

British-based electric van group races to secure Arrival of rescue bid

A British-based company that boasted that it would be a global pioneer in electric vehicle manufacturing is trying to seal a rescue takeover within weeks.

Sky News has learnt that advisers to Arrival, which is listed on New York's Nasdaq stock exchange, have told prospective bidders that the company's financing requirements mean a deal would need to be completed imminently.

Alvarez & Marsal (A&M) was appointed during the summer to advise Arrival's board on a range of restructuring options, including contingency planning for administration.

It is now seeking offers for Arrival's business and assets, either in whole or in part, according to industry sources.

Arrival was one of a slew of electric vehicle companies which capitalised on a wave of investor demand during the last technology boom to raise money at multibillion dollar valuations.

It is said to require at least \$500m of additional funding to get it to break-even, making a rescue bid for the whole business unlikely.

The London-based business went public in March 2021 through a combination with CIIG Merger Corp, a special purpose acquisition company (SPAC) set up by Peter Cuneo, the former Marvel chief executive.

On the day its shares began trading, it was valued at about \$5.4bn (£4.2bn).

Arrival was backed by blue-chip global investors including BlackRock, which injected nearly \$120m into the business in 2020.

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Hyundai and Kia, the Korean carmakers, and the delivery service UPS were also early backers of the company.

It said it would cash in on demand for electric vehicles by targeting commercial customers rather than ordinary motorists.

In late 2021, it unveiled a prototype of a car designed to be used by ride-hailing companies such as Uber Technologies.

None of its vehicles have yet made it into commercial production, and it has been forced to slash hundreds of jobs, including many of its senior management team.

Since its stock market debut, Arrival has endured a torrid time.

Its stock has plummeted by more than 97% in the last year, and at Friday's close it had a market capitalisation of little more than \$22m.

Last month, it said it would report a "business update" in early September, but this has yet to materialise.

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In recent months, it has tried to secure new funding through a number of agreements with hedge funds.

Arrival also struck a second SPAC deal, with Kensington Capital Acquisition Corp V, which would have injected hundreds of millions of dollars more into the company.

The agreement between the two parties was terminated in July.

Arrival could not be reached for comment, while A&M declined to comment.