Pinewood Technologies Group Plc Capital Markets Day Presentation

October 24, 2024

PINEWOOD.AI

AUTOMOTIVE INTELLIGENCE

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Agenda

- **Overview and Introduction to Pinewood**
  - Pinewood Overview
  - Market Landscape & Opportunity
  - Pinewood.AI Competitive Advantage
  - Voice of the Customer
- **Pinewood Strategy**
- **Pinewood Brand Identity & Positioning**
- **Financial outlook including updated FY27 underlying EBITDA guidance**
- **Q&A**
- **Breakout Sessions – System Demonstrations**

Today's speakers

- Bill Berman – CEO
- Ollie Mann – CFO
- Kim Costello – Chief Marketing Officer
- Kieran Kelly – Chief Technology Officer
- Steve Meadows – Chief Commercial Officer

What we will cover

- Where we sit in the Automotive Retail ecosystem landscape
- How our customers view us
- Short-term strategy focused around optimizing performance in the UK, Europe and Asia Pacific markets
- While simultaneously developing our system for the North American market, followed by Pilot and Roll-out phases through FY25 and FY26
- Financial outlook including updated underlying EBITDA guidance for FY27 and capital allocation summary

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Overview

Pinewood Technologies Group PLC today

- **Software-as-a-Service (SaaS) for 2 decades**
- **First SaaS Automotive System**

Automotive Intelligence Platform

A leading Automotive Retail Ecosystem

- Pure cloud based software designed around customers and hyperscale
- Our system is active in 21 countries by over 34,000 users focused on UK, Europe and Asia

High user loyalty

- < 2% average net user churn over the last 3 years

Recurring revenue streams

- Consistent growth in revenue and high, stable gross margins
- c.85% of revenue is recurring

Experienced workforce

- 40 years experience in the automotive industry
- International workforce across multiple countries
- Headcount of c.270 employees of which c.50% are software developers

Partnerships with 50+ OEM Brands

- Longstanding strategic partners
- Enables transformation of customer experience, improved efficiency and increased profitability

Market Landscape and Opportunity

Dominated by traditional DMS providers

Europe: Keyloop, Constellation Software, NextLane – *very fragmented market*

North America: CDK Global, Reynolds & Reynolds, Dealertrack, Tekion

Competitors have failed to give the market what it wants

- Actionable insights
- One version of the truth
- Secure data environment
- Single view of the customer
- Efficient digital processes
- Modern customer journeys

70%

of dealers are not satisfied with the insights they get from their data

Cox Automotive July 2024

Pinewood.AI Competitive Advantage

- Enables dealers to operate with one version of the truth in real time
- Pinewood is 100% Cloud Hosted – highly scalable and secure
- End-to-end connected data
- Recent industry cyber-security issues have created a ‘big-bang’ moment
- Deep and longstanding customer relationships - <2% net user churn over the last 3 years
- Stable highly skilled team
- Unrivalled automotive industry expertise and experience – **Built by Car People for Car People**

Voice of the Customer

"We are excited to be embarking on this new partnership with Pinewood over the coming months. This partnership will allow us to integrate and upgrade our systems whilst enhancing and accelerating our continuing strive to deliver market leading customer service to our consumer and business partners."

Avril Palmer-Baunack, Executive Chairman of Constellation Automotive Group

"The benefits we're driving from Pinewood are fundamentally changing the way we operate as a business, more efficiently and more effectively."

Dougal Keith, Managing Director, DM Keith

"Pinewood has brought us into the 21st century with what people now expect with their online experience."

Mark Davis, Director, Anca Motor Group

"The implementation of the Pinewood System across our business was straight-forward, thanks to their collaborative approach. Their deep understanding of both operational and technical aspects has enhanced our operations, delivering real-time reporting across our network of over 150 stores and 8,000 colleagues. This capability empowers our people to make data-driven, enterprise-level decisions instantly, enhancing our business performance".

Neil Williamson, Regional President, Lithia UK

Pinewood Strategy

NORTH AMERICAN JV

UK & Ireland

- Target Large UK Auto Retail Groups
- Top 100 Sweep
- Maximise Product Sales in Existing Customer Base

International

- Asia Pacific
- Northern & Central Europe
- South Africa

Products / Vertical Sales

- Multiple Product Opportunities to Upsell
- AI
- Build vs Buy vs Partner

North America

- Discovery Phase & Development Work
- US Store Pilot
- Rollout into US Market

CAPITAL STRUCTURE AND ALLOCATION

UK & Ireland

UK & Ireland

UK & Ireland Top 20 Auto Retail Customer Opportunities

Step-change in UK & Ireland market share

- Sign up one of the top 20 as a customer by the end of 2024
- Sign up a 2nd member of the top 20 as a customer by the end of 2025

With Pendragon and Jardine now trading as Lithia UK, Pinewood has 5 of the top 20 UK dealer groups as customers

2023 Rank*	Name	T/O 2023 (£m)
1. (1)	Sytner	6,834
2. (2)	Arnold Clark Automobiles	4,922
3. (3)	Lookers	4,301
4. (4)	Vertu Motors	4,015
5. (5)	Pendragon	3,620
6. (6)	Marshall Motor Group	3,200
7. (7)	Group 1 Automotive	2,245
8. (8)	TrustFord	1,722
9. (9)	Jardine Motors Group	1,661
10. (10)	JCT600	1,450
11. (11)	Inchcape	1,329
12. (14)	Listers	1,237
13. (12)	PSA Retail UK	1,219
14. (20)	Stoneacre Motor Group	1,177
15. (13)	Motus UK (incl, Pentagon Group)	1,123
16. (22)	Greenhouse Group	1,118
17. (16)	Hendy Group	1,004
18. (21)	Rybrook Holdings	986
19. (15)	Hedin Automotive UK	935
20. (17)	John Clark Motor Group	914

* 2022 Rank in brackets

UK & Ireland

Exhaustive Sweep of Potential New Customers

Cover all Top 100 UK & Ireland customers

- Strengthen sales team
- All Top 100 UK Dealer Groups covered by new UK sales process

- **The way the UK & Ireland sales team goes to market will be changed:**
  - New evolution of the Pinewood system to be launched in 2025
  - New features developed from working closely with our dealer partners
  - Extend OEM relationship team
- **This team will methodically work through the Top 100 dealer groups in the UK, ensuring all potential revenue routes have been exhausted**

UK & Ireland

Ensure Existing Customers are Aware of Full Product Suite

Maximise sales to existing customers

- Educate all current UK customers on the full product suite available
- Grow share of wallet with existing customers

- **Pinewood's ecosystem offering is unique and when replacing competitor systems, often multiple third party applications are displaced and not needed**

- **All available products to be offered to existing customers:**

	Does Pinewood have today?
CRM	YES
Service App	YES
Chatbot	YES
F&I Menus	YES
Document Storage	YES
Business Analytics	YES
Equity Mining	In Development
Used Vehicle Management Tool	In Development
Digital Retailing	In Development

International

International

Asia Pacific Expansion Backed by Strategic OEM Support

Focal point of Japan

- Sign contracts for Japan dealers with Porsche and VW/Audi
- Complete system rollout in first Porsche dealers in Japan
- Complete system rollout for all VW/Audi dealers in Japan

- **Tokyo office staffed with local team**
- **Porsche and VW/Audi will be the entry point to build to scale in the Japanese market e.g. Japanese domestic brands**
- **Rollout in Japan to start in 2025**

International

Opportunities in Asia Pacific Countries with Existing Customers

Opportunity to grow in SE Asia

- Capitalise on upsell/cross-sell opportunities in Asia Pacific with existing customers
- Align with OEMs where strategy is for more dealers to use certified partners

- **Potential opportunities to expand the Pinewood customer base in a number of SE Asia countries where we already have a presence such as Singapore, Vietnam & Thailand**
- **Main opportunities are large scale Porsche dealers and other multi-brand locations**
- **Focus on large multi-country groups building on existing dealer relationships**

International

Central European Opportunity

Focal point of Germany

- Material opportunities from a number of sources in Central Europe
- Implementation targets are for rollouts in 2026/2027

- **We have been approached by a number of dealer groups and OEMs in German speaking DACH (Germany, Austria & Switzerland) markets**
- **There are potentially 20,000+ users in DACH markets to target initially with many groups deeming their existing systems at 'end of life' stage. Multiple groups are approaching the decision point on changing their systems**
- **Modern OEM technology stacks and digital processes have finally overwhelmed smaller vendors and legacy systems, creating a catalyst for change**
- **Pinewood are down to the last 3 shortlist with a number of groups**

International

Pinewood South Africa

Successful Reseller Agreement in South Africa

- Continue to grow market share in South Africa

- Pinewood have a longstanding agreement with a reseller in South Africa (Pinewood South Africa) who manage the customer relationships and look after the system sales team in South Africa
- We look forward to making the most of a number of opportunities to grow the business in South Africa
- UK group-led product enhancements and OEM integration are transferable to consolidated SA dealer groups

Products / Vertical Sales

Products/Vertical Sales

Proactively Marketing Full Product Suite

Further Upsell

- Ensure all customers are aware of our full product suite
- Increase range of add-on products

- **There is a significant opportunity for Pinewood to increase vertical sales through add-on products**

- **A summary of the main products and whether Pinewood have them today can be seen below:**

	Does Pinewood have today?
CRM	YES
Service App	YES
Chatbot	YES
F&I Menus	YES
Document Storage	YES
Business Analytics	YES
Equity Mining	In Development
Used Vehicle Management Tool	In Development
Digital Retailing	In Development

Products/Vertical Sales

AI related products

AI Chatbots and Other AI powered products

- AI Chatbots
- Step-change for automotive retailers

- AI will be transformational for automotive retail systems with multiple areas of new functionality
- Pinewood have made an investment in Seez, the automotive AI company, for $4.2m
- 3 years ago, AI Chatbots were not used at all in auto dealerships and today c.80% of auto dealerships in the US have some form of AI Chatbot functionality

Products/Vertical Sales

Build vs Buy vs Partner

Key decisions on build vs buy vs partner

- Assessed on a case by case basis
- Priority is to accelerate revenues in the lucrative North American market

- **As we look to expand Pinewood's suite of products, it may not always be possible to develop these capabilities in-house**
- **In some cases it will be better to buy the technology to accelerate strategic progress**
- **There are opportunities to partner on some products through a revenue share agreement**
- **The key decision of whether to build or buy or partner on new products will be assessed on a case by case basis**

North America

North America

Subject Matter Expert Consultant Engagement

Expert Consultant

- Engage with a Subject Matter Expert on the US Auto Market

Consultant was engaged to assess the US market and opportunity

- What are must-have system product features and functionality needed by US dealerships
- What integrations are needed for Pinewood to compete in the US market
- How can Pinewood go to market most effectively i.e. states and OEMs to prioritise
- How does Pinewood's existing feature set and integrations compare to current US Market Leaders e.g. CDK Global
- What is the estimated market size in the US

North America

Consultant Report Key Outputs

Expert Consultant

- Identify key immediate workstreams
- OEM engagement is underway
- Development work will start in Q4 2024

- Following the consultant scoping work, the key pieces of work that need to be done by Pinewood have been identified as:
  - **OEM Integrations**
  - **Finance Integrations**
  - **Tax, Title & Licensing Integrations**
  - **Essential Layered App / 3rd Party Services Integrations**

North America

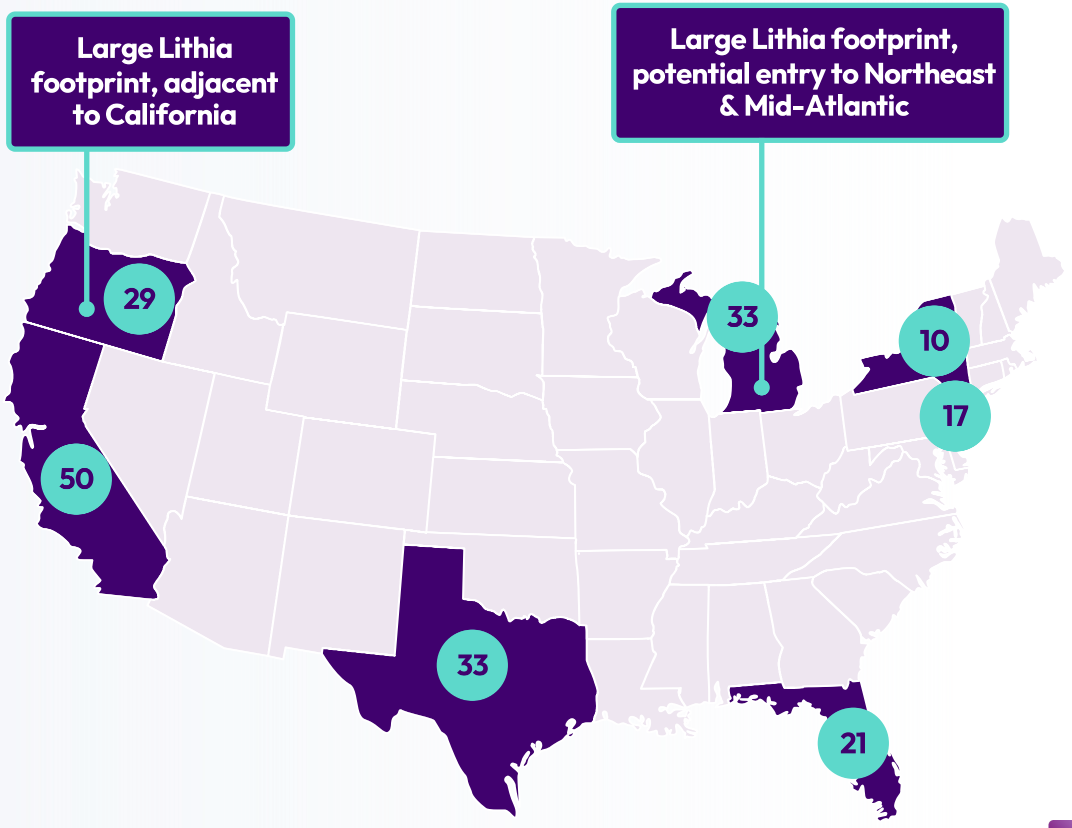
Density of Lithia Stores by State is a Key Pilot Consideration

US State selection

- Select which state to start the US pilot in

- There are high numbers of Lithia dealers in Michigan, Oregon, California and Texas
- To help achieve scale in the rollout following the pilot, these states would be natural pilot locations

Year 1-2: Leverage Lithia as launchpad into target states...



xx = number of Lithia dealers by State

North America

Pinewood North America Market Entry strategy - 6 Key Steps

1. Building MVP offering (FY24-FY25)
- Development of priority OEMs with c.20 integrations per OEM
- 11 non-OEM critical integrations (e.g F&I, Tax)

2. Locking in differentiated value prop
- E2E integrated and scalable solution
- Best-in-class features and functionality

3. Setting commercial strategy
- Simplified contracting and payments
- 1-3 year contract duration, with month-to-month option
- Medium to large-scale dealer groups focus

4. Deploying pilot
- H2 2025 launch target
- 1-2 prioritized states (e.g. Florida, Texas)
- 2-4 prioritized Lithia OEMs (Honda & Toyota)

5. Accelerating go-to-market
- Sales team fills the pipeline with dealer groups
- Scaling with OEMs in 6+ states (incl. CA, TX, FL)
- Deployment team executes rooftop conversions

6. Scaling in NA
- Execution of commercial pipeline, converting multiple groups
- Strategic partnerships with established or entering OEMs
- Scale to 60+ sales and support FTEs

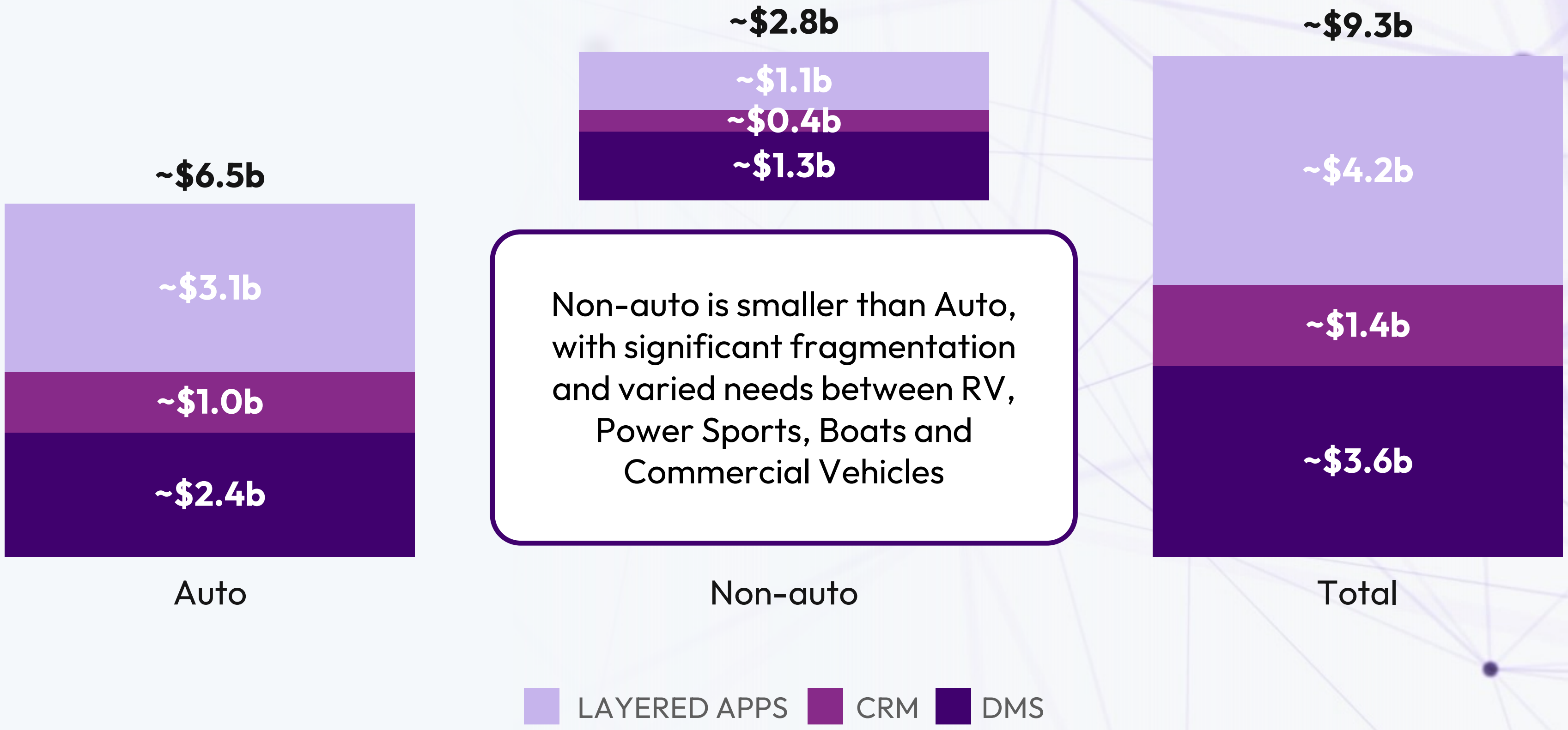
North America

Size of Opportunity is Significant

North America Auto Market Opportunity

- North American Auto Market size of $6.5B
- Also $2.8B Market in RVs, Power Sports, Boats and CVs

- North American Automotive market constitutes ~$6.5B of the total ~$9.3B TAM, ~$3.4B of which is from core Automotive DMS and CRM markets



Financial outlook and ambitions for the future

FY27 Financial Outlook

- **High double digit revenue growth driven by organic growth in key markets enhanced by selective M&A**
- **Previous guidance of £27m of underlying EBITDA in FY27 increased to £30m**

Approach to Capital Allocation

- Priority is to maximise revenue growth sustainably and shareholder return
- Using cash to accelerate both technical capabilities and future implementations, particularly in North America, is key to Pinewood's Capital Allocation strategy

In summary

- A highly secure ecosystem with a unique global deployment advantage
- Built over 20+ years experience of a unique engagement with a modern Auto Retail business
- Strategy focused around optimising performance in existing markets and establishing Pinewood in the North American market - initially through Lithia stores, then building market share across North America

Brand Identity & Positioning

A New and Distinctive Position for the Brand

Our Brand Vision is to be the full-service technology partner that helps automotive retailers and OEMs run more efficiently and increase revenue by making better commercial and business decisions, more easily.

Our mission is to unlock customer value by increasing our customers' Automotive Intelligence.

Automotive Intelligence is the ability of an automotive business to drive growth through superior end-to-end understanding of its operations and activities.

Automotive Intelligence

Pinewood.AI enables retailers and OEMs to unlock value by showing them all data points, simply and in near real time. Making it easy to identify opportunities to improve performance.

A unified management system and end-to-end visibility of data throughout the ownership journey.

Further enhanced with artificial intelligence to create a next generation Expert System that automatically looks for actionable insights – sourcing, buying, selling, servicing and repairing.

Designed by automotive industry professionals with deep experience of the business challenges that come with running a dealership.

Our solutions have evolved in collaboration with both dealers and OEMs over more than 20 years.

A system born out of the automotive industry, designed by Car People for Car People

Key Principles

- Pinewood as a Tier 1 technology provider
- AI (Automotive Intelligence) as the core building block
- Future-facing/future proofed
- Full end-to-end solution

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TEKION
keyloop
Dealertrack

SOLERA Vehicle Solutions | DealerSocket
CDK
Reynolds & Reynolds

GTM USA

Our USP is more than a DMS

- The inability of dealerships to unlock the value of their data isn't just the limitations of their current DMS
- Cultural lack of customer-centricity is an industry problem that technology does not solve
- Dealerships focus on functional silos not the automotive buyer journey
- We can offer an ecosystem that combines connected dealership data with connected customer journeys to deliver unprecedented business performance

Pinewood.AI transforms value creation

INSIDE

- Connected, real time data
- Superior customer insights
- Customer-centric culture

OUT

- Connected customer journey
- Personalised conversations
- Customer-centric experience

Roadmap: Key deliverables

Q4 2024

Competitor deep dive

H1 2025

H2 2025

Connect with pilot partners
Connect with thought leaders
Create sales assets
Plan prospect strategy

Data and journey research
Build prospect pipeline
Thought leadership content
Regional PR

H1 2026

Sales conversion
Product leadership content
Scale up prospecting
National PR

H2 2026

AUTOMOTIVE INTELLIGENCE

Q&A

Breakout Sessions – System Demonstrations