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**If you are in any doubt as to what action you should take, you should immediately seek your own financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

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# **PINEWOOD.AI**

AUTOMOTIVE INTELLIGENCE

## **Pinewood Technologies Group PLC**

*(incorporated in England and Wales under the Companies Act 2006 with registered number 02304195)*

### **Acquisition of Majority JV Interests**

### **Admission of 14,560,691 New Ordinary Shares to be issued to Lithia UK Holding Limited**

# **Jefferies**

**Jefferies International Limited**

***Sponsor and Financial Adviser***

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**The whole of this document (in particular the section headed "Risk Factors" set out on pages 11 to 24 of this document) should be read together with the documents incorporated by reference in their entirety. Recipients of this document should review the risk factors set out on pages 11 to 24 of this document for a discussion of certain factors that should be taken into account when considering the matters referred to in this document. Each investor must rely on its own examination, analysis and enquiry of the Company and the Acquisition, including the merits and risks involved.**

This document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation relating to the Company prepared in accordance with the Prospectus Regulation Rules made under Section 84 of FSMA and made available to the public in accordance with section 85 of FSMA and Rule 3.2 of the Prospectus Regulation Rules. This document has been approved by and filed with the Financial Conduct Authority of the United Kingdom ("**FCA**") in accordance with the Prospectus Regulation Rules.

This document has been approved as a simplified prospectus by the FCA of 12 Endeavour Square, London E20 1JN, as the competent authority under the Prospectus Regulation. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Company or the quality of the securities that are the subject of this document. Investors should make their own assessment as to the suitability of investing in securities. The Company and each of the Directors whose names appear on page 32 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

The Existing Ordinary Shares are admitted to the equity shares (commercial companies) category of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange. Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the equity shares (commercial companies) category of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange, respectively. No application is currently intended to be made for the Existing Ordinary Shares or the New Ordinary Shares to be admitted to listing or dealing on any other exchange.

Jefferies International Limited ("**Jefferies**"), which is authorised and regulated in the United Kingdom by the FCA, is acting solely for the Company as sponsor and financial adviser and for no-one else in connection with Admission. Jefferies will not regard any other person (whether or not a recipient of this document) as its client in relation to Admission and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for

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This document is for information purposes only and does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in the United States or any other jurisdiction in which such offer or solicitation is unlawful. In particular, the securities described in this document have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**United States Securities Act**”), or qualified for sale under the laws of any state or other jurisdiction of the United States, and therefore may not be offered or sold, directly or indirectly, in or into the United States or to or for the account or benefit of U.S. persons, as such term is defined in Regulation S under the United States Securities Act (“**United States Persons**”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act. The securities described in this document have not been approved or disapproved by the United States Securities and Exchange Commission or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the securities or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. No public offer of securities is being made in the United States.

The securities described in this document have not been, and will not be, registered or qualified for sale under the applicable laws of Australia, Canada, Japan, the Republic of South Africa or New Zealand, and may not be offered or sold to any national, resident or citizen of Australia, Canada, Japan, the Republic of South Africa or New Zealand, or of any other jurisdiction where to do so might constitute a breach of applicable law (collectively and together with the United States, the “**Excluded Territories**”). No public offer of securities is being made in the Excluded Territories.

The release, publication or distribution of this document, the Ordinary Shares in or into jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and should observe, any applicable requirements. Any failure to comply with these requirements may constitute a violation of the securities laws of any such jurisdiction. Unless otherwise determined by the Company, and permitted by applicable law and regulation, the Acquisition will not be implemented and documentation relating to the Acquisition shall not be made available, directly or indirectly, in, into or from an Excluded Territory where to do so would violate the laws of that jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Excluded Territory and persons with access to this document and any documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Excluded Territory.

This document has been prepared for the purpose of complying with English law and applicable regulations and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England.

Except in the United Kingdom, no action has been taken to permit the distribution of this document in any jurisdiction where any action would be required for such purpose. It is the responsibility of each person into whose possession this document comes to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the distribution of this document and the receipt of the Ordinary Shares and to obtain any governmental, exchange control or other consents which may be required, comply with other formalities which are required to be observed and pay any issue, transfer or other taxes due in such jurisdiction. To the fullest extent permitted by applicable law, the Company, the Directors, the Group and Jefferies (as defined below) and all other persons involved in the Acquisition disclaim any responsibility or liability for the failure to satisfy any such laws, regulations or requirements by any person.

#### **Notice to all investors**

Capitalised terms have the meanings ascribed to them in Part 9 (Definitions) of this document, which begins on page 75.

Certain information in relation to the Company is incorporated by reference into this document. You should refer to Part 8 (Documentation Incorporated by Reference) of this document for further information. Without limitation, unless expressly stated herein, the contents of the websites of the Group, and any links accessible through the websites of the Group, do not form part of this document.

The contents of this document are not to be construed as legal, business, financial or tax advice. Each investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in connection with the Ordinary Shares.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company.

**This document is available on the Company's website at [www.pinewood.ai/investors/](http://www.pinewood.ai/investors/). This document will only be provided in hard copy on request. Such requests should be made by either writing to the Company Secretary at 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN or contacting the Company Secretary by telephoning +44(0)121 697 6600.**

The date of this document is 6 June 2025.

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## SUMMARY

### 1. INTRODUCTION, CONTAINING WARNINGS

The securities which Pinewood Technologies Group PLC (the “**Company**” or “**Pinewood.AI**”) intends to issue are ordinary shares in the capital of the Company of £1.00 each (“**Ordinary Shares**”), whose ISIN is GB00BSB7BS06. The Company’s Legal Entity Identifier (“**LEI**”) is 213800VRSPZFOGMMIS18.

The Company can be contacted by writing to its registered office, 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN or by calling, within business hours, +44(0)121 697 6600.

This document was approved on 6 June 2025 by the FCA of 12 Endeavour Square, London E20 1JN as competent authority under the Prospectus Regulation. Contact information relating to the FCA can be found at <https://www.fca.org.uk/contact>.

**This summary should be read as an introduction to this document. Any decision to invest in the Ordinary Shares should be based on consideration of this document as a whole by the investor, including the information incorporated by reference. An investor could lose all or part of their invested capital. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this document, or where it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.**

### 2. KEY INFORMATION ON THE ISSUER

#### 2.1 Who is the issuer of the securities?

Pinewood Technologies Group PLC is a public limited company limited by shares registered and incorporated in England and Wales under the Companies Act 2006 (with registered number 02304195) on 12 October 1988. The Company’s LEI is 213800VRSPZFOGMMIS18.

The Company is a leading cloud based full-service technology provider to automotive retailers and original equipment manufacturers. The Company’s system is a market-leading automotive intelligence platform, which has been developed collaboratively with dealers and original equipment manufacturers to provide secure cloud-based software across sales, aftersales, accounting and customer relationship management. Headquartered in the UK, the Company has a team of over 200 people serving over 35,000 global users across 21 countries and long-standing partnerships with over 50 original equipment manufacturer brands. Previously named Pendragon PLC, in 2024 the Company sold its UK Motor and Leasing divisions to Lithia Motors, Inc. (“**Lithia**”), one of the largest automotive retailers in North America and became a standalone Software-as-a-Service (SaaS) business. The Company simultaneously signed a strategic partnership with Lithia to roll out its software across Lithia’s UK locations and form a joint venture to co-develop capabilities and accelerate Pinewood.AI’s entry into the North American market.

As at the close of business on 5 June 2025 (the “**Latest Practicable Date**”), the following persons were, directly or indirectly, interested in 3 per cent. or more of the issued Ordinary Shares, as notified to the Company:

	No. of Existing Ordinary Shares	Percentage of existing issued ordinary share capital	No. of Ordinary Shares following Admission*	Percentage of issued ordinary share capital following Admission*
<i>Shareholder</i>				
Lithia UK Holding Limited	22,214,484	22.1%	36,775,175	32.0%
Fidelity Investments	10,042,836	10.0%	10,042,836	8.7%
Working Capital	9,133,173	9.1%	9,133,173	7.9%
Newtyn Management	8,000,000	8.0%	8,000,000	7.0%
Harwood Capital	7,638,000	7.6%	7,638,000	6.6%
Hosking Partners	4,181,793	4.2%	4,181,793	3.6%
Kestrel Investment Partners	3,192,734	3.2%	3,192,734	2.8%

\* Assuming that no Ordinary Shares are issued between the Latest Practicable Date and Admission or acquired by or disposed of by these shareholders, in each case other than pursuant to the Acquisition

As at the Latest Practicable Date, the Company and the Directors are not aware of any other person who will or could, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

The Seller has agreed, subject to certain customary exemptions, not to dispose of (i) 13,969,444 Ordinary Shares, received by it pursuant to a subscription, transfer and relationship agreement between, *inter alia*, the Seller, and the Company dated 31 January 2024, until 1 February 2026; and (ii) the New Ordinary Shares for the duration of a lock-up period of two years after Admission.

The Company's executive directors are William Berman (Chief Executive Officer) and Oliver Mann (Chief Financial Officer).

The auditor of the Company is RSM UK Audit LLP, of 103 Colmore Row, Birmingham, B3 3AG.

## 2.2 What is the key financial information regarding the issuer?

### KEY HISTORICAL FINANCIAL INFORMATION

The selected historical financial information set out below, which has been prepared under UK-adopted IFRS, has been extracted, or derived, without material adjustment from the Group's audited financial statements for the 11-month period ended 31 December 2024:

#### INCOME STATEMENT

	<i>Audited 11-month period to 31 December 2024 (£m)</i>
Revenue	31.2
Underlying Profit <sup>(1)</sup>	6.4
Underlying EBITDA <sup>(1)</sup>	14.0
Basic earnings per share	5.1p

#### BALANCE SHEET

	<i>Audited As at 31 December 2024 (£m)</i>
Total assets	61.8
Total equity	39.0
Cash and cash equivalents	9.3

#### CASH FLOW

	<i>Audited 11-month period to 31 December 2024 (£m)</i>
Cash flows from operating activities	9.1
Cash flows from investing activities	374.7
Cash flows from financing activities	(421.9)

#### Notes:

- (1) This is a non- UK-adopted IFRS measure used to monitor the performance of the Group's operations, which excludes items which in management's judgement need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance for the year or comparability between periods, please refer to the notes to the 2024 Annual Report for further details.

There are no qualifications to RSM UK Audit LLP's audit report on the Group's financial statements for the 11-month period ended 31 December 2024.

### KEY PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma income statement of the Group (the "**Unaudited Pro Forma Income Statement**") has been prepared to illustrate the impact of the Acquisition as if it had been undertaken on 1 February 2024 and is based on the audited consolidated income statement of the Group for the 11-month period ended 31 December 2024.

The unaudited pro forma statement of net assets of the Group after the Acquisition has taken effect (the "**Unaudited Pro Forma Statement of Net Assets**") has been prepared to illustrate the impact of the Acquisition as if it had been undertaken on 31 December 2024 and is based on the audited consolidated balance sheet of the Group as at 31 December 2024.

The Unaudited Pro Forma Income Statement and the Unaudited Pro Forma Statement of Net Assets (together, the "**Unaudited Pro Forma Financial Information**"), which have been produced for illustrative purposes only, by their nature address a hypothetical situation and, therefore, do not represent the Group's actual financial position or results.

The Unaudited Pro Forma Financial Information is presented on the basis of the accounting policies adopted by the Group in preparing the audited consolidated financial statements for the 11-month period ended 31 December 2024 and in accordance with Annex 20 of the assimilated Commission Delegated Regulation (EU) 2019/980 as it forms part of the law of the UK by virtue of the European Union (Withdrawal) Act 2018.

*Unaudited Pro Forma Statement of Net Assets*

<i>As at 31 December 2024</i>	<i>Group</i>	<i>Joint Venture</i>	<i>Adjustments</i>		<i>Pro Forma Net Assets</i>
<i>£m</i>	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5 Note 6</i>
<b><i>Non-current assets</i></b>					
Property, plant and equipment	1.7	–	–	–	1.7
Goodwill	0.3	–	–	–	0.3
Investment in associate	9.6	–	(9.6)	–	–
Other investments	3.2	–	–	–	3.2
Other intangible assets	16.3	0.8	–	–	17.1
<b>Total non-current assets</b>	<b>31.1</b>	<b>0.8</b>	<b>(9.6)</b>	<b>–</b>	<b>22.3</b>
<b><i>Current assets</i></b>					
Trade and other receivables	21.4	–	–	–	21.4
Cash and cash equivalents	9.3	18.8	–	(2.1)	26.0
<b>Total current assets</b>	<b>30.7</b>	<b>18.8</b>	<b>–</b>	<b>(2.1)</b>	<b>47.4</b>
<b>Total assets</b>	<b>61.8</b>	<b>19.6</b>	<b>(9.6)</b>	<b>(2.1)</b>	<b>69.7</b>
<b><i>Current liabilities</i></b>					
Lease liabilities	(0.7)	–	–	–	(0.7)
Trade and other payables	(11.0)	(0.1)	–	–	(11.1)
Deferred income	(7.6)	–	–	–	(7.6)
Current tax payable	(0.1)	–	–	0.5	0.4
<b>Total current liabilities</b>	<b>(19.4)</b>	<b>(0.1)</b>	<b>–</b>	<b>0.5</b>	<b>(19.0)</b>
<b><i>Non-current liabilities</i></b>					
Interest bearing loans and borrowings	(0.2)	–	–	–	(0.2)
Lease liabilities	(0.7)	–	–	–	(0.7)
Deferred tax	(2.5)	–	–	–	(2.5)
<b>Total non-current liabilities</b>	<b>(3.4)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3.4)</b>
<b>Total liabilities</b>	<b>(22.8)</b>	<b>(0.1)</b>	<b>–</b>	<b>0.5</b>	<b>(22.4)</b>
<b>Net assets</b>	<b>39.0</b>	<b>19.5</b>	<b>(9.6)</b>	<b>(1.6)</b>	<b>47.3</b>

*Notes:*

- 1) The net assets of the Group as at 31 December 2024 have been extracted without adjustment from the Group's audited 31 December 2024 financial statements.
- 2) The net assets of the Joint Venture as at 31 December 2024 have been extracted from note 5.2 to the Group's audited 31 December 2024 financial statements with specific categorisation allocations extracted from the unaudited management accounts of the Joint Venture for the period to 31 December 2024.
- 3) The adjustment removes the investment in associates held in the balance sheet of the Group as at 31 December 2024 which solely relates to the Joint Venture.
- 4) The total estimated costs and expenses of the Acquisition payable by the Company are £2.1 million (exclusive of VAT), which are expected to be deductible for corporation tax purposes.
- 5) On completion of the transaction, it is expected that acquisition accounting methodology will be followed. In the unaudited pro forma statement of net assets, no adjustment has been made to the fair values of the individual net assets of the Joint Venture to reflect any remeasurement to fair value. The fair value adjustments, when finalised, may be material. Furthermore, no adjustment has been made for the fair value of the consideration of \$76.5 million which is being satisfied by the issue of the New Ordinary Shares at a price of 386.5 pence per New Ordinary Share to Lithia UK Holding Limited (the "Seller").
- 6) The pro forma statement of net assets does not take account of events that have occurred in the Group or the Joint Venture after 31 December 2024.



## Unaudited Pro Forma Income Statement

For the 11 month period ended 31 December 2024 £m	Group Note 1	Joint Venture Note 2	Adjustments Note 3      Note 4		Pro Forma Income Statement Note 5
Revenue	31.2	–	–	–	31.2
Cost of sales	(3.0)	–	–	–	(3.0)
<b>Gross profit</b>	<b>28.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>28.2</b>
Administrative expenses	(23.9)	(1.7)	–	(2.1)	(27.7)
<b>Operating profit/(loss)</b>	<b>4.3</b>	<b>(1.7)</b>	<b>–</b>	<b>(2.1)</b>	<b>0.5</b>
Finance expense	(0.3)	–	–	–	(0.3)
Finance income	4.7	0.7	–	–	5.4
Share of loss in associate	(0.5)	–	0.5	–	–
<b>Profit/(loss) before taxation</b>	<b>8.2</b>	<b>(1.0)</b>	<b>0.5</b>	<b>(2.1)</b>	<b>5.6</b>
Income tax expense	(2.5)	–	(0.1)	0.5	(2.1)
<b>Profit/(loss) for the period</b>	<b>5.7</b>	<b>(1.0)</b>	<b>0.4</b>	<b>(1.6)</b>	<b>3.5</b>

### Notes:

- 1) The income statement of the Group for the 11 months ended 31 December 2024 has been extracted without adjustment from the Group's audited 31 December 2024 financial statements.
- 2) The income statement of the Joint Venture for the 11 months ended 31 December 2024 has been extracted from note 5.2 to the Group's audited 31 December 2024 financial statements with specific categorisation allocations extracted from the unaudited management accounts of the Joint Venture for the period to 31 December 2024.
- 3) The adjustment removes the share of loss in associate in the income statement of the Group for the 11 months ended 31 December 2024 which solely relates to the Joint Venture. This adjustment will have a continuing impact on the Group as the Joint Venture will not be an associate going forward.
- 4) The total estimated costs and expenses of the Acquisition payable by the Company are £2.1 million (exclusive of VAT). As these costs and expenses are one-off, they are not expected to have a continuing impact on the Group. These costs are expected to be deductible for corporation tax purposes.
- 5) The pro forma income statement does not take account of events that have occurred in the Group or the Joint Venture after 31 December 2024.

## 2.3 What are the key risks that are specific to the issuer?

The attention of prospective investors is drawn to the risks associated with an investment in the Company which, in particular, include the following:

- A failure in Pinewood.AI's cybersecurity, as a result of cyberattacks or otherwise, may materially disrupt the business and operations of the Group or result in the inappropriate disclosure of confidential information.
- The Group's business and products depend on the availability, integrity and security of its IT systems and any actual or perceived issues with the Group's IT systems could result in loss of data, expose the Group to litigation or investigations, or harm the Group's reputation and relationships with customers, which could materially disrupt the business and operations of the Group.
- If the Group is unable to attract, retain and motivate its executives and key employees, it may not be able to execute its business strategy effectively.
- The Group may not be able to retain its existing customer base, or may be unable to successfully attract new customers, which could affect its business and results of operations.
- There is no guarantee that the strategic objectives of the Group will be met, which could affect its business and results of operations.
- The Group has experienced rapid growth, which may not be sustainable or indicative of future growth, and the Group's growth assumptions could be inaccurate, leading to lower than expected financial results.
- The Group's development efforts may not produce successful new products or enhancements to existing products that result in significant revenue, cost savings or other benefits, which could result in the loss of new revenue opportunities, or termination or non-renewal of existing contracts and reputational harm.
- Competition from other dealer management systems could have an adverse effect on the business, financial condition and/or results of operations.
- Due to the global nature of the Group's operations, adverse macroeconomic conditions could have a material adverse impact on the Group.



### 3. KEY INFORMATION ON THE SECURITIES

#### 3.1 What are the main features of the securities?

##### **Ordinary Shares**

The Existing Ordinary Shares (as defined below) are, and the New Ordinary Shares once issued will be, ordinary shares of the Company of £1.00 each with ISIN GB00BSB7BS06 and SEDOL (Stock Exchange Daily Official List) number BSB7BS0.

As at the close of business on the Latest Practicable Date, the Company had in issue 100,539,286 fully paid Ordinary Shares (the “**Existing Ordinary Shares**”). The Company has no partly paid Ordinary Shares in issue. The Ordinary Shares are denominated in Pounds Sterling.

Pursuant to the Acquisition, the Company proposes to issue 14,560,691 New Ordinary Shares of £1.00 each in the capital of the Company (the “**New Ordinary Shares**”). The New Ordinary Shares will be issued to the Seller as consideration for the transfer by the Seller (a subsidiary of Lithia) of its equity interest in Pinewood North America, LLC (the “**Joint Venture**” and the “**Majority JV Interests**”, respectively) to the Company (the “**Acquisition**”). Each New Ordinary Share is expected to be issued at a premium of 286.5 pence to its nominal value of £1.00.

##### **The rights attaching to the Ordinary Shares**

The rights attaching to the New Ordinary Shares will, once issued, be uniform in all respects and they will form a single class together with the Existing Ordinary Shares for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

The Ordinary Shares have the following rights:

- (a) Dividend rights: all Ordinary Shares are entitled to participate in dividends which the Company declares from time to time proportionate to the amounts paid or credited as paid on such Ordinary Shares;
- (b) Rights as respect to capital: all Ordinary Shares are entitled to a distribution of capital in the same proportions as capital is attributable to them (including on a winding up). In the event of insolvency, the Shareholders will be entitled to a share in the capital of the Company in the same proportions as capital is attributable to them, only after the Company has settled all amounts owed to its creditors; and
- (c) Voting rights: every Shareholder shall have one vote for each Ordinary Share held by it.

##### **Restrictions on free transferability of Ordinary Shares**

The Ordinary Shares are freely transferable and there are no restrictions on transfer in the UK.

##### **Dividend policy**

It is the current intention of the Directors to reinvest any income in the Group's platform and growth. However, the Directors may consider the payment of dividends (or other methods of returning net proceeds to Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of, and investment opportunities available to, the Group.

#### 3.2 Where will the securities be traded?

Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the equity shares (commercial companies) category of the Official List of the FCA and to trading on the main market for listed securities of the London Stock Exchange (the “**Main Market**”), respectively (“**Admission**”).

#### 3.3 What are the key risks that are specific to the securities?

- The value of an investment in the Company may go down as well as up. The market price of Ordinary Shares could be volatile and subject to fluctuations due to a variety of factors relating to the Group. Furthermore, stock markets may experience significant price and volume fluctuations which affect the market prices for securities, including the Ordinary Shares, and which may be unrelated to the Group's operating performance or prospects.
- If the Acquisition completes, the Seller will have an interest in approximately 32.0 per cent. of the issued Ordinary Shares of the Company. Subject to the provisions of the relationship agreement between the Company and the Seller dated 31 January 2024, such a shareholding would give the Seller the ability to exert substantial influence over the Group and the Seller's interests may differ from or conflict with those of other Shareholders. The Seller may possess sufficient voting power to have an influence on all matters requiring Shareholder approval. The market price of the Ordinary Shares may decline if the Seller were to use its influence over the Company's voting capital in ways that are or may be adverse to the interests of other Shareholders.
- Following the issue of the New Ordinary Shares, Shareholders other than the Seller will experience dilution in their ownership of the Company. In addition, any future issues of Ordinary Shares may further dilute the holdings of Shareholders. Any such issuances may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price.

#### **4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET**

##### **4.1 Under which conditions and timetable can I invest in this security?**

###### **General terms and conditions**

Under the terms of the Acquisition, the Seller will receive 14,560,691 New Ordinary Shares at an issue price of 386.5 pence per New Ordinary Share, being the volume weighted average price of the Ordinary Shares during the thirty day period preceding the date of this document.

The Majority JV Interests will be acquired by the Company pursuant to the Acquisition fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

The New Ordinary Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, paid or made by Pinewood.AI by reference to a record date falling after Admission.

###### **Admission**

Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the equity shares (commercial companies) category of the Official List of the FCA and to trading on the Main Market, respectively.

###### **Dilution**

The proportionate ownership and voting interests in the Company of Shareholders other than the Seller will be diluted by 12.7 per cent. as a result of the Acquisition (assuming no Ordinary Shares are issued due to the vesting or exercise of any awards under any of the Company's share plans between the Latest Practicable Date and Admission).

###### **Costs and Expenses**

The total estimated costs and expenses of the Acquisition payable by the Company are £2.1 million (exclusive of VAT). There are no commissions, fees or expenses to be charged to investors by the Company.

##### **4.2 Why is this prospectus being produced?**

###### **Reasons for the issue of this document**

This document has been published solely in connection with Admission and does not constitute an offer or invitation to any person to subscribe for or purchase any shares in the Company. The New Ordinary Shares will be issued to the Seller as consideration for the transfer by the Seller of the Majority JV Interests to the Company.

###### **Use of proceeds and amount of net proceeds**

There are no proceeds receivable by the Company as a result of the issue of New Ordinary Shares pursuant to the Acquisition.

###### **Underwriting**

The issue of New Ordinary Shares is not being underwritten.

###### **Material conflicts of interest**

Each of Christopher Holzshu and George Hines are directors of the Company and also officers of Lithia.

## RISK FACTORS

*Any investment in Ordinary Shares involves risk. Prior to investing in Ordinary Shares, an investor should carefully consider the risks associated with any investment in securities and, in particular, all the information in this document, including the risks described below.*

*The risks set out below do not purport to be a complete list or explanation of all the risks involved in investing in the Ordinary Shares or which may adversely affect the Company's business, but are those which the Directors are aware of and which they consider material. However, additional risks and uncertainties not currently known to the Directors, or that the Directors currently consider immaterial, may also adversely affect the Group's business, results of operations, financial condition and prospects.*

*If any or a combination of the following risks materialise, the Group's business, financial condition and/or operational performance could be materially adversely affected. In that case, the trading price of the Ordinary Shares may decline and investors may lose all or part of the value of their investment.*

*Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in the section of this document entitled "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the additional risks and uncertainties described below.*

*An investment in Ordinary Shares is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which may result from the investment. Accordingly, prospective investors are recommended to obtain independent financial advice from an adviser authorised under the FSMA (or another appropriately authorised independent professional adviser) who specialises in advising upon investments in shares or other securities.*

*As required by the Prospectus Regulation, the risk that the Directors consider to be the most material risk in each category, taking into account the negative impact on the Company and the probability of its occurrence, has been set out first. Given the forward-looking nature of the risks, there can be no guarantee that any such risk is, in fact, the most material or the most likely to occur. Investors should, therefore, review and consider each risk.*

### **1. THE GROUP'S BUSINESS ACTIVITY AND INDUSTRY**

#### **1.1 A failure in Pinewood.AI's cybersecurity, as a result of cyberattacks or otherwise, may materially disrupt the business and operations of the Group or result in the inappropriate disclosure of confidential information**

The continually increasing sophistication and prevalence of cyberattack and other cybersecurity threats means there will be a risk of breaches of Pinewood.AI's information technology ("IT") security systems which could result in unauthorised access to data centres (which may lead to a loss of source code) or other parts of Pinewood.AI's IT environments containing confidential information. These attacks include but are not limited to malicious software or viruses, attempts to gain unauthorised access to, or otherwise disrupt, the Group's IT systems, attempts to gain unauthorised access to proprietary information, and other electronic security breaches that could lead to disruptions in critical systems, an unauthorised release of confidential or otherwise protected information and corruption of data. These threats are constantly evolving, making it increasingly difficult to defend successfully against them, or to implement adequate preventative measures. These attacks may create system disruptions or cause shutdowns for significant periods of time. Cybersecurity failures may also be caused by employee error or malfeasance, system errors or vulnerabilities, including vulnerabilities of the Group's suppliers' and customers' IT security systems, any of which could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

Although the Group actively monitors cybersecurity threats, maintains information security systems which have received the ISO27001 certification, as well as cyber liability insurance providing access to a dedicated cyber incident response centre, given the increasing sophistication and prevalence of

computer hackers and other cybersecurity threats, and that these threats are constantly evolving, there can be no assurance that these measures will be successful in preventing breaches of Pinewood's IT systems or be effective in resolving issues arising from disruption in part or at all or in a timely fashion.

If the Group were subject to, or perceived to be subject to, a cyberattack or other cybersecurity threat, it could, among other things, disrupt business operations, disrupt customers' access to the Group's products, lead to unauthorised disclosure of proprietary information or data or damage or destroy IT systems or data, each of which could expose the Group to investigative and remedial costs and it may be subject to litigation and financial losses that are either not insured against or not fully covered through any insurance maintained by the Group. Moreover, any such cyberattack or other cybersecurity threat could have a detrimental impact on the Group's relationships with existing customers, employees and other stakeholders, including the Group's ability to provide services, and its ability to attract new customers. Any one or more of these events could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

## **1.2 The Group's business and products depend on the availability, integrity and security of its IT systems**

The Group's IT systems and software are integral to its business and rely on controls and systems to ensure the data integrity of critical business information and the proper operation of its networks. The consistent, efficient, and secure operation of the Group's IT systems, including computer software and networks, including those of third-party IT providers or business partners engaged by the Group, is critical to the successful performance of the Group's operations and reputation.

The Group also outsources certain IT-related functions to third parties that are responsible for maintaining their own network security, disaster recovery and systems management procedures. If such third parties fail to manage their IT systems and related software applications effectively, this could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

The Group's products may contain vulnerabilities or critical security defects which have not been remedied and cannot be disclosed without compromising the security of Pinewood.AI's IT systems. The Group also makes prioritisation decisions in determining which vulnerabilities or security defects to fix and the timing of these fixes. In addition, the Group relies on third-party providers of software and cloud-based services, and it may not be aware of such vulnerabilities or critical security defects and cannot control the rate at which they remedy them. Further, when customers do not deploy specific releases, or decide not to upgrade to the latest versions of Pinewood.AI's products or cloud-based solutions containing the release, they may be left vulnerable. Vulnerabilities and critical security defects, prioritisation decisions in remedying vulnerabilities or security defects, failure of third-party providers to remedy vulnerabilities or security defects, or customers not deploying specific releases or deciding not to upgrade products or solutions could result in claims of liability against the Group, damage its brand or reputation or otherwise have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

Actual or perceived issues with the Group's IT systems or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about the Group, its partners, its customers or third parties could expose the Group and the parties affected to a risk of loss or misuse of this information. This could result in litigation and potential liability, monetary damages, regulatory inquiries or actions, damage to the Group's brand and reputation or other harm to the Group's business. The Group's efforts to prevent and overcome these challenges could increase its expenses and may not be successful. The Group may experience interruptions, delays, cessation of service and loss of existing or potential customers. Such disruptions could adversely impact the Group's ability to fulfil orders and interrupt other critical functions. Delayed sales, lower margins or lost customers as a result of these disruptions could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

## **1.3 If the Group is unable to attract, retain and motivate its executives and key employees, it may not be able to execute its business strategy effectively**

The activities of the Group are technical and complex and require a skilled and motivated workforce across a range of roles at all levels of the business. Failure to recruit, develop and retain a workforce

of skilled and motivated individuals, in critical management and operational positions, could detrimentally impact the Group's strategic priorities, business performance and profitability. The loss of key personnel could disrupt the Group's development pipeline, impact product quality and weaken relationships with customers, impacting long-term growth and operational stability. The Group's success therefore depends in particular on the continued employment of its senior management team, certain specialist software engineers, and certain sales and marketing personnel, to ensure that it develops and maintains a sufficient number of employees at various levels of seniority across the Group's business.

Changes in immigration and work permit laws and regulations in the UK or the administration or interpretation of such laws or regulations could impair the Group's ability to attract and retain highly qualified employees. If the Group is unable to retain its key employees and/or unable to recruit enough suitably experienced and talented employees, its ability to develop and deliver successful products, maintain relationships with customer and brand partners, continue its research and development activities, or grow its business may be adversely affected. Additionally, competition for personnel results in increased costs. The interpretation and application of employment-related laws to the Group's workforce practices may result in increased operating costs and less flexibility in how it meets its workforce's needs.

Any inability to successfully retain existing key personnel, or to recruit personnel with relevant skills and experience in line with the Group's growth strategy, could be significantly detrimental to its product development programmes, product quality, customer relationships and could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

#### **1.4 The Group's revenue could be adversely impacted if it fails to retain existing customers**

The Group's business depends on its ability to retain existing customers. For the 11-month period ended 31 December 2024, the Group's top five customers represented approximately £11.8 million, or approximately 37.7 per cent., of its total revenue. Failure to retain these customers and other significant customers could negatively impact the Group's business and could contribute to significant fluctuations in its performance. Customers could terminate the services provided to them by the Group for a variety of reasons, including:

- (a) the customers' level of satisfaction with the Group's products and services, including their pricing and quality;
- (b) failure by the Group to comply with its contractual agreements with customers;
- (c) the pricing and quality of competing products or services, and the ability to obtain more integrated product and service offerings from the Group's competitors;
- (d) the effectiveness of the Group's support services;
- (e) the effects of global economic conditions;
- (f) other economic needs or pressures being experienced by the customer, including limitations on liquidity, or liquidation or bankruptcy; or
- (g) a reduction in an individual customer's demand for the services.

Failure by the Group to meet contractually agreed commitments and targets with customers could result in dissatisfaction, leading to strained relationships with clients, contractual penalties, potential litigation, or the termination of contractual relationships. Any such failure could also have a negative impact on the reputation of the Group, and its relationships with other customers.

Any failure by the Group to retain existing customers for any of the foregoing reasons or otherwise could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

#### **1.5 There is no guarantee that the strategic objectives of the Group will be met**

The Company's strategy is focused on attracting new customers for its products in the UK, North America, central Europe, Japan and Southeast Asia and South Africa, increasing revenue from existing customers by offering new and innovative products, and adapting the Group's products for use across the United States market in the hope of widespread adoption in the United States. Whilst the Company



has made progress toward achieving its strategy, including acquiring two new material customers in the UK and a significant new customer in Japan, there can be no guarantee that the Group's strategy is appropriate for the current economic climate or market cycle, or that the strategic and investment objectives of the Group will be met. The results of the Group's operations will depend, amongst other things, on the ability of the Group to attract new customers, adapt and deploy its existing products and develop new products, conditions in the financial markets, general economic conditions and the ability of the management team to manage potential threats and to implement and adapt the Group's strategy to changes in the economic climate or market cycle.

The Group's strategy involves expansion into the North American market, and assumes that the Acquisition will address the concerns of certain dealership groups in North America which the Company currently believes may be reluctant to adopt Pinewood.AI's technology as a result of Lithia's involvement in the Joint Venture, resulting in the acquisition by the Group of new customers in North America. As the Acquisition and the issue of the New Ordinary Shares will result in an increase in Lithia's interest in Ordinary Shares, there is a risk that the Acquisition may not address the concerns of these dealership groups, and that the Group's strategy of expansion into North America may not proceed as planned. If the Acquisition does not complete, this may impact the Group's strategy of expansion in North America, as dealership groups may continue to be reluctant to adopt Pinewood.AI's technology as a result of a Lithia's involvement in the Joint Venture. Furthermore, whilst the Group has agreed to enter into an agreement on completion of the Acquisition with Lithia regarding the roll-out of its products in North America in line with its strategy, this agreement is subject, amongst other things, to the Group's products being commercially available, and there is therefore no guarantee that the full roll-out of the Group's products to Lithia will complete.

Any failure to meet the Group's strategic and investment objectives could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

**1.6 The Group has experienced rapid growth, which may not be sustainable or indicative of future growth, and the Group's growth assumptions could be inaccurate**

The Group has experienced high growth in demand for its products and services from existing customers, including the roll-out of the Group's products across Lithia's UK dealership platform, and the Group's growth targets assume that the Group's products will be rolled-out by recently acquired and existing customers, including the roll-out of the Group's products across Lithia's North American dealership platform. However, there can be no assurance that the recent historical growth in customer demand will continue, nor that the Group's growth assumptions regarding demand from existing customers are accurate, nor that the roll-out of the Group's products by recently acquired customers, who may be in the process of rolling-out the Group's products, and existing customers will proceed as expected, nor that it will be able to continue to benefit from expansion into central Europe, Japan, Southeast Asia and South Africa. As a result, the Group's current growth trajectory could decline, and its growth targets may fail to be met.

The Group intends to grow further through the acquisition of new customers. The Group's assumptions regarding new customer acquisitions may not be accurate. For example, the Group's growth plan is partially dependent on the acquisition of new major dealership customers, including of other major dealership customers in North America following the acquisition of the Majority JV Interests from the Seller, and there is no guarantee that the sales team will be successful in their attempts to acquire such additional customers, or that the acquisition of the Majority JV Interests from the Seller will assist the Group in attracting new major dealership customers in North America.

**1.7 The Group's development efforts may not produce successful new products or enhancements to existing products that result in significant revenue, cost savings or other benefits**

Over the next several years, the Group intends to develop its product portfolio, including to adapt it to new markets, and through continued introduction of new services, custom programmes and software. The Group will need to anticipate and adapt to emerging trends and technological developments by its competitors and peers, including disruptive technologies, which, if they were to be developed or reach commercial viability, could supersede the Group's products or offer a competing alternative to existing customers. If the Group is unable to develop its product portfolio, including to adapt it to new markets effectively, it may be unable to take advantage of market opportunities or fail to satisfy customer product or support requirements, maintain the quality of the Group's products, execute its

business plan or respond to competitive pressure, resulting in the loss of new revenue opportunities, or the termination or non-renewal of existing contracts and reputational harm.

Any products developed by the Group may require continued investment and development in order to ensure they remain relevant to customer requirements and are not superseded by products offered by competitors. The extent of investment and development of the Group's products will need to be managed and prioritised considering the expected future prospects, especially their potential for acceptance by customers in key markets. Insufficient or misplaced focus on research and development projects may damage the long-term growth prospects of the Group and if the Group fails to accurately predict customers' changing needs and emerging technological trends the Group's business could be harmed.

The Group also plan to further penetrate markets where its presence is currently limited, including in central Europe, North America, Japan, Southeast Asia and South Africa. Customers in new markets may require greater support or different product offerings, which may require it to hire appropriately qualified personnel in these markets, who may be in short supply. If the Group is unable to find appropriate personnel and partners, the success of its expansion into new markets could be adversely affected.

There can be no assurance that the Group will successfully identify new product opportunities, or that the Group's investment in its product development will generate the expected returns, that the Group's investments will result in products that it will be able to bring to market, or that the market will accept such new products. Moreover, a failure by the Group to keep up with technological advances may render their existing product and services partially obsolete, which could have a material adverse effect on the Group's business, operational results and prospects.

#### **1.8 Competition from other dealer management systems could have an adverse effect on the business, its financial condition and/or results of operations**

The Group faces competition from other dealership management systems in the UK and the other markets in which it operates. Competition from other dealership management systems may lead to challenges in attracting new customers and retaining existing customers, pressure on the Group over the price at which it can supply its products and services to customers, and pressure on the Group to develop and offer new products and services.

The Group's strategy involves expanding into new jurisdictions into which its presence is more limited, and in which its competitors have existing relationships with customers. The future success of the Group will depend on its ability to attract customers who are currently supplied by its competitors, and there can be no guarantee that the sales team will be successful in their attempts to acquire such additional customers from the Group's competitors.

The Group also faces the risk that it will lose customers as a result of competition, which could come from existing providers of dealership management systems, or the development of other novel dealership management systems. In addition, the Group also provides services to a small number of customers, that could decrease their demand for the Group's services in the future as a result of introducing their own infrastructure and services thereby eliminating their need for the Group's products and services.

Furthermore, other providers of dealership management systems in the markets in which the Group competes may succeed in improving their product offering and reliability or invest more in sales, product development or mergers and acquisitions, and thereby become more attractive to customers. For example, several of the Group's competitors currently invest significantly more than the Group in research and development, and employ significantly more software developers than the Group, in attempts to improve their products to allow them to directly compete with the Group. These competitors may also improve their performance in the sector and/or be more effective than the Group at capitalising on any shifts in the automotive industry. Moreover, certain of the Group's competitors have more recognised brands, which may engender greater customer confidence in the safety and efficacy of their products and services. If the Group is unable to continue to differentiate itself from and successfully compete with its competitors, it could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.



The Group may also face pricing pressures from competitors. Competitors may be able to offer customers more customised products or services or lower prices for similar products and services in certain local markets. Such competition may result in the need for the Group to develop and offer similar products and services or to reduce the pricing it offers to its customers, either of which could reduce the Group's profitability. Any failure to successfully compete could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

**1.9 Due to the global nature of the Group operations, adverse macroeconomic conditions could have a material adverse impact on the Group**

The Group's international operations are spread across the UK, central Europe, America, Southeast Asia, and the rest of the world. As a result, the Group is affected in particular by economic conditions in the UK and those other markets, as well as by broader macroeconomic conditions.

Adverse changes in global, regional or local economic conditions, including inflation, recessions or slowing growth, changes or uncertainty in fiscal, monetary or trade policy, higher interest rates, tighter credit, inflation, lower capital expenditures by businesses, including on IT infrastructure, increases in unemployment, and lower consumer confidence and spending, periodically occur. Instability in the geopolitical environment in many parts of the world (e.g. the Russia/Ukraine conflict, increasing tensions between China and Taiwan, and the current economic challenges in China) resulted in, among other things, persistent high inflation throughout 2023 and 2024. A slowdown in economic growth could have a range of adverse effects on the Group, including a decrease in the profits of dealerships, resulting in decreased demand for the Group's products, particularly on sales of add-on products which forms a key part of the Group's strategy, the insolvency of key customers, delays in reporting or payments from its customers, or failures by counterparties.

Free trade laws and regulations have provided certain beneficial duties and tariffs for qualifying products that are imported or exported, which are of key importance to the automobile business. Changes in laws or policies governing the terms of foreign trade, and in particular increased trade restrictions, tariffs or taxes on imports from countries where the Group imports products or components, either directly or through the Group's suppliers, could have an adverse effect on the financial position of its customers, which may in turn have a negative impact on the Group's financial results. Trade protection measures such as tariffs and other legal and regulatory requirements may also affect the Group's customer's business and financial position, including the recent tariffs imposed by the United States on various countries, which could have an impact on the profits of dealerships and could result in a decrease in demand for the Group's products or for the products of its customers, the insolvency of key customers, delays in reporting or payments from its customers, or failures by counterparties.

**1.10 Changes in the broader automotive industry could have an adverse impact on the Group**

The Group's revenue is derived from customers operating in the automotive industry, and the Group's operations and performance are therefore affected by factors that impact the automotive industry. The automotive industry is sensitive to factors such as global trade policy, consumer confidence, disposable income levels, availability of credit, commodities and resources, pandemics, epidemics and other health crises, fuel prices, and general economic conditions.

As part of its growth strategy, the Group intends to substantially increase its customer base in the United States. The recent trade tariffs imposed by the United States on various countries could materially and adversely affect complex supply chains in the automotive industry and have an adverse impact on the automotive industry in the United States, and globally. The Group's customers could be affected by potential retaliatory measures from Europe, China or other countries, including the potential imposition of tariffs on products from the United States. In addition, new import restrictions, non-tariff trade barriers and/or tariffs could result in higher prices for vehicles, which could in turn have a negative impact on the demand for vehicles and thereby the performance of the Group's customers. The automotive industry supply chain has developed over decades and relies on existing trade arrangements to provide for cross-border supplies of raw materials, automotive parts and other components. The impact of terminating existing trade arrangements could be materially disruptive to the supply chains resulting in immediate shortages of critical parts and components necessary to manufacture automobiles.

Whilst a slowdown in automotive industry in the UK, the United States or globally could result in a decrease in the amount of capital that potential customers of the Group would have to invest in the implementation costs necessary to adopt the Group's products, which could negatively impact its growth strategy in the United States and internationally, such customers may also be more likely to seek the efficiency and cost saving benefits offered by the Group's products during a market downturn. A slowdown in the automotive industry could have a range of other adverse effects on the Group, including the insolvency of key customers, delays in reporting or payments from its customers, or failures by counterparties, which could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

**1.11 The Group's use of artificial intelligence exposes it to additional risks, including of increased regulatory scrutiny, and higher risks of data protection breaches**

The Group's platform integrates elements of artificial intelligence ("AI") technology and, following the acquisition by the Group of Seez, the Group offers AI products to its customers. AI systems are highly reliant on the collection and analysis of large amounts of data, and certain data in such models may contain a degree of inaccuracy and error.

The Group may face regulatory scrutiny in the future over its use of AI, which may limit the development and deployment of this technology and impede the use by the Group of its AI products, and result in increased costs of the Group in addressing such scrutiny. Additionally, the collection of data from consumers and other sources by its AI products could face increased scrutiny by regulators, particularly regarding how the data is collected, stored, safeguarded and used. Any misuse of personal data by the Group could result in litigation and potential liability, monetary damages, regulatory inquiries or actions, damage to the Group's brand and reputation or other harm to its business.

The use of AI products by the Group makes it more likely that a data protection breach could result in the loss of a large amount of personal data. If one or more of such events occur, it could result in the loss of the Group's or its customers' confidential and other information, or otherwise cause interruptions or malfunctions in the Group's, its customers' or third parties' operations. The Group may be required to expend significant additional resources to modify its protective measures or to investigate and remedy vulnerabilities or other exposures, and it may be subject to litigation, reputational harm and financial losses that are either not insured against or not fully covered through any insurance maintained by it.

**1.12 A default by a major customer or a significant number of customers could result in a significant loss of income and increased bad debts**

The Group's revenue is derived from customers operating in the automotive retail sector. The Group's top five customers accounted for approximately 37.7 per cent. of its revenue for the 11-month period ended 31 December 2024. Following the successful roll-out of the Group's products to Lithia's automotive retailers based in the United States, the Group's exposure to Lithia is expected to substantially increase from its 28.1 per cent. contribution to Group's revenue for the 11-month period ended 31 December 2024.

Greater exposure to the creditworthiness of any one customer may mean that the Company's performance is significantly affected by events outside its control that impact that customer. A downturn in the markets or economies in which the Group operates, or the bankruptcy or insolvency of a customer could force the Group's customers to default on their payment obligations. Such a default, in particular by several of the Group's key customers could result in a significant loss of income and bad debts, and a decrease in the value of the Group.

**1.13 The Group may not be able to effectively manage its growth through acquisitions**

The Group has recently expanded its product portfolio through the acquisition of new products and software, including the acquisition of Seez, and may in the future undertake further transactions to acquire new products or software. The acquisition of new product portfolios may require the Group to commit substantial financial and managerial resources to such transactions, and the subsequent integration of such products into the Group's existing platform. Such acquisitions may increase the exposure of the Group to foreign laws, which will require the Group to enhance its internal controls, policies and procedures in order to effectively manage its business, as well as further develop its organisational infrastructure and systems to deal with the greater scale and complexity of its operations.

Prior to entering into an agreement in connection with future acquisitions, the Group will perform due diligence on the proposed target. In doing so, it would typically rely in part on third parties to conduct a significant portion of this due diligence. To the extent that the Company or other third parties underestimate or fail (or have underestimated or failed) to identify risks and liabilities associated with the investment in question, the Group may be subject to defects in title, or operational defects requiring remediation, which may have an adverse effect on the Company's profitability and the price of the Ordinary Shares.

The Group is likely to recognise the costs associated with these acquisitions earlier than the anticipated benefits. Additionally, the return on the Group's investment in such acquisitions may be lower than anticipated if the Group overestimates market demand for the product portfolios acquired, or may be realised over a longer period of time or cost significantly more to integrate than currently expected. Further, if revenue does not increase at a rate that offsets these expenses, the Group's profit margins may be adversely affected.

As at the Latest Practicable Date, the Group does not have any third party borrowings, but may, in the longer term, elect to seek to raise financing to fund future acquisitions and strategic growth. The incurrence of any future indebtedness could result in increased interest expense and could require the Group to agree to covenants that would restrict its operations and its ability to incur additional debt or engage in other capital-raising activities. The Group may also issue additional equity (in addition to the New Ordinary Shares) to finance such acquisitions, which would result in existing Shareholders being diluted.

If the Group cannot effectively manage any future acquisitions, or the integration of recent and future acquisitions, operations and costs, it may not be able to grow as quickly or as profitably as expected, which could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

#### **1.14 Valuations are inherently subjective and uncertain**

The valuation of the Majority JV Interests is inherently subjective and uncertain, and is made on the basis of assumptions which may not prove to be accurate. Valuations are complex and may involve the consideration of data which is not publicly available. In estimating the fair market value of the Majority JV Interests, the Valuer was required to make certain assumptions in respect of matters including, but not limited to, the existence of willing buyers and sellers (including in uncertain market conditions). Additionally, the valuation of the Majority JV Interests is based on projections regarding the Joint Venture's business which have been prepared by management of the Joint Venture, including, but not limited to, the size of the market, and the speed of the roll-out of the Group's products in the United States. Such assumptions may prove to be inaccurate or flawed, which may mean that the value ascribed to the Majority JV Interests is incorrect, which could have a material and adverse impact on the price of the Ordinary Shares, and the Group's business, financial condition, results of operations or prospects.

#### **1.15 The Group's insurance coverage may not be adequate**

The Group has insurance in place which covers, amongst other things, losses related to public/ product liability, business interruption, cyberattacks, crime and civil liability, and directors' and officers' liability, however, the Group does not maintain full coverage under its insurance policies to cover all possible losses or damages, including for products, civil and criminal liability, and cyber issues. The occurrence of losses or other damages not covered by insurance could result in unexpected additional costs. For example, if the Group faces losses or liabilities in connection with cybersecurity issues, data security breaches, or significant service disruptions, it may not be covered by insurance to the full extent of damages that it faces. In addition, its insurance premiums may increase, which could have an ongoing impact on the Group's profitability, and it may be difficult to obtain sufficient coverage in the future, which could expose the Group to significant liabilities in the event of losses caused by incidents which are not covered. Any of the aforementioned issues could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

#### **1.16 Fluctuations in foreign exchange rates may adversely affect the performance of the Group**

The Ordinary Shares are quoted in Pounds Sterling and the accounts of the Group are reported in Pounds Sterling. However, certain of the Group's investments are made or operate in currencies other

than Pounds Sterling, and the Group's growth strategy involves the expansion into North America, central Europe, Japan and Southeast Asia and South Africa, such that certain of the Group's agreements with customers will be denominated in currencies other than Pounds Sterling, including Euros and USD. Accordingly, changes in exchange rates may have an adverse effect on the income derived by the Company from such customers, which could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

## **2. RISKS RELATED TO THE LEGAL AND REGULATORY ENVIRONMENT IN WHICH THE GROUP OPERATES**

### **2.1 The Group is subject to laws and regulations in the countries in which it operates, and failure to comply with them could result in adverse publicity, potentially significant monetary damages and fines, and the suspension of the Group's business operations**

The Group is subject to numerous laws, regulations, standards and protocols in the jurisdictions in which it operates including regarding consumer protection and product liability, tax, employment, human resources, environmental sustainability (including climate change), advertising, data protection and privacy, wage and price controls, foreign exchange controls, foreign investment, and competition and antitrust.

As the Group continues to expand its business into new geographies and/or expands the depth and scope of its product and service offerings, including the acquisition of the Seller's interest in the Joint Venture, it will become subject to additional legal and regulatory requirements in these and other respects, which could have a material impact on the way in which it is able to offer its products to customers.

In addition, the Group's ability to hire and maintain qualified staff and maintain the safety of its employees may also differ by location. Compliance with these requirements can be onerous and expensive, and may have a material and adverse impact on the Group's business, financial condition, results of operations or prospects. Furthermore, the legal and regulatory regimes of some of the jurisdictions in which the Group sells its products may not be as well developed and familiar to it as those in other countries in which it operates, particularly those in South America, Southeast Asia, South Africa and Japan.

Any significant changes to the legal or regulatory environment in which the Group operates, including as a result of it becoming subject to new laws and regulations, may require it to further enhance its risk and compliance capabilities, result in higher compliance costs, or change the way the Group designs, develops and arranges for the deployment of its products, any of which could increase the Group's cost base and have an adverse effect on its gross profit. In addition, although the Group has policies, controls, and procedures designed to help ensure compliance with applicable laws and regulations in place, there can be no assurance that the Group's employees, contractors, suppliers, or agents will not violate such laws or regulations, or the Group's policies.

While the Group cannot anticipate the scope and timing of any changes to the legal and regulatory environment in which it operates, failure to comply with applicable laws and regulations may result in product recalls, fines or penalties, liability for personal injury and/or property damage, and reputational damage, any of which could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

### **2.2 Legal, administrative, regulatory or arbitration proceedings or investigations could adversely affect the Group's reputation and harm its business and financial condition**

The Group may, from time to time, become involved in various actual or threatened legal, administrative, regulatory and arbitration proceedings and investigations arising out of or in connection with its ordinary course of business, including potential claims for breach of contract from customers, or contractual disputes with re-sellers. The expansion of the Group's operations in certain jurisdictions where litigation is more common may increase the risk that the Group is subject to legal, administrative or arbitration proceedings. Regardless of the merits of the claims, and whether the matter or amount subject to the claim is individually material, the cost of pursuing or defending current and future legal, administrative and arbitration proceedings or investigations may be significant, and such matters can be time-consuming and divert management's attention and resources. The results of litigation and other legal

proceedings are inherently uncertain, and adverse judgments or settlements in some or all of these legal disputes may result in substantial monetary damages, penalties and fines or injunctive relief against the Group, as well as reputational damage.

While the Group maintains insurance for certain legal risks, the Group may incur losses relating to litigation beyond the scope or limits of such insurance coverage, and its provisions for litigation-related losses may not be sufficient to cover the Group's ultimate loss or expenditure. Any future litigation-related provisions recorded by the Group, in a situation when it believes that a liability is likely to materialise and the associated amount can be reasonably estimated, may also be incorrect or inadequate to cover actual losses.

An unfavourable outcome in any litigation investigation, administrative proceeding, or other material dispute, or reputational damage resulting from a dispute, could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

### **2.3 The Group is subject to tax laws and regulations that are subject to interpretation, and changes in tax laws and practice may impact it**

The Group's activities are principally conducted in the UK, central Europe and the United States, and it is subject to taxes at various rates in these and other jurisdictions. Tax laws and regulations are inherently complex, and the Group is obliged to exercise significant judgement and interpretation in relation to the application of such laws and regulations to the business. In addition, tax laws and regulations, and the interpretation of the same, change regularly. The Group's interpretation and application of tax laws and regulations could be challenged by the relevant governmental authorities. Any such challenge could result in administrative or judicial procedures, actions or sanctions, the ultimate outcome of which could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

The Group could also be subject to periodic tax audits which could result in additional tax assessments relating to past periods being made. Although the Group believes that its tax estimates and methodologies are reasonable and the Group has not been the subject of any tax investigations, tax authorities have generally become more aggressive in their interpretation and enforcement of such laws, rules and regulations, as governments increasingly focus on ways to increase revenues. As such, any challenges to the Group's estimates and methodologies, or any additional taxes or other assessments the Group becomes subject to, may result in exposure to additional taxes.

There can be no assurance that the Group would be successful in attempting to mitigate the adverse impacts resulting from any changes in tax laws, regulations and rates, from any changes in the interpretation and application of any tax laws or regulations, or from any audits and other matters. The Group's inability to mitigate the negative consequences of any such changes could cause profitability to decrease or otherwise have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

## **3. RISKS RELATING TO THE PROPOSED TRANSACTION**

### **3.1 The Acquisition may be delayed or may not complete**

The Acquisition is conditional upon, amongst other things, the passing of the Resolutions at the General Meeting and the satisfaction of certain regulatory notification requirements. There can be no assurance that the conditions will be satisfied and that the Acquisition will complete by the long stop date of 3 September 2025, or at all. Completion will occur on Admission and the Acquisition Agreement will become unconditional and incapable of termination following such time. If the conditions to the Acquisition are not satisfied by the long stop date of 3 September 2025 or the Acquisition Agreement is otherwise terminated for any reason, the Acquisition will not proceed.

If the Acquisition does not proceed, there may be an adverse impact on the reputation of the Group and the Group's strategy, as set out in paragraph 1.5, above. Any such reputational risk could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects. The Company anticipates that the Acquisition will allow the Group to attract further significant customers in the United States, and if the Acquisition does not proceed, this may make the



acquisition of significant customers in the United States more difficult, which could have an impact on the Group's expected growth.

Given that the Seller has agreed to dispose of its interest in the Joint Venture, failure of the Group to complete the Acquisition could have a detrimental impact on the Group's relationship with Lithia, who is a key customer of the Group, as well as a substantial shareholder (through the Seller). If the Group's relationship with Lithia was damaged as a result of the failure by the Group to complete the Acquisition, this could have an adverse effect on the performance of the business of the Joint Venture, including on the value of the Group's current interest in the Joint Venture, of which Lithia indirectly owns 51 per cent.

**3.2 The Group may fail to realise, or it may take longer than expected to realise, the expected benefits of the Acquisition**

The Group may not realise the anticipated benefits that the Company expects will arise as a result of the Acquisition, or may encounter difficulties, higher costs or delays in achieving those anticipated benefits. For example, the Company anticipates that the Acquisition will allow the Group to appeal to competitors of Lithia in the United States who may currently be dissuaded from contracting with the Group given its relationship with Lithia, but there is no guarantee that the Acquisition will result in competitors of Lithia agreeing to use the Group's products and services.

Additionally, whilst the Company has obtained an independent valuation of the Majority JV Interests, the assumptions upon which the valuer estimated the fair market value of the Majority JV Interests may prove to be incorrect and the value of the Majority JV Interests may be lower than the value of the New Ordinary Shares.

Any failure to realise the anticipated benefits that the Company expects to arise as a result of the Acquisition, or any delay in achieving such anticipated benefits, could have a material and adverse impact on the Group's business, financial condition, results of operations or prospects.

**3.3 The Company has incurred significant costs in connection with the Acquisition, some of which are payable even in the event the Acquisition does not proceed**

The Company expects to incur expenses of approximately £2.1 million in relation to completion of the Acquisition, and expects to incur further costs including integration and post-completion costs, in order to implement the Acquisition successfully and deliver the anticipated benefits. The actual costs may exceed those estimated and there may be additional and unforeseen expenses incurred in connection with the Acquisition. In addition, the Group has incurred, and will incur, legal, accounting and transaction fees and other costs relating to the Acquisition, a material part of which are payable whether or not the Acquisition completes. Such costs could adversely affect Group's results of operations.

**3.4 Shareholders, other than the Seller, will experience a dilution of their ownership of the Company**

Pre-emption rights do not apply to the issue of the New Ordinary Shares to the Seller pursuant to the Acquisition. Following completion of the Acquisition, Shareholders other than the Seller will experience dilution in their proportionate ownership and voting interest in the Company compared to their proportionate ownership and voting interest in the Company immediately prior to completion of the Acquisition because of the issue of New Ordinary Shares to the Seller. Each Shareholder other than the Seller will suffer dilution of approximately 12.7 per cent. to their ownership and voting interests in Pinewood.AI. Accordingly, the influence that may be exerted by existing Shareholders other than the Seller in respect of the Group will be reduced.

**3.5 Following completion of the Acquisition, the Seller's shareholding in the Company will increase, which may impact the Group's relationships with competitors of Lithia**

As a result of the Acquisition, Pinewood.AI's exposure to Lithia is expected to increase, particularly through the expansion of the Seller's interest in Ordinary Shares. While this deepened relationship may offer strategic alignment and opportunities for collaboration, it also represents a shift in the Company's Shareholder profile. Changes of this nature may influence third party's perception of the Company's independence and positioning within the broader market. Although Pinewood.AI remains committed to serving all customers equally and maintaining its open, partner-neutral approach, it is possible that

some existing customers may reassess their commercial engagement with Pinewood.AI over time, and potential new customers who are competitors of Lithia may be less likely to switch to using the Group's products, depending on how they interpret the evolving shareholder landscape. If the Group's existing customers were to cease to use the Group's products, or potential new customers were to decline to switch to the Group's products, as a result of their interpretation of Pinewood.AI's shareholder profile, this could have a material and adverse impact on the Group's growth strategy, business, financial condition, results of operations or prospects.

#### **4. RISKS RELATING TO THE ORDINARY SHARES**

##### **4.1 The market price of the Ordinary Shares may go down as well as up and may be subject to greater volatility and less liquidity following the Acquisition**

The value of an investment in the Company may go down as well as up and can be highly volatile. The price at which the Ordinary Shares may be quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors including changes in sentiment in the market regarding the Ordinary Shares (or securities similar to them), any regulatory changes affecting the Group's operations, variations in its operating results, business developments or its competitors, the operating and share price performance of other companies in the industries and markets in which it operates, or speculation about the Group's business in the press, media or investment community. Stock markets may experience significant price and volume fluctuations which affect the market prices for securities, including the Ordinary Shares, and which may be unrelated to the Group's operating performance or prospects. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors.

The sentiments of the stock market regarding the Acquisition will be one such factor and this, together with other factors, including the actual or anticipated fluctuations in the financial performance of the Group and its competitors, market fluctuations, and legislative or regulatory changes in the Group's sector, could lead to the market price of Ordinary Shares going up or down.

##### **4.2 Lithia's interests may not be aligned with those of other Shareholders**

Immediately following Admission, Lithia (through the Seller) will have an interest in approximately 32.0 per cent. of the Enlarged Share Capital. As a result, Lithia may possess sufficient voting power to have significant influence over all matters requiring Shareholder approval. If Lithia were to obtain a shareholding in the Company in excess of 50 per cent. in the future it would be able to pass ordinary resolutions of the Company (subject to any restrictions pursuant to the Listing Rules).

Although the Seller has entered into the Relationship Agreement with the Company to govern its relationship with the Company, to the extent that Lithia (through the Seller) retains a substantial interest in the Company, it may be able to exercise significant influence over its management, Board's decisions, and Shareholders' meetings, including through the two directors appointed to the Board by Lithia. Lithia may have strategic objectives or other goals that diverge from those of other Shareholders and, accordingly, there can be no assurance that Lithia's interests will coincide with the interests of purchasers of the Ordinary Shares.

Additionally, any significant change in Lithia's interest in Ordinary Shares may result in changes in the Group's business strategy, focus or practices, which may in turn adversely affect the Group. The market price of the Ordinary Shares may decline if Lithia uses its influence over the Company's voting capital in ways that are or may be adverse to the interests of other Shareholders.

##### **4.3 The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of Ordinary Shares in the public market by Lithia, including following the expiry of the lock-up period, or the perception that such sales could occur**

Following the Acquisition, Lithia (through the Seller) will have an interest in approximately 32.0 per cent. of the Company's issued Ordinary Share capital. Pursuant to the terms of the Relationship Agreement, the Seller is subject to restrictions on the sale and/or transfer of the majority of its holding of Ordinary Shares, having undertaken not to dispose of the 13,969,444 Ordinary Shares issued to the Seller in connection with the Disposal until 1 February 2026, and having undertaken not to dispose of the New Ordinary Shares for the duration of a lock-up period expiring two years after Admission. The sale of a substantial number of Ordinary Shares by the Seller in the public market after the lock-up restrictions



in the Relationship Agreement expire (or are waived by the Company), or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the issuance of additional Ordinary Shares or negatively impact the market price of Ordinary Shares.

#### **4.4 Shareholders' interests may be diluted as a result of subsequent issuances of Ordinary Shares**

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund expansion, including in exceptional circumstances as part of an agreement with a significant new customer. Further Ordinary Shares would also be issued on exercise of the warrants granted pursuant to the Warrant Instruments, which could result in the issue of a maximum of 6,098,093 Ordinary Shares, comprising up to 5.3 per cent. of the Enlarged Share Capital. If existing Shareholders do not subscribe for additional Ordinary Shares on a *pro rata* basis in accordance with their existing shareholdings, or Ordinary Shares are issued on a non-pre-emptive basis, this will dilute Shareholders' existing interests in the Company. Furthermore, the issue of additional Ordinary Shares may be on more favourable terms than those pursuant to which the Shareholder subscribed. The issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraise or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the price paid by the Shareholder.

#### **4.5 It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the Ordinary Shares**

Shareholders do not have a right for their Ordinary Shares to be redeemed and the Company does not have a definite life. While the Directors retain the right (subject to requisite Shareholder approval) to effect repurchases of Ordinary Shares, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors so to act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Ordinary Shares in the market. There can be no guarantee that a liquid market in the Ordinary Shares will be maintained or that the Ordinary Shares will trade at prices close to their underlying value of the Group. Accordingly, Shareholders may be unable to realise their investment at such underlying value or at all.

There may be a limited number of holders of Ordinary Shares. Further, following completion of the Acquisition, Lithia (through the Seller) will have an interest in approximately 32.0 per cent. of the Enlarged Share Capital, and will be subject to lock-up arrangements, with the Seller having undertaken not to dispose of the 13,969,444 Ordinary Shares issued to the Seller in connection with the Disposal until 1 February 2026, and having undertaken not to dispose of the New Ordinary Shares for the duration of a lock-up period expiring two years after Admission. This may mean that there is limited liquidity in the Ordinary Shares which may affect: (i) an investor's ability to realise some or all of their investment; and/or (ii) the price at which such investor can effect such realisation; and/or (iii) the market price of the Ordinary Shares.

#### **4.6 Investors may, in certain circumstances, be exposed to adverse ERISA consequences**

The Company cannot guarantee that equity interests in the Company will not be acquired by, or transferred to, investors that are ERISA Entities, particularly given that the Ordinary Shares are also traded over the counter in the United States through the OTC Best Market operated by OTC Markets Group Inc. If 25 per cent. or more of the total value of any class of equity interest in the Company (determined after the most recent acquisition of any equity interest in the Company and subject to certain other computational rules) were to be held by ERISA Entities, an undivided portion of the Company's assets could be required to be treated as "plan assets" subject to ERISA or the Code. In such a case, the Company and those responsible for advising the Company and its assets could become subject to applicable requirements of ERISA and the Code and could be obligated to cause the operations and investments of the Company to be administered, consistent with those requirements, other than as the Company and its advisers might otherwise think advisable. Moreover, it is not clear that, in such a case, the Company or its advisers could comply with all applicable requirements of ERISA or the Code. A failure of the Company or its advisers to comply with any such

applicable provision could result in injunctive or other relief that could adversely affect the Company, its advisers and its investors and in the assertion of a tax or penalty with respect to transactions involving the “plan assets” deemed to be held by the Company.

**4.7 There will be no public market for the Ordinary Shares in the United States or elsewhere outside the United Kingdom**

As at the Latest Practicable Date there is not, and following Admission there will not be, any public market for the Ordinary Shares, including the New Ordinary Shares, in the United States or elsewhere outside the United Kingdom. The New Ordinary Shares have not been, and will not be, registered under the United States Securities Act or any state securities laws of the United States and will be subject to significant restrictions on resale in the United States. The Company does not intend to apply for listing of the Ordinary Shares on a securities exchange or automated quotation system in the United States or elsewhere outside the United Kingdom. As a consequence, an active trading market is not expected to develop for the Ordinary Shares outside the United Kingdom and investors outside the United Kingdom may not be able to sell them at an acceptable price or at all.

**4.8 US and other Overseas Shareholders may be unable to participate in future equity offerings**

Holders of Ordinary Shares will, in certain cases, be entitled to pre-emption rights to subscribe for shares to be issued in connection with an increase in the Company's share capital, unless such rights have been waived by a resolution at a Shareholders' meeting. United States and certain other Overseas holders of Ordinary Shares will usually be excluded from exercising any such pre-emption rights they may have, unless exemptions from any overseas securities law requirements are available. There can be no certainty that the Company will utilise any such exemption from applicable overseas securities law requirements that might enable United States or other non-UK holders to exercise such pre-emption rights. If United States or other non-UK holders are not able to participate in future equity offerings, their interests in the Company may be diluted as a result.

## IMPORTANT INFORMATION

### General

THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE OR TRANSFER OF THE SECURITIES REFERRED TO IN THIS DOCUMENT IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

This document has been lodged with the FCA. Any reproduction or distribution of this document, in whole or in part, and any disclosure of its contents or use of any information contained in this document for any purpose other than considering an investment in Ordinary Shares is prohibited. By accepting delivery of this document, each recipient agrees to the foregoing.

The distribution of this document and/or the transfer of the Ordinary Shares into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this document should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. No action has been taken by Pinewood.AI or by Jefferies that would permit an offer of the Ordinary Shares or rights thereto or possession or distribution of this document or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

Potential investors should only rely on the information contained in this document and contained in any documents incorporated into it by reference. No person has been authorised to give any information or make any representations other than those contained in this document and all documents incorporated by reference into it and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or by or on behalf of Jefferies. No representation or warranty, express or implied, is made by Pinewood.AI or by Jefferies as to the accuracy or completeness of such information, and nothing contained in this document is, or shall be relied upon as, a promise or representation by Pinewood.AI or by Jefferies as to the past, present or future.

Without prejudice to any obligation of the Company to publish a supplementary prospectus pursuant to Article 23 of the Prospectus Regulation and Rule 3.4.1 of the Prospectus Regulation Rules, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as at any time subsequent to its date. Pinewood.AI will update the information provided in this document by means of a supplement hereto if required by law or regulation pursuant to Article 23 of the Prospectus Regulation and Rule 3.4 of the Prospectus Regulation Rules. This document and any supplementary thereto will be subject to approval by the FCA and will be made public in accordance with the Prospectus Regulation Rules.

The contents of this document are not to be construed as legal, business or tax advice. Each recipient should consult their own legal, financial or tax adviser for legal, financial or tax advice.

Each recipient should consult with such advisers as it needs to in order to make its investment decision and to determine whether it is legally permitted to hold shares under applicable laws or regulations. An investor should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Investing in and holding the Ordinary Shares involves financial risk. Prior to investing and holding Ordinary Shares, potential investors should carefully consider all of the information contained in this document, paying particular attention to the section entitled Risk Factors on pages 11 to 24 of this document. Potential investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information contained in this document and its personal circumstances.

Jefferies and their respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to the Group, for which they would have received customary fees. Jefferies and their respective affiliates may provide such services to the Group and any of their affiliates in the future.

### **Notice to overseas investors**

This document is for information purposes only and does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in the United States or any other jurisdiction in which such offer or solicitation is unlawful. In particular, the Ordinary Shares have not been and will not be registered under the United States Securities Act or qualified for sale under the laws of any state or other jurisdiction of the United States, and therefore may not be offered or sold, directly or indirectly, in or into the United States or to or for the account or benefit of United States Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act. The Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. No public offer of securities is being made in the United States.

The securities described in this document have not been, and will not be, registered or qualified for sale under the applicable laws of the Excluded Territories, and may not be offered or sold to any national, resident or citizen of the Excluded Territories, or of any other jurisdiction where to do so might constitute a breach of applicable law.

No public offer of the Ordinary Shares is being made by virtue of this document in or into any jurisdiction outside the United Kingdom in which such offer would be unlawful. This document will not be distributed in or into the United States or any other Excluded Territories, and this document does not constitute an offer of Ordinary Shares to any person with a registered address in, or who is resident or located in (as applicable), the United States or any other Excluded Territory.

### **Incorporation by reference**

Certain information in relation to the Group has been incorporated by reference into this document. Please see Part 8 (Documentation Incorporated by Reference) of this document for further information. Except as set out in Part 8 (Documentation Incorporated by Reference), no other part of these documents are incorporated by reference into this document and those parts which are not specifically incorporated by reference in this document are either not relevant for investors or the relevant information is included elsewhere in this document.

To the extent that any document or information incorporated by reference incorporates any information by reference, either expressly or impliedly, such information will not form part of this document for the purposes of the Prospectus Regulation Rules, except where such information or documents are stated within this document as specifically being incorporated by reference or where this document is specifically defined as including such information.

Any statement contained in a document which is deemed to be incorporated by reference into this document shall be deemed to be modified or superseded for the purposes of this document to the extent that a statement contained in this document (or in a later document which is incorporated by reference into this document) modified or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

### **No incorporation of website**

None of the content of the Company's website ([www.pinewood.ai/investors/](http://www.pinewood.ai/investors/)) (or any other website) or the content of any website accessible from hyperlinks on the Company's (or any other) website is incorporated into, or forms part of, this document.

### **Definitions**

Capitalised terms have the meanings ascribed to them in Part 9 (Definitions) of this document.

## Presentation of financial information

The Company publishes its consolidated financial statements in Pounds Sterling (“£”, “GBP” or “Pounds Sterling”). The abbreviation “£m” represent millions of Pounds Sterling and references to “pence” and “p” represent pence in the UK, references to “€” or “EUR” are to the lawful currency of the European Union, and references to “\$” or “USD” are references to the lawful currency of the United States.

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal point. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

The significant accounting policies are set out in the notes to the Group’s historical consolidated financial information which are incorporated by reference into it. Page 77 of the 2024 Annual Report sets out detail on its use of alternative performance measures. The 2024 Annual Report is incorporated by reference into this document as detailed in Part 8 (Documentation Incorporated by Reference) of this document.

## Market and industry information

Market data and certain industry forecasts used in this document were obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy or completeness of such information is not guaranteed. Similarly, internal surveys, reports and studies and market research, while believed by the Company to be reliable and accurately extracted by the Company for the purposes of this document, have not been independently verified and the Company makes no representation as to the accuracy of such information. The industry forecasts are forward-looking statements. See “Forward-looking statements” below.

## Forward-looking statements

This document and the information incorporated by reference into this document contains statements which are, or may be deemed to be, “forward-looking statements” which are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on intentions, beliefs or current expectations and projections about future events, and concerning, among other things, the business, results of operations, prospects, growth and strategies of, the Company or the Group, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “plans”, “expects”, “is expected”, “is subject to”, “budget”, “scheduled”, “estimates”, “forecasts”, “goals”, “intends”, “anticipates”, “believes”, “targets”, “aims”, “hopes”, “continues” or “projects”. Words or terms of similar substance or the negative thereof, are forward-looking statements, as well as variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

Forward-looking statements include statements relating to: (a) future capital expenditures, expenses, revenues, earnings, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (b) business and management strategies and the expansion and growth of the Company’s and the Group’s operations; and (c) the effects of economic conditions on the Company’s or the Group’s business.

Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause actual results, performance or achievements of the Company or the Group to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of the Company or the Group to differ materially from the expectations of the Company or the Group include, among other things, general political,

business and economic conditions, industry and market trends, competition, changes in government and changes in law, regulation and policy, including in relation to taxation as well as political and economic uncertainty (including, but not limited to, the Ukraine-Russia conflict), stakeholder perception of the Company or the Group and/or the sectors or markets in which it operates and other factors set out on pages 11 to 24 of this document. Such forward-looking statements should therefore be construed in light of such factors. Any information contained in this document on the price at which shares or other securities in the Company have been bought or sold in the past, or on the yield on such shares or other securities, should not be relied upon as a guide to future performance.

Neither the Company nor any of its Directors, officers or advisers provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date of this document.

Nothing in this paragraph should be taken as qualifying the working capital statement in paragraph 14 of Part 7 (Additional Information) of this document.

Other than in accordance with its legal or regulatory obligations (including under the requirements of the FCA, the London Stock Exchange, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation Rules, MAR and the Takeover Code), neither the Company nor Jefferies is under any obligation to, and each of the Company and Jefferies expressly disclaims any intention or obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## **Rounding**

Percentages in tables have been rounded and accordingly may not add up to 100 per cent. certain financial data have also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

## **Time**

All references to time are to London time unless stated otherwise.

## **No forecasts or estimates**

Save as discussed in paragraph 17 of Part 7 (Additional Information), no statement in this document is intended as a profit forecast or estimate for any period.

No statement in this document should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Group, for the current or future financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Group.

## **Sources of financial information**

In this document unless otherwise stated:

- (A) financial information relating to Pinewood.AI has been extracted unless otherwise stated, without material adjustment, from the audited financial statements referred to in Part 3 (Historical Financial Information on Pinewood.AI) of this document for the 11-month period ended 31 December 2024 prepared in accordance with UK-adopted IFRS; and
- (B) where information has been sourced from a third party, Pinewood.AI confirms that the information has been accurately reproduced and, as far as Pinewood.AI is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used, the source of such information has been identified wherever it appears in this document.



## **Pro forma financial information**

In this document, any reference to pro forma financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in Part 4 (Unaudited Pro Forma Financial Information on Pinewood.AI) of this document.

The Unaudited Pro Forma Financial Information has been prepared to illustrate the effect of the Acquisition on:

- the unaudited pro forma income statement of the Group for the 11-month period ended 31 December 2024, as if the Acquisition had taken place on 1 February 2024; and
- the unaudited pro forma net assets of the Group as at 31 December 2024, as if the Acquisition had taken place on that date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only. The hypothetical financial position or results included in the Unaudited Pro Forma Financial Information may differ from the Group's actual financial position or results. It does not purport to represent what the Group's financial position or results of operations actually would have been if the Acquisition and other adjusted items described in this section had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position of the Group at any future date. The Unaudited Pro Forma Financial Information has been prepared on the basis set out in the notes below and has been prepared in a manner consistent with the accounting policies that were adopted by the Company in its financial statements for the period ended 31 December 2024 and in accordance with the requirements of Sections 1 and 2 of Annex 20 of the PR Regulation.

The Unaudited Pro Forma Financial Information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act. The Reporting Accountant's report on the Unaudited Pro Forma Financial Information is set out in Part B of Part 4 (Unaudited Pro Forma Financial Information on Pinewood.AI) of this document.

## **Presentation of non-UK-adopted IFRS financial measures**

Parts of this document contain non-UK-adopted IFRS financial measures (including the key performance indicators such as revenue including intercompany revenue, gross profit including intercompany revenue, gross margin, operating margin, underlying operating profit, underlying profit before tax and underlying EBITDA), which the Directors and management use to evaluate construction's performance and the Directors believe provide meaningful, additional insight as to underlying performance.

A reconciliation of these non-UK-adopted IFRS measures to the UK-adopted IFRS financial statements can be found in the 2024 Annual Report which is incorporated by reference into this document as detailed in Part 8 (Documentation Incorporated by Reference) of this document. The Directors have included these measures as they use them to measure business performance. An investor should not consider such measures as alternatives to profit after tax, operating profit or any other performance measures derived in accordance with UK-adopted IFRS or as an alternative to cash flow from operating activities as a measure of the Group's performance. The Group's non-UK-adopted IFRS financial measures may not be comparable with similarly titled financial measures reported by other companies.



## ACQUISITION STATISTICS

Closing Price of the Existing Ordinary Shares as at the Latest Practicable Date	399.5 pence
Issue Price for each New Ordinary Share	386.5 pence
30 day volume weighted average price per Ordinary Share	386.5 pence
Number of Existing Ordinary Shares in issue as at the Latest Practicable Date	100,539,286
Number of New Ordinary Shares to be issued pursuant to the Acquisition	14,560,691
Number of Ordinary Shares in issue immediately following completion of the Acquisition*	115,099,977
New Ordinary Shares as a percentage of the Enlarged Share Capital immediately following completion of the Acquisition*	12.7 per cent.
Estimated expenses in connection with the Acquisition	£2.1 million
ISIN of the Ordinary Shares	GB00BSB7BS06
SEDOL of the Ordinary Shares	BSB7BS0
LSE code for the Ordinary Shares	PINE

*Notes:*

\* Assuming that no Ordinary Shares are issued between the Latest Practicable Date and Admission, other than pursuant to the Acquisition.

*US\$ : £ exchange rate for the purposes of calculating consideration payable US\$1.00 = £0.7357, being the prevailing rate as at close of business on the Latest Practicable Date*

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2025
Publication of the Circular in relation to the Acquisition	6 June
Publication of this document	6 June
General Meeting of the Company to approve the Resolutions	1.00 p.m. (London time) on 30 June
Date on which the last of the Conditions, save for the Admission Condition, are satisfied	a date expected to occur during Q3 2025 and, in any event, prior to 3 September 2025 (“D”)
New Ordinary Shares issued and allotted to the Seller	8.00 a.m. (London time) on D+2
Admission of, and commencement of dealings in, New Ordinary Shares	8.00 a.m. (London time) on D+2
New Ordinary Shares issued and credited to CREST account of the Seller	on or soon after 8.00 a.m. (London time) on D+2
<b>Completion of the Acquisition</b>	<b>D+2</b>

*Note:*

- (1) References to times and dates in this Document are to London times and dates (unless otherwise stated).
- (2) The times set out in the expected timetable of principal events above and mentioned throughout this document are times in London unless otherwise stated, and may be adjusted by the Company in consultation with or, if required, with the agreement of Jefferies, in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and, where appropriate, Shareholders.
- (3) Certain of the events in the above timetable are conditional upon the satisfaction of the Conditions.

## DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

<b>Directors</b>	Ian Filby, <i>Non-Executive Chairman</i> William Berman, <i>Chief Executive Officer</i> Oliver Mann, <i>Chief Financial Officer</i> Christopher Holzshu, <i>Non-Executive Director</i> George Hines, <i>Non-Executive Director</i> Brian Small, <i>Non-Executive Director</i> Dietmar Exler, <i>Senior Independent Director</i> Jemima Bird, <i>Non-Executive Director</i>
<b>Company Secretary</b>	Oliver Mann
<b>Registered Office and Directors' Business Address</b>	2960 Trident Court, Solihull Parkway Birmingham Business Park Birmingham England, B37 7YN
<b>Sponsor and Financial Adviser to the Company</b>	Jefferies International Limited 100 Bishopsgate London EC2N 4JL
<b>Legal Adviser to the Company as to English law</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
<b>Legal Adviser to the Sponsor as to English law</b>	Simmons & Simmons LLP CityPoint 1 Ropemaker Street London EC2Y 9SS
<b>Reporting Accountant</b>	RSM UK Corporate Finance LLP 25 Farringdon Street London EC4A 4AB
<b>Auditor</b>	RSM UK Audit LLP 103 Colmore Row Birmingham B3 3AG
<b>Registrar</b>	MUFG Pension & Market Services Central Square, 29 Wellington Street Leeds LS1 4DL
<b>Valuer</b>	Kroll, LLC 1 S. Wacker Drive Suite 700 Chicago, IL 60606

## Part 1

### Information about the Acquisition

#### 1. INTRODUCTION

Pinewood.AI is currently party to a joint venture between the Company, Pinewood US Holdings LLC (a wholly owned subsidiary of the Company), Lithia Motors, Inc. ("**Lithia**") and PNA Holding LLC (a wholly owned subsidiary of Lithia) ("**Lithia HoldCo**"), administered through Pinewood North America, LLC (the "**Joint Venture**"). The Company announced on 6 June 2025 that on 6 June 2025 the Company entered into an agreement with, *inter alia*, Lithia, Lithia HoldCo, the Joint Venture, Pinewood US Holdings LLC and Lithia UK Holding Limited (the "**Seller**") (the "**Acquisition Agreement**") to acquire the equity interest held by the Seller in the Joint Venture (the "**Majority JV Interests**") for a total acquisition consideration of \$76.5 million (the "**Acquisition**"). The purchase is to be satisfied by the issue of the New Ordinary Shares at a price of 386.5 pence per New Ordinary Share to the Seller, being the volume-weighted average price of the Ordinary Shares during the thirty day period preceding the date of this document (the "**Issue Price**").

Under Chapter 7 of the Listing Rules, the Acquisition constitutes a significant transaction. Under Chapter 8 of the Listing Rules, the Acquisition constitutes a related party transaction. Please refer to the announcement published by the Company on 6 June 2025 for details of the Acquisition in compliance with Chapter 7 and Chapter 8 of the Listing Rules.

The issue of the New Ordinary Shares is conditional on, *inter alia*, the passing of the Resolutions at the General Meeting of the Company, which has been convened for 1.00 p.m. on 30 June 2025 at Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU pursuant to the notice of meeting contained in the Circular, at which the Resolutions will be proposed.

#### 2. DESCRIPTION OF THE ACQUISITION

Under the current structure of the joint venture, Pinewood.AI (through Pinewood US Holdings LLC) holds 49 per cent. of the equity interest in the Joint Venture whilst Lithia (through Lithia HoldCo) holds the remaining 51 per cent. equity interest. A summary of the key terms of the Joint Venture Agreement are set out in paragraph 10.10 of Part 7 (Additional Information).

Pursuant to the Acquisition Agreement, Pinewood.AI has agreed conditionally to acquire the Majority JV Interests for a total acquisition consideration of \$76.5 million, representing 51 per cent. of the interests in the Joint Venture, which has been valued at between \$73.0 million and \$86.1 million as at 4 June 2025, and which is supported by the Valuation Report prepared by the Valuer, a copy of which can be found in Part 6 (Valuation Report) of this document. The consideration for the Acquisition is to be satisfied by the issue of the New Ordinary Shares to the Seller at the Issue Price, following which Pinewood.AI shall assume 100 per cent. ownership in the Joint Venture.

The Valuation Report estimates the current fair market value of the Majority JV Interests based on deployment of Pinewood.AI's DMS platform and layered applications across Lithia's North American footprint (which is the subject of the DMS Contract to be entered into between Pinewood.AI and Lithia on completion of the Acquisition), recognising the commercial difficulty of bringing independent third party dealers onto the Pinewood.AI platform in North America whilst Lithia HoldCo remains the majority shareholder in the Joint Venture.

Shareholders should note that, based on the agreed purchase price for the Majority JV Interests, the implied valuation of the Company's existing 49 per cent. interest in the Joint Venture differs from the carrying value reported in the Company's most recent annual report for the 11-month period ended 31 December 2024 (which reflects the Company's cash contribution to the Joint Venture, net of its share of the Joint Venture's losses during that period).

A summary of the key terms of the Acquisition is set out below.

As at the close of business on the Latest Practicable Date, Lithia (through the Seller) had an interest in 22,214,484 Ordinary Shares, representing approximately 22.1 per cent. of the issued Ordinary Shares.

Subject to the Acquisition becoming unconditional, Lithia (through the Seller) would have an interest in 36,775,175 Ordinary Shares, representing approximately 32.0 per cent. of the ordinary share capital of the Company following Admission (the “**Enlarged Share Capital**”).

### 3. BACKGROUND TO AND REASONS FOR THE ACQUISITION

On 1 February 2024, Pinewood.AI, formerly named Pendragon PLC, announced completion of the disposal of its UK Motor and Vehicle Management (PVM) divisions to Lithia (the “**Disposal**”). As a result of the Disposal, Pinewood.AI no longer retained any of its UK motor business and leasing business and became a pure play Software-as-a-Service (“**SaaS**”) business. Pinewood.AI’s Ordinary Shares remained admitted to trading on the Main Market, with the Company operating as a standalone SaaS business under the new company name “Pinewood Technologies Group PLC”. In addition, Pinewood.AI and Lithia, through their respective subsidiaries, entered into the Joint Venture Agreement for the principal purpose of co-developing and commercialising in the United States of America and Canada the North American version of Pinewood.AI through investment in a joint venture, which is operated through the Joint Venture. The Company (through its subsidiary, Pinewood US Holdings LLC) holds 49 per cent. of the equity interest in the Joint Venture and Lithia (through its subsidiary, Lithia HoldCo) holds the remaining 51 per cent. equity interest.

Notwithstanding the significant progress made in commercialising the Pinewood.AI product and developing the business plan, Pinewood.AI has subsequently recognised that further upside could be unlocked from Pinewood.AI obtaining full control of the joint venture. The Company is currently on course to pilot the Pinewood.AI system in Lithia’s United States stores in the second half of 2025, with a view to commencing the full system rollout into North America in 2026. To date, the Joint Venture with Lithia has proven highly valuable in accelerating and optimising product development for commercial readiness in the North American market. However, as the Company progresses with the rollout of its platform into the North American market, the Company believes that greater independence from Lithia would enhance Pinewood.AI’s value proposition to other North American dealer groups. The current ownership structure of the joint venture, with Lithia holding 51 per cent. equity ownership, has created a “competitor overhang” situation whereby Pinewood.AI believes that other dealer groups are more reluctant to adopt Pinewood.AI’s technology as a result of greater competition risk.

The North American opportunity has been a core part of Pinewood.AI’s growth strategy since its inception as a standalone business. The North American automotive dealer software market is estimated to be worth over \$6.5 billion, of which the automotive dealership management system (“**DMS**”) market is estimated to be approximately \$2.4 billion. It is currently dominated by two major competitors which hold approximately 70 per cent. of the United States DMS market share but Pinewood.AI believes that there is significant opportunity to disrupt the United States DMS market and displace old technology stacks and legacy systems with its cloud-based software proposition. The Independent Directors (as defined below) believe that independence from the Seller as a result of the Acquisition will enable Pinewood.AI to enhance its value proposition to a greater number of North American dealer groups and accelerate Pinewood.AI’s ability to scale up in the highly attractive and lucrative North American market.

As the Acquisition constitutes a related party transaction, Christopher Holzshu and George Hines did not participate in the Board’s consideration and approval of the Acquisition. The directors of Pinewood.AI other than Christopher Holzshu and George Hines, (the “**Independent Directors**”) believe that the Acquisition would unlock compelling strategic and commercial opportunities for the Group across North America, and in particular:

- 3.1 **Unlocking North America:** the Acquisition would unlock broader adoption of the Group’s products among North American dealer groups by removing the perceived ‘competitor overhang’ (a consequence of Lithia’s majority stake in the Joint Venture), positioning the Company to capture a significant share of the \$6.5 billion North American automotive dealer software market;
- 3.2 **Full Strategic Control:** acquiring Lithia’s majority stake in the Joint Venture would give Pinewood.AI complete control over its North American platform, enabling faster execution, greater commercial agility and the ability to fully capitalise on early market momentum as its North American product reaches commercial readiness over the coming months;
- 3.3 **Lithia North American Roll-out Terms Agreed:** Pinewood.AI and Lithia have agreed pricing for Lithia’s use of Pinewood.AI’s DMS platform, layered apps, and third-party integrations pursuant to the DMS Contract, which will also secure Lithia’s contractual commitment to roll-out Pinewood.AI’s

software across all current and future sites across the US and Canada by 31 December 2028, subject to the commercial readiness of Pinewood.AI's products for deployment in North America;

- 3.4 **Supports Medium-Term Growth Ambitions:** the Independent Directors consider the Acquisition to be a key enabler of Pinewood.AI's medium-term ambition to scale in North America and deliver sustainable EBITDA growth, with an updated medium-term target for the financial year ending 31 December 2028 ("**FY 2028**") to be communicated later this year, following completion of the Acquisition;
- 3.5 **Enhanced Financial Clarity:** the Acquisition would simplify Pinewood.AI's corporate structure, enabling full revenue consolidation, and enhancing transparency in financial reporting, delivering clearer performance visibility;
- 3.6 **Strengthened Strategic Partnership with Lithia:** Lithia remains a key customer and committed long-term minority strategic shareholder, and would be contractually committed to a full roll-out of Pinewood.AI's software across its North American dealerships under the DMS Contract, reinforcing long-term alignment between Pinewood.AI and Lithia; and
- 3.7 **Valuation Supported by Independent Opinion:** the acquisition price is underpinned by a third-party valuation from the Valuer, which estimates the fair market value of the Majority JV Interests at \$73.0 million – \$86.1 million (based on a discounted cashflow analysis of the roll-out, which is expected to be contractually committed under the DMS Contract, across Lithia's North American sites only).

The Independent Directors anticipate that Lithia will remain a supportive partner to Pinewood.AI following the Acquisition, committing, under the DMS Contract, to the full rollout of the Pinewood.AI system across all of its North American stores upon commercial readiness of the product.

Following Completion, Bill Berman, Chief Executive Officer of Pinewood.AI, Oliver Mann, Chief Financial Officer of Pinewood.AI and Dietmar Exler, Senior Independent Non-executive Director of Pinewood.AI will remain in office as directors and key individuals of the Joint Venture.

#### 4. SUMMARY OF TERMS OF THE ACQUISITION

Pursuant to the Acquisition Agreement, the Company has agreed conditionally to acquire the Majority JV Interests for a total acquisition consideration of \$76.5 million, to be satisfied through the allotment and issue of 14,560,691 New Ordinary Shares to the Seller at the Issue Price in consideration.

Completion of the Acquisition is conditional on, amongst other things, (i) the publication of this prospectus, (ii) the passing of the Resolutions at the General Meeting, (iii) the completion by Lithia HoldCo and the Seller of a pre-sale reorganisation to transfer the interests in the Joint Venture currently held by Lithia HoldCo to the Seller, (iv) all waiting periods applicable to the Acquisition under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 having expired or been terminated, and (v) Admission (the "**Admission Condition**") (the "**Conditions**"). Completion under the Acquisition Agreement will occur automatically upon Admission whereupon an announcement will be made by the Company through a RIS. The Acquisition Agreement will terminate if one or more of the Conditions are not satisfied prior to 3 September 2025.

The Acquisition Agreement provides that, on completion of the Acquisition, the Company and the Seller will enter into a five-year contract for Lithia to roll-out the Group's software to all of Lithia's current and future stores across the US and Canada by the end of 2028 at the latest, subject to the commercial readiness of the Group's products for deployment in North America (the "**DMS Contract**"). Once the Pinewood.AI system has been fully deployed across all of Lithia's existing stores in North America, Pinewood.AI expects to generate approximately \$40 million in annual recurring revenue based on the current suite of Pinewood.AI products from Lithia in North America. Furthermore, upon completion of the additional North America-specific layered applications (targeted by the end of 2028), Pinewood.AI anticipates total annual revenue from Lithia in North America to increase to approximately \$60 million.

The Acquisition Agreement contains an undertaking from the Seller, subject to certain customary exceptions, not to directly or indirectly, sell, transfer, mortgage, charge, encumber, swap, pledge, grant options over, transmit, distribute, gift, assign, convey or dispose of any legal or beneficial interest in any of the New Ordinary Shares for a period of two years from Admission. This lock-in undertaking is subject to certain customary limited exceptions, including:

- 4.1 with the prior written consent of the Company;
- 4.2 transferring or otherwise disposing of Ordinary Shares in accordance with any order made by a court of competent jurisdiction as required by law or regulation;
- 4.3 accepting a recommended offer (in accordance with the Takeover Code) made to shareholders of the Company (or to all such shareholders other than the relevant offeror and/or any persons acting in concert (as such term is defined in the Takeover Code) with such offeror) to acquire all the issued Ordinary Shares (other than any Ordinary Shares already owned by the relevant offeror and any person acting in concert with such offeror) or to the execution and delivery of an irrevocable undertaking to accept such offer;
- 4.4 selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own shares which is made on identical terms to all holders of shares in the Company and otherwise complies with the Companies Act;
- 4.5 transferring or disposing of shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Act;
- 4.6 transferring Ordinary Shares pursuant to a compromise or arrangement pursuant to a scheme of arrangement under Part 26 of the Companies Act providing for the acquisition by any person (or group of persons acting in concert, as such expression is defined in the Takeover Code) of 50 per cent. or more of the ordinary share capital of the Company and which compromise or arrangement has been sanctioned by the court;
- 4.7 disposing of Ordinary Shares pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; and
- 4.8 taking up any Ordinary Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company.

The Acquisition Agreement contains certain warranties from each party, and certain non-compete restrictions on Lithia and the Seller for a period of 12-months following Admission. The Acquisition Agreement is governed by and construed in accordance with the laws of England and Wales, and the courts of England and Wales have exclusive jurisdiction.

There will be no proceeds received by the Company as a result of the issue of the New Ordinary Shares in connection with the Acquisition. There are no commissions, fees or expenses to be charged to investors by the Company.

Applications will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the equity shares (commercial companies) category of the Official List and to trading on the Main Market, respectively.

The New Ordinary Shares will be in registered form and from Admission will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). The New Ordinary Shares will be admitted with the ISIN GB00BSB7BS06 and SEDOL (Stock Exchange Daily Official List) number BSB7BS0 and LEI 213800VRSPZFOGMMIS18, being the same ISIN, SEDOL and LEI under which the Existing Ordinary Shares are admitted.

The New Ordinary Shares will be issued by the Company free of all liens, charges and encumbrances and will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid with a record date falling after Admission.

## **5. FINANCIAL INFORMATION REGARDING THE JOINT VENTURE**

The gross assets of the Joint Venture as at 31 December 2024 were £19.6 million, with net assets of £19.5 million at the same date (both presented under UK-adopted IFRS). The Group recognised £9.6 million of the Joint Venture's net assets as at 31 December 2024, being the Group's 49 per cent. share of the Joint Venture, recognised as an interest in associate on the Group's consolidated statement of financial position.



For the 11-month period ended 31 December 2024, under UK-adopted IFRS, the Joint Venture generated an operating loss of £1.7 million, and a loss before tax of £1.0 million. The Group recognised its 49 per cent. share of the loss before tax, amounting to £0.5 million, as a share of loss in associate in the Group's consolidated income statement for the 11-month period ended 31 December 2024. This financial information has been extracted from the Joint Venture's income statement from note 5.2 to the 2024 Accounts.

## **6. PRO FORMA FINANCIAL INFORMATION REGARDING THE JOINT VENTURE**

An unaudited pro forma statement of net assets has been prepared to illustrate the effect of the proposed Acquisition on the Group's net assets as at 31 December 2024 as if the proposed Acquisition had completed on 31 December 2024, a copy of which is contained in Section A of Part 4 (Unaudited Pro Forma Financial Information on Pinewood.AI). As noted in the Unaudited Pro Forma Statement of Net Assets, the Acquisition would have increased the net assets of the Group by £8.3 million if it had completed on 31 December 2024, representing:

- 6.1 net assets acquired of £9.9 million (after adjusting for the investment in associate held in the balance sheet of the Group as at 31 December 2024 which solely relates to the Joint Venture); and
- 6.2 a reduction in net assets of £1.6 million due to transaction costs of £2.1 million, being offset by a £0.5 million reduction in corporation tax (which are expected to be tax deductible for corporation tax purposes).

In estimating the effect of the proposed Acquisition on the net assets of the Group the principal assumptions and basis of preparation are: (i) the net assets of the Group as at 31 December 2024 have been extracted without material amendment from the 2024 Accounts; (ii) 31 December 2024 net assets of the Joint Venture have been extracted from note 5.2 to the 2024 Accounts; and (iii) the purchase consideration of \$76.5 million is assumed to be satisfied solely through the issuance of New Ordinary Shares in the Company to the Seller. No other events have been taken into account for the Group or the Joint Venture since 31 December 2024, nor has the acquisition accounting for the Acquisition under UK-adopted IFRS been reflected in the above which may have a material impact on the net assets of the Group.

An unaudited pro forma income statement has been prepared to illustrate the effect of the proposed Acquisition on the Group's results for the 11-month period ended 31 December 2024 as if the proposed Acquisition had occurred on 1 February 2024, being the beginning of the period presented, a copy of which is contained in Section A of Part 4 (Unaudited Pro Forma Financial Information on Pinewood.AI). The Unaudited Pro Forma Income Statement shows a pro forma profit after tax of £3.5 million for the combined business.

By its nature, the Unaudited Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the enlarged group's actual financial position or results. It does not purport to represent what the Group's financial position or results of operations actually would have been if the Acquisition and other adjusted items described had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position of the Group at any future date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and in accordance with the requirements of Item 11.5 of Annex 3 and Item 3 of Annex 20 of the PR Regulation. The Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of Section 434 of the Companies Act.

## **7. DILUTIONARY IMPACT OF THE ACQUISITION**

Subject to the Acquisition becoming unconditional, 14,560,691 New Ordinary Shares will be issued to the Seller, which will result in the Company's issued share capital increasing by approximately 14.5 per cent. If the Acquisition becomes unconditional, Shareholders other than the Seller will, as a result, suffer an immediate dilution in their shareholdings following which they will hold, in aggregate, approximately 68.0 per cent. of the Enlarged Share Capital. Assuming that the New Ordinary Shares are issued to the Seller, each Shareholder other than the Seller will be diluted by approximately 12.7 per cent.

## **8. GENERAL MEETING**

The Acquisition, and therefore Admission, is conditional amongst other things upon the Resolutions being passed.

At the General Meeting, which will be held at Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU at 1.00 p.m. on 30 June 2025, the Resolutions will be proposed to:

- 8.1 approve the conditional waiver granted to the Seller (and its concert parties) by the Panel to make a mandatory offer pursuant to Rule 9 of the Takeover Code to acquire the shares in the Company not already owned by it which might otherwise be imposed on it following the issuance of the New Ordinary Shares to the Seller (and its concert parties) in connection with the Acquisition;
- 8.2 authorise the Directors generally and unconditionally to allot the New Ordinary Shares up to an aggregate nominal amount of £14,560,691 in connection with any allotment of New Ordinary Shares pursuant to the Acquisition Agreement; and
- 8.3 subject to the first resolution and the general authority for the Company to make on-market purchases of up to 10 per cent. of its entire issued share capital by way of share buyback authority to be proposed at the Company's annual general meeting being passed, approve the conditional waiver granted to the Seller (and its concert parties) by the Panel to make a mandatory offer pursuant to Rule 9 of the Takeover Code to acquire the shares in the Company not already owned by it which might otherwise be imposed on it as a result of any market purchases of shares pursuant to such buy-back authority.

The first and third resolution summarised above will be proposed as an ordinary resolution, and to be passed will require the approval of more than 50 per cent. of the votes cast by Shareholders who are independent of the Seller and its concert parties, as required by Appendix 1 to the Takeover Code. The second resolution summarised above will be proposed as an ordinary resolution and to be passed will require the approval of more than 50 per cent. of all Shareholders (including, for the avoidance of doubt, any votes cast by the Seller).

Notice of the General Meeting is set out in the Circular, which was sent to Shareholders on 6 June 2025.

## Part 2

### Information on Pinewood.AI

#### 1. INTRODUCTION

Pinewood Technologies Group PLC is a public limited company limited by shares registered and incorporated in England and Wales under the Companies Act (with registered number 02304195) on 12 October 1988. The Company's LEI is 213800VRSPZFOGMMIS18.

The Company is a leading cloud based full-service technology provider to automotive retailers and original equipment manufacturers. The Company's system is a market-leading automotive intelligence platform, which has been developed collaboratively with dealers and original equipment manufacturers ("**OEMs**") to provide secure cloud-based software across sales, aftersales, accounting and customer relationship management. Headquartered in the UK, the Company has a team of over 200 people serving over 35,000 global users across 21 countries and long-standing partnerships with over 50 original equipment manufacturer brands. Previously named Pendragon PLC, in 2024 the Company sold its UK Motor and Leasing divisions to Lithia one of the largest automotive retailers in North America and became a standalone SaaS business. The Company simultaneously signed a strategic partnership with Lithia to roll out its software across Lithia's UK locations and form a joint venture to co-develop capabilities and accelerate Pinewood.AI's entry into the North American market.

#### 2. BUSINESS OVERVIEW

The Group owns a leading automotive retail ecosystem that combines connected dealership data with connected customer journeys to help dealer groups transform the customer experience, improve efficiency and increase profitability. Pinewood.AI was an early adopter of the SaaS business model and has focused on developing recurring revenue streams with approximately 85 per cent. of Pinewood.AI's revenues for the 11-month period ended 31 December 2024 being on a recurring basis. Pinewood.AI currently services over 35,000 users globally across 21 countries, with a current focus on the UK, North America, central Europe, Japan and Southeast Asia and South Africa.

Pinewood.AI's market-leading proposition to the automotive market is characterised by:

- 2.1.1 **One version of the truth:** a single interface with comprehensive functionality, seamlessly integrating data points in a centralised, user-friendly environment;
- 2.1.2 **100 per cent. cloud hosted:** a highly scalable and flexible system, allowing for real-time updates, agile development and quick adaptation to the changing needs of the automotive industry;
- 2.1.3 **End-to-end connected data:** real-time data, providing full visibility of individual customer interactions and high-level business insights, enhancing operational efficiencies;
- 2.1.4 **Superior cybersecurity:** well-invested platform architecture providing a secure data environment;
- 2.1.5 **Longstanding customer relationships:** 5 of the top 20 UK dealership groups are customers, with less than 2 per cent. net user churn over the last three years; and
- 2.1.6 **Highly skilled team:** strong automotive industry expertise, with a system built by professionals within the automotive industry for the automotive industry.

#### 2.2 Product Offering

Pinewood.AI offers a vertically integrated, feature-rich technology platform which has been developed collaboratively with dealers and OEMs. The platform enables retailers and OEMs to unlock value by showing them data points, simply and in real-time, identifying opportunities to improve performance and productivity. The Group's core product offering includes:

- 2.2.1 **Customer Relationship Management ("CRM") across digital and in-person:** enquiry management, digitalised showrooms, cloud-enabled central databasing, customer retention, and paperless processes;

- 2.2.2 **Sales and Stock Management:** personalised videos, updated website stock levels, manufacturer integration, inventory management, and a seamless omnichannel experience;
- 2.2.3 **Workshop:** controlling bookings and time management in service centres, streamlined workflows, capacity optimisation, “Vehicle Health Check”, and multi-franchise capability;
- 2.2.4 **Parts:** stock location and acquisition tracking, management of pricing, invoicing, order processing and parts issuing, and workflow optimisation; and
- 2.2.5 **Accounts:** real-time reporting and “Business Intelligence” across all sites, flexible payment options, and automatic reconciliations.

Pinewood.AI supplies its software on a hosting basis and offers licences to specific numbers of users to access this service.

## 2.3 Strategy

Pinewood.AI’s strategy and growth plans are focused on four core pillars, as outlined at its capital markets day held on 24 October 2024, which are as follows:

- 2.3.1 **UK & Ireland:** continuing to target the UK and Ireland’s top 100 largest dealer groups and grow share of wallet across existing customers;
- 2.3.2 **International:** pursuing opportunities for expansion, primarily in Germany, Austria and Switzerland, Asia Pacific and South Africa, through dialogue with key dealers and OEMs, including leveraging its longstanding agreement with its reseller in South Africa;
- 2.3.3 **Product/Vertical Sales:** increasing the range of add-on products, through either in-house development, acquisitions or partnerships to maximise product capabilities and sales; and
- 2.3.4 **North America:** continuing to commercialise the North American product, followed by pilot and rollout phases in 2025 and 2026.

Since Pinewood.AI began trading as a standalone company, it has made progress toward all four pillars of its strategy.

In the UK, the Company signed contracts with two new major non-associated dealer groups. In October 2024, Pinewood.AI announced a five-year contract with Marshall Motors Group (“**Marshall’s**”) to rollout the Pinewood.AI platform into all of Marshall’s’ approximately 120 UK dealerships. In February 2025, Pinewood.AI announced a five-year contract with Global Auto Holdings plc (“**GAH**”), representing the largest non-associated dealership group to adopt the Pinewood.AI platform. GAH committed to implementing the Pinewood.AI system into all of its owned dealerships across the UK, North America and Scandinavia. In recognition of the scale and importance of this partnership, Pinewood.AI issued warrants to an affiliate of GAH, as more particularly described at paragraph 10.4 of Part 7 (Additional Information).

In April 2025, the Company announced that it had entered into a five-year contract with Volkswagen Group Japan to implement the Group’s platform into all the Volkswagen and Audi dealerships in Japan, comprising approximately 350 dealerships. The contract represents a significant new customer base and is aligned with the Company’s strategy to expand into Asia Pacific.

In September 2024, the Company announced an approximately \$4.2 million investment in Seez App Holding Ltd (“**Seez**”) for 9.1 per cent. of Seez’s share capital. In February 2025, the Company subsequently announced the acquisition of the remaining 90.9 per cent. of the share capital of Seez for approximately \$42.0 million. Founded in 2016, Seez provides AI and machine-learning (“**ML**”)-powered software solutions to car dealerships and OEMs, aimed at improving customer interactions and boosting sales. Seez boasts a broad product portfolio built on market leading proprietary technology, which includes its AI Chatbot, machine-learning driven marketing and CRM optimisation along with several other AI SaaS modules. The acquisition significantly enhanced Pinewood.AI’s in-house capabilities with the addition of Seez’s leading AI and ML technology, particularly its AI chatbot functionality which would have taken significant time and investment to build in-house.

In North America, roll-out preparation is progressing well. Pinewood.AI has engaged with the majority of OEMs represented by Lithia, as well as third party layered app providers. The Pinewood.AI development team has begun integration work with OEMs and third parties and the Pinewood.AI product team is making good progress in adapting the system to North American customer's specific needs. The Company remains on track to pilot in Lithia North American stores in the second half of 2025, with the wider roll-out to Lithia North America stores expected to commence in 2026.

### Financial Information

A summary of the financial results of the Group for the 11-month period ended 31 December 2024, or at 31 December 2024 as applicable, are as follows:

	<i>Audited For the 11-month period ended 31 December 2024 £m</i>
Revenue	31.2
Gross Profit	28.2
Underlying Profit <sup>(1)</sup>	6.4
Underlying EBITDA <sup>(1)</sup>	14.0
Basic Earnings per Ordinary Share	5.1p
	<i>Audited As at 31 December 2024 £m</i>
Cash and cash equivalents	9.3

#### Notes:

- (1) This is a non-UK-adopted IFRS measure used to monitor the performance of the Group's operations, which excludes items which in management's judgement need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance for the year or comparability between periods, please refer to the notes to the 2024 Annual Report for further details.

### 3. CURRENT TRADING

Since 31 December 2024, Pinewood.AI's positive momentum has continued with the announcement of five-year contracts with each of GAH and Volkswagen Group Japan to implement the Pinewood Automotive Intelligence™ platform across their dealerships, the acquisition of Seez, and the successful completion of an equity fundraising, which was significantly oversubscribed. Pinewood.AI is progressing with the integration of Seez into the Group's systems.

Pinewood.AI remains focused on implementing the market-leading Pinewood Automotive Intelligence™ platform with new customers in the UK (Marshalls and GAH in particular), driving growth in key international geographies, and preparing for the roll-out of its products in North America. Pinewood.AI remains on track to pilot the system in North America in the second half of 2025, before commencing full roll-out later in 2026. In addition, Pinewood.AI expects to be ready to roll-out its new user experience later this year. Trading in the current year has continued positively, and the Board remains highly confident in the opportunities ahead for Pinewood.AI.

### 4. THE GROUP'S PRINCIPAL INVESTMENTS

On 4 March 2025, the Company completed the acquisition of the entire issued share capital of Seez, as summarised at paragraph 2.3 of this Part 2 (Information on Pinewood.AI).

## 5. TRENDS, MARKET OVERVIEW AND COMPETITION

### 5.1 Recent Trends

Core, sustainable trends are driving dealers to increase the usage and sophistication of software solutions, including the following:

- 5.1.1 **Dealer Professionalism:** dealer groups are steadily consolidating, leading to increased budgets and a need for more sophisticated software to standardise processes and monitor group performance, as well as increased focus on online interaction as consumers have to travel further to in-person stores. In addition, with the shift to electric vehicles requiring less mechanical maintenance, affordability and market pressure on sales and likely margin pressure from agency, dealers must professionalise and adopt sophisticated functions to preserve margins, drive up customer lifetime value, improve retention, and reduce reliance on labour-intensive site model in sales;
- 5.1.2 **Rising Consumer Expectations:** consumers have increasing expectations of a retail journey. Online transactions are becoming more prevalent, with consumers wanting to avoid the hassle of negotiations and price debates. Consumers are doing more 'window shopping' online, limiting leads for those with poor online experiences and linking the quality of the omnichannel journey to conversion. Accordingly, dealer groups are increasingly shifting spend from above-the-line marketing and people to direct marketing and technology;
- 5.1.3 **OEM Agency Push:** some OEMs are adopting the agency model; these players are allocating large software budgets to facilitate this both in house and via third party solutions, with interest in third parties increasing as the challenges are increasingly apparent. Dealer groups will continue to require their own software to optimise their own operations and run used vehicles and auxiliary projects, while utilising OEM software where mandated; and
- 5.1.4 **Supplier Tech & Sales Innovation:** supplier efforts to innovate drive increasing sophistication of offering and return on investment from leading products – justifying higher prices and increasing adoption.

### 5.2 Market Overview

The global automotive system market is currently fragmented, with over 50 different providers within Europe alone, and market dynamics vary significantly in the different geographies in which the Company operates.

The UK is currently Pinewood.AI's core market, estimated to be worth approximately £100 million. Pinewood.AI operates as the second largest player with approximately 25 per cent. market share (prior to the recent contract wins from Marshalls and GAH). The Company's customer base in the UK now includes five of the top 20 dealer groups. The UK is a highly concentrated market, dominated by Keyloop and Pinewood.AI, which together have approximately 85 per cent. of the market share.

The North American automotive dealer software market is estimated to be worth \$6.5 billion, of which the automotive dealer management system market is estimated to be \$2.4 billion and the market for complimentary add-on products such as CRMs and service tools is worth an additional \$4.1 billion, all of which is an addressable market for Pinewood.AI. The average annual dealer spend on DMS, CRM and other third party layered apps in North America is significantly higher than Europe and the United Kingdom, with dealers spending an average of \$250,000 to \$300,000 per annum on their technology stacks. It is a market dominated by six players: CDK Global, Reynolds & Reynolds, Cox, Tekion, Auto/Mate and Autosoft. The two largest players hold, in aggregate, approximately 70 per cent. market share with strong ties to large dealer groups and OEMs.

## 6. DIVIDEND POLICY

It is the current intention of the Directors to reinvest any income in the Group's platform and growth. However, the Directors may consider the payment of dividends (or other methods of returning net proceeds to Shareholders in a tax efficient manner) in the future when, in their view, the Company has sufficient distributable profits after taking into account the working capital needs of, and investment opportunities available to, the Group.



During the 11-month period ended 31 December 2024, the Company paid an exceptional dividend of 490 pence per Ordinary Share following receipt of the proceeds from the Disposal. The Company did not pay any other dividends during this period.

## 7. INFORMATION ON THE BOARD

The Directors of the Company and their principal functions are as follows:

Ian Filby	<i>Non-Executive Chairman</i>
William Berman	<i>Chief Executive Officer</i>
Oliver Mann	<i>Chief Financial Officer</i>
Christopher Holzshu	<i>Non-Executive Director</i>
George Hines	<i>Non-Executive Director</i>
Brian Small	<i>Non-Executive Director</i>
Dietmar Exler	<i>Senior Independent Director</i>
Jemima Bird	<i>Non-Executive Director</i>

The business address of each Director is 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN.

A short biography for each Director is set out below. Further information on the Directors, including the companies of which each of the Directors has been a director at any time in the past five years, is set out in further detail in paragraph 6.2 of Part 7 (Additional Information) of this document.

### **Ian Filby** – *Non-Executive Chairman, Independent Non-Executive Director, 66*

Ian joined the Company on 1 November 2021 as non-executive chairman, following a 40-year career in retail, a large proportion of which was spent with Alliance Boots. In his last executive role, Ian was the chief executive officer of furniture retailer DFS, which significantly increased its market leadership in both online and in physical stores during his tenure; Ian's extensive executive experience enables him to provide effective leadership to the Board and advise in relation to the company's future strategy.

Ian is the chair of the Company's nomination committee, as well as a member of the Company's remuneration committee.

### **William Berman** – *Chief Executive Officer, 59*

Bill joined the Company on 18 April 2019 as a non-executive director, and became chief executive officer on 19 February 2020. Formerly the president and chief operating officer of AutoNation, the largest automotive retailer in the United States, Bill has executive experience in the effective deployment of automotive technology management systems, enabling him to provide effective leadership of the Board and advise in relation to the Company's future strategy.

### **Oliver Mann** – *Chief Financial Officer, 46*

Oliver joined the Company in December 2005. He previously worked at Deloitte, where he qualified as a chartered accountant. He has held a number of senior finance roles across the wider organisation including group financial controller and director of group finance. Oliver had a key role in the disposal of the UK motor and leasing divisions of the Company to Lithia. Oliver's accounting, financial and investor relations experience adds significant value to the Board.

### **Christopher Holzshu** – *Non-Executive Director, 52*

Chris joined the Board on 31 January 2024 and currently serves as executive vice president for Lithia & Driveway ("LAD"). Since joining LAD in 2003, the organisation has experienced tremendous growth under his leadership in both finance and operations as a former chief financial officer and chief operating officer. LAD is the number one automotive retailer in the North America, with continued expansion expected across the United States, Canada and Western Europe. Chris also serves on the Board of Wheels, the largest fleet management company in North America with over 800,000 vehicles under management, which positions him to bring a unique operational and growth mindset to the Board.

**George Hines** – *Non-Executive Director, 52*

George joined the Board on 31 January 2024, and brings 30 years of software product development and digital transformation leadership in retail, eCommerce, hospitality and live event marketing to our Board. George currently serves as the chief innovation & technology officer for LAD. In his role, he drives digital innovation, technology strategy and execution for LAD's 500+ automotive retail stores, eCommerce channel and automotive finance company. Additionally, he brings a focus on human-centered design from customer and employee experience transformations. George's international work experience in South America and Europe provides a global perspective on leveraging auto retail technology platforms for the Board.

**Brian Small** – *Non-Executive Director, 68*

Brian joined the Company on 10 December 2019, following an extensive career in the retail and consumer sector, where most recently he held the position of chief finance officer at JD Sports Fashion Plc between 2004 and 2018. Brian is also non-executive director and chairman of the audit committee of Mothercare Plc. Brian qualified as a chartered accountant with Price Waterhouse in 1981, and with industry experience across a range of retailers, he brings additional financial and strategic perspectives to the Board.

Brian is the chair of the Company's audit committee, as well as a member of the Company's nomination and remuneration committees.

**Dietmar Exler** – *Senior Independent Director, 57*

Dietmar joined the Company on 20 April 2020, following an extensive executive career including experience in the automotive sector, banking and sports management. Dietmar currently serves as chief operating officer of AMB Sports & Entertainment. Prior to that, he held the position of president and chief executive officer of Mercedes-Benz United States and head of region, NAFTA Mercedes-Benz. His previous automotive sector specific executive experience enables Dietmar to contribute the industry perspective in relation to the deployment of dealer management systems and is of significant value to the Board. Dietmar was appointed as a senior independent director on 24 February 2021.

Dietmar is a member of the Company's audit, nomination and remuneration committees.

**Jemima Bird** – *Non-Executive Director, 52*

Jemima joined the Company on 10 July 2023. Jemima is the founder of Hello Finch Limited, a strategic brand and marketing consultancy alongside being a non-executive director and chair of the remuneration committee for both Headlam Group PLC, where she is also the senior independent director. Jemima brings three decades of retail experience across multiple consumer sectors including food, fashion and leisure.

Jemima is the chair of the Company's remuneration committee, as well as a member of the Company's nomination committee.

### **Part 3**

#### **Historical Financial Information on Pinewood.AI**

*The audited consolidated financial statements of Pinewood Technologies Group PLC and its subsidiaries included in the 2024 Annual Report of Pinewood Technologies Group PLC for the 11-month period ended 31 December 2024 are incorporated by reference into this document, as detailed in Part 8 (Documentation Incorporated by Reference) of this document.*

*RSM UK Audit LLP of 103 Colmore Row, Birmingham, B3 3AG is registered to carry on audit work in the UK by the Institute of Chartered Accountants of Scotland and has prepared and issued an unqualified audit opinion on the consolidated financial statements of Pinewood Technologies Group PLC and its subsidiaries included in the 2024 Annual Report of Pinewood Technologies Group PLC for the 11-month period ended 31 December 2024 incorporated by reference into this document, as detailed in Part 8 (Documentation Incorporated by Reference) of this document.*

## Part 4

### Unaudited Pro Forma Financial Information on Pinewood.AI

#### Section A: Unaudited Pro Forma Financial Information on Pinewood.AI

##### Basis of preparation

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of the Group has been prepared to illustrate the effect of the Acquisition (as defined in Part 9 (Definitions) of this document) on:

- the unaudited pro forma income statement of the Group for the 11-month period ended 31 December 2024, as if the Acquisition had taken place on 1 February 2024; and
- the unaudited pro forma net assets of the Group as at 31 December 2024, as if the Acquisition had taken place on that date.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only. The hypothetical financial position or results included in the Unaudited Pro Forma Financial Information may differ from the Group’s actual financial position or results. It does not purport to represent what the Group’s financial position or results of operations actually would have been if the Acquisition and other adjusted items described in this section had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position of the Group at any future date. The Unaudited Pro Forma Financial Information has been prepared on the basis set out in the notes below and has been prepared in a manner consistent with the accounting policies that were adopted by the Company in its financial statements for the period ended 31 December 2024 and in accordance with the requirements of Sections 1 and 2 of Annex 20 of the PR Regulation.

The Unaudited Pro Forma Financial Information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act.

##### Unaudited Pro Forma Income Statement

<i>For the 11-month period ended 31 December 2024 £m</i>	<i>Group Note 1</i>	<i>Joint Venture Note 2</i>	<i>Adjustments</i>		<i>Pro Forma Income Statement Note 5</i>
			<i>Note 3</i>	<i>Note 4</i>	
Revenue	31.2	–	–	–	31.2
Cost of sales	(3.0)	–	–	–	(3.0)
<b>Gross profit</b>	<b>28.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>28.2</b>
Administrative expenses	(23.9)	(1.7)	–	(2.1)	(27.7)
<b>Operating profit/(loss)</b>	<b>4.3</b>	<b>(1.7)</b>	<b>–</b>	<b>(2.1)</b>	<b>0.5</b>
Finance expense	(0.3)	–	–	–	(0.3)
Finance income	4.7	0.7	–	–	5.4
Share of loss in associate	(0.5)	–	0.5	–	–
<b>Profit/(loss) before taxation</b>	<b>8.2</b>	<b>(1.0)</b>	<b>0.5</b>	<b>(2.1)</b>	<b>5.6</b>
Income tax expense	(2.5)	–	(0.1)	0.5	(2.1)
<b>Profit/(loss) for the period</b>	<b>5.7</b>	<b>(1.0)</b>	<b>0.4</b>	<b>(1.6)</b>	<b>3.5</b>

##### Notes to the Unaudited Pro Forma Income Statement:

- (1) The income statement of the Group for the 11 months ended 31 December 2024 has been extracted without adjustment from the Group’s audited 31 December 2024 financial statements.
- (2) The income statement of the Joint Venture for the 11 months ended 31 December 2024 has been extracted from note 5.2 to the Group’s audited 31 December 2024 financial statements with specific categorisation allocations extracted from the unaudited management accounts of the Joint Venture for the period to 31 December 2024.
- (3) The adjustment removes the share of loss in associate in the income statement of the Group for the 11 months ended 31 December 2024 which solely relates to the Joint Venture. This adjustment will have a continuing impact on the Group as the Joint Venture will not be an associate going forward.
- (4) The total estimated costs and expenses of the Acquisition payable by the Company are £2.1 million (exclusive of VAT). As these costs and expenses are one-off, they are not expected to have a continuing impact on the Group. These costs are expected to be deductible for corporation tax purposes.
- (5) The pro forma income statement does not take account of events that have occurred in the Group or the Joint Venture after 31 December 2024.

## Unaudited Pro Forma Statement of Net Assets

<i>As at 31 December 2024</i>	<i>Group</i>	<i>Joint Venture</i>	<i>Adjustments</i>		<i>Pro Forma Net Assets</i>
<i>£m</i>	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5 Note 6</i>
<b>Non-current assets</b>					
Property, plant and equipment	1.7	–	–	–	1.7
Goodwill	0.3	–	–	–	0.3
Investment in associate	9.6	–	(9.6)	–	–
Other investments	3.2	–	–	–	3.2
Other intangible assets	16.3	0.8	–	–	17.1
<b>Total non-current assets</b>	<b>31.1</b>	<b>0.8</b>	<b>(9.6)</b>	<b>–</b>	<b>22.3</b>
<b>Current assets</b>					
Trade and other receivables	21.4	–	–	–	21.4
Cash and cash equivalents	9.3	18.8	–	(2.1)	26.0
<b>Total current assets</b>	<b>30.7</b>	<b>18.8</b>	<b>–</b>	<b>(2.1)</b>	<b>47.4</b>
<b>Total assets</b>	<b>61.8</b>	<b>19.6</b>	<b>(9.6)</b>	<b>(2.1)</b>	<b>69.7</b>
<b>Current liabilities</b>					
Lease liabilities	(0.7)	–	–	–	(0.7)
Trade and other payables	(11.0)	(0.1)	–	–	(11.1)
Deferred income	(7.6)	–	–	–	(7.6)
Current tax payable	(0.1)	–	–	0.5	0.4
<b>Total current liabilities</b>	<b>(19.4)</b>	<b>(0.1)</b>	<b>–</b>	<b>0.5</b>	<b>(19.0)</b>
<b>Non-current liabilities</b>					
Interest bearing loans and borrowings	(0.2)	–	–	–	(0.2)
Lease liabilities	(0.7)	–	–	–	(0.7)
Deferred tax	(2.5)	–	–	–	(2.5)
<b>Total non-current liabilities</b>	<b>(3.4)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3.4)</b>
<b>Total liabilities</b>	<b>(22.8)</b>	<b>(0.1)</b>	<b>–</b>	<b>0.5</b>	<b>(22.4)</b>
<b>Net assets</b>	<b>39.0</b>	<b>19.5</b>	<b>(9.6)</b>	<b>(1.6)</b>	<b>47.3</b>

### Notes to the Unaudited Pro Forma Statement of Net Assets:

- (1) The net assets of the Group as at 31 December 2024 have been extracted without adjustment from the Group's audited 31 December 2024 financial statements.
- (2) The net assets of the Joint Venture as at 31 December 2024 have been extracted from note 5.2 to the Group's audited 31 December 2024 financial statements with specific categorisation allocations extracted from the unaudited management accounts of the Joint Venture for the period to 31 December 2024.
- (3) The adjustment removes the investment in associate held in the balance sheet of the Group as at 31 December 2024 which solely relates to the Joint Venture.
- (4) The total estimated costs and expenses of the Acquisition payable by the Company are £2.1 million (exclusive of VAT), which are expected to be deductible for corporation tax purposes.
- (5) On completion of the transaction, it is expected that acquisition accounting methodology will be followed. In the unaudited pro forma statement of net assets, no adjustment has been made to the fair values of the individual net assets of the Joint Venture to reflect any remeasurement to fair value. The fair value adjustments, when finalised, may be material. Furthermore, no adjustment has been made for the fair value of the consideration of \$76.5 million which is being satisfied by the issue of the New Ordinary Shares at a price of 386.5 pence per New Ordinary Share to the Seller, and consequently has no impact on cash.
- (6) The pro forma statement of net assets does not take account of events that have occurred in the Group or the Joint Venture after 31 December 2024.

## Section B: Accountant's report on the Unaudited Pro Forma Financial Information



### RSM UK Corporate Finance LLP

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#### *The Directors*

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6 June 2025

To the Directors of Pinewood Technologies Group Plc,

### **Pinewood Technologies Group Plc (the “Company”) and its subsidiary undertakings (the “Group”)**

We report on the pro forma financial information (the “**Pro forma Financial Information**”) set out in Section A of Part 4 (Unaudited Pro Forma Financial Information on Pinewood.AI) of the prospectus dated 6 June 2025 of the Company (the “**Prospectus**”).

This report has been prepared in accordance with the requirements of Item 11.5 of Annex 3 and Item 3 of Annex 20 of assimilated Commission Regulation (EU) 2019/980 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**PR Regulation**”), and is given for the purpose of complying with that paragraph and for no other purpose.

### **Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Group.

### **Responsibilities**

It is the responsibility of the directors of Pinewood Technologies Group Plc to prepare the Pro Forma Financial Information in accordance with Items 1 and 2 of Annex 20 of the PR Regulation.

It is our responsibility to form an opinion, as required by Item 11.5 of Annex 3 and Item 3 of Annex 20 of the PR Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law, we do not accept or assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for



the purposes of complying with Item 1.3 of Annex 3 of the PR Regulation, or consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of preparation**

The Pro Forma Financial Information has been prepared on the basis described, for illustrative purposes only, to provide information about how the Transaction might have affected the financial information presented on the basis of the accounting policies adopted by the Group in preparing the financial statements for the period ended 31 December 2024.

### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Group.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare, to the best of our knowledge, that the information contained in this report is in accordance with the facts and that the information contained in this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex 3 of the PR Regulation.

Yours faithfully

### **RSM UK Corporate Finance LLP**

Regulated by the Institute of Chartered Accountants in England and Wales

## Part 5

### Taxation

#### 1. UK TAXATION

##### 1.1 General

The following statements are intended to apply only as a general guide to certain aspects of current UK tax law and to the current published practice of HMRC (which is not binding), both of which are subject to change at any time, possibly with retrospective effect. They are intended to apply only to Shareholders who are resident solely in the UK for tax purposes (save where express reference is made to non-UK tax resident persons) and to whom “split year” treatment does not apply, who hold the Ordinary Shares as investments and not as securities to be realised in the course of a trade, who have not (and are deemed not to have) acquired their Ordinary Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Group, and who are the beneficial owners of the Ordinary Shares (and the Ordinary Shares are not held through an Individual Savings Account (ISA) or a Self Invested Personal Pension). The statements may not apply to certain classes of Shareholders such as dealers in securities. Any Shareholders who are in any doubt as to their tax position regarding the acquisition, ownership or disposal of the Ordinary Shares or New Ordinary Shares, or who are subject to tax in a jurisdiction other than the UK, should consult their own tax advisers.

##### 1.2 Taxation of Chargeable Gains

A disposal of all or any of the Ordinary Shares by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on the relevant shareholder's circumstances, give rise to a liability to UK taxation on chargeable gains.

###### 1.2.1 *UK Tax Resident Individual Shareholders*

A disposal or deemed disposal of Ordinary Shares may give rise to a chargeable gain or allowable loss. Where a UK resident individual Shareholder disposes of Ordinary Shares at a gain, capital gains tax will be levied to the extent that the gain exceeds the annual exemption and after taking account of any other available reliefs, such as capital losses.

For individuals, capital gains tax will be charged at 18 per cent. where the individual's taxable income and gains are within the income tax basic rate band. To the extent that any chargeable gains, or part of any chargeable gain, aggregated with income arising in a tax year exceed the income tax basic rate band, capital gains tax will be charged at 24 per cent.

For trustees and personal representatives of deceased persons, capital gains tax on gains in excess of the current annual exempt amount will be charged at a flat rate of 24 per cent.

###### 1.2.2 *Temporarily Non-UK Tax Resident Individual Shareholders*

Individual Shareholders who are not, but have been, resident for UK tax purposes in the UK and cease to be resident in the United Kingdom for a period of five years of assessment or less (“**Temporary Non-Residents**”), may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to UK taxation on chargeable gains in respect of gains arising from a sale or other disposal of Ordinary Shares during that period of non-residence on their return to the United Kingdom in the same way as an individual Shareholder who is resident in the United Kingdom for UK tax purposes, as described above.

###### 1.2.3 *UK Tax Resident Corporate Shareholders*

For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or allowable loss for the purposes of UK corporation tax, depending on the circumstances and subject to any available exemptions or relief. Corporation tax is charged on chargeable gains at the rate of corporation

tax applicable to that Shareholder (currently, the main rate of corporation tax is a maximum of 25 per cent.).

#### 1.2.4 **Other Non-UK Tax Resident Shareholders**

Other than Temporary Non-Residents, a Shareholder who is not a resident for tax purposes in the United Kingdom will not be subject to UK taxation of chargeable gains on a disposal of Ordinary Shares, unless: (i) the Shareholder is an individual Shareholder carrying on a trade, profession or vocation in the United Kingdom through a UK branch or agency in connection with which the Ordinary Shares are held; (ii) the Shareholder is a corporate Shareholder carrying on a trade in the United Kingdom through a UK permanent establishment to which the Ordinary Shares are attributable; or (iii) where certain conditions are met, the Company derives 75 per cent. or more of its gross value from UK land.

Non-UK tax resident Shareholders may be subject to non-UK taxation in respect of their Ordinary Shares and should consult their own local tax advisers.

### 1.3 **Dividends**

Under current UK tax legislation, the Company will not be required to withhold tax when paying a dividend (whether in cash or in the form of a stock dividend).

A Shareholder's liability to tax on dividends will depend on the individual circumstances of the Shareholder.

#### 1.3.1 **UK Tax Resident Individual Shareholders**

All dividends received by a UK tax resident individual Shareholder in respect of Ordinary Shares in any particular tax year will form part of the Shareholder's total income for income tax purposes for that tax year and will (together with dividends received from any other sources) constitute the top slice of that income.

A nil rate of income tax will apply to the first £500 (for tax year 2025/2026) of taxable dividend income received by the Shareholder in a tax year (the "**Dividend Allowance**"). Income within the Dividend Allowance will be taken into account in determining whether income in excess of the Dividend Allowance falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the Dividend Allowance will be taxed at 8.75 per cent. to the extent that the excess amount falls within the basic rate tax band, 33.75 per cent. to the extent that the excess amount falls within the higher rate tax band and 39.35 per cent. to the extent that the excess amount falls within the additional rate tax band.

#### 1.3.2 **Non-UK Tax Resident Individual Shareholders**

Non-UK tax resident Shareholders may be subject to non-UK taxation in respect of dividends paid on their New Ordinary Shares and should consult their own local tax advisers.

#### 1.3.3 **UK Tax Resident Corporate Shareholders**

A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009 (subject to anti avoidance rules and provided all conditions are met). It is anticipated that dividends should fall within one of such exempt classes but shareholders should seek independent advice to confirm their position (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not met, or cease to be satisfied, or such a corporate Shareholder elects for an otherwise exempt dividend to be taxable, then the corporate Shareholder will be subject to UK corporation tax on dividends received from the Company at the current maximum rate of 25 per cent.

## 1.4 Transactions in Securities

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel 'tax advantages' derived from certain prescribed 'transactions in securities'.

## 1.5 Stamp Duty and SDRT

### 1.5.1 *Issue of New Ordinary Shares*

The issue of New Ordinary Shares will not generally give rise to any charge to UK stamp duty or liability to UK stamp duty reserve tax ("**SDRT**"). If the issue of New Ordinary Shares forms part of the consideration paid for the acquisition of shares in another company, the acquisition may give rise to a UK stamp duty or SDRT liability.

### 1.5.2 *Transfers or Agreements to Transfer of Ordinary Shares*

Subject to an exemption for certain low value transactions, a transfer on sale of Ordinary Shares held in certificated form will generally be liable to ad valorem stamp duty, at the rate of 0.5 per cent. (rounded up to the next multiple of five Pounds Sterling (£5)) of the consideration paid or provided. Stamp duty is normally the responsibility of the purchaser or transferee of the Ordinary Shares. An unconditional agreement to transfer such shares will normally also give rise to SDRT, at the rate of 0.5 per cent. of the amount or value of the consideration paid or provided for such shares. However, such liability will be cancelled, or any SDRT paid refunded, if the agreement is completed by a duly stamped or exempt transfer within six years of the agreement having become unconditional. SDRT is normally the liability of the purchaser or transferee of the Ordinary Shares.

Under the CREST system for paperless share transfers, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the system, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a liability to SDRT will arise, usually at the rate of 0.5 per cent. of the amount or value of the consideration given. Transfers of Ordinary Shares within CREST are generally liable to SDRT (at a rate of 0.5 per cent. of the amount or value of the consideration paid or provided) rather than stamp duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected and accounted for to HMRC by Euroclear.

Where Ordinary Shares are transferred (or unconditionally agreed to be transferred) by a person (or its nominee) to a connected company (or its nominee), whether or not for consideration, stamp duty or SDRT will be chargeable on the higher of the consideration and the market value of the Ordinary Shares, subject to the availability of any relief.

Where Ordinary Shares are transferred to (or to a nominee or agent for) a person whose business is or includes issuing depositary receipts or the provision of clearance services, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration payable in respect of the Ordinary Shares or, in certain circumstances, the value of the Ordinary Shares (rounded up to the nearest multiple of £5 in the case of stamp duty), unless (in the case of a clearance service provider) the provider has made and maintained an election to disapply such charge. An exemption from this higher 1.5 per cent. stamp duty or SDRT charge may, subject to certain conditions, be available where the transfer is made in the course of capital-raising arrangements or qualifying listing arrangements. In practice, any such liability for stamp duty or SDRT is in general borne by the person depositing the relevant shares in the depositary receipt system or clearance service.

The above statements are intended as a general guide only to the current stamp duty and SDRT position. Certain categories of person, including market makers, brokers and dealers, may not be liable to stamp duty or SDRT and others may, although not primarily liable for tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

## Part 6

### Valuation Report



Strictly Confidential:

June 4, 2025

Pinewood Technologies Group PLC (the “**Company**”)  
2960 Trident Court Solihull Parkway  
Birmingham Business Park  
Birmingham, West Midlands B37 7YN  
United Kingdom

#### Ladies and Gentlemen:

Kroll, LLC (“**Duff & Phelps**”), operating through its Duff & Phelps Valuation Opinions Practice, is serving as an independent financial advisor to the board of directors of the Company, specifically to provide a valuation opinion (the “**Valuation Opinion**”) as to the estimated Fair Market Value (defined below) of the 51 per cent. ownership interest in the JV (defined below) held by Lithia (defined below) via its wholly owned subsidiary PNA Holding LLC as of June 4, 2025 (the “**Valuation Date**”). The Valuation Opinion has been prepared for the purposes of the Proposed Transaction (defined below).

#### Description of the Proposed Transaction

The Company proposes to acquire the 51 per cent. ownership interest in Pinewood North America, LLC (the “**JV**”) held by Lithia Motors, Inc. (“**Lithia**”) via its wholly owned subsidiary (PNA Holding LLC), in consideration of which the Company will issue new ordinary shares in the capital of the Company to Lithia (the “**Proposed Transaction**”).

#### Fair Market Value

Fair Market Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Valuation Methodology

The Valuation Opinion has been prepared in compliance with appropriate professional standards and pursuant to the requirements of the UK City Code on Takeovers and Mergers (the “**Code**”) and the prospectus regulation rules of the UK Financial Conduct Authority (the “**FCA**”) (the “**Prospectus Regulation Rules**”). Duff & Phelps used the discounted cash flow methodology to estimate the Fair Market Value of Lithia’s 51 per cent. ownership interest in the JV. The discounted cash flow methodology is a valuation technique that provides an estimation of the value of a business based on expectations about the cash flows that the business would generate over time. Beginning with estimations of the annual cash flows expected to be generated over a discrete projection period, these cash flows are converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected cash flows. The present value of the estimated cash flows is then added to the present value of the residual value for the business at the end of the discrete projection period to arrive at an estimate of fair market value. Duff & Phelps did not rely on alternative valuation methodologies, such as a market approach or precedent transaction approach, due to the lack of public companies and target companies in precedent transactions with comparable financial performance metrics as the JV, given that the JV is in the early stages of commercialization in North America.

## Valuation Analysis

In applying the discounted cash flow methodology to arrive at an estimated Fair Market Value, Duff & Phelps held discussions with members of the Company's finance team, including the Company's Chief Financial Officer, and, among other things, reviewed or otherwise took the following into account:

- the standalone base case financial projections of the JV, prepared by management (the "**Management Projections**"), for the years ending December 31, 2025 through December 31, 2030;
- certain information provided by the Company relating to the business, operations, financial condition and probable future outlook of the JV; and
- such other financial analyses and such other information as deemed appropriate for the purposes of this Valuation Opinion.

Beyond the projection period ended December 31, 2030, Duff & Phelps utilized a long-term growth rate of 3.00 per cent. and the Gordon Growth perpetuity formula to estimate the terminal value. Duff & Phelps discounted the resulting free cash flows for the 2025 through 2030 period and the terminal value using a discount rate range of 15.50 per cent. to 17.50 per cent. This discounted cash flow analysis assesses the current value of the JV on the basis of its existing pipeline which is solely comprised of the roll-out of Pinewood.AI's software to Lithia's entire North American car dealership footprint (with the existing pipeline currently constrained in the view of the Company by Lithia's majority ownership of the JV), and the assumptions of revenue and profitability per Lithia car dealership as provided in the Management Projections.

## Valuation Opinion

Based on the discounted cash flow analysis, Duff & Phelps have concluded on a Fair Market Value range of \$73.0 million to \$86.1 million for Lithia's 51 per cent. ownership interest in the JV, as of the Valuation Date.

## Conflicts of Interest / Independence

Other than this Valuation Opinion, during the two years preceding the date of this Valuation Opinion, Duff & Phelps has not had any material relationship with any party to the Proposed Transaction for which compensation has been received or is intended to be received, nor is any such material relationship or related compensation mutually understood to be contemplated.

## Responsibility Statements

- (i) For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), Duff & Phelps is responsible for this Valuation Opinion and accepts responsibility for the information contained in this Valuation Opinion and confirms that, to the best of its knowledge, the information contained in this Valuation Opinion is in accordance with the facts and the Valuation Opinion makes no omissions likely to affect its import

Save for any responsibility which we have to the Company and any responsibility arising under the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Opinion or our statement above; and

- (ii) For the purposes of the Code, Duff & Phelps is responsible for this Valuation Opinion and accepts responsibility for the information contained in this Valuation Opinion and confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Valuation Opinion is in accordance with the facts and contains no omissions likely to affect its import.

Save for any responsibility which we have to the Company and any responsibility arising under the Takeover Code to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Opinion or our statements above.



## Consent Statement

Duff & Phelps consents to the inclusion of the Valuation Opinion in the shareholder circular to be published by the Company pursuant to Rule 9 of the Code and the prospectus to be published by the Company in connection with the admission of new ordinary shares in the capital of the Company to trading on the equity shares (commercial companies) category of the Official List of the FCA and to trading on London Stock Exchange plc's main market for listed securities (the "Prospectus"), and the references to our name in the form and context in which they appear therein and, in respect of the Prospectus, confirming that our consent is given for the purpose of complying with item 1.3 of Annex 3 of assimilated Commission Delegated Regulation (EU) 2019/980 as it forms part of the law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended.

## Professional Credentials

The Valuation Opinion has been carried out on behalf of Duff & Phelps by David Lee, a managing director and Head of EMEA Transaction Opinions. David has over 15 years of experience in advising companies, boards of directors, special committees, limited partner advisory committees, corporate counsel, trustees, and shareholders.

David specializes in the execution of transaction opinions and valuations in the context of mergers & acquisitions, private placements, and recapitalization transactions. He has provided valuation, fairness and/or solvency opinions in a variety of public and private company transactions and, accordingly, has sufficient current knowledge of the relevant market and the necessary skills and understanding to prepare the Valuation Opinion.

David received his M.B.A. in finance from the Fordham Graduate School of Business and B.S. in finance from The Pennsylvania State University. David holds the Financial Industry Regulatory Authority Series 7 and 63 licenses. David also holds the Chartered Financial Analyst ("CFA") designation.

Yours sincerely,

for and on behalf of Kroll, LLC

A handwritten signature in black ink that reads "Duff & Phelps". The signature is stylized, with the ampersand being particularly prominent.

### **Kroll, LLC**

1 S. Wacker Drive  
Suite 7000  
Chicago, IL 60606

## Part 7

### Additional Information

#### 1. RESPONSIBILITY

- 1.1 The Company and each of the Directors, whose names are set out on page 32 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

#### 2. REGISTERED OFFICE OF PINEWOOD.AI AND AUDITORS

- 2.1 Pinewood.AI is domiciled in England and Wales and its registered office is at 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN. The Company's telephone number is +44(0)121 697 6600.
- 2.2 RSM UK Audit LLP, whose address is 103 Colmore Row, Birmingham, B3 3AG, was appointed as the Company's auditor for the 11-month period year ending 31 December 2024. RSM UK Audit LLP is registered to carry on audit work in the UK by the Institute of Chartered Accountants of Scotland.

#### 3. RIGHTS AND RESTRICTIONS ATTACHING TO THE ORDINARY SHARES

- 3.1 The rights attaching to the Ordinary Shares including dividend rights, voting rights, pre-emption rights, rights to share in profits, rights on a winding up or liquidation are set out in the Articles incorporated by reference into this document, as detailed in Part 8 (Documentation Incorporated by Reference) of this document.
- 3.2 The Ordinary Shares are freely transferable and there are no restrictions on transfer in the UK.

#### 4. SHARE CAPITAL OF PINEWOOD.AI

- 4.1 As at the Latest Practicable Date (and as it is expected to be immediately following Admission), the issued and fully paid share capital of Pinewood.AI is as follows:

	<i>Ordinary Shares</i>	
	<i>Nominal Value (£)</i>	<i>Number</i>
At present	100,539,286	100,539,286
Following Admission	115,099,977	115,099,977

The issued and fully paid share capital of Pinewood.AI set out in the table above assumes that no Ordinary Shares are issued between the Latest Practicable Date and Admission other than pursuant to the Acquisition

- 4.2 The Ordinary Shares are denominated in Pounds Sterling and have a nominal value of £1.00 each.
- 4.3 As at the Latest Practicable Date, the Company holds no Ordinary Shares as treasury shares.
- 4.4 There are no Ordinary Shares held by or on behalf of Pinewood.AI or by any of the subsidiaries of Pinewood.AI.
- 4.5 Save as set out in paragraph 10.4 of this Part 7, the Company has not issued any convertible securities, exchangeable securities or securities with warrants and there are no acquisition rights or obligations over authorised but unissued share capital or undertakings to increase the capital of Pinewood.AI.

## **5. MANDATORY TAKEOVER BIDS AND SQUEEZE-OUT AND SELL-OUT RULES**

### **5.1 Mandatory bids**

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of an acquirer and its concert parties to an interest in Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending upon the circumstances, its concert parties, would be required (except with the consent of the Panel) to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for the Ordinary Shares in the Company by the acquirer or its concert parties during the previous 12 months. A similar obligation to make such a mandatory offer would also arise on the acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary Shares carrying between 30 to 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

If the Acquisition completes, Lithia (through the Seller) would have an interest in 32.0 per cent. of the Ordinary Shares in the Company. As referenced in paragraph 8 of Part 1 (Information about the Acquisition), the approval of Shareholders will be sought at the General Meeting of the conditional waiver granted to Lithia (and its concert parties) by the Panel from the requirement to make a mandatory offer pursuant to Rule 9 of the Takeover Code to acquire the shares in the Company not already owned by it which might otherwise be imposed on it following the issuance of the New Ordinary Shares to the Seller in connection with the Acquisition, further details of which are set out in the Circular.

### **5.2 Squeeze-out**

Under the Companies Act, if an offeror were to acquire, or unconditionally contract to acquire 90 per cent. of the shares to which its takeover offer relates and 90 per cent. of the voting rights attached to those shares, within three months of the last day on which its offer can be accepted, it could compulsorily acquire the remaining 10 per cent. it would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for those outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the offer.

### **5.3 Sell-out**

The Companies Act also gives minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require it to acquire those shares.

The offeror would be required to give any Shareholder notice of their right to be bought out within one month of the right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises their rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

### **5.4 Takeover bids**

No public takeover bid has been made in relation to the Company during the 11-month period to 31 December 2024 or the current financial year.

### **5.5 Rule 9**

Rule 9 of the Takeover Code provides that, where any person who, together with persons acting in concert with them, holding over 50 per cent. of the voting rights of a company, acquires any further shares carrying voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares.

## 6. DIRECTORS OF THE COMPANY

6.1 The biographical details of the Directors are set out in paragraph 7 of Part 2 (Information on Pinewood.AI) of this document.

6.2 In addition to their directorships of Pinewood.AI and companies in the Group, the Directors hold or have held the following directorships and/or have been partners of the following partnerships in the five years before the date of this document:

### 6.2.1 **Ian Filby**

#### *Current*

British Retail Consortium  
IFF Life and Business Solutions Limited

#### *Former*

Shoe Zone Plc  
Her Spirit Ltd  
Joules Group Plc

### 6.2.2 **William Berman**

#### *Current*

Pendragon Overseas Limited

#### *Former*

Andre Baldet Limited  
Areana Auto Limited  
Autonation Corporate  
Autonation Western Region  
Bramall Contracts Limited  
Bramall Quicks Dealerships Limited  
Bramall Quicks Limited  
Bridgegate Limited  
Brightdart Limited  
C D Bramall Dealerships Limited  
C D Bramall Limited  
Car Store Limited  
Car Store.com Limited  
CD Bramall Pension Trustee Limited  
Charles Sidney Holdings Limited  
Charles Signey Limited  
Chatfields Limited  
Chatfields-Martin Walter Limited  
Derwent Vehicles Limited  
Evans Halshaw (Dormants) Limited  
Evans Halshaw Limited  
Evans Halshaw Motor Holdings Limited  
Evans Halshaw.com Limited  
National Fleet Solutions Limited  
Pendragon Automotive Services Limited  
Pendragon Finance and Insurance Services Limited  
Pendragon General Partner Limited  
Pendragon Group Services limited  
Pendragon Limited Partner Limited  
Pendragon Management Services Limited  
Pendragon Motor Group Limited  
Pendragon Premier Limited  
Pendragon Sabre Limited  
Pendragon Stock Finance Limited  
Pendragon Vehicle Management Limited  
Petrogate Limited  
Plumtree Motor Company Limited  
Quicks (1997) Motor Holdings Limited  
Quicks Finance Limited

6.2.2 **William Berman** *continued*

*Current*

*Former*

Reg Vardy (TMC) Limited  
Reg Vardy (TMH) Limited  
Reg Vardy Limited  
Skipper Group Limited (The)  
Stratstone Limited  
Stratstone Motor Holdings Limited  
Stratstone.com Limited  
Stripestar Limited  
Suresell Limited  
The Car and Van Store Limited  
Trust Properties Limited

6.2.3 **Oliver Mann**

*Current*

*Former*

–

–

6.2.4 **Christopher Holzshu**

*Current*

*Former*

Lancaster UK Limited  
Litha Motors Group UK Limited  
Lithia Motors, Inc.  
Freedom Grand Parent LLC  
MKH Properties LLC  
MYMB LLC

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6.2.5 **George Hines**

*Current*

*Former*

Lithia Motors, Inc.  
Friends of the Animals Southern Oregon

Coast to Coast Experiences Ltd

6.2.6 **Brian Small**

*Current*

*Former*

De La Rue Plc  
Mothercare Plc

Aston Martin Owners Club Limited  
Boohoo Group plc  
Kilos London (Dev) Limited  
Kilos International Limited  
Kilos Int Training Limited  
Retail Trust

6.2.7 **Dietmar Exler**

*Current*

*Former*

Amb Sports & Entertainment, LLC

–

#### 6.2.8 **Jemima Bird**

##### *Current*

Creightons Plc  
Headlam Group Plc  
Hello Finch Limited  
Parkplay Limited

##### *Former*

BBE Health Limited  
J&W Nicholson & Co Ltd  
The Football Foundation  
The Greater Good Fresh Brewing Company Limited  
The Revel Collective Plc

6.3 At the date of this document, save as disclosed in this paragraph 6 of this Part 7 (Additional Information) of this document, none of the Directors have at any time in the five years preceding the date of this document:

6.3.1 been a director or partner of any companies or partnerships; or

6.3.2 had any convictions in relation to fraudulent offences (whether spent or unspent); or

6.3.3 been adjudged bankrupt or entered into an individual voluntary arrangement; or

6.3.4 been a director of a company which has been placed into receivership, compulsory liquidation, creditors' voluntary liquidation or administration, or which entered into any CVA or any composition or arrangement with its creditors generally or with any class of its creditors, at any time while he was a director of that company or within 12 months after his ceasing to be a director; or

6.3.5 been a partner or senior manager in a partnership which, while he was a partner or senior manager or within 12 months of his ceasing to be a partner or senior manager, was put into compulsory liquidation or administration or entered into any partnership voluntary arrangement or had a receiver appointed over any partnership asset; or

6.3.6 had a receiver appointed with respect to any assets belonging to him or a partnership of which he has been a partner; or

6.3.7 been subject to any official public incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) or been disqualified by a court from acting as a director or other officer of a company or from acting in the management or conduct of the affairs of any company.

6.4 None of the Directors have any family relationship with another Director.

## **7. CONFLICT OF INTEREST**

7.1 Save for the relationships of Christopher Holzshu and George Hines, respectively, with Lithia and the Seller:

7.1.1 in respect of any Director, there are no actual or potential conflicts of interests between any duties they have to the Company, either in respect of the Acquisition or otherwise, and the private interests and/or other duties they may also have. Save as disclosed in this Part 7 (Additional Information) there are no interests, including conflicting ones, that are material to the Acquisition; and

7.1.2 no Director has a material interest in any significant contract with the Company or any of its subsidiaries.

7.2 Save for Christopher Holzshu and George Hines, who were nominated to act as Directors by the Seller in accordance with the Relationship Agreement, no Director was selected to be a director of the Company pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with the Group.



## 8. INTERESTS OF SIGNIFICANT SHAREHOLDERS IN THE COMPANY

- 8.1 As at the Latest Practicable Date, the Company had been notified of or was otherwise aware of the following Shareholders who were directly or indirectly interested in 3 per cent. or more of the issued Ordinary Shares:

Shareholder	No. of Existing Ordinary Shares	Percentage of existing issued ordinary share capital	No. of Ordinary Shares following Admission*	Percentage of Enlarged Share Capital*
Lithia UK Holding Limited	22,214,484	22.1%	36,775,175	32.0%
Fidelity Investments	10,042,836	10.0%	10,042,836	8.7%
Working Capital	9,133,173	9.1%	9,133,173	7.9%
Newtyn Management	8,000,000	8.0%	8,000,000	7.0%
Harwood Capital	7,638,000	7.6%	7,638,000	6.6%
Hosking Partners	4,181,793	4.2%	4,181,793	3.6%
Kestrel Investment Partners	3,192,734	3.2%	3,192,734	2.8%

\* Assuming that no Ordinary Shares are issued between the Latest Practicable Date and Admission, other than pursuant to the Acquisition

- 8.2 Save as disclosed in this paragraph 8 of this Part 7 (Additional Information), the Company is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, had a holding which exceeds 3 per cent. (and in the case of a fund management holding company, 5 per cent.) of the total voting rights attaching to the Company's issued Ordinary Share capital.
- 8.3 The Company is not aware of any person who, as at the Latest Practicable Date, directly or indirectly, jointly or severally, exercises or could exercise control over the Company, nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.
- 8.4 Following completion of the Acquisition, subject to the provisions of the Relationship Agreement, Lithia (through the Seller) may possess sufficient voting power to have an influence on matters requiring Shareholder approval.
- 8.5 None of the Shareholders referred to in this paragraph 8 of this Part 7 (Additional Information) have different voting rights from any other holder of Ordinary Shares in respect of such shares held by them.
- 8.6 Kuldeep Billan, an affiliate of GAH, has been issued warrants in respect of, in aggregate, 6,098,093 Ordinary Shares as at the Latest Practicable Date, which are exercisable at a strike price of 330 pence per Ordinary Share, subject to satisfaction of the terms of the warrants, as more particularly described in paragraph 10.4 of this Part 7 (Additional Information).

## 9. DIRECTORS' INTERESTS

The Directors in their capacity as Shareholders are interested in 125,010 Existing Ordinary Shares as at the Latest Practicable Date (representing approximately 0.1 per cent. of the Company's issued ordinary share capital) as follows:

Name	Total number of Existing Ordinary Shares in the capital of the Company <sup>(1)</sup>	Percentage of the existing issued share capital of the Company (per cent.)
William Berman	nil	nil
Oliver Mann	32,734	0.0
Ian Filby	nil	nil
Christopher Holzshu	28,000	0.0
George Hines	nil	nil
Brian Small	26,349	0.0
Dietmar Exler <sup>(2)</sup>	22,300	0.0

- (1) These figures do not include any interests in ordinary shares held by the Directors pursuant to the Share Plans. William Berman has been granted LTIP awards over 1,256,067 Ordinary Shares and DSP awards over 400,495 Ordinary Shares, subject to the terms of the LTIP and DSP respectively. Oliver Mann has been granted LTIP awards over 291,262 Ordinary Shares, subject to the terms of the LTIP.
- (2) Dietmar Exler has entered into a binding commitment with the Company pursuant to which he has irrevocably committed to purchase the equivalent of £5,000 of Ordinary Shares in the open market on the 25th of every month (or if the market is closed on that date, on the next day that it is open for trading) until 25 September 2025.

## 10. MATERIAL CONTRACTS

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) that has been entered into by Pinewood.AI or any member of the Group:

- (a) within the two years immediately preceding the date of this document which are, or may be, material to the Group; or
- (b) at any time and contains obligations or entitlements which are, or may be, material to the Group, as at the date of this document.

### 10.1 Acquisition Agreement

The Acquisition Agreement is summarised in paragraph 4 of Part 1 (Information about the Acquisition) of this document.

### 10.2 2025 Sponsor Agreement

On 6 June 2025, the Company entered into a sponsor agreement with Jefferies (“**Jefferies**”) pursuant to which the Company appointed Jefferies as sponsor for the purposes of the Acquisition and Admission and to carry out the duties of a sponsor as provided by Chapter 24 of the Listing Rules.

Under the terms of that agreement, the Company has given certain customary representations and warranties, agreed to comply with certain customary undertakings and gave certain customary indemnities to Jefferies. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount. Jefferies is permitted by notice to the Company terminate the agreement in certain customary limited circumstances.

### 10.3 Jefferies Engagement Letter

On 2 June 2025, the Company entered into an engagement letter with Jefferies (“**Jefferies**”) pursuant to which the Company appointed Jefferies to provide certain services in connection with the Acquisition and to carry out the duties of a sponsor as provided by the Listing Rules.

Under the terms of that agreement, the Company has agreed to comply with certain customary undertakings and gave certain customary indemnities to Jefferies. The liabilities under those undertakings and indemnities are unlimited as to time and amount. Jefferies is permitted by notice to the Company terminate the agreement in certain customary limited circumstances.

### 10.4 Warrant Instruments

On 13 February 2025, the Company entered into an ordinary course five year dealer management systems contract with GAH for the implementation by GAH of the Pinewood Automotive Intelligence™ platform into all of its owned dealerships across the UK, North America and Scandinavia. In connection with that contract, the Company, entered into three warrant instruments (together, the “**Warrant Instruments**”), pursuant to which the Company has issued to Kuldeep Billan, being an affiliate of GAH, warrants over a maximum of 6,098,093 new Ordinary Shares (comprising approximately 7 per cent. of the Company’s issued share capital as at 13 February 2025) which are exercisable at a strike price of 330.0p per Ordinary Share, in certain tranches, subject in each case to the satisfactory completion of the installation of the Pinewood Automotive Intelligence™ platform into the entirety of each relevant geography. The Warrant Instruments in respect of the European and North American installations by GAH each relate to warrants over 871,156 Ordinary Shares. The Warrant Instrument in respect of the UK installation by GAH relates to warrants over 4,355,781 Ordinary Shares.

The subscription rights in respect of the warrants issued pursuant to the Warrant Instruments may be exercised on a cashless basis and are subject to adjustment in the event of the occurrence of customary adjustment events. All outstanding warrants may be exercised in the event of a takeover of the Company, whether implemented by way of a contractual offer or a statutory scheme of arrangement.

#### 10.5 **Seez Acquisition Agreement**

On 20 February 2025, the Company entered into a conditional agreement to acquire the shares in Seez not already owned by the Company for total consideration of \$42,000,000, which was satisfied through a combination of cash and Ordinary Shares (the **"Seez Acquisition Agreement"**). The Seez Acquisition Agreement was completed on 4 March 2025.

#### 10.6 **Placing Agreement**

On 20 February 2025, in connection with the acquisition of Seez, the Company entered into a placing agreement with Jefferies and Joh. Berenberg, Gossler & Co. KG, London Branch (together, the **"Banks"**) pursuant to which the Banks agreed to use reasonable endeavours to procure subscribers for new Ordinary Shares (the **"Placing Agreement"**). The Banks were paid commissions based on the aggregate value of Ordinary Shares issued to subscribers procured by them pursuant to the Placing Agreement. Under the terms of the Placing Agreement, the Company gave certain warranties and indemnities to the Banks which were customary for an agreement of this nature. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount.

#### 10.7 **Seez Warranty Deed**

On 20 February 2025, the Company entered into a warranty deed (the **"Warranty Deed"**) pursuant to which the principal shareholder of Seez provided certain warranties and indemnities to the Company in connection with the acquisition of Seez. The warranties contained in the Warranty Deed are backed by a warranty and indemnity insurance policy.

#### 10.8 **Seez Subscription Letters**

In connection with the funding of the cash consideration payable by the Company pursuant to the Seez Acquisition Agreement, on 20 February 2025, Brian Small, Rida Andrew Kabrit and Augmented Reality Concepts, LLC entered into agreements pursuant to which they each agreed to subscribe for Ordinary Shares in aggregate sums equal to £20,000, \$600,000 and £1,191,180, respectively, at the issue price determined pursuant to the Placing Agreement. Each subscription was subject to certain customary conditions, and became unconditional on 4 March 2025.

#### 10.9 **Seez Lock-In Deeds**

On 4 March 2025, the recipients of Ordinary Shares as consideration pursuant to the Seez Acquisition Agreement, being Rida Andrew Kabrit, Karim Corm, Tarek Kabrit and Zain Fares (the **"Seez Locked-In Parties"**), undertook, subject to certain customary exceptions, not to directly or indirectly, sell, transfer, mortgage, charge, encumber, swap, pledge, grant options over, transmit, distribute, gift, assign, convey or dispose of any legal or beneficial interest in any of such Ordinary Shares for a period of 6 months' from 4 March 2025 pursuant to four lock in deeds between the Company and the Seez Locked-In Parties.(the **"Seez Lock-In Deeds"**). The Seez Lock-In Deeds provide for certain limited exceptions to the lock-in undertaking given therein, which include:

- 10.9.1 with the prior written consent of the Company, which shall not be unreasonably withheld;
- 10.9.2 transferring or otherwise disposing of Ordinary Shares in accordance with any order made by a court of competent jurisdiction as required by law or regulation;
- 10.9.3 accepting a recommended offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the Takeover Code on or in executing and delivering an irrevocable undertaking to accept such an offer;
- 10.9.4 pursuant to any compromise or arrangement under Section 896 of the Companies Act providing for the acquisition by any person (or any group of persons acting in concert,

- as such expression is defined in the Takeover Code) of 50 per cent. or more of the Ordinary Shares and which compromise or arrangement has been sanctioned by the courts;
- 10.9.5 in connection with any scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company;
- 10.9.6 the disposal of rights to Ordinary Shares issued by the Company by way of a rights issue to fund the take-up of the balance of such rights; and
- 10.9.7 selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Ordinary Shares which is made on identical terms of all holders of Ordinary Shares in the Company.

#### 10.10 **Joint Venture Agreement**

On 1 February 2024, the Company entered into an amended and restated limited liability company agreement with Pinewood US Holdings LLC, Lithia HoldCo, the Joint Venture and Lithia for the principal purpose of co-developing and commercialising in the United States of America and Canada a North American version of the dealership management system (the “**Joint Venture Agreement**”). Lithia HoldCo holds 51 per cent. of the equity interests in the Joint Venture and Pinewood US Holdings LLC holds the remaining 49 per cent. of the equity interests in the Joint Venture.

The Joint Venture Agreement provides that:

- 10.10.1 the board of the Joint Venture shall consist of a maximum of four managers, of whom two shall be appointed by Lithia and two shall be appointed by the Company, and that the member holding a majority of the equity interests in the Joint Venture, being Lithia as at the Latest Practicable Date, has the right to appoint the chairperson of the board of the Joint Venture;
- 10.10.2 the quorum for meetings of managers of the Joint Venture is to be one manager appointed by each of the Company and Lithia, with resolutions being passed by simple majority, and the chairperson having a casting vote; and
- 10.10.3 a number of strategic decisions are reserved for shareholders, and require the approval of members holding at least 85 per cent. of membership interests.

The Joint Venture Agreement contains restrictions on dilution of Lithia and the Company’s interest, and the transfer of such interests, subject to certain exceptions for a period of 5 years from 1 February 2024. Following such initial period, the Joint Venture Agreement includes customary exit provisions, including drag and tag rights.

The Joint Venture Agreement is governed by the laws of England and shall be subject to the exclusive jurisdiction of the courts of England, provided that matters under the Joint Venture Agreement governed by the Delaware Act are governed by the laws of Delaware.

#### 10.11 **Pendragon Disposal Agreement**

On 18 September 2023, the Company entered into an agreement with Pendragon Group Holdings Limited and the Seller to sell Pendragon NewCo 2 Limited (“**NewCo 2**”) and its subsidiary undertakings (the “**Disposal Group**”) to the Purchaser (the “**Pendragon Disposal Agreement**”).

##### *Consideration*

The gross aggregate consideration received by the Company pursuant to the Pendragon Disposal Agreement was £367 million (subject to certain financial adjustments).

##### *Warranties and indemnities*

The Pendragon Disposal Agreement contains warranties and a tax covenant (subject to customary limitations including a maximum financial liability cap of £1.00) granted by the Company to the Purchaser that are customary for this type of transaction. The aggregate liability of the Company for

all other claims under the Pendragon Disposal Agreement shall not exceed an amount equal to 25 per cent. of the consideration thereunder.

#### *Non-compete and non-solicit*

The Company and the Purchaser have given customary non-solicit and non-compete undertakings to the other in relation to the business carried out by the Company (in the case of the Purchaser) or the Purchaser (in the case of the Company) and their respective customers, senior employees and suppliers. The undertakings apply for a period of three years and the parties shall procure that their respective group companies also comply with these provisions. Customary carve-outs apply to those undertakings.

#### *Governing law and jurisdiction*

The Pendragon Disposal Agreement is governed by and construed in accordance with the laws of England and Wales and the courts of England and Wales have exclusive jurisdiction.

### 10.12 Relationship Agreement

On 31 January 2024, the Company, Project Puma Funding Limited ("**Puma**") and the Seller, a wholly owned subsidiary of Lithia, entered into a subscription, transfer and relationship agreement (the "**Relationship Agreement**"), pursuant to which, subject to the satisfaction of certain conditions, the Seller agreed to subscribe for 279,388,880 ordinary shares of 5 pence each in the capital of the Company at an issue price of approximately 10.74 pence per share.

Pursuant to the Relationship Agreement, the Seller undertook, subject to certain customary exceptions, not to directly or indirectly, sell, transfer, mortgage, charge, encumber, swap, pledge, grant options over, transmit, distribute, gift, assign, convey or dispose of any legal or beneficial interest in any of such Ordinary Shares for a period of two years from admission of the Ordinary Shares to be subscribed for pursuant to the Relationship Agreement. The lock-in undertaking is subject to certain customary limited exceptions, including:

- 10.12.1 with the prior written consent of the Company;
- 10.12.2 transferring or otherwise disposing of Ordinary Shares in accordance with any order made by a court of competent jurisdiction as required by law or regulation;
- 10.12.3 accepting a recommended offer (in accordance with the Takeover Code) made to shareholders of the Company (or to all such shareholders other than the relevant offeror and/or any persons acting in concert (as such term is defined in the Takeover Code) with such offeror) to acquire all the issued Ordinary Shares (other than any Ordinary Shares already owned by the relevant offeror and any person acting in concert with such offeror) or to the execution and delivery of an irrevocable undertaking to accept such offer;
- 10.12.4 selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own shares which is made on identical terms to all holders of shares in the Company and otherwise complies with the Companies Act;
- 10.12.5 transferring or disposing of shares pursuant to a compromise or arrangement between the Company and its creditors or any class of them or between the Company and its members or any class of them which is agreed to by the creditors or members and (where required) sanctioned by the court under the Companies Act;
- 10.12.6 transferring Ordinary Shares pursuant to a compromise or arrangement pursuant to a scheme of arrangement under Part 26 of the Companies Act providing for the acquisition by any person (or group of persons acting in concert, as such expression is defined in the Takeover Code) of 50 per cent. or more of the ordinary share capital of the Company and which compromise or arrangement has been sanctioned by the court;
- 10.12.7 disposing of Ordinary Shares pursuant to a scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company; and

- 10.12.8 taking up any Ordinary Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company.

The Company and Puma agreed to give certain warranties to the Seller which were customary for an agreement of this nature. The liabilities under those warranties are unlimited as to time and amount.

The principal purpose of the Relationship Agreement is to ensure that the Company can carry on as an independent business. The Relationship Agreement contains, among others, undertakings from the Seller, on behalf of itself and its associates, that: (i) transactions and arrangements with it (and/or any of its associates) will be conducted at arm's length and on normal commercial terms; (ii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from complying with its obligations under the Listing Rules, and (iii) neither it nor any of its associates will take any action that would have the effect of preventing the Company from managing their affairs in accordance with the principles of good corporate governance set out in the UK Corporate Governance Code.

Under the terms of the Relationship Agreement, the Seller has the right to nominate up to two directors to the board for so long as the Seller is entitled to exercise 10 per cent. or more of the voting rights attaching to the Ordinary Shares. The Relationship Agreement regulates the appointment and removal of any such directors. the Seller has exercised this right and appointed Christopher Holzshu and George Hines as directors of the Company.

#### 10.13 **Reverse Transitional Services Agreement**

Pursuant to the Pendragon Disposal Agreement, on 31 January 2024, the Company entered into a reverse transitional services agreement with NewCo 2, to govern the separation and transition of several services and functions required by the Group from the Disposal Group (the "**rTSA**").

Pursuant to the terms of the rTSA, NewCo 2 agreed to provide, or procure the provision of, certain transitional services including in relation to (but not limited to) legal, utilities, accounting, taxation, expenses, payroll, employee benefits and IT (the "**TSA Services**") to the Group on the terms of the rTSA, and the parties agreed to co-operate to achieve the separation of the Group from the Disposal Group and migration of the Group from the TSA Services. The rTSA had an initial term of 12 months from completion of the Disposal, which can be extended where the parties, negotiating in good faith, so agree. The rTSA contains customary termination provisions, including the ability for the Company to terminate any TSA Service before the end of the term of 45 days' notice.

The Company agreed to pay a total annual service charge of £300,000, plus certain additional recharges as applicable which are to be paid monthly in arrears. The parties to the rTSA each gave certain warranties to the other which were customary for an agreement of this nature, and the total aggregate liability for each party under such warranties is limited to £300,000.

#### 10.14 **Intellectual Property Agreement**

On 31 January 2024, the Company entered into an IP assignment agreement with Pendragon Management Services Limited (the "**IP Assignment Agreement**"). Pursuant to the IP Assignment Agreement, the Company agreed to assign to Pendragon Management Services Limited certain trade marks and domain names together with all trading names and business names in connection with the Disposal for a consideration of £1.00. Such trade marks, domain names and associated trading names are relevant to the Disposal Group's business only and were not relevant to or required by the Group following completion of the Disposal.

#### 10.15 **Licence and Framework Services Agreement**

On 1 February 2024, Pinewood.AI and the Joint Venture entered into a licence and framework services agreement (the "**Licence and Framework Services Agreement**") for the Joint Venture to commercialise software owned by Pinewood.AI in the United States of America and Canada. Pursuant to the Licence and Framework Services Agreement, the Joint Venture granted the Company



a perpetual, royal-free, non-transferable, non-sub-licensable, exclusive licence to edit, market, promote, sell, implement, configure and support the software and deliverables.

The Licence and Framework Services Agreement is intended to operate as a framework under which the parties will document a product development plan and individual statements of work, setting out any software development activities required to be undertaken by Pinewood.AI to facilitate the development, customisation and sale of the software in the North America. The parties will also document a business plan and brand strategy detailing the marketing and sales activity to be undertaken by Joint Venture in respect of the software in the North America. Additionally, the parties agreed to put in place an operating model which details the support services Pinewood.AI will supply in connection with the software. The fees and charges payable in connection with the Licence and Framework Services Agreement are to be set out in individual scopes of work intended to be issued in accordance with such agreement.

Pursuant to the Licence and Framework Services Agreement the parties agreed to enter into an escrow agreement pursuant to which the source code for the software developed by the Joint Venture will be deposited in escrow for the benefit of Joint Venture.

The Licence and Framework Services Agreement shall remain in effect unless terminated by either party on prior written notice in accordance with its terms. Either party may terminate the Licence and Framework Services Agreement, or any statement of work pursuant to the Licence and Framework Services Agreement, immediately on written notice in the event of (in respect of the other party) an insolvency event. Following the release of the source code to the Joint Venture, the Joint Venture may terminate the Licence and Framework Services Agreement or any statement of work pursuant to it by giving written notice to Pinewood.AI.

The maximum aggregate liability of each party under the Licence and Framework Services Agreement will be limited to £20 million per contract year, although each parties liability for death/personal injury, fraud or fraudulent misrepresentation, wilful misconduct or abandonment, liability which cannot be limited by law and intellectual property rights infringement are unlimited.

#### 10.16 **DMS Escrow Software Agreement**

On 1 February 2024, Pinewood.AI, the Joint Venture and NCC Group Escrow Limited (the “**Escrow Agent**”) entered into the escrow software agreement required to be entered into pursuant to the Licence and Framework Services Agreement pursuant to which Pinewood.AI has agreed to deposit certain confidential information and intellectual property of the Company with the Escrow Agent for release in certain limited circumstances.

#### 10.17 **Deed of Admission and Amendment**

On 31 October 2023, the Company entered into a deed of admission and amendment to the Pendragon Group Pension Scheme (“**Scheme**”) with Pendragon Group Pension Trustees Limited (the “**Trustee**”) and NewCo 2 (the “**Deed of Admission and Amendment**”). The Deed of Admission and Amendment is supplemental to a Definitive Deed and Rules dated 24 September 2024 made between the Company and the Trustee (the “**Trust Deed**”) to allow for the liabilities of the Company to be formally apportioned to NewCo 2 for the purposes of Regulation 6E of the Occupational Pension Schemes (Employer Debt) Regulations 2005.

#### 10.18 **Flexible Apportionment Agreement**

On 13 November 2023, the Company entered into a flexible apportionment arrangement to the Scheme with Trustee and New Employer. Scheme is governed by the Trust Deed and is currently a frozen scheme with effect from 30 November 2023. The Company, Trustee and NewCo 2 agreed that, from the date of completion of the Disposal:

- 10.18.1 NewCo 2 substituted the Company as “Principal Employer” of the Scheme;
- 10.18.2 NewCo 2 assumed recallabilities for the liabilities; and

- 10.18.3 the Company ceases to be an employer and a former employer in relation to the Scheme and is discharged from any further liability under the Scheme.

#### 10.19 **2023 Sponsor Agreement**

On 20 September 2023, the Company entered into a sponsor agreement with Jefferies pursuant to which the Company appointed Jefferies as sponsor for the purposes of the Disposal and to carry out the duties of a sponsor as provided by Chapter 24 of the Listing Rules (the “**2023 Sponsor Agreement**”).

Under the terms of the 2023 Sponsor Agreement, the Company gave certain customary representations and warranties, agreed to comply with certain customary undertakings and gave certain customary indemnities to Jefferies. The liabilities under those warranties, undertakings and indemnities are unlimited as to time and amount.

### 11. **LITIGATION**

There are no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months, which may have, or have in the recent past, a significant effect on the Company’s and/or the Group’s financial position or profitability.

### 12. **STATEMENT OF CAPITALISATION AND INDEBTEDNESS**

Set out below is a statement of capitalisation and indebtedness of the Group as at 31 March 2025.<sup>(1)</sup>

#### **Statement of capitalisation**

	<i>Unaudited As at 31 March 2025<sup>(2)</sup> £m</i>
<b>Total current debt</b> (including current portion of non-current debt)	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	–
<b>Total non-current debt</b> (excluding current portion of non-current debt)	
Guaranteed	–
Secured	–
Unguaranteed/unsecured	0.2
<b>Shareholder equity</b>	
Share capital – allotted, called up and fully paid	100.5
Share premium	78.1
Other reserves	28.9
<b>Total</b>	<b>207.7</b>

Other reserves shown above includes the Group’s capital redemption and merger reserves and exclude retained earnings and translation reserves.

#### **Statement of indebtedness**

Cash	7.1
Cash equivalents <sup>(3)</sup>	20.0
Other current financial assets	–
<b>Liquidity</b>	<b>27.1</b>
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	–
Current portion of non-current financial debt <sup>(4)</sup>	(0.8)
<b>Current financial indebtedness</b>	<b>(0.8)</b>

*Unaudited*  
*As at 31 March 2025<sup>(2)</sup>*  
*£m*

<b>Net current financial indebtedness</b>	<b>26.3</b>
Non-current financial debt (excluding current portion and debt instruments) <sup>(4)</sup>	(0.5)
Debt instruments	(0.2)
Non-current trade and other payables	–
<b>Non-current financial indebtedness</b>	<b>(0.7)</b>
<b>Total financial indebtedness</b>	<b>25.6</b>

Notes:

- (1) The statement of capitalisation and indebtedness has been extracted from unaudited management information as at 31 March 2025.
- (2) As at 31 March 2025 the Company held basic financial instruments including trade and other receivables and payables, accruals and deferred income which are not included above.
- (3) Cash equivalents relate to cash held in fixed short term deposit accounts.
- (4) Financial debt relates to lease liabilities arising under the application of UK-adopted IFRS 16 (leases).

### 13. INDIRECT AND CONTINGENT INDEBTEDNESS

As at 31 March 2025, the Group had no indirect or contingent indebtedness.

### 14. WORKING CAPITAL

The Company is of the opinion that, taking account of the facilities available to the Group, the working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of this document.

### 15. NO SIGNIFICANT CHANGE

Save as disclosed below, there has been no significant change in the financial position or financial performance of the Group since 31 December 2024, being the date to which the latest audited consolidated financial statements for the Group were prepared:

- on 29 April 2025, the Company announced that it had entered into a five-year contract with Volkswagen Group Japan to implement the Group's platform into all the Volkswagen and Audi dealerships in Japan, comprising approximately 350 dealerships;
- on 4 March 2025, the Company completed the acquisition of Seez, as more particularly described in paragraph 2.3 of Part 2 (Information on Pinewood.AI);
- on 21 February 2025, the Group announced the results of an equity fundraise by way of a cash placing to institutional investors, a separate retail offer, and direct subscriptions to the company. In total, 11,325,031 Ordinary Shares were subscribed for at a price of 315 pence per Ordinary Shares. The total gross proceeds from the fundraise were £35.7 million; and
- on 14 February 2025 the Group entered into a five year contract with GAH to implement the Pinewood Automotive Intelligence™ platform. In recognition of the significant scale of this contract, Pinewood.AI has issued warrants to an affiliate of GAH as more particularly described in 10.4 of Part 7 (Additional Information).

### 16. RELATED PARTY TRANSACTIONS

Save for the Acquisition, no member of the Group has entered into any related party transactions between 31 December 2024 (being the end of the last financial period for which audited financial information has been published) and the date of this document.

## 17. PROFIT FORECASTS

### 17.1 Pinewood.AI Profit Forecast for the 11-Month Period Ended 31 December 2024

In its results for the 11-month period ended 31 December 2024, published on 1 April 2025 (the “**2024 Results**”), the Company noted that “*the Board remains confident in its prospects for the Group and expects underlying profit before tax for the full year [FY 2025] to be in line with current market expectations*”. The Company further clarified that, at the time of publication of the 2024 Results, the consensus regarding underlying profit before tax for the financial year ending 31 December 2025 (“**FY 2025**”) amounted to £11.0 million (the “**FY 2025 Profit Forecast**”). The FY 2025 Profit Forecast constitutes a profit forecast for the purposes of the Prospectus Regulation Rules. Pinewood.AI’s underlying profit before tax is profit before tax excluding items which, in Pinewood.AI management’s judgement, need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance for the year or comparability between periods.

The FY 2025 Profit Forecast and the assumptions underpinning it were considered reasonable by the Directors as at that date the FY 2025 Profit Forecast was made, however they were prepared without contemplation of the Acquisition. In the event that the Acquisition completes, the Directors believe that the FY 2025 Profit Forecast is no longer valid. This is principally for the following reasons:

- The Group will need to account for the Acquisition (which was not contemplated at the time the FY 2025 Profit Forecast was made) including the results of purchase price allocations and the knock-on impact in respect of amortisation of any recognised intangible assets. Given the level of judgement and estimation involved in such accounting, the non-cash charges which may arise are likely to alter the Group’s forecast of underlying profit before tax for FY 2025; and
- In addition, should Acquisition complete, this will result in changes to the consolidated revenue recognised in respect of services provided to the Joint Venture which will fully eliminate on consolidation once the Joint Venture becomes a wholly-owned indirect subsidiary of the Company, which are also likely to change the underlying profit before tax of the Group;

Given the complexity and evolving nature of these factors, the Directors believe it would not be appropriate to provide an updated underlying profit before tax forecast for FY 2025 at this time.

However, the Directors intend to provide the market with an FY 2025 underlying EBITDA target, later this year, following completion of the Acquisition. Pinewood.AI’s underlying EBITDA comprises earnings before interest, tax, depreciation and amortisation, adjusted for items which in management’s judgement need to be disclosed separately by virtue of their size, nature or frequency to aid understanding of the performance of the group.

The Directors remain confident of the prospects for the Group and have provided an update on current trading and future prospects of the Group in Part 2 (Information on Pinewood.AI) of this document.

### 17.2 Pinewood.AI Medium-Term Target for the Year Ended 31 December 2027

Separately, the Company, in the 2024 Results, also guided that the Group would be capable of delivering underlying EBITDA in the financial year ending 31 December 2027 (“**FY 2027**”) in the ‘mid to high £30 millions’ (the “**FY 2027 Medium-Term Target**”). The FY 2027 Medium-Term Target constitutes a profit forecast for the purposes of the Prospectus Regulation Rules.

As with the Existing FY 2025 Profit Forecast, the FY 2027 Medium-Term Target and the assumptions underpinning it were considered reasonable by the Directors as at that date the FY 2027 Medium-Term Target was made, however they were prepared without contemplation of the Acquisition. In the event that the Acquisition completes, the Directors believe that the FY 2027 Medium-Term Target is no longer valid. This is principally because, whilst the accounting of the acquisitions made during FY 2025 should have a less material impact on underlying EBITDA than underlying profit before tax, the Directors consider that the Acquisition will have an impact on the medium-term strategy of the Group’s United States operations, which in turn may materially impact its FY 2027 financial position (from a revenue, operating and administrative cost perspective).

Given the evolving nature of these factors, the Directors believe it would not be appropriate to provide an updated underlying EBITDA forecast for FY 2027 at this time.

However, the Directors intend to provide the market with an estimate of the underlying EBITDA target for FY 2028, later this year, following completion of the Acquisition, which the Company believes will significantly enhance its value proposition to other North American dealer groups. It is expected that the FY 2028 underlying EBITDA target would reflect the Company's medium-term prospects, on account of the anticipated ramp-up of its North America operations, both from a revenue and cost perspective.

The Directors remain confident of the prospects for the Group and have provided an update on current trading and future prospects of the Group in Part 2 (Information on Pinewood.AI) of this document.

## **18. STATUTORY AUDITORS, EXPERTS AND CONSENTS**

- 18.1 RSM UK Audit LLP, whose address is 103 Colmore Row, Birmingham, B3 3AG, and which is registered to carry on audit work in the UK by the Institute of Chartered Accountants of Scotland under the instruction of the Company has audited and reported on the annual accounts of Pinewood.AI for the 11-month period ended 31 December 2024. RSM UK Audit LLP made a report under the relevant provisions in English company law in respect of these statutory accounts and the report was an unqualified report.
- 18.2 RSM UK Corporate Finance LLP has given and not withdrawn its consent to the inclusion in this document of its report in Part B of Part 4 (Accountant's report on the Unaudited Pro Forma Financial Information) and has authorised the contents of its report in Part B of Part 4 (Accountant's report on the Unaudited Pro Forma Financial Information) of this document for the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), in the form and context in which it is included.
- 18.3 Kroll, LLC has given and not withdrawn its consent to the inclusion in this document of its report in Part 6 (Valuation Report) and has authorised the contents of its report in Part 6 (Valuation Report) of this document for the purposes of Prospectus Regulation Rule 5.3.2R(2)(f), in the form and context in which it is included.

## **19. GENERAL**

- 19.1 The Company remains subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of section 561 of the Companies Act (which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be paid up in cash) apply to any further issues of shares by the Company which are not the subject of a disapplication approved by the Shareholders in a general meeting.
- 19.2 The Ordinary Shares are in registered form, are capable of being held in uncertificated form and are admitted to the Official List and are traded on the Main Market.
- 19.3 The financial information contained in this document or incorporated by reference, unless otherwise stated, has been extracted from the annual report and accounts for the 11-month period ended 31 December 2024.
- 19.4 Where information has been sourced from a third party, the Company confirms that the information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used, the source of such information has been identified wherever it appears in this document.
- 19.5 This document is available on the Company's website at [www.pinewood.ai/investors/](http://www.pinewood.ai/investors/). This document will only be provided in hard copy on request. Such requests should be made by either writing to the Company Secretary at 2960 Trident Court Solihull Parkway, Birmingham Business Park, Birmingham, England, B37 7YN or contacting the Company Secretary by telephoning +44(0)121 697 6600.

## **20. REGULATORY DISCLOSURES**

20.1 The Company publishes information via the RNS system and the Company's website. Below is a summary of the information disclosed in accordance with the Company's obligations under MAR over the last 12 months which is relevant as at the date of this document. In addition to the RNS system, full announcements can be accessed on the webpage of the Company at [www.pinewood.ai/investors/](http://www.pinewood.ai/investors/):

- 20.1.1 On 6 June 2025, the Company announced the Acquisition and the chief executive's comments.
- 20.1.2 On 29 April 2025, the Company announced that it had entered into a significant new customer contract with Volkswagen Group Japan to implement the Group's platform into all Volkswagen and Audi dealerships in Japan.
- 20.1.3 On 28 April 2025, the Company released a notification in relation to the monthly purchase by Dietmar Exler of Ordinary Shares.
- 20.1.4 On 17 April 2025 the Company announced the release of the 2024 Annual Report.
- 20.1.5 On 1 April 2025, the Company announced its final results for the 11-month period ended 31 December 2024, and the chief executive's comments, the review of operations and activities, and financial information were included.
- 20.1.6 On 28 March 2025, the Company released a notification in relation to the monthly purchase by Dietmar Exler of Ordinary Shares.
- 20.1.7 On 3 March 2025, the Company announced the admission of 2,098,633 Ordinary Shares to the equity shares (commercial companies) category of the Official List of the Financial Conduct Authority and to trading on the Main Market in connection with the acquisition of Seez.
- 20.1.8 On 27 February 2025, the Company released a notification in relation to the monthly purchase by Dietmar Exler of Ordinary Shares.
- 20.1.9 On 25 February 2025, the Company released a notification in relation to a purchase by Brian Small of Ordinary Shares.
- 20.1.10 On 25 February 2025, the Company announced the commence of trading of its shares on the OTC Best Market operated by OTC Markets Group Inc.
- 20.1.11 On 21 February 2025, the Company announced the results of its equity fundraise by way of a cash placing to institutional investors, a separate retail offer, and direct subscription. The Company announced that in total 11,325,031 new Ordinary Shares were subscribed for at an offer at a price of 315 pence per offer share, with total gross proceeds from the offer of approximately £35.7 million.
- 20.1.12 On 20 February 2025, the Company announced its intention to conduct a retail offer alongside the fundraising referenced at paragraph 20.1.13.
- 20.1.13 On 20 February 2025, the Company announced its intention is to conduct an equity fundraise of up to 11,325,031 new ordinary shares of £1.00 each in the capital of the Company by way of a cash placing to institutional investors, a separate retail offer raising gross proceeds of not more than £6.6 million, and direct subscriptions to the Company of £1.7 million.
- 20.1.14 On 20 February 2025, the Company announced it had agreed terms to acquire the entire issued share capital of Seez pursuant to the Seez Acquisition Agreement.
- 20.1.15 14 February 2025, the Company announced that it had entered into a significant new customer contract with GAH, and that in recognition of the scale and importance of this partnership, Pinewood.AI had issued the Warrant Instruments to an affiliate of GAH.
- 20.1.16 On 28 January 2025, the Company released a notification in relation to the monthly purchase by Dietmar Exler of Ordinary Shares.
- 20.1.17 On 30 December 2024, the Company released a notification in relation to the monthly purchase by Dietmar Exler of Ordinary Shares.



- 20.1.18 On 26 November 2024, the Company released a notification in relation to the monthly purchase by Dietmar Exler of Ordinary Shares.
- 20.1.19 On 22 November 2024, the Company released a notification in relation to a purchase by Oliver Mann of Ordinary Shares.
- 20.1.20 On 5 November 2024, the Company released a notification in relation to a purchase by Christopher Holzshu of Ordinary Shares.
- 20.1.21 On 1 November 2024, the Company released a notification in relation to a purchase by Dietmar Exler of Ordinary Shares, confirming that he had entered into a binding commitment to purchase the equivalent of £5,000 of Ordinary Shares in the open market on the 25th of each month (or, if the market is closed on that date, on the next date that it is open for trading) for the 12 month period ending on 25 September 2025.
- 20.1.22 On 25 October 2024, the Company released a notification in relation to a purchase by Jemima Bird of Ordinary Shares.
- 20.1.23 On 24 October 2024, the Company released a notification in relation to a purchase by Nicola Flanders, who was until 31 April 2025 a director of the Company, of Ordinary Shares.
- 20.1.24 On 22 October 2024, the Company announced that it had entered into a significant new customer contract with Marshalls to implement the Group's platform into all Marshalls' UK dealerships.
- 20.1.25 On 2 October 2024, the Company announced its half year results for the 6 months to July 2024, and the chief executive's comments, the review of operations and activities, and financial information were included.
- 20.1.26 On 4 September 2024, the Company announced that it had agreed to invest USD 4,200,000 in Seez as part of a wider fundraising by Seez on or around that date.
- 20.1.27 On 16 July 2024, the Company released a notification relating conditional awards of shares pursuant to the Company's LTIP to William Berman and Oliver Mann.

## **21. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of documents (a) to (f) are available for inspection at [www.pinewood.ai/investors/](http://www.pinewood.ai/investors/) for a period of 12 months following Admission:

- (a) the Articles;
- (b) the Circular;
- (c) this document;
- (d) the written consents referred to in paragraph 18 of Part 7 (Additional Information) of this document; and
- (e) all documents incorporated by reference into this document as stated in Part 8 (Documentation Incorporated by Reference) of this document.

Dated: 6 June 2025

## Part 8

### Documentation Incorporated by Reference

#### Pinewood.AI Information

The following documentation, which is available as described below, contains information which is relevant to the Acquisition.

- The annual report and accounts of Pinewood.AI for the 11-month period ended 31 December 2024. The annual report contains the audited consolidated financial statements of the Company for the 11-month period ended 31 December 2024 prepared in accordance with UK-adopted IFRS, together with the audit report for such period.
- The articles of association of the Company which were adopted at the annual general meeting of the Company duly convened and held on 24 April 2020 and which are currently in force.

These documents are also available on the Company's website at [www.pinewood.ai/investors/](http://www.pinewood.ai/investors/). These documents will only be provided in hard copy on request. Such requests should be made by contacting the Company Secretary by telephoning +44(0)121 697 6600.

The table below sets out the various sections of such documents which are incorporated by reference into this document so as to provide the information required under the Prospectus Regulation Rules and to ensure that investors are aware of all information which, according to the particular nature of Pinewood.AI and of the Ordinary Shares, is necessary to enable investors to make an informed assessment of (i) the prospects of the Company and any significant changes in its business and financial position that have occurred since the end of the preceding financial year; (ii) the rights attaching to the New Ordinary Shares, (iii) the reasons for the Acquisition and its impact on Pinewood.AI, including its overall capital structure and the use of proceeds. Any non-incorporated parts of documents incorporated by reference in this document are either not relevant to the investor or the relevant information has been included elsewhere in this document. Any documents themselves incorporated by reference or referred or cross-referred to in these documents shall not form part of this document.

<i>Document</i>	<i>Section of Document</i>	<i>Page numbers in such Document</i>
2024 Annual Report for the 11-month period ended 31 December 2024	Business Overview	2 – 3
	Chairman's Statement	4 – 5
	Chief Executive Officers Review	6 – 7
	Financial Review	12
	Operating Review	13 – 14
	Director's Report	38 – 60
	Independent Auditors' Report	62 – 69
	Group Financial Statements	70 – 75
	Notes to Group Financial Statements	75 – 106
	Company Financial Statements	107 – 109
	Notes to Company Financial Statements	110 – 114

## Part 9

### Definitions

In this document the following expressions have the meaning ascribed to them unless the context otherwise requires:

<b>2024 Annual Report</b>	the annual report and accounts prepared by the Company for the 11-month period ended 31 December 2024
<b>Acquisition</b>	the acquisition by the Company of the Majority JV Interests, on the terms and subject to the conditions set out in the Acquisition Agreement
<b>Acquisition Agreement</b>	the agreement entered into between the Company, Lithia, Lithia HoldCo, the Joint Venture, Pinewood US Holdings LLC and the Seller dated 6 June 2025, as further described in paragraph 4 of Part 1 (Information about the Acquisition) of this document
<b>Admission</b>	the admission of the New Ordinary Shares (i) to the equity shares (commercial companies) category of the Official List and (ii) to trading on the Main Market
<b>Admission and Disclosure Standards</b>	the “Admission and Disclosure Standards” of the London Stock Exchange containing among other things, the admission requirements to be observed by companies seeking admission to trading on the Main Market
<b>Articles</b>	the articles of association of the Company
<b>Board</b>	the Directors of Pinewood.AI
<b>certificated or in certificated form</b>	in relation to a share or other security, a share or other security which is not in uncertificated form
<b>Circular</b>	the circular and notice of general meeting published by the Company on 6 June 2025
<b>Closing Price</b>	the closing middle market quotation in Pounds Sterling of an Existing Ordinary Share as derived from the Daily Official List of the London Stock Exchange on a particular day
<b>Code</b>	the United States Internal Revenue Code of 1986, as amended
<b>Companies Act</b>	the Companies Act 2006 as amended
<b>Company or Pinewood.AI</b>	Pinewood Technologies Group PLC, a public limited company incorporated in England and Wales with registered number 02304195
<b>Conditions</b>	means the conditions to the Acquisition Agreement, as summarised in paragraph 4 of Part 1 (Information about the Acquisition)
<b>CREST</b>	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is the operator as defined in the CREST Regulations)
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended
<b>CRM</b>	customer relationship management system

<b>CVA</b>	a company voluntary arrangement, a legally binding agreement with a company's creditors to restructure its liabilities
<b>Daily Official List</b>	the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange
<b>Directors</b>	the executive directors and non-executive directors of the Company, whose names appear on page 32 of this document
<b>Disclosure Guidance and Transparency Rules</b>	the rules relating to the disclosure of information made in accordance with section 73A(3) of FSMA
<b>Disposal</b>	the disposal by Pinewood.AI of its UK Motor and Vehicle Management (PVM) divisions to Lithia
<b>DMS</b>	dealership management systems
<b>DMS Contract</b>	a five year contract with Lithia to roll-out Pinewood.AI's software to all of Lithia's current and future sites across the US and Canada by the end of 2028 at the latest
<b>this document</b>	this document, comprising a simplified prospectus relating to the Company
<b>DSP</b>	Pinewood.AI's deferred share plan adopted by Shareholders at the General meeting of the Company on 26 June 2024
<b>EBITDA</b>	earnings before interest, taxes, depreciation, and amortisation
<b>Enlarged Share Capital</b>	the Company's ordinary issued share capital following Admission
<b>ERISA</b>	the United States Employee Retirement Income Security Act of 1974, as amended
<b>ERISA Entity</b>	any person that is: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Code; or any governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Code whose purchase, holding, and disposition of the New Ordinary Shares could constitute or result in a non-exempt violation of any such substantially similar law
<b>EU</b>	the European Union
<b>Euroclear</b>	Euroclear UK & International Limited, the operator of CREST
<b>EUWA</b>	the European Union (Withdrawal) Act 2018, as amended
<b>Excluded Territories</b>	Australia, Canada, Japan, the Republic of South Africa New Zealand, the United States and any other jurisdiction where the release, publication or distribution of this prospectus or any offer of shares (and any other transaction contemplated thereby) would breach any applicable law or regulation and "Excluded Territory" shall mean any of them

<b>Existing Ordinary Shares</b>	the 100,539,286 Ordinary Shares in issue as at the Latest Practicable Date
<b>Financial Conduct Authority or FCA</b>	the Financial Conduct Authority of the United Kingdom
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>GAH</b>	Global Auto Holdings Plc
<b>General Meeting</b>	means the general meeting of the Company to be held at Radisson Hotel & Conference Centre, London Heathrow, Meeting Room – Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU at 1.00 p.m. on 30 June 2025, notice of which is contained in the Circular
<b>Group</b>	the Company and each of its subsidiaries and subsidiary undertakings from time to time
<b>HMRC</b>	HM Revenue & Customs
<b>ISIN</b>	International Securities Identification Number
<b>Issue Price</b>	386.5 pence per New Ordinary Share, being the volume weighted average price of the Ordinary Shares during the thirty day period preceding the date of this document
<b>Jefferies or Sponsor</b>	Jefferies International Limited
<b>Joint Venture</b>	Pinewood North America, LLC
<b>LAD</b>	Lithia & Driveway
<b>Latest Practicable Date</b>	the latest practicable date prior to the publication of this document, being 5 June 2025
<b>Listing Rules</b>	the UK Listing Rules made by the FCA under Part VI of FSMA, as amended from time to time
<b>Lithia</b>	Lithia Motors, Inc.
<b>Lithia HoldCo</b>	PNA Holding LLC
<b>London Stock Exchange</b>	London Stock Exchange PLC
<b>LTIP</b>	Pinewood.AI's long term incentive plan adopted by Shareholders at the general meeting of the Company on 26 June 2024
<b>Main Market</b>	the London Stock Exchange's main market for listed securities
<b>Majority JV Interests</b>	the shares held by the Seller in the Joint Venture at the time of completion of the Acquisition
<b>Market Abuse Regulation or MAR</b>	assimilated Regulation (EU) No. 596/2014 as it forms part of the law of the UK by virtue of the EUWA
<b>Marshalls</b>	Marshall Motors Group
<b>New Ordinary Shares</b>	the 14,560,691 New Ordinary Shares to be issued to the Seller in connection with the Acquisition

<b>OEM</b>	original equipment manufacturers
<b>Official List</b>	the Official List of the Financial Conduct Authority pursuant to Part VI of FSMA
<b>Ordinary Shares</b> or <b>Shares</b>	ordinary shares of £1.00 each in the share capital of the Company
<b>Overseas Shareholders</b>	Shareholders with registered addresses outside the United Kingdom or who are citizens or residents of countries outside the United Kingdom
<b>Panel</b>	The Panel on Takeovers and Mergers
<b>Pounds Sterling, Sterling</b> or <b>£</b>	the lawful currency of the United Kingdom
<b>PR Regulation</b>	assimilated Regulation (EU) 2019/980 of the European Commission as it forms part of the law of the UK by virtue of the EUWA
<b>Prospectus Regulation</b>	assimilated Regulation (EU) 2017/1129 as it forms part of the law of the UK by virtue of the EUWA
<b>Prospectus Regulation Rules</b>	the Prospectus Regulation Rules published by the FCA under Section 73A of FSMA in accordance with the Prospectus Regulation
<b>Registrar</b>	MUFG Pension & Market Services
<b>Regulation S</b>	Regulation S under the United States Securities Act
<b>Regulatory Information Service</b> or <b>RIS</b>	one of the regulatory information services authorised by the Financial Conduct Authority to receive, process and disseminate regulatory information in respect of listed companies
<b>Relationship Agreement</b>	has the meaning given in paragraph 10.12 of Part 7 (Additional Information) of this document
<b>Resolutions</b>	the resolutions proposed to be approved at the General Meeting as set out in the notice of general meeting contained in the Circular
<b>SaaS</b>	Software-as-a-Service
<b>SDRT</b>	stamp duty reserve tax
<b>Seez</b>	Seez App Holding Limited
<b>Seez Acquisition Agreement</b>	has the meaning given in paragraph 10.5 of Part 7 (Additional Information) of this document
<b>Seller</b>	Lithia UK Holding Limited
<b>Share Plans</b>	the LTIP, the DSP and the share incentive scheme adopted by Shareholders at the general meeting of the Company on 26 June 2024
<b>Shareholder</b>	a holder of Ordinary Shares from time to time
<b>South Africa</b>	Republic of South Africa
<b>Takeover Code</b>	the City Code on Takeovers and Mergers
<b>UK-adopted IFRS</b>	International Financial Reporting Standards as issued by the International Accounting Standards Board and, for the purposes of this document, as adopted by the United Kingdom



<b>uncertificated or in uncertificated form</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>Unaudited Pro Forma Financial Information</b>	the unaudited pro forma net assets and income statement set out in Part A of Part 4 (Unaudited Pro Forma Financial Information on Pinewood.AI) of this document
<b>United Kingdom or UK</b>	the United Kingdom of Great Britain and Northern Ireland
<b>US or United States</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
<b>United States Securities Act</b>	the United States Securities Act of 1933, as amended
<b>Valuation Report</b>	the valuation report contained in Part 6 (Valuation Report) of this document
<b>Valuer</b>	Kroll, LLC
<b>VAT</b>	value added tax
<b>Warrant Instruments</b>	the instruments entered into by the Company by way of deed poll on 13 February 2025, as further described in paragraph 10.4 of Part 7 (Additional Information) of this document