. Commitments under operating leases

At 31 August 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Not later than 1 year	1,743,732	1,645,203	1,492,807	1,369,970
Later than 1 year and not later than 5 years	3,230,256	238,978	3,125,704	143,622
	<u>4,973,988</u>	<u>1,884,181</u>	<u>4,618,511</u>	<u>1,513,592</u>

WAYVE TECHNOLOGIES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

24. Related party transactions

The Company has taken advantage under section 33.1A of FRS 102 not to provide information on related party transactions with other group undertakings. The Company does not have any other balances or transactions with other related parties.

25. Post balance sheet events

Following the end of the Group's financial year on 31 August 2023, it is important to note the following material event.

In early 2024, the Group completed its Series C financing for a total of £802 million led by Softbank Group, Microsoft Corporation, and NVIDIA.

26. Ultimate controlling party

The Company does not have an ultimate controlling party.