PINEWOOD.AI

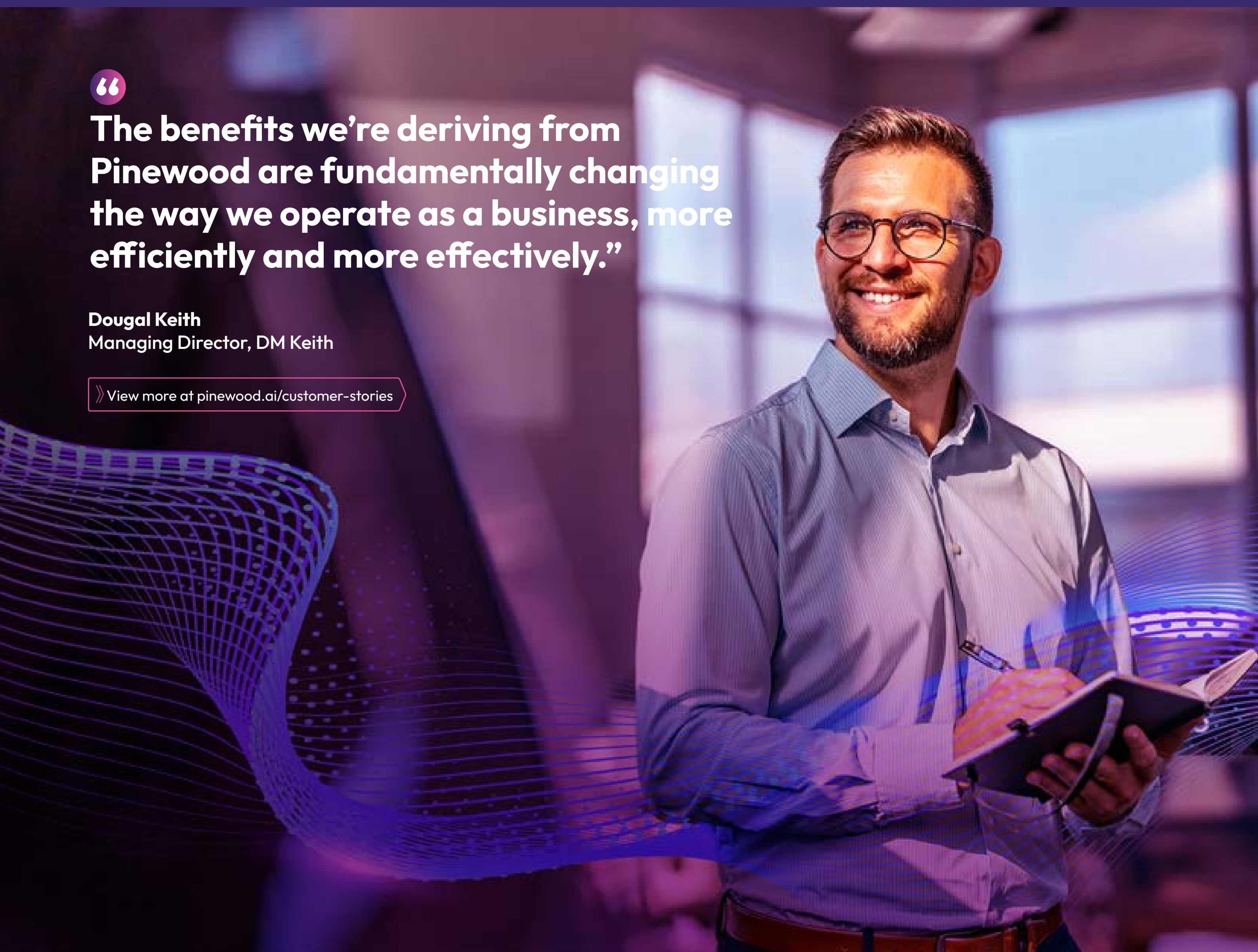
Transforming automotive retail.

Pinewood Technologies Group PLC

Annual Report FY24

PINEWOOD.AI

We're a leading automotive retail ecosystem, with purely cloud-based software designed around customers and hyperscale. Our system is active in 21 countries, with over 35,000 users in the UK, Europe and Asia. Our recurring revenue streams deliver consistent growth in revenue and high, stable gross margins.



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

Dougal Keith
Managing Director, DM Keith

View more at pinewood.ai/customer-stories

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Directors' Report

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View our report at pinewood.ai/investors/results/

Business overview

Accelerating performance. Increasing revenues.

Pinewood Software

Licensing of Software as a Service to global automotive business users.

Personalised video to customers

Online payments

Integrated website solution for online buying

Integrated website solution for service booking

"Our Dealer Management System is built around modern processes and role-based workflows, taking advantage of an Enterprise database, ensuring people have the right information when they need it."

Steve Meadows, Chief Commercial Officer

Integration with the world's leading automotive manufacturers

Cars

Pinewood Apps

Our apps are designed to streamline processes and improve efficiency across the whole dealership. Our fully integrated suite of apps work seamlessly with our Pinewood Dealer Management System (DMS). Our apps are multi-platform and users can choose their preferred tablet or mobile, across iOS, Windows and Android devices.

Improve the service and repair experience, including video integration and technician time management.

Integrated video processes including 360° tours of a used vehicle in stock, or health check.

Efficiently manage the vehicle sales process and provide a great customer experience – the ultimate showroom app for sales professionals.

Respond to enquiries with personalised videos, instantly update stock information and store vehicle documentation.

Issue parts on-the-move, saving time with our in-built barcode scanner.

Commercial vehicles

Chairman's statement

FY24 has been a hugely significant period for our business.

We started the year by announcing the completion of the sale of our dealership and leasing business to Lithia Motors for £395m, with approximately £358m returned to shareholders by way of a special dividend.

In addition to the substantial returns from the transaction, shareholders were also given the opportunity to benefit from significant further upside from continued ownership of the newly formed Pinewood Technologies Group. Since then, all our energy has gone into making the most of the opportunities we have ahead of us in our target markets.

I am delighted with the progress that the business has made in its first financial year and our strong financial performance is evidence of this. This was driven in no small part by the successful rollout of our platform into Lithia UK's dealerships and our team deserves great credit for how they executed that programme of work. Importantly, organic customer growth was healthy and churn levels remained extremely low, demonstrating the value of our products to the dealers and OEMs we serve.

More broadly, we have had great success at delivering against our strategic goal of growing our customer base among large UK auto retail groups. The agreements signed with Marshall Motor Group and, after period end, with Global Auto Holdings are significant achievements and position us well for the coming year.

The strong financial and operational performance has been underpinned by some notable projects to strengthen our customer-facing proposition. In October, we unveiled a new brand identity which has landed well with customers and colleagues alike, and gives a strong platform to build from in the years ahead. Our technical teams have also been hard at work on a whole new user experience, which will be launched during 2025.

Since the period ended, we announced the acquisition of the remainder of Seez, a leading AI and machine learning platform, for $42 million (£33.3 million). The deal is a significant milestone for our business, enhancing our own in-house capabilities and it will be central to the offering we are developing for the North American market. A major focus for 2025 will be ensuring we remain on track to begin piloting our solution in Lithia's US stores in the second half of 2025. As we have spoken about previously, the opportunity in the US and Canada is a significant one and we remain confident in our ability to capture an attractive share of the market.

During the course of the year, I have had the pleasure of spending time with many colleagues from across the business and I never fail to be impressed with the quality of the people we have in our ranks. On behalf of the Board, I would like to express my thanks to them for their hard work in making our first year as a stand-alone business such a success. From my conversations with them, I know that the excitement for the opportunities we have ahead of us runs deep within Pinewood Technologies and we are all looking ahead with the confidence to 2025.

The Board is rightly proud of the value achieved for shareholders as part of Lithia's acquisition of Pendragon and we are now focused on supporting Bill and his team on delivering on the ambitious plans we have to grow our share in target markets in the UK, Internationally and in North America.

Ian Filby,
Chairman

> **"I am delighted with the progress that the business has made in its first financial year and our strong financial performance is evidence of this."**
>
> **Ian Filby** , Non-Executive Chairman


PINEWOOD.AI
AUTOMOTIVE INTELLIGENCE

Chief Executive Officer's review

Accelerating our international expansion.

"Pinewood has made a strong start to life as a standalone software business. A key priority this year was the implementation of our system into Lithia's UK network, and I'm pleased this project has been completed successfully, driving up our total users and revenues. On top of this we delivered major customer wins, most notably with Marshall, while maintaining a low level of churn thanks to the quality of our service.

Since the close of the financial year, our positive momentum has continued with the announcement of our largest ever contract with Global Auto Holdings, the acquisition of Seez, and our significantly oversubscribed equity raise. This year will see us focus on implementing our market-leading system with our new customers in the UK, driving growth in our key international geographies and continuing to prepare for our roll-out in the US through our 'joint venture' with Lithia. Trading in the current year has started well, and we remain highly confident in the opportunities ahead for Pinewood."

Bill Berman, Chief Executive Officer

I am delighted to report such a strong first period for Pinewood as a standalone pure-play cloud-based software business. Not only have we delivered a robust set of results during FY24, reflecting our strong growth in the period, but the business has been strategically transformed during 2024 and early 2025. We are confident that we are now well-positioned to grow significantly over the next few years, as we look to expand our global customer base and develop the functionality of our technology.

Pinewood is a unique proposition. It is a business with over two decades of industry experience, we are the proud partner to over 50 OEM brands worldwide and our system is active in 21 countries with over 35,000 users. We have deep customer relationships with high levels of user loyalty, with an average churn rate of less than c.2% in the past three years, and this translates to recurring revenues of c.85%. Despite this long history and broad international footprint, the business still has the mentality and nimbleness of a start-up and we are hugely energised by the opportunities we see ahead of us.

The global DMS and software market serving the automotive industry is fragmented and we are well positioned to benefit from this. There is a huge opportunity globally and in particular in North America where the Total Addressable Market for automotive systems is $6.5 billion.

Our first period as a standalone company has seen us begin to lay the foundations to fully access the growth potential we believe exists within the business by strengthening our brand and proposition. Alongside our Strategy Update at our Capital Markets Day in October, we launched our reinvigorated customer-facing brand identity under the banner of Pinewood.AI (Automotive Intelligence®). This has further strengthened our go-to-market function, as it is a brand identity that corresponds with our ambitions and it positions us as a leading automotive retail ecosystem. The recent acquisition of Seez also further enhances this positioning and technical capability within the Group.

An upgraded user experience (UX) for all Pinewood system customers will be launched during 2025. Development work on this new UX has taken place over the last few years and this is a key next step in the evolution of the Pinewood system.

One of our key priorities during FY24 has been to deliver best-in-class implementations of our system into the Lithia UK dealers.

It is testament to the huge efforts made by our teams that the feedback we have had from Lithia has been excellent. Time and again, our teams have gone the extra mile to ensure the implementations have gone as seamlessly as possible, while our software development and product teams have worked relentlessly to enhance what is already a best-in-class automotive retail ecosystem.

We recognise that maximising system functionality has to be done alongside maintaining as secure an environment as possible. We continue to invest heavily in enhancing our platform architecture and cyber security.

While the primary driver for our increase in users to c.35,200 was the Lithia UK implementation, we have also had new customer wins in the UK and our international markets. Crucially, we have kept our average net user churn to c.1% during FY24 which is testament to the market leading product we have.

One of the key milestones this year was signing a five-year contract with Marshall Motor Group in October 2024, which will be the first non-associated major dealership group in the UK to implement Pinewood systems into all of its dealerships. This momentum was continued post-period in February 2025, when we signed a five-year contract with Global Auto Holdings to implement the Pinewood system into their dealerships across the UK, North America and Scandinavia, the largest non-associated dealership group to adopt the platform so far. We are excited to be working with these leading retailers, and this has meant that we have already achieved the target set out at our Capital Markets Event in October 2024, to sign two more of the UK's Top 20 retailers in 2025.

As further laid out at the Capital Markets Event, we are focusing our growth on a number of key geographies around the world. As well as expanding our UK customer base, we are committed to maximising growth in central Europe, Japan and Southeast Asia and South Africa. We have a number of opportunities in these areas and will look to capitalise on them during 2025.

At the same time, we will continue to develop our system in readiness for roll-out into the key North American market. I have been pleased with the progress we have made in the last year in both developing relationships and beginning integration work with Key North American OEMs and other third party 'layered app' providers. We remain confident that we are on course to pilot the Pinewood system in Lithia's US stores in the second half of 2025, with a view to beginning the full rollout into North America in 2026. In addition, Pinewood is exploring options to potentially assume majority control of the 'joint venture' to significantly enhance its value proposition to other North American dealers.

In March 2025 we completed the acquisition of Seez, a leading AI and Machine Learning automotive company which offers a wide range of products including AI chatbots. Historically, Pinewood has developed all technology in-house, but the acquisition was a compelling opportunity on many levels. The opportunity in AI automotive technology is enormous and the acquisition of Seez gives us scale and technical capabilities that would have taken many years and significant investment to develop. We have already begun integrating Seez's technology into Pinewood's infrastructure following our initial strategic investment in September 2024, and therefore expect full integration to be straightforward. We think this is a key moment for Pinewood and will act as a springboard for us to cement our position as a market leader globally. The significantly oversubscribed equity raise that funded the Seez acquisition was an important vote of confidence from both existing and new shareholders in our strategy and the opportunity this deal opens up.

We continue to look to maximise growth for our shareholders, both through expanding our user base but also through selling vertically to existing customers, as we develop more products. The Board remains confident in the prospects for the Group and expects underlying profit before tax for the full year to be in line with current market expectations.

Bill Berman
Chief Executive Officer
26 March 2025

Business strategy

The Pinewood business strategy, as outlined at our Capital Markets Event can be seen below. So far, we have seen strong initial execution with significant opportunity ahead.

UK & Ireland

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

International

- Northern & Central Europe
- Asia Pacific
- South Africa

Products/ Vertical Sales

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

North American JV

North America

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

Investment case

Business strengths

A leading automotive retail ecosystem

- Pure cloud-based software designed around customers and hyperscale
- Our system is active in 21 countries by over 35,000 users focused on the UK

High user loyalty

- < 2% average net user churn over the last 3 years
- c.1% average net user churn during FY24

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.300 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

Business model

Technology platforms. Built by car people for car people.

How we create value

What we offer

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

The problems we solve

- 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

For more information see page 02-03

"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

What our clients value

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

Benefits we provide to dealerships

- Enabling dealers to operate with one version of the truth in real time
- Pinewood is 100% cloud hosted which is highly scalable and secure
- End-to-end connected data for efficiency
- The 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
- A stable, highly skilled team, unrivalled automotive industry expertise and experience – built by car people for car people

Financial review

Strong growth with global demand

	11m period comparison			13m period ended 31 January 2024 (FY23)		
£m	11m period ending 31-Dec-24 (FY24) – Continuing operations	11m period ending 31-Dec-23 – Continuing operations[1,2]	Variance	Continuing operations	Discontinued operations	Total
Revenue	31.2	27.1	**15.1%**	24.5	4,318.0	4,342.5
Gross Profit	28.2	24.2	**16.5%**	21.8	485.4	507.2
Underlying Operating Profit	8.4	8.5	**(1.2%)**	10.0	147.6	157.6
Underlying Profit Before Tax	8.5	8.5	**–**	9.9	–	9.9
Profit Before Tax	8.2	8.2	**–**	9.9	81.9	91.8
Underlying EBITDA	14.0	13.1	**6.9%**	15.6	–	15.6

1 Unaudited results for the 11 month period ended 31 December 2023.

2 In FY23, Pinewood was part of Pendragon PLC and therefore intercompany revenue received from Pendragon PLC was eliminated on consolidation in FY23 – see next page.

The pro-forma financial information above has been given to provide a like for like comparison of results for the current and prior periods. The 2 adjustments made are as follows:

- The comparative 13 month period has been adjusted to show only the comparable 11 month period.
- In the comparative 11 month period revenue of £6.3m arose from Pendragon PLC. As Pinewood was part of the same group in that period, this revenue was eliminated on consolidation. This revenue has been added back in the comparative pro-forma information above.

Comparing the 11 month periods ended 31-Dec-24 and 31-Dec-23, revenue increased by 15.1%, gross profit increased by 16.5% and underlying profit before tax was flat at £8.5m in both periods.

Revenue increased from £24.5m in FY23 to £31.2m in FY24 and gross profit increased from £21.8m in FY23 to £28.2m in FY24. £27.0m of the FY24 revenue of £31.2m was recurring (86.5%). Underlying profit before tax decreased from £9.9m in FY23 to £8.5m in FY24.

Total revenues including intercompany revenue decreased by 2.5% to £31.2m compared to FY23. This was due to FY24 being an 11 month period and FY23 being a 13 month period.

Gross profit including intercompany gross profit decreased by 1.1% to £28.2m. The gross margin increased by 130bps to 90.4% in FY24, as a series of measures to make our cloud hosting as efficient as possible have been put in place.

Underlying administrative expenses in FY24 increased by £8.0m compared to FY23 to £19.8m. In FY23, there were £6.7m of intercompany administrative expenses and in FY24 this was nil. In FY24 the amortisation charge of £5.0m made up approximately a quarter of administrative costs. The majority of Pinewood's administrative expenses are resource costs and during FY24, headcount was 'right-sized' to ensure the business had the necessary resource to deliver the stretching future growth plans.

As a result of these movements, underlying operating profit was £8.4m, a decrease of 16.0% compared to FY23.

There was a non-underlying loss before tax of £0.3m (FY23: nil). This consisted of restructuring and transition costs following the sale of the UK Motor and Leasing businesses to Lithia of £2.2m, transaction costs following the sale of the UK Motor and Leasing businesses to Lithia of £0.9m, share based payments of £1.0m, interest receivable of £4.3m earned on cash held prior to a special dividend payment and £0.5m of loss from the Group's share of the result from the 'joint venture' (Pinewood North America, LLC).

Group net assets were £39.0m at 31 December 2024 (31-Jan-2024: £360.4m), with the main balances being a £9.6m investment in associate (31-Jan-2024: £nil), £16.3m of capitalised software intangibles (31-Jan-2024: £13.8m), £21.4m of trade and other receivables (31-Jan-2025: £421.8m), £9.3m of cash (31-Jan-2024: £47.4m), £11.0m of trade and other payables (31-Jan-2024: £23.0m) and £7.6m of deferred income (31-Jan-2024: £6.5m).

Cash at the start of FY24 was £47.4m and the main movements to arrive at the £9.3m at the end of FY24 were £395.4m received from Lithia for the sale of the ex-Pendragon dealerships and leasing business, a £93.0m loan repayment, £30.0m from issuing share capital and a £358.4m special dividend paid to shareholders. The software intangible increased during the period as more development work was capitalised.

Operating review

Strong financial performance

Revenue and gross profit include intercompany amounts.

£m	H1 FY24	H2 FY24	FY24	H1 FY23	H2 FY23	FY23	Change
Revenue including intercompany amounts[1]	16.1	15.1	31.2	14.5	17.5	32.0	(2.5%)
Gross Profit including intercompany amounts[1]	14.5	13.7	28.2	12.9	15.6	28.5	(1.1%)
Gross margin rate	90.1%	90.7%	90.4%	89.0%	89.1%	89.1%	1.3%
Underlying Administrative Expenses	(10.5)	(9.3)	(19.8)	(8.3)	(10.2)	(18.5)	7.0%
Underlying Operating Profit[1]	4.0	4.4	8.4	4.6	5.4	10.0	(16.0%)

1 This is an Alternative Performance Measure (APM) – see page 77

Note: FY24 is an 11 month period ended 31 December 2024 and FY23 is a 13 month period ended 31 January 2024. H1 FY24 is the 6 month period ended 31 July 2024 and H1 FY23 is the 6 month period ended 30 June 2023.

There was no intercompany revenue, gross profit or underlying administrative expenses in FY24. Some of the key financials for FY23 can be seen below:

£m	Intercompany Contribution	Contribution from external customers	Group Total
Revenue including intercompany amounts[1]	7.5	24.5	32.0
Gross Profit including intercompany amounts[1]	6.7	21.8	28.5
Underlying administrative expenses including intercompany amounts[1]	(2.4)	(16.1)	(18.5)

1 Unaudited

Pinewood is a software business that provides an automotive retail ecosystem in the UK and 20 other countries worldwide. Pinewood provides Software as a Service (SaaS) with the majority of revenue being recurring.

The automotive system market for Franchised Motor Dealers is estimated to be worth at least £100 million in the UK. Two providers dominate the UK market, one of which is Pinewood. The global automotive system market is highly fragmented with over 50 different providers within Europe alone. In North America, the market for what are called Dealer Management Systems (DMS) is £2.4 billion. In addition in North America, the market for complimentary add-on products such as CRMs and service tools is worth an additional £4.1 billion. All of this North American market is an opportunity for Pinewood.

Ollie Mann
Chief Financial Officer

Operating review continued

Pinewood's unique approach to the market is characterised by:

- a single ecosystem which is deployed globally with continuous software updates
- a cloud-based solution which is highly secure and feature-rich
- focus on strong manufacturer partnerships and supporting dealer profitability; and
- commitment to using the latest technology to reshape motor retail

Pinewood was an early adopter of the SaaS business model and has focused on developing recurring revenue streams. Today, c.85% of Pinewood's revenues are on a recurring basis.

During FY24, overall user numbers increased by 2,100 users (6.3% increase) to 35,200. 1,700 of the user increase was due to the combined impact of the roll-out of the Pinewood system into the (ex-Jardine Motor Group) Lithia UK stores as well as the closure of a number of Lithia UK stores. New customers added 700 users in FY24 and there was net churn of 300 users in Pinewood's existing customer base. This very low net churn of just 1.1% reflects the 'stickiness' of the Pinewood system.

A key financial KPI for Pinewood is the amount of development expenditure. In FY24 Pinewood increased its investment in the system with £9.0m of development expenditure of which £7.4m was capitalised (82% capitalisation rate). The main focuses for the development team during FY24 were 'hyperscale' system development to ensure the system is ready for deployment in North America, working on a new customer user interface which will be launched in FY25 and ongoing investment in platform architecture and security. Other key financial KPIs are Underlying Operating Profit, Underlying Profit Before Tax and Underlying EBITDA. A key non-financial KPI used by the Group is the number of employees in the development and product teams. At the end of FY24, there were 172 employees in the development and product teams, compared to 137 employees in the development and product teams at the end of FY23.

The five year contract signed in October 2024 with Marshall Motor Group to implement Pinewood systems into their stores was a highly significant moment for Pinewood, with Marshalls being one of the leading automotive retailers in the United Kingdom. Their scale, with c.120 dealerships as well as the other businesses in their wider Group including cinch, BCA and webuyanycar make them a unique and valued customer. The contract represents the first non-associated major dealership group in the UK to adopt the Pinewood product suite following the recent Lithia UK implementation.

s.172 statement

Statement By The Directors In Performance Of Their Statutory Duties in Accordance with s.172(1) Companies Act 2006

The Board of directors of Pinewood Technologies Group PLC confirm that during the period under review, it has acted to promote the long term success of the company for the benefit of all shareholders, whilst having regard to the matters set out in section 172(1)(a)-(f) of the Companies Act 2006 in the decisions taken during the period ended 31 December 2024, further detail of which is set out below and which are incorporated into others parts of the Strategic Report.

How we engage	Why we engage	What matters to this group	What did we do as a result
Customers			
We continue to engage with our customers in a variety of ways, including: • Seeking continual feedback from both new and existing customers • Listening to any suggested enhancements to the Pinewood system	• Our purpose is to deliver a market-leading Dealer Management System to all of our customers	• Uninterrupted access to our system • Use of a market leading system • Having a relationship with us where they are listened to	• Improved the Pinewood system by listening to customers • Ensured that our development team updated the system on a regular basis, often several times a week
Associates			
• We listen carefully to the views of all of our employees through regular employee surveys	• We wish to continue to be a responsible employer, both in terms of continuing to ensure the health, safety and wellbeing of our employees and also ensuring we maintain a responsible approach to the pay and benefits our employees receive	• Fair employment, fair pay and benefits • Tackling our gender pay gap • Diversity and Inclusion • Training, development and career opportunities • Health and Safety • Responsible use of personal data • Ability of the workforce to raise concerns in confidence	• We reviewed associate pay and conditions • We continued to enhance the range of benefits available to associates, including adding full EV's to the company car offering • To engage with the workforce, biannual conferences have been introduced, which are effective as they have produced consistent dialogue between associates and the executive directors and senior management team • Any associate concerns can be raised in confidence through the Pinewood HR team, who will conduct any investigations needed and will escalate concerns to Board level where deemed appropriate. The Board will take any follow up action as considered appropriate
Suppliers			
• Regular meetings and updates with all key suppliers with management • Supplier payment terms reported and published	• All our suppliers must be able to demonstrate that they take appropriate action to prevent involvement in modern slavery, corruption, bribery and breaches of competition law • We engage with our suppliers to ensure a high quality of service is maintained	• Fair trading and payment terms • Anti-Bribery • Anti-Modern Slavery • Operational Improvement	• We surveyed all key suppliers for adherence to anti-slavery standards

How we engage	Why we engage	What matters to this group	What did we do as a result
Community			
• Regular involvement in charity appeals	• We generate community involvement through local engagement, contributing to local areas in a variety of ways	• Charitable donations and support • Employment opportunities • Volunteering • Fair tax policy	• We continued other charitable activities where possible
Environment			
• Over the last four years, we have seriously re-evaluated our responsibilities to our customers, investors, associates, suppliers and the public in terms of how our activities impact the natural environment. • We continue to regularly review our environment policy.	• We acknowledge the responsibility we have to protect the environment and to minimise the environmental impact of our activities	• Minimising atmospheric emissions, commercial and industrial waste • Minimising energy wastage • Complying with statutory requirements relating to environmental matters • Ensuring environmental priorities are accounted for appropriately in planning and decision making	• Operated an obsolete asset disposal policy • Minimised and where possible, eliminated pollution • We continued to reduce incidences of energy wastage wherever possible, as reported in our Environment, Social and Governance Report at page 25 of this Annual Report
Shareholders And Potential Shareholders			
• Annual Report and Accounts • Corporate website • AGM • Results announcements and presentation • Shareholder and analyst meeting with management, followed by feedback from brokers and financial PR consultants • Engagement via the Directors and Company Secretary	• We work to ensure our shareholders and their representatives have a good understanding of our strategy and business model	• Long term value creation • Fair and equal treatment • Growth opportunity • Financial stability • Transparency • To share in the success of our business	• The chief executive officer and chief financial officer reported back to the Board after the investor roadshows • The Group's brokers and financial advisors provided detailed feedback after full and half year announcements and investor roadshows to inform the Board about investor views • The non-executive chairman and senior independent director were available to shareholders and responded on matters relating to their responsibilities where requested • The chairman met with a number of large shareholders at a Capital Market Event in October 2024 • We continued to consult with all major shareholders in relation to our remuneration policy • At our AGM, shareholders were given the opportunity to engage with the respective Committee Chairs to discuss any matters of significance that they want to raise • We engaged with shareholders with reference to resumption of dividends

Social Report

Life at Pinewood.

At Pinewood, our people are the driving force behind pushing boundaries and making the extraordinary, possible.

People are the heart of our business and the key to our success. That's why we're committed to attracting, retaining, and developing the best and brightest talent.

Long term success relies on inspiring and nurturing a range of talent, from all sectors and industries. We pride ourselves on seeing the potential of our team members before they even join the business and, then once they have, providing the support, encouragement and skills needed to build a long and rewarding career.

Defining our purpose

Pinewood recently completed a comprehensive employee feedback and engagement programme designed to support its evolution from a majority UK business to becoming a true global player. This strategic initiative not only preserves Pinewood's core cultural values but also lays the foundation for scalable growth worldwide, fostering an environment where innovation and expansion thrive.

Beginning your journey

We review our talent attraction and retention strategies to ensure we are attracting and identifying a diverse range of talent to join and develop within our business. We continually utilise modern attraction strategies to ensure we are reaching a diverse range of candidates to confirm we are capturing skills and talent within the sector balancing an internal versus external perspective.

We remain committed to investing in early career programmes, with 25% of team members recruited in FY24 specifically to join either one of the graduate or early careers schemes. During an exciting period of growth, this expresses our commitment to invest in those who are kick-starting their careers.

We maintain strong relationships with several academic institutions across the Midlands to ensure we continue our commitment to growing careers from within. Investment in career growth is a key factor when it comes to retention, with 9% of team members being promoted across the Group. This was conducted via regular one-to-ones, ensuring team members have guidance and support when it comes to progression. This is also a key reason why team turnover continues to remain low at 14% during FY24.

Your workplace & your reward

Looking after our team members is essential and we continuously review our benefits offering. Our ambition is to offer an industry competitive total reward package that values our team members and enables us to be a responsible and attractive employer.

Your inclusion & your influence

With 28 nationalities across Pinewood and an above-industry average representation of females, as at year end of 31%, company-wide, we are committed to fostering a more diverse, inclusive, and unified culture that is representative of our team members, our customers and the society in which we live. As we look to embed our global offering, our diversity and cultural awareness will only be more enhanced. There are tremendous benefits to an environment where everyone feels valued and included. We cannot underestimate the positive impact that diversity and inclusion can have on how we understand our customers, drive our innovation and, most importantly, engage and inspire our team of colleagues.

28
Nationalities

31%
Female employees

25%
Employees joining graduate/ early careers schemes FY24

9%
Team members being promoted

14%
Team turnover

ESG Report

Creating positive impact through ESG.

Reducing environmental impact, positive social change, transparent and responsible governance

Since transitioning into a pure-play, independent Software as a Service (SaaS) business, we have taken the opportunity to reassess and refine our approach to Environmental, Social, and Governance (ESG) objectives. Our focus is now fully aligned with the unique nature of our SaaS operations, ensuring our ESG strategy is both relevant and impactful.

This strategic review has enabled us to:

- Enhance engagement and oversight through dedicated cybersecurity and ESG sessions, including an initial review into Pinewood's climate strategy.
- Define our future aspirations, setting ambitious targets and plans to improve ESG reporting and the effectiveness of our initiatives.
- Establish a clear roadmap with well-defined milestones over the short (0-2 years), medium (2-5 years), and long term (up to 2050), enabling us to track progress and take corrective action if targets are not met.

As we move forward, our ESG strategy will continue to evolve, adapting to the needs of both our business and the wider society. We remain committed to embedding ESG considerations into our strategic priorities and linking them to remuneration incentives, ensuring lasting impact and accountability.

Environmental Report

Environmental impact.

Environmental report

Pinewood remains committed to environmental responsibility, operating under a formal Environment Policy that has been reviewed and updated to reflect our evolution as a pure-play SaaS business. We recognise our duty to protect the environment and actively work to minimise the impact of our operations.

Collaborating with employees, customers, and suppliers, we strive to uphold high standards of environmental protection aligned with our business activities. Our Environment Policy is guided by Board-level oversight, ensuring a strategic focus on climate impact and resource sustainability.

We are continuously enhancing our operational standards, embedding environmental considerations into planning and decision-making. Wherever possible, we take proactive steps to reduce or minimise our environmental footprint, reinforcing our commitment to a sustainable future.

In accordance with Listing Rule 6.6.6R(8), we set out in the TCFD (Task Force on Climate-related Financial Disclosures) overview table beginning on page 22 certain climate-related financial disclosures aligned to the four recommendations and 11 recommended disclosures contained within the TCFD additional guidance (Implementing the Recommendations of the Task Force on Climate Related Financial Disclosures (2021 TCFD Annex)).

Within the TCFD overview table, we have also included disclosures by each of the recommended disclosures, identifying whether we consider such disclosures to be either consistent with the recommendations of the TCFD or, where disclosures have only been partially made or omitted, a further description of any steps taken or planned to ensure our disclosures are consistent in the future, including relevant timeframes. In particular, of the 11 TCFD recommended disclosures, the Company considers that it is consistent with full disclosure for nine items and partially consistent with two disclosures: (i) Strategy B – financial impact of climate related risks – due to the disposal, we have not been able to assess the impact that climate related risks may have on the SaaS business. This includes the impact climate related risks may have on the Group's financial planning process. We will continue to assess the impact climate related risks may have on financial planning in the next financial year. ii) Metrics and Targets B – Scope 3 emissions – Scope 3 emissions have been disclosed for our employee commuting as well as our core cloud service emissions. This is enhanced from previous years and the Group will look to include additional metrics in the next financial year.

Pinewood is actively supporting the UK Government's Simpler Recycling initiative, partnering with our waste management provider to minimise landfill waste, enhance recycling efficiency, and drive our sustainability goals toward a greener future

ESG Report continued
Environmental Report

TCFD overview

Disclosure Level:
Full / Partial / Omitted

Recommendation	Recommended disclosures	Summary of Progress/Measures planned to ensure future consistency with the recommendation	Reference	Disclosure Level
Governance				
Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the Board's oversight of climate-related risks and opportunities	The Board drives our climate ambition and oversees our approach to climate-related risks and opportunities, as outlined in our annually reviewed Environment Policy. As the ultimate authority on the Group's risk appetite, risk management, and internal controls, the Board delegates oversight to the Audit Committee, ESG Committee, and Risk Control Group to ensure ESG risks are effectively managed. In 2024, the ESG Committee met more frequently than the expected twice-yearly schedule, reinforcing our commitment to sustainability. ESG matters are now a standing agenda item at Board meetings, ensuring continuous focus and accountability. The ESG Committee plays a pivotal role in assessing how climate-related risks and opportunities influence budgets and business plans, determining how climate strategies are implemented. The chair of the ESG Committee monitors progress towards targets, allowing us to drive meaningful impact. **FY 25 priorities** We remain committed to integrating climate-related risks into Board-level discussions, ensuring they are a key consideration in shaping our strategy and assessing their potential impact on our financial performance. The ESG Committee intends to meet at least three times a year, maintaining a strong focus on sustainability and driving progress on our ESG commitments.	**Annual Report** Environmental, social and governance report page 21	Full
	b) Describe management's role in assessing and managing climate-related risks and opportunities	The Board retains ultimate accountability for the Group's climate strategy and approach to TCFD; however, to strengthen governance and execution, it has established an Environmental, Social, and Governance (ESG) Committee. Meeting at least twice a year, the ESG Committee includes the Group CFO, and two members of senior management, with other team members invited to meetings where they support the ESG Committee meeting agenda item(s) with their knowledge or abilities. Working alongside the Risk Control Group (RCG), the ESG Committee provides ongoing oversight of climate-related risks. It maintains a direct reporting line to the Audit Committee, ensuring regular updates on progress and key developments. The Audit Committee, composed entirely of independent non-executive directors, meets at least three times a year. Following the same rigorous governance approach used for financial management, it assesses the potential financial impact of climate change, incorporating scenario analysis, the costs of meeting climate and environmental targets, and their implications for financial statements and disclosures. **FY 25 priorities** The Group remains committed to strengthening ESG reporting, ensuring climate-related considerations are integrated into budgets, business plans, performance objectives, capital expenditure, and investment decisions. Additionally, we will further embed climate-conscious decision-making into our energy procurement and supplier selection processes, reinforcing our commitment to sustainability at every level of our operations.	**Annual Report** Environmental, social and governance report page 21	Full

Disclosure Level:

● Full ○ Partial ○ Omitted

Recommendation	Recommended disclosures	Summary of Progress/Measures planned to ensure future consistency with the recommendation	Reference	Disclosure Level
Strategy				
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified in the short, medium and long term	As a pure-play SaaS business, the Group faces limited direct climate risk. However, we remain proactive in assessing potential climate impacts across the short term (Jan 25 – Dec 26), medium term (Jan 27 – Dec 29), and long term (up to 2050). These time scales align with our business planning and the UK Net Zero target date. A detailed analysis of these risks and opportunities can be found on pages 26 to 27 of this report. In the medium term, rising energy costs pose a key consideration for Pinewood, while longer-term risks include the resilience of cloud hosting infrastructure, which may be influenced by geographic factors and exposure to extreme weather events. To stay ahead, we will continue to conduct climate risk and opportunity assessments, ensuring that our SaaS business remains agile and well-prepared for the evolving environmental landscape. **FY25 priorities** Continued assessment of the impact of climate related risks for the Group in the short, medium and long term.	**Annual Report** Risk Management, page 35 Environmental, social and governance report page 21	●
	b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy and financial planning	Pinewood Technologies Group PLC operates as a pure-play SaaS business with two physical office locations and cloud-based hosting. Given our digital-first model, we anticipate minimal impact from climate-related factors on our core products and services, including dealer management system software licences, as we continue to innovate and evolve. **FY25 priorities** The Group is actively evaluating how climate-related factors may influence our products and services. This assessment is underway, and we anticipate completing it in the next financial year, ensuring we remain proactive and well-prepared for any potential impacts.	**Annual Report** Risk Management, page 35 Environmental, social and governance report page 21	○
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	The Group has assessed potential climate-related risks to our SaaS business under two key climate scenarios: • **below 2 degrees**: As a pure-play SaaS provider, our business model is centred on delivering software licences. We would expect evolving regulatory frameworks for the reporting of business climate impact, as well as investors placing a greater importance on climate risk strategies under this scenario. • **above 3 degrees**: Even in a scenario with heightened physical climate risks, we expect minimal disruption. The Group operates from two leased office locations in urban areas that are not significantly exposed to climate risks. Additionally, our robust remote working infrastructure ensures business continuity. Our cloud services, hosted by third-party providers, include contingency plans to mitigate potential disruptions, ensuring seamless service delivery. In line with the above, the Group considers itself to be resilient to climate related physical risks. **FY25 priorities** The Group will continue to refine its climate risk scenario analysis, aligning it with the specific needs and evolving landscape of a SaaS business.		●

ESG Report continued
Environmental Report

TCFD overview continued

Disclosure Level:

● Full ○ Partial ○ Omitted

Recommendation	Recommended disclosures	Summary of Progress/Measures planned to ensure future consistency with the recommendation	Reference	Disclosure Level
Risk management				
Disclose how the organisation identifies, assesses and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	Environmental risk is a key component of our overall risk management framework. The ESG Committee, as a minimum twice a year, evaluates climate-related risks that could impact our operations, reporting findings to the Risk Control Group (RCG) and, where necessary, escalating to the Audit Committee and Board. The Risk Control Group (RCG) meets three times a year, the meeting includes an analysis of potential risks and opportunities associated with climate change and includes representation from the ESG Committee. Risks are based on "worst case" scenarios with likelihood and impact assessment considering our business, suppliers, customers and investors taking place. Once classified they are integrated into the existing risk management system. Climate change risks, along with relevant opportunities, are reported three time a year to the Executive Team and the Board. While climate-related risks are considered an emerging risk, they remain an important part of our strategic risk assessment. For more details, please refer to pages 33 to 35 on our Group's risk management approach. **FY25 priorities** The Group annually reviews/revises its Environmental Policy with a heightened focus on integrating climate-related issues. Climate considerations have now become a permanent agenda item at Board meetings.	**Annual Report** Risk Management, page 26	Full
	b) Describe the organisation's processes for managing climate related risks	The business is subject to regular risk identification, assessment and review, which includes consideration of environmental and climate related risk. Climate risk is considered a sub-risk to our main environmental risk. See pages 32 to 35 on risk management in the Group. **FY25 priorities** Our ESG Committee reviews climate risks and opportunities in each meeting which ensures we stay informed and effectively monitor any identified climate-related risks.	**Annual Report** Risk Management, page 33	Full
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate-related risks are integrated into our overall risk management framework as a principal risk, with climate change addressed within the broader environmental risk category. The ESG Committee will continue to evaluate and assess any climate-related risks that could impact our operations, reporting findings to the RCG and, when necessary, escalating to the Audit Committee and Board. **FY25 priorities** Maintain strong focus on all areas that facilitate management and assessment of climate related risks.	**Annual Report** Risk Management, page 33	Full

Disclosure Level:
Full | Partial | Omitted

Metrics and targets

Recommendation	Recommended disclosures	Summary of Progress/Measures planned to ensure future consistency with the recommendation	Reference	Disclosure Level
Disclose the metrics and targets used to assess and manage relevant climate-related risks and such opportunities where such information is material	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	The Group has been reporting on energy and carbon emissions since 2013. Emissions are captured from our facilities, operations and transport and reported in Tonnes CO_2. We consider it important to recognise that as revenue increases so will emissions, which is why we include tonnes of CO_2 per £m of revenue as a further key metric. FY24 will serve as a baseline allowing us to report future changes. More information on the Group's carbon emissions is provided on page 28. **FY25 priorities** The Group is committed to expanding our Scope 3 reporting metrics as relevant data becomes available, ensuring greater transparency and a more comprehensive view of our environmental impact.	**Annual Report** Environmental, social and governance report page 28	Full
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	The Group reports Scope 1, Scope 2, and Scope 3 emissions in accordance with the GHG reporting requirements, with further details on carbon emissions available on page 28. Notably, we've expanded our Scope 3 reporting to include emissions from our cloud server operations. **FY25 priorities** The Group is focused on enhancing our data capture process for additional Scope 3 categories in the upcoming financial year, driving greater accuracy and breadth in our reporting.	**Annual Report** Environmental, social and governance report page 28	Partial
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group will focus on its CO_2 emissions by £m of revenue as a key metric driving immediate action to reduce its environmental impact. **FY25 priorities** The Group will target a 10% reduction of the CO_2 emissions over the next three years from a base year of 2024.	**Annual Report** Environmental, social and governance report page 28	Full

ESG Report continued
Environmental Report

Climate-related risks, once assessed are provided numeric likelihood and impact values within our risk management system. These are used to calculate a total risk value before and after mitigation. Material risks are any risk with a value that exceeds our materiality threshold. Outlined below are the material climate related risks and opportunities as applicable to the Group. For the purpose of the below table, in terms of impact and rating: Minor shall mean the risk has relatively little, or non material financial impact; Limited shall mean the risk has a moderate financial impact; Major shall mean the risk has a major or material financial impact.

Area	Risk	Time horizon and climate scenario	Category and impact	Metric
Policy & Legal	**Increased reporting requirements and adverse energy regulation due to climate change** Enhanced disclosure requirements, evolving regulatory frameworks and the need for more granular data collection add layers of administrative effort across multiple business functions. **Mitigation** Ensuring compliance while maintaining efficiency will require ongoing investment in technology, processes and expertise.	Medium term Below 2 degrees	**Transitional** **Minor**	Increase in annual cost (£) of internal resources used to monitor climate legislation and compliance remain below 10%.
Market Risks	**Pinewood international partners** Pinewood partners with third-party providers in select markets to deliver essential support and services. As these providers navigate the shift to renewable energy, potential relocations and rising operational costs due to extreme weather events, their expenses are likely to increase. This could lead to Pinewood reassessing partnerships and, in some cases, transitioning to new providers, introducing temporary operational disruptions but ensuring long-term resilience and efficiency. Retaining and supporting partner markets is a vital driver of our delivery strategy. **Mitigation** Maintaining clear communication and support for partners.	Medium to long term Above 3 degrees	**Transitional** **Limited**	Number of providers requesting contract reviews based on increased costs does not exceed 1.
	Data Centre server costs Pinewood relies on third-party providers for data centres. As climate-related factors drive up operational and overhead costs for data centre providers, these expenses will inevitably be passed on to customers, including Pinewood. Rising temperatures and extreme weather conditions will make cooling data centres increasingly challenging and costly. As a result, the strategic location of data centres, those favouring regions with lower energy costs and cooler climates, will become a critical factor. This may lead Pinewood to reassess its data centre partnerships, potentially transitioning to alternative providers to optimise costs, though this would involve associated overhead and transition expenses. Regular reviews allow us to make informed decisions and get the best value from data centre suppliers. **Mitigation** Regular review of data centre costs and reported climate changes.	Medium to long term Above 3 degrees	**Transitional** **Limited**	Change in annual cost (£) relating to data centre services per user remain below 15%.
	Supply chain and third party risks Extreme weather events, shifting geopolitical climate policies, and resource scarcity could disrupt cloud providers and IT hardware suppliers, potentially impacting service reliability. Climate-related disasters, such as hurricanes, wildfires, and droughts, may further strain global semiconductor production, leading to supply chain bottlenecks, increased hardware costs, and potential delays in service delivery. **Mitigation** Ensuring critical suppliers have robust disaster recovery plans.	Long term Above 3 degrees	**Physical** **Limited**	Number of cloud disruptions within a 12 month period impact less than 0.1% of our service provision.

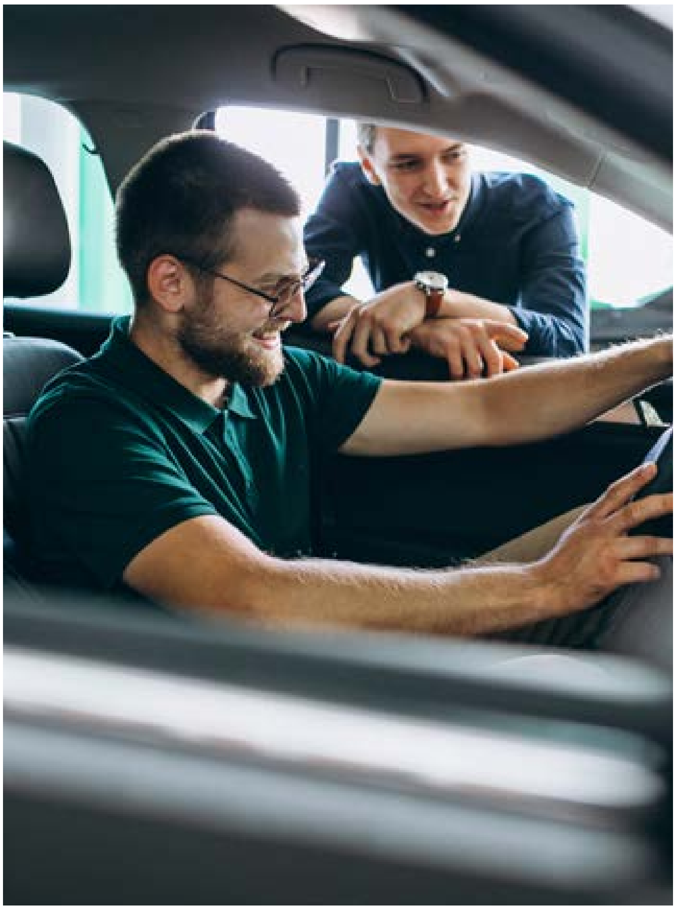
Area	Risk	Time horizon and scenario	Category and impact	Metric
Reputation Risks	**Investor and market sentiment** Investors are placing greater emphasis on ESG risks, and SaaS companies that fail to showcase robust climate strategies risk reputational setbacks, potential divestment, and diminished access to funding. Continued positive ESG reporting improves future investment opportunities. **Mitigation** Ensure focus on ESG issues is maintained and communicated.	Short term Below 2 degrees	**Transitional** **Limited**	Count of failed funding rounds within a year does not exceed 1.
	Loss of revenue linked to damaged reputation Reputational risks from a customer standpoint could have a significant financial impact, potentially driving customers toward competitors with stronger ESG and sustainability commitments. As demand for environmentally responsible solutions grows, failing to meet expectations could erode brand loyalty and market position. As a SaaS business minimising customer churn is important to achieving our strategic objectives. **Mitigation** Keen awareness of published content both online and offline. Maintaining strong relationships with our clients through dedicated account management.	Short term Below 2 degrees	**Transitional** **Minor**	We review press reports and social media commentary daily.
Technology Risks	**Increased cyber threats** Climate-related disruptions can heighten cybersecurity risks, as power outages, infrastructure failures, and emergency responses create vulnerabilities that cybercriminals may exploit. Unstable network connections, weakened system defences, and diverted IT resources increase the likelihood of attacks, threatening data security and business continuity. Proactively reducing cyber threats is crucial for building trust with customers and partners while unlocking new opportunities to drive our strategic goals. **Mitigation** Constant focus on cyber security and security alerts.	Medium to long term Above 3 degrees	**Physical** **Major**	Impact of cyber threat interruptions on service provision does not exceed 0.1% up time.
	Regulatory technology mandates Governments may introduce mandates for energy-efficient software and carbon footprint transparency, requiring significant investment in development, compliance, audits and reporting enhancements. **Mitigation** Investment to maintain compliance.	Medium term Below 2 degrees	**Transitional** **Minor**	Increased annual cost (£) associated with reporting enhancements remains below 15%.

Area	Opportunity	Time horizon and scenario	Category and impact	Metric
Resource Efficiency	**Energy efficiency in operations** Years of strategic investment in resource efficiency across the Group have successfully reduced energy intensity, resulting in lower, more predictable operating costs while driving greater operational efficiency. Continued reduction in energy intensity supports our ESG goal of reducing CO_2 emissions. **Mitigation** Review of energy usage targeted on reducing intensity.	Short term Below 2 degrees	**Physical** **Minor**	Annual cost (£) relating to energy and CO_2 reduction against prior year > 5%

ESG Report continued
Environmental Report

Global greenhouse gas emissions data

As the result of the sale of the Group's motor retail and leasing businesses to Lithia UK Holding Limited on 31/01/2024, the current period is an 11 month period and the prior period is a 13 month period. As a pure play SaaS business with two UK office locations, our overall emissions have been significantly reduced, while our energy intensity has increased which provides an area of improvement to focus on.



Source*	Tonnes of CO_2e	
	01.02.24 – 31.12.24	31.12.23 – 31.01.24
Scope 1: Direct emissions from activities for which the company own or control – emissions generated by its internal fleet operations (Scope 1/tCO_2e)	43	3,634
Scope 2: Indirect emissions from the use of purchased electricity and gas (Scope 2/tCO_2e)	71	13,373
Scope 3: emissions generated by employee commuting & Azure cloud services (Scope 3/tCO_2e)	359	6,793
Total gross scope1, 2 & 3 emissions:/tCO_2e	473	23,800
Energy consumption used to calculate above emissions:/ kWh (Scope 2)	361,773	69,931,129
Scope 1, 2 & 3 Intensity Ratio (tonnes of CO_2 per £m of total revenue)	15	5.5

Methodology: (i) Scope 1 and Scope 2 emissions have been reported where the Group has operational control of a property or an asset. This includes emissions from driving activities as detailed in note (ii). (ii) CO_2 emitted from driving activity comprising business vehicle mileage (Scope 1) and employee commuting (Scope 3) is the result of analysis of mileage, vehicle and employee commute data over the reporting period to quantify the total mileage and CO_2 emissions across business operations. The mileage of vehicles was extracted from mileage expense claims. A UK Government resource was used to provide carbon emissions data for each vehicle. Employee home and work postcode information was used to calculate commuting distances, with an average CO_2 emissions per mile (based on the UK average) used to calculate total emissions (iii) Other than employee commuting and Azure cloud services, additional Scope 3 emissions are currently not included, as the business does not have the capability to capture the required additional data set. We use the latest UK Government GHG Conversion Factors for Company Reporting, published by DEFRA, to calculate our greenhouse gas emissions.

*Table includes UK only emissions, the disclosure of overseas emissions is immaterial.

Social commitment.

Innovation, expert knowledge and passion drive us forward

As a technology-driven business, our success is powered by the expertise and passion of our people. We cultivate a workplace where innovation thrives, and our employees take pride in being part of the Group. Our leadership team and HR function are committed to fostering a dynamic, empowering culture that drives engagement, motivation, and long-term success.

Our People

Our commitment to being a responsible employer drives everything we do. Prioritising the health, safety, and wellbeing of our team members is at the core of our business practices. We actively seek out, nurture, and retain top talent, ensuring our team is equipped with the skills and vision needed to shape the future.

Our Inclusion

We firmly believe that embracing diversity, fostering inclusion, and ensuring equal opportunities for all our team members, regardless of their identity, are vital to our future success. Our people are the driving force behind our business, and we are dedicated to promoting a culture that reflects the vibrant communities we serve. By empowering our team members to bring their authentic selves to work, we create an environment where they can thrive and realise their full potential.

At every stage, from attraction and recruitment to selection, employment, and internal promotion, our employment decisions, including consideration to applications from disabled people and those who may become disabled whilst employed, are free from irrelevant or discriminatory criteria.

We remain committed to a formal, rigorous, and transparent process for appointments at the Board and senior executive levels. Guided by merit and objective criteria, we actively promote diversity in gender, social and ethnic backgrounds, alongside cognitive and personal strengths. This approach aligns with Principle J of the UK Corporate Governance Code, reflecting our dedication to balanced and inclusive leadership.

ESG Report continued

Social Report

Gender balance

We describe our approach to Board composition diversity in the Nomination Committee's report on page 46.

Number of Group employees by category

	as at 31 December 2024			as at 31 January 2024		
	Male	Female	Total	Male	Female	Total
Director	7	2	9	8	2	10
Senior Manager*	4	2	6	3	0	3
All employees	203	93	296	142	76	218

*Senior Managers include all employees that are included in the regular Executive Meeting group with the CEO and CFO

Gender Pay Gap Reporting

The company's annual report containing data on our gender pay gap will be published in full on our website www.pinewood.ai in accordance with the statutory timescale.

Our Reward

We continually refine our benefits offerings to deliver a competitive and comprehensive rewards package. Our benefits provision supports a range of options beyond salary and add to the full value of each team members package. We provide the flexibility and choice to allow team members to tailor benefits to each individual's needs where possible.

Pinewood remains committed to safeguarding our team members futures by investing in robust pension schemes and insured benefits that provide security for health-related matters.

This year, we have further enhanced our offering by launching a Group Share Incentive Plan (SIP) with a generous 1:1 company share match, empowering our team members to invest in their future while sharing in our collective success.

Our Development

Our training and development programmes support both our team members needs and the requirements of the wider business. Combining online modules with virtual and in-person classroom experiences.

These blended learning solutions are designed to meet regulatory and statutory requirements, safeguarding both our team members and customers from potential risks.

To drive growth and success, we systematically plan and deliver training while identifying individual and organisational development needs through regular performance check-ins, ensuring everyone at Pinewood is equipped to thrive.

Our Engagement

We have recently completed an extensive series of workshops to establish a baseline for our current corporate culture and team members engagement. This foundation will enable us in FY25 to refine and restructure our engagement channels, preserving the strengths and addressing areas for improvement.

These enhancements will position us to foster a business culture that fuels continued success and drives long-term growth.


Automotive Intelligence

Risk Overview and Management

Optimising risk strategies in automotive retail.

Proactive risk management: staying ahead of the curve

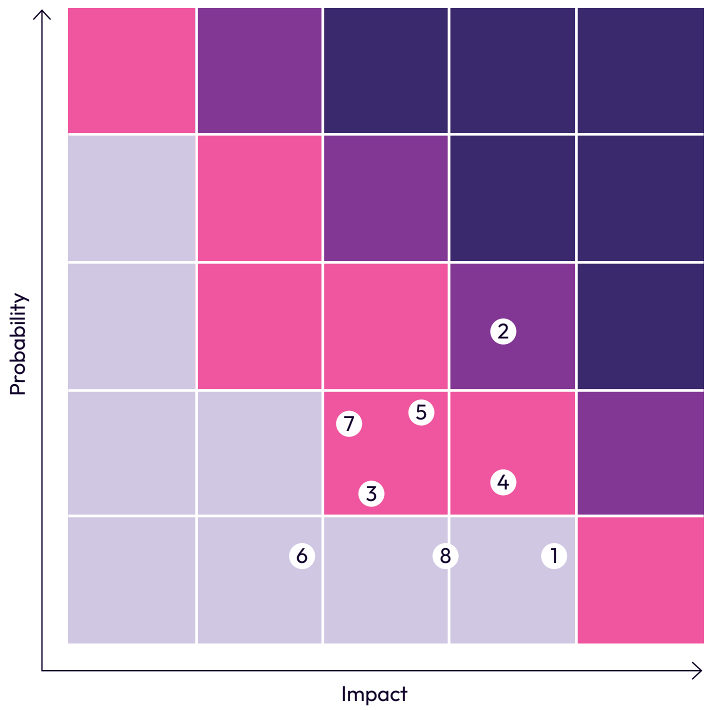
Principal risks

Acknowledging that all businesses involve inherent risks, the Board adopts a proactive approach to continuously identify and review risks that could lead to significant deviations between actual and expected future Group results. The Board remains committed to conducting thorough assessments of the Group's emerging and key risks, ensuring alignment with our strategic goals and overall business objectives.

The table on pages 34 to 35 is an overview of the principal risks faced by the Group, with corresponding controls and mitigating factors. The risks outlined are not meant to be an exhaustive list of all potential risks and uncertainties. In 2024, comprehensive risk reviews were conducted with full company-wide involvement by the Risk Control Group.

These risk factors should be considered alongside the Group's risk management system, as detailed below and in the Corporate Governance Report on page 45.

Risk heat map



1. Information and cyber security
2. People
3. Customer and sales partners
4. Execution and scalability
5. Technology and information systems
6. Competition and market changes
7. Micro-economic, political and environmental
8. Business resilience and compliance

Risk Management and Internal Controls

Accountability

The Board is accountable for overseeing risk management and internal controls to ensure the Group's objectives are achieved.

The control system established by the Board addresses both financial reporting and the mitigation of business and operational risks. Designed to manage rather than eliminate risks, this system offers reasonable assurance, but not absolute certainty, against material misstatement or loss.

Financial Reporting

The executive directors lead the preparation of the Group's annual corporate plan, which is then reviewed and approved by the Board. Performance is monitored monthly to track progress against the plan, and revised forecasts are presented for Board approval as needed throughout the year. To ensure compliance with relevant accounting policies, internal reporting data is thoroughly reviewed.

These reviews focus on the application of IFRS and the integrity of the Group's financial control systems. Designed to provide accurate and reliable reporting, these controls ensure a true and fair representation of the Group's financial position.

Operational and Other Risks

Operational management is empowered by the Board to identify and assess risks faced by the Group's businesses daily, with support from the Risk Control Group (RCG). Risk evaluations are conducted through both top-down and bottom-up approaches. The contents of the risk registers are regularly reviewed and discussed with senior management and within our governance committees to ensure comprehensive oversight.

The approach to risk control and the work of the RCG are described on page 42. The Group remains committed to the principles of the three lines of assurance model. In addition to management's core responsibilities, we deploy specialised second-line support and oversight for key risks through dedicated teams, including Finance & Insurance and Health & Safety, ensuring comprehensive risk management.

Risk Overview and Management continued

No.	Principal risks	Impact before mitigation	Mitigation
1	**Information and cyber security**		**FY24 – No change in risk**
	• Failure to deliver or maintain robust cyber security credentials throughout our Dealership Management System (DMS) services. • Failure to protect our software assets from security threats and vulnerabilities. • Failure of Third-Party Hosting Service. • Failure to comply with legal or regulatory requirements relating to data security or data privacy in the course of our business activities.	• This could impact our customers' ability to efficiently operate their dealerships, resulting in potential data loss, diminished competitive advantage, and exposure to regulatory scrutiny, which could lead to fines and penalties. • This could result in intellectual property theft, system sabotage, data loss, or misuse, potentially causing significant reputational damage. Additionally, regulatory penalties, including fines and criminal sanctions, may be imposed, leading to business disruption and impairing our ability to serve customers. These factors could materially impact our financial performance.	• The business actively monitors cybersecurity threats, leveraging robust systems and streamlined processes to swiftly detect, respond to, and mitigate incidents affecting its services. • This is demonstrated through our ISO27001 certification. • Our cyber liability insurance includes access to a dedicated Cyber Incident Response Centre, ensuring expert support and rapid crisis management when it matters most.
2	**People**		**FY24 – No change in risk**
	• Failure to retain key personnel or recruit the necessary additional talent to deliver our strategic ambitions.	• This may hinder the timely and high-quality execution of our business strategy, potentially impacting overall performance and long-term growth. • We could fail to meet our financial targets which could negatively impact our performance and customer satisfaction, with potential service disruptions and development delays affecting overall business outcomes. • The loss of key personnel could disrupt our development pipeline, impact product quality, and weaken relationships with customers and key brand partners, potentially affecting long-term growth and operational stability. • A shortage of resources may lead to declining colleague engagement and wellbeing, potentially affecting productivity, morale, and overall business performance.	• Our dedicated HR team actively tracks employee satisfaction using a blend of quantitative data and qualitative insights, ensuring a dynamic and responsive approach to workforce engagement. • Talent Management & Recruitment programme. • The Pinewood Academy offers a dynamic, multi-step career roadmap that highlights clear and exciting growth opportunities. • Pinewood Academy graduates have a high employee retention rate. • Reward schemes including bonuses, commissions and share schemes.
3	**Customer and sales partners**		**FY24 – No change in risk**
	• Failure to deliver the service levels we have agreed with customers and sales partners. • Failure to fulfil the ongoing contractual agreements we enter with our customer and sales partners.	• The loss of a key customer or sales partner would have a notable impact on profitability, presenting a challenge to sustained growth. • Customer dissatisfaction, leading to penalties and potential litigation, straining relationships and causing reputational damage, which would have an impact on our ability to achieve key strategic objectives. • Increased strain on colleagues arising from the additional workload to the extra work caused by any delays in planned implementation timelines or customer service levels.	• Dedicated Business Account Management team in place. • Each major customer is assigned a dedicated account manager to offer tailored support and expert guidance. • Regular meetings with customers aiming to identify any issues, and enhance user experience with demos of new features. • We conduct weekly reviews of our Development Backlog Priorities to ensure alignment and progress. Additionally, we regularly assess the feasibility of agreed-upon customer timelines and maintain clear communication to manage expectations effectively. • Backups are securely stored across multiple geographic locations within Azure, ensuring enhanced data protection and resilience.

No.	Principal risks	Impact before mitigation	Mitigation
4	**Execution and scalability**		**FY24 – No change in risk**
	• Failure to implement our strategy effectively through inability to deliver product development or sales growth in-line with the business plan.	• The failure to meet our financial targets could result in the alienation of key stakeholders, a loss of customers, and a diminished ability to invest in the future growth of the business.	• Rigorous Quality Assurance tests are conducted for every piece of development work, ensuring the highest standards of performance and reliability. • Risk assessments are now a mandatory and integral part of the development process, ensuring proactive identification and mitigation of potential challenges.
5	**Technology and information systems**		**FY24 – No change in risk**
	• Failure to maintain current technology, or identify and adapt to new technological opportunities.	• This could lead to a significant risk to our operational effectiveness, potentially resulting in the loss of critical information and competitive advantage. It could expose us to regulatory scrutiny, leading to fines and penalties, further impacting our business stability and reputation. • This could constrain growth and expand operational risks.	• The Product Team conducts multi-level sign-offs, ensuring thorough pre-release functionality reviews with key stakeholders. We proactively provide customers with product release notes ahead of each launch. • Continuous investment in Development (approx. 20% of turnover). • Our Microsoft partnership empowers the business to leverage cutting-edge technology and tools, driving innovation and enhancing operational capabilities.
6	**Competition and market changes**		**FY24 – No change in risk**
	• Failure to meet competitive challenges such as entry of a new competitor, competitor consolidation, or changes to the franchise dealer networks or operating model.	• The continued relevance of our Dealership Management System may be at risk if we fail to adapt to evolving customer needs. • Customers migrate to alternative software providers. • Revenues and profits may decline due to competitive pressures and/or shifts in the customer base.	• Adoption of agile development methodology, coupled with continuous research into emerging technologies, positions Pinewood as a leader in innovation. Our technological advancement makes the DMS market increasingly unattractive to new entrants, solidifying our competitive edge. • Keen awareness of potential market entrants and emerging technologies and embracing agile development methodologies. Regular monthly management reviews ensure we stay ahead of trends and continuously optimise our strategy.
7	**Micro-economic, political and environmental**		**FY24 – No change in risk**
	• Global economic and business conditions deteriorate, impacting customers' willingness or ability to pay for our software or adopt a new system. • Failure to manage or mitigate currency exchange rate fluctuations.	• Loss of a key customer reducing profit and/or limiting growth. • Delays in customer payments or instances of customer insolvency can negatively impact cash flow and liquidity, posing a risk to financial stability. • Financial results are negatively affected by losses arising from foreign exchange rate changes.	• Aged debts are actively and effectively managed to maintain financial stability. • Customer deposits are secured to safeguard against the risk of customer insolvency.
8	**Business resilience and compliance**		**FY24 – No change in risk**
	• Failure to comply with legal and other requirements across multiple territories and respond to changes which could have a material effect on our business model. • Failure to manage the increased demands and costs of operating our organisation on a PLC basis. • Failure to respond to changes in legislation, such as in relation to environmental, employment, and governance, which could lead to shareholder and other stakeholder dissatisfaction.	• Business disruption may arise from insufficient knowledge of territory-specific regulatory requirements and/or the lack of appropriate operational and financial controls. • This could result in fines, criminal penalties, litigation and adversely affect our reputation, financial performance and/or our ability to conduct business. • Resources are diverted to address urgent remediation, as well as taking proceedings or defending legal or regulatory action.	• Before we enter a new market, we carry out pre entry market evaluation, which includes seeking legal advice and understanding national compliance requirement. • We conduct proof of concept implementations and regularly review other ERP systems within those markets to ensure we remain competitive and responsive to evolving customer needs.

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, published by the Financial Reporting Council in July 2018 (the 'Code'), taking into account the company's current position and principal risks, the Directors have assessed the viability and prospects of the company over the three-year period to 31 December 2027. The Directors believe this period to be appropriate as the Group's strategic planning encompasses this period.

The Group's three-year review considers the Group's profit and loss, cash flows, debt and other key financial ratios over the period. At the start of this period, the Group had £9.3m of cash and during this period, the three-year review forecasts indicate that the Group will be highly cash generative.

These metrics are subject to a stress-test that has a 10% reduction in revenue. Given the Group's activity is Software as a Service (SaaS), with net customer 'churn' of c.2%, new large customers being on 5 year contracts and annual price increases for all customers, this is a severe but plausible downside scenario. When the 10% revenue reduction was applied in FY25, the Group was still forecast to generate £12.1m of cash in the year. The Group has a £10m RCF facility that they do not expect to utilise. It is assumed that an equivalent facility will be available beyond the facility expiry date.

Based on the results of this analysis, the Directors have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment. The Directors are mindful of the potential impact of a macro-economic downturn but after assessing the risks do not believe there to be a material risk to going concern.

In addition, further discussion of the principal risks affecting Pinewood Technologies Group PLC can be found within the Annual Report and Accounts on pages 32 to 35. The risk disclosures section of the consolidated financial statements set out the principal risks the Group is exposed to, including information and cyber security, people, customers and sales partners, execution and scalability, technology and information systems and competition & market changes. The Board considers risks during the year through the Risk Control Group and annually at a Board meeting with ad hoc reporting as required.

The principal risks and the mitigation steps that the Board considered as part of this viability statement were as follows:

Failure to deliver or maintain robust cyber security credentials throughout our system. We mitigate these risks by monitoring cyber security threats and having systems and processes in place to deal with incidents, which is demonstrated through the ISO 27001 certification. We also have cyber liability insurance in place, that includes Cyber Incident Response Centre, providing access to expertise to assist during a crisis.

The ability to retain key personnel or recruit the necessary additional talent to deliver our strategic ambitions. We mitigate these risks through a dedicated HR team and a talent management & recruitment programme.

During FY24, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The Directors believe that the Group is able to manage its business risks successfully, having taken into account the current economic outlook and the results of the severe but plausible downside scenario for the three-year viability period. Accordingly, the Board believes that, taking into account the Group's current position, and subject to the principal risks faced by the business, the Group will be able to continue in operation and to meet its liabilities as they fall due over the three year period assessed.

This strategic report was approved by order of the Board.

Oliver Mann

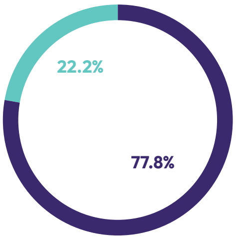
Ollie Mann
Chief Financial Officer
1 April 2025

Directors' Report.

Directors' Report

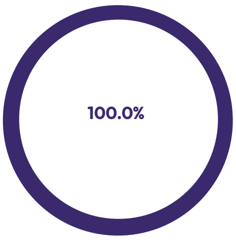
Board of Directors

Gender Diversity



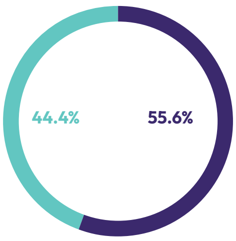
Male
Female

Ethnic Background



White British/American

Tenure



0–3 years
4–7 years

All figures are as at the date of this Annual Report and Accounts.

The Executive Board

Bill Berman

Chief Executive Officer

A N R S F

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 America, Bill has executive experience in the effective deployment of automotive technology management systems, enabling him to provide effective leadership of Pinewood's Board and advise in relation to the Company's future strategy.

Ollie Mann

Chief Financial Officer

A N R S F

Ollie 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 then wider organisation including Group Financial Controller and Director of Group Finance. Ollie had a key role in the disposal of the UK Motor and Leasing divisions of the Company to Lithia Motors, Inc. Ollie's accounting, financial and investor relations experience adds significant value to the Board.

The Non-Executive Board

Chris Holzshu

Director

A N R S F

Chris joined the Pinewood board on 31 January 2024 and currently serves as Executive Vice President and Chief Operations Officer for Lithia & Driveway (LAD). Since joining LAD in 2003, the organisation has experienced tremendous growth under his leadership. LAD is the number one automotive retailer in the North America, with continued expansion expected across the United States, Canada and Western Europe. Over the past two decades, Chris' leadership experience at LAD also includes serving as a Chief Financial Officer, Chief People Officer and Chief Operating Officer which position him to bring a unique operational and change management perspective to the Pinewood Board.

George Hines

Director

A N R S F

George joined the Pinewood 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 Lithia & Driveway (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 will provide a global perspective on leveraging auto retail technology platforms for the Pinewood Board.

Ian Filby

Non-Executive Chairman

A N R S F

Ian joined the company on 01 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 of Pinewood's Board and advise in relation to the company's future strategy.

Brian Small

Non-Executive Director

A N R S F

Brian joined the company on 10 December 2019, following an extensive executive career in the retail 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.

Nikki Flanders

Non-Executive Director

A N R S F

Nikki joined the company on 01 April 2020 and has over 25 years in-depth retail experience, from physical to online, leading on growth and transformation strategies across multiple goods and services categories, including digital services, energy and telco products. She is currently the Managing Director of the Customer division (UK and Ireland) at SSE plc. Her previous roles include that of Chief Operating Officer at Drax plc, Managing Director for Digital at Telefonica Plc and other senior leadership roles within Centrica Plc, Marks and Spencer plc and WH Smith plc. Nikki is widely recognised as a leading advocate for Diversity & Inclusion and in conjunction with her career experience brings deep commercial, customer and people leadership experience with valuable insights.

Dietmar Exler

Non-Executive Director

A N R S F

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 USA 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 SID on 24 February 2021.

Jemima Bird

Non-Executive Director

A N R S F

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 and Revolution Bars 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.

Key to memberships, roles and re-election status during FY24

- A Audit Committee Member
- N Nomination Committee Member
- R Remuneration Committee Member
- S Senior Independent Director
- ● Chairman of Committee
- F Audit committee member with recent and relevant financial experience

More detailed professional biographies of the Directors are on the Company's website **www.pinewood.ai**

Company Secretary

Ollie Mann

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Registered in England and Wales
www.pinewood.ai
Registered number 2304195

Corporate governance report

The 2018 UK Corporate Governance Code (Code) applies to the Company and is available on the FRC website at https://www.frc.org.uk. During the period ended 31 December 2024, the Company complied with the majority of the applicable provisions of the Code, with the exception of the provisions detailed below in the 'Non-compliance with the Code' section. The corporate governance statement as required by the Listing Rules 6.6.6 R (5&6) is set out below.

Our Board

The Board drives Pinewood's strategic vision, ensuring the financial, human resources and culture are in place to achieve our objectives and sustain long-term success. Collectively, they are dedicated to steering the Company's growth while upholding our responsibility to stakeholders.

Our executive directors, led by the CEO, are tasked with implementing the strategy through the executive committee, which includes senior management. This team ensures that our approach considers environmental, social, and governance (ESG) factors and operates within clearly defined authority levels, such as capital expenditure limits.

Executives closely monitor business performance and culture through regular operational meetings with their leadership teams, continuously assessing the effectiveness of key controls. They report to the Board on performance metrics and address any variances. The Board, in turn, oversees and evaluates management performance to ensure alignment with Pinewood's strategic goals.

A comprehensive programme of workshops has recently been completed to establish a base line for the existing corporate culture. After consideration by the senior team the results will be reported to the Board. Outside of that process employees can ask questions regarding all aspects of the business during our biannual conferences with the Group's Executive Management team. Our information sharing platforms include Teams channels and our intranet, that provide timely and relevant news to all. An employee share investment scheme is in place to provide UK-based employees with a tax efficient way of investing in the Company.

While the Board entrusts the Chief Executive and Chief Financial Officer with the primary responsibility of engaging with key stakeholders, major shareholders, and the investor community, the Non-Executive Chairman remains readily accessible to connect with shareholders, supported by the Senior Independent Director when appropriate. The Chairman met with several of the largest shareholders during the year. Insights gathered from shareholder engagements are shared across the entire Board, ensuring they are fully integrated into our financial planning and strategic decision-making processes.

The Board operates through three key committees Audit, Nomination, and Remuneration composed exclusively of non-executive directors, ensuring robust governance and independent oversight. Complementing these is the Risk Control Group (RCG), which comprises the CFO, the company secretary and a number of senior operational leaders. Senior management from the Group's operational functions are brought into the RCG as needed, providing flexibility and specialised expertise to address evolving priorities.

Additionally, the Board has established an Environmental, Social, and Governance (ESG) Committee, tasked with guiding the Board in reviewing and enhancing the Company's strategies, policies, and performance on ESG matters. The committee identifies opportunities for improvement, evaluates the Company's environmental and social impact, while ensuring the Board stays informed about the processes and mechanisms in place for engaging key stakeholders on sustainability issues.

Each committee operates under delegated authority and clear terms of reference established by the Board, which are reviewed annually and made available on the company's website. The following pages of this Report outline the work of each committee. Executive Directors may attend committee meetings when relevant to their business, but only with prior approval from the committee.

Leadership and board composition

As at 1 April 2025, the Board comprises two executive directors, five non-executive directors, (including the non-executive chairman) and two directors nominated by Lithia Motors Inc. The respective responsibilities of the Board, the non-executive chairman and the chief executive are clearly defined by the Board in formal responsibilities documents, which the Board reviewed, readopted in April 2023 and available at https://pinewood.ai/investors/investor-relations/corporate-governance/. The roles of chief executive officer and non-executive chairman are fully segregated. The Board remains committed to the progressive refreshing of our membership, so as to maintain the right balance of skills, experience, independence and knowledge of the Company to enable us to continue to operate effectively. The Board considers that an appropriate combination of executive and non-executive directors is in place in accordance with the Code.

As noted below, in accordance with the Code, all Directors will be subject to annual re-election at the Annual General Meeting of the company. Details of the Directors offering themselves for election in 2025, together with directors' brief biographical details appear on page 38, and gender balance details are on page 46.

Non-executive directors and independence

The non-executive chairman (who, on appointment to that role, fulfilled the requirement to be independent) has ensured that the Board performs effectively through a well-functioning combination of Board and Committee meetings and other appropriate channels for strategic input and constructive challenge for non-executive directors. The remuneration of non-executives directors is determined by the Board and non-executive agreements can be terminated at one month's notice by either the director or the Board. The chairman has had meetings with the non-executive directors without the executive directors present, where necessary, to assist Board effectiveness, and, following the 2024 year end, conducted individual meetings with each director to arrive at his and the Board's assessment of the directors' respective contributions, training needs and independence. Led by the senior independent director, the non-executive directors have assessed the chairman's effectiveness in his role.

The Board has routinely operated conflict management procedures and has deemed these procedures effective. Through these, and the evaluations which are described below, we have concluded that:

- the Board's collective skills, experience, knowledge of the company and independence allow it and its committees to discharge their respective duties properly;
- the Board and each of its committees is of the right size and balance to function effectively;
- we have satisfactory plans for orderly succession to Board roles;
- the non-executive chairman and respective committee chairs are performing their roles effectively;
- all non-executive directors are independent in character and judgement;
- other than the Lithia-appointed directors, and Bill Berman, Ollie Mann and Dietmar Exler being on the associate Board, which will be managed through the conflict clearance process, no director has any relationships or circumstances which could affect their exercising independent judgement; and
- the non-executive chairman and each of the non-executive directors is devoting the amount of time required to attend to the company's affairs and their duties as a Board member.

Audit tender

Following the conclusion of a competitive tender process and following approval at the 2024 AGM, RSM UK Audit LLP were appointed as the Company's auditor.

Board evaluation

In FY24, the Board and its committees carried out formal evaluations of their effectiveness, focusing on key areas from the Code, governance best practices, and corporate standards. The non-executive chairman, committee chairs, and the full Board reviewed the results, with the non-executive chairman incorporating recommended improvements into our 2025 Board programme. For more information on our approach to individual and Board evaluations, please visit the company's website.

Re-election of directors

In accordance with the UK Corporate Governance Code, all current directors will be subject to annual re-election or election (in the case of new directors) at the AGM.

Non-compliance with the code

On 31 January 2024, Ollie Mann was appointed as an executive director and on 1 February 2024, Mark Willis stepped down as an executive director. Therefore, on 1 February 2024, there was non-compliance with provision 11 of the Code, as at least 50% of the board, excluding the chairman, were not independent.

Information and support

To ensure well-informed and thoroughly debated decisions, the Chairman sets the Board's agenda well in advance, allowing time for detailed information to be shared with all directors ahead of meetings. The Company Secretary plays a key role in facilitating the flow of information within the Board, attending all meetings, advising the Board and its committees, through their respective chairs, on corporate governance and procedural matters.

Directors have access to expert support on legal, governance, and procedural issues, as well as guidance for their induction and ongoing professional development. Additionally, all directors have the right to seek independent advice at the Company's expense and to receive information from the Company and other Board members as necessary to make informed decisions and effectively fulfil their duties.

Corporate governance report continued

How the Board manages risk

The Board and its Committees operate within a structured meeting agenda that ensures all relevant risks are identified and managed through appropriate controls. We closely review management information to establish operational oversight and track performance against our strategic goals and business plans. Non-executive directors take a leading role in overseeing financial and performance reporting, ensuring steady progress towards our objectives.

The Board also evaluates the effectiveness of internal controls and risk management. To mitigate risks across the Group, we have carefully reviewed reports from the Risk Control Group, addressing any material issues that arose. After implementing necessary mitigations, the Board has confirmed that the control environment is now effective.

Board Attendance

Current Directors	Board	Audit	Nomination	Remuneration
Bill Berman	4/4	N/A	N/A	N/A
Jemima Bird	4/4	2/2	2/2	2/2
Dietmar Exler	4/4	1/2	2/2	2/2
Ian Filby	4/4	N/A	1/2	2/2
Nikki Flanders	4/4	1/2	2/2	2/2
Brian Small	4/4	2/2	2/2	2/2
Ollie Mann	4/4	N/A	N/A	N/A
Chris Holzshu	4/4	N/A	N/A	N/A
George Hines	4/4	N/A	N/A	N/A

Work of the risk control group

The RCG, made up of the chief financial officer, company secretary and, by invitation, other members of the Group's senior operational and financial management, meets regularly to consider the detailed work on risk assessment performed by leaders and key business areas and oversees the effective implementation of new measures designed to mitigate or meet any specific risks or threats. The RCG reports to the Audit Committee on its work. The Board and any of its committees is able to refer specific risks to the RCG for evaluation and for controls to be designed or modified; this occurs in consultation with executive management. The executive directors are responsible for communicating and implementing mitigating controls and operating suitable systems of check. The RCG met 3 times in FY24.

In addition to reviewing and refining the Group's corporate risk register for Board review and adoption, the RCG continues to monitor and review the Group's anti-bribery controls, including the development of e-learning, gifts and hospitality training, Modern Slavery Act 2015 awareness and further initiatives designed to reduce incidences of theft and fraud. The RCG ensures any internal control deficiencies identified are swiftly remediated.

Executive directors remuneration

Executive director remuneration is made up of both fixed and variable elements. The variable elements include annual bonus and Long Term Incentive Plans (LTIPs). Underlying profit before tax and Total Shareholder Return are two of the key metrics used in determining the variable element as these have been identified by our shareholders as key metrics. No discretion has been used to determine executive director remuneration for FY24. Any executive director annual pay rise dates have been aligned with pay rise dates for the wider workforce. Variable pay metrics for the wider workforce has been updated such that targets for senior management are now aligned to the executive directors.

How the Board manages associate risk

The Board has an associate, Pinewood North America, LLC, in which it has a 49% investment. Three of the Pinewood Board, Bill Berman, Ollie Mann and Dietmar Exler are also Board members of the associate. They ensure that any relevant financial, operational and risk related information for the associate are shared with the Pinewood Board in a timely manner.

Post year-end committee changes

In March 2025, membership of the Group's committee was revised as follows, with the members of each committee listed below:

Audit Committee: Brian Small, Chris Holzshu, Dietmar Exler

Remuneration Committee: Jemima Bird, Ian Filby, Dietmar Exler, Chris Holzshu

Nomination Committee: Ian Filby, Dietmar Exler, Brian Small, Nikki Flanders, Jemima Bird, Chris Holzshu, George Hines

Ian Filby
Non-executive Chairman
1 April 2025


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AUTOMOTIVE INTEL

Audit Committee report

The Audit Committee is a committee of the Board and has been chaired by Brian Small since January 2020 and is made up entirely of independent non-executive directors. Their names and qualifications are on page 38 and 39 and attendance at meetings in the table on page 42.

Key Responsibilities of the Audit Committee

- monitors the integrity of the financial statements and formal announcements and reviewing significant financial reporting judgements contained in them
- reviews and approves the Annual Report and Accounts for adoption by the Board
- recommends to the Board the selection of the external auditor and its terms of appointment and monitors its effectiveness and independence
- governs policy for the allocation of non-audit work to the audit firm
- reviews internal controls and risk management
- reviews and monitors whistleblowing arrangements
- provides advice whether the annual report and accounts taken as a whole is fair and balanced and understandable
- reporting to the Board on how it has discharged its responsibilities

The Committee's work for the period beginning 1 February 2024

The Audit Committee met two times in the period and this report describes its work and conclusions.

Financial statements review

The committee received the auditor's memorandum on the company's FY23 financial statements, discussed the auditor's findings with the auditor, satisfied itself of the integrity of the financial statements and recommended the financial statements for approval by the Board.

The Committee received the company's FY24 interim financial statements.

Audit risk considered by the committee

The table on page 45 sets out the key audit risks and judgements applied, for the FY24 year end results, which the Committee considered and discussed with the auditor, and the Committee's conclusions.

External auditor appointment and performance evaluation

FY23 was the final audit period of the previous auditor, KPMG, due to EU legislation on audit firm rotation. During FY23, an audit tender process was carried out and following approval at the 2024 AGM, RSM UK Audit LLP were appointed as external auditors.

The committee considered auditor effectiveness and independence of the audit during the period, and concluded that the auditor was effective and independent. The Committee arrived at its conculsions by:

- applying exclusively objective criteria;
- evaluating the ability of the audit firm to demonstrate its independence;
- assessing the effectiveness of the audit firm in the performance of its audit duties; and
- assessing the audit firm's adherence to applicable professional standards.

Review of non-audit services

The committee reviewed the company's policy on its use of its audit firm for non-audit work. Its main principles are that the auditor is excluded from providing certain non-audit services the performance of which is considered incompatible with its audit duties, but is eligible to tender for other non-audit work on a competitive basis and can properly be awarded such work if its fees and service represent value for money. The policy can be viewed on the company's website. No non-audit services were provided by RSM during the period. Details of audit work performed by RSM and the related fees appear annually in the notes to the company's financial statements.

4
Committee members

2
Committee meetings

75%
Meeting attendance

Its terms of reference detail its key responsibilities and appear, with relevant background information, on the company's website www.pinewood.ai

These are the key risks considered by the committee

Capitalisation of software intangible assets

Audit risk considered by the Committee	Evidence considered and conclusion reached
The Company has capitalised software development costs. There is judgement in determining whether the Pinewood system is one asset or whether it would be more appropriate to identify a number of separate assets. The Company considers the system to be one asset. There is also judgement and estimate in determining the method for calculating the development time and costs associated with capitalised development costs.	The Committee consider the Pinewood system to be one asset which is continuously developed. The system is the same version in all countries that the customers operate in. The updates that are done to the system, which can be several times a week, are rolled out across all countries at the same time. For this reason, the Committee is comfortable with the conclusion that the Pinewood system is one asset.

These are the other risks considered by the committee.

Accounting for investment in Pinewood North America, LLC

Audit risk considered by the Committee	Evidence considered and conclusion reached
The Company has a 49% investment in Pinewood North America, LLC. (PinNA) It had to be determined whether or not to account for PinNA as a Joint Venture or an Associate. There is also judgement involved in the capitalisation of software development in Pin NA and whether any revenue should be recorded in respect of development work done for PinNA.	The Committee consider PinNA to be an associate and not a joint venture. PinNA is not considered to be a joint venture as there is not joint control of the entity with the 51% owner, Lithia Motors, Inc. A number of matters reserved for the Board give Lithia the ability to direct the relevant activities of PinNA. The Committee deem that revenue should be recorded in respect of development work done for PinNA.

A full statement of the fees paid to RSM UK Audit LLP for work performed during the year is set out in note 2.5 to the financial statements on page 82. Having satisfied itself on each item for its review, the Committee reported to the Board that:

- the company's existing policy continues to be appropriate, has been adhered to throughout the year, and is operating effectively to provide the necessary safeguards to independence of the external auditor;
- there are no facts or circumstances relating to the award or performance of non-audit work that affect the independence of RSM UK Audit LLP as auditor;
- no contract for non-audit services has been awarded to RSM UK Audit LLP in any circumstance of perceived or potential conflict of interest or non-compliance with the company's policy; and
- RSM UK Audit LLP did not perform any non-audit services during the period. The ratio of non-audit to audit fees was 0.0:1 in FY24 (FY23: 0.48:1).

Review of risk management and internal controls

The Committee reviewed the effectiveness of the company's system of internal control and financial risk management during the financial period. It received reports from the RCG on each of these areas whose work is described on page 34 on the company's risk register, emerging risks and corresponding internal controls. It scrutinised the key risks register, as revised by the RCG, and approved it for adoption by the Board. Its work informed and supported the Board's assessments detailed under "How the Board manages risk" on page 42. During FY24, the Committee assessed whether an internal audit function was needed and recommended to the Board that it was not needed. This assessment was made following the Committee assessing the work of the RCG, which gave it assurance that all identifiable risks had a mitigation plan. They felt that the work of the RCG was to a high enough level of detail that an internal audit function was not necessary.

Review of anti-bribery controls and whistleblowing

The Committee reviewed the company's anti-bribery processes and controls and evaluated and approved these and the company's bribery risk assessment. On its recommendation, the Board readopted the company's anti-bribery policy statements and associated controls. The Committee considered reports on known instances of alleged wrongdoing and matters reported, reviewed the adequacy of whistleblowing procedures and commissioned follow-up action and improvements in risk-related controls.

Our current anti-bribery value statements and our policies on the control of fraud, theft and bribery risks appear on the company's website and are drawn to the attention of all parties seeking to transact with the Group. The company is currently reviewing options regarding whistleblowing procedures. Currently, to ensure confidentiality, any whistleblowing is reporting via the Human Resources department, who operate as a standalone part of the business.

There have been no incidents of actual corruption or bribery recorded in our businesses in FY24.

Board evaluation

The Board and its committees conducted formal evaluations of their effectiveness in FY24, addressing questions based closely on the Code, applicable good governance topics and drawn from best corporate practice. The results were reviewed by the non-executive chairman, the Committee chairs and the Board as a whole and the non-executive chairman has factored suggested improvements into our FY24 Board programme. More details on the Board's approach to individual and Board evaluation are on the company's website.

Approval

This report was approved by the Committee and signed on its behalf by:

Brian Small
Chairman of the Audit Committee
1 April 2025

Nomination Committee report

The Nomination Committee is chaired by Ian Filby, who assumed the role on his appointment as non-executive chairman following his appointment in November 2021. The Nomination Committee is made up entirely of independent non-executive directors. Their names and qualifications are on page 38 and 39 and attendance at meetings in the table at page 42 above.

Key responsibilities of the Nomination Committee

- reviews the Board's size, structure and composition and leads recruitment to Board positions
- undertakes annual Board performance evaluation
- satisfies itself on the company's refreshing of Board membership and succession planning

Its terms of reference detail its key responsibilities and appear, with relevant background information, on the company's website www.pinewood.ai

The committee's work in 2024

The Nomination committee met two times in FY24 and in early 2025 to conclude its ordinary year end business. This report describes its work and conclusions.

Review of Board composition and balance

During FY24, the committee completed its year end work by reviewing the structure of the Board, in relation to its size composition and potential vacancies, the combination of executive to non-executive directors and the balance of the Board, to ensure that no one individual or group of individuals dominated discussion of decision making. The committee concluded that the size and structure outlined still remained appropriate for the company, and considered that both the size, structure and balance of the Board remained appropriate, although the structure did not preclude the appointment of additional directors, such as non-executive directors with specialist skills should the committee, and ultimately the Board, consider it necessary and prudent to do so in line with the execution of the company's strategy.

The adequacy of time devoted by the non-executive directors to Board business, and the independence of the non-executive directors was also considered and the Committee concluded that all non-executive directors were able to devote sufficient time to their roles, and all remained independent.

5
Committee members

2
Committee meetings

90%
Meeting attendance

Gender Diversity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
Men	7	77.78%	4	4	100%
Women	2	22.22%	0	0	0%

Ethnic Background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	9	100%	4	4	100%

During FY23, the Chairman had announced he would be standing down. In May 2024 the committee met to consider and recommend the appointment of Chairman, following the search process to identify a replacement. Against this backdrop, the Nomination committee considered many strong external candidates who have been excited about the company's prospects and also included Ian Filby in the process after he expressed a willingness to be in contention for the position. The committee engaged an independent external search agency, Teneo, to assist in the search for a new Chairman. Teneo are independent from the company and its directors.

On conclusion of this process the committee decided that Ian Filby was to remain as non-executive chariman. The committee was confident that his stewardship provides Pinewood with continuity and stability following a period of considerable change and this will be important as the company executes its strategy at pace to capitalise on the significant opportunities in its end markets.

Evaluation

The annual evaluations of the Board and its members were conducted by the Board and are described on page 41. As part of that process, the Committee conducted an evaluation of its own performance.

The non-executive directors met without the Chairman during FY24 to assess the Chairman's performance.

Diversity

All appointments made, including those of Board members, adhere to the company's diversity and equal opportunities policy, which can be viewed on the company's website. For non-executive director appointments, where executive search consultants are instructed, they are done so in a manner consistent with this policy. The committee is mindful of the proposals outlined in the FCA Policy Paper: Diversity and Inclusion on Company Boards and Executive Management, and will aim to consider how the company will aim to comply the recommendations where they align with its overall business strategy. At present, the company has not adopted a gender balance target for its Board, although continues to make appointments at Board and immediately below Board level in accordance with a formal, rigorous and transparent procedure, embracing diversity of thought as our target. Appointments are based on merit and objective criteria, and within this context, we aim to promote diversity of social background, relative experience, alongside cognitive and personal strengths in accordance with Principle J of the Code.

In order to further this objective, we continue to partner with external recruitment agencies, and maintain our relationship with agencies committed to reaching and providing access to diverse talent pools to assist with these processes.

As required by Listing Rule (LR) 6.6.6R (9) the Board notes that as at 31/12/2024, two of the nine directors were female, representing 22% which is below the LR target of 40%. There is a further LR target whereby at least one of the roles of Chair, SID, CEO or CFO is held by a female, which the company did not meet due to the current make-up of the Board of directors. Finally, the LR has a target that at least one Director is from a minority ethnic background, which the company did not meet due to the current make-up of the Board of directors.

Ian Filby
Chairman of the Nomination Committee
1 April 2025

Remuneration Committee report

The Remuneration Committee is a committee of the Board, and is currently chaired by Jemima Bird. It is comprised entirely of independent non-executive directors. Their names and qualifications are on pages 38 and 39 and attendance at meetings in the table on page 42.

Key Responsibilities of the Remuneration Committee

- has delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chairman, executive directors, the company secretary and the senior management immediately below Board level;
- reviews workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting executive director remuneration;
- ensures that executive directors are provided with appropriate incentives which align their interests with those of shareholders, and encourage enhanced performance in the short and medium term, as well as achievement of the company's longer term strategic goals;
- determines targets for any performance related pay schemes; and
- seeks shareholder approval for the (normally triannual) renewal of remuneration policy and any long-term incentive arrangements

The terms of reference of the Remuneration Committee are available at www.pinewood.ai

The committees schedule in FY24

The Remuneration Committee met twice in 2024. The Directors' Remuneration Report, beginning at page 50 describes its work and conclusions.

The committee's work in FY24

- set the annual bonus awards in respect of FY24;
- consulted major shareholders in respect of the Directors' Remuneration Policy taken to shareholders for approval at the 26 June 2024 General Meeting;
- determined performance targets and granted LTIP awards in July 2024;
- noted remuneration trends across the Group; and
- considered the gender pay gap report

Advisors

FIT Remuneration Consultants LLP (FIT) has served as independent adviser to the Remuneration Committee throughout the period under review. FIT also provided additional related advice to the Company in relation to drafting this report and share plan rule drafting. FIT's fees in respect of advice provided to the committee during the period ended 31 December 2024 were £40,938 (excluding VAT) (FY23: £62,526) and were charged on a time and disbursements basis. FIT is a member of the Remuneration Consultants Group and as such voluntarily operates under its Code of Conduct in relation to executive remuneration in the UK. FIT has no other connection to the company or individual directors.

Disclosures

This report complies with the requirements of The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018 and The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019 (the Regulations) and has been prepared in accordance with the prevailing UK Corporate Governance Code and the UKLA Listing Rules. The parts of the report which have been audited in accordance with the Regulations have been identified.

5
Committee members

2
Committee meetings

100%
Meeting attendance

Directors' Remuneration Committee report

Annual Statement

Dear Shareholder

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the 11 month financial period ended 31 December 2024.

The report comprises two sections being: (i) this **Annual Statement**; and (ii) the **Annual Report on Remuneration** which details the remuneration paid to directors for the 11 month period ended 31 December 2024 and how the remuneration policy will be operated for the year ending 31 December 2025.

The current Directors' Remuneration Policy, which was approved by a majority of shareholders at the 26 June 2024 General Meeting, is set out in the Notice of General Meeting dated 3 June 2024 (www.pinewood.ai/wp-content/uploads/docs/2024/10/NoticeofGM.pdf).

Business performance and incentive out-turn for FY24

During FY24, the Group achieved an underlying profit before tax of £8.5m.

For FY24, annual bonus opportunity was capped at 150% of base salary and based on sliding scale underlying profit targets which reflected the company's focus on growth. Following an assessment of the performance targets, the committee determined that 100% of the maximum bonus should be payable. To the extent that executive directors have not met their shareholding guidelines, 25% of the bonus award will be deferred into shares.

In respect of LTIP awards, given that the outstanding LTIP awards vested/lapsed on completion of the sale of the motor and leasing assets, no LTIPs are due to vest in respect of the performance period ended 31 December 2024 (currently, only the July 2024 LTIP awards remain outstanding in respect of the executive directors).

Discretion

The Remuneration Committee is conscious of its role in ensuring that remuneration is appropriate when considering the performance of the business and the individual directors. No discretion was applied in respect of the period ended 31 December 2024.

Implementation of the Remuneration Policy for FY25

In respect of implementing the Remuneration Policy for 2025:

- **Base salary:** The following base salary values will be effective from 1 May 2025:
- Bill Berman £592,000
- Ollie Mann £250,000
- **Pension:** Executive directors will continue to receive a workforce aligned pension contribution, currently set at 6% of salary.
- **Annual bonus:** For the year ending 31 December 2025, annual bonus potential will continue to be limited to 150% of salary. Performance will be based on sliding scale profit targets aligned to the company's accelerated growth strategy. Outstanding performance will be required for the maximum bonus to become payable. 25% of any bonus will be deferred into shares until the shareholding guidelines are met in line with the current Policy. Full retrospective disclosure of the performance metrics, targets and outturns will be provided in the Directors' Remuneration Report for the year ending 31 December 2025.
- **LTIPs:** It is the committee's intention to make LTIP awards in 2025 up to 150% of salary for the CEO and CFO. Performance metrics with be underlying Total Shareholder Return "TSR" (70% weighting) and the number of North American stores the Pinewood system has been implemented in (30% weighting).

For 2024, non-executive director fees were set at £150,000 for the Chairman with a £50,000 base fee and additional fees of: (i) £4,000 for acting as SID; and (ii) £10,000 for chairing a committee.

From 1 May 2025, Non-executive Director fees have been set at £154,500 for the Chairman with a £51,500 base fee and additional fees of: (i) £10,000 for acting as SID; and (ii) £10,000 for chairing a committee.

All changes have been approved using data provided from a commissioned benchmarking exercise for both exec and non exec directors and aligned with our Group pay review principles.

The remuneration of the non-executive directors is determined by the Board.

Shareholder views and voting outcomes

The Remuneration Committee conducted a consultation exercise with our largest shareholders and the major proxy voting agencies in advance of the 2024 AGM and GM on our new Policy and was grateful for the responses and the level of support received. During the consultation exercise, and as set out in the detailed consultation wrap-up letter, one change was made to the original proposals (being the addition of a 300 pence underpin for the July 2024 LTIP awards) in light of shareholder feedback received. We hope we will again receive your support at the forthcoming AGM.

2025 AGM resolution

On the basis that the Directors' Remuneration Policy was approved by shareholders at the 2024 GM and no changes are proposed, the Directors' Remuneration Report (excluding the Policy) will be subject to an advisory shareholder vote at the 2025 AGM.

Directors' notice periods

The executive directors have twelve month notice periods and the non-executive directors have one month notice periods.

Conclusion

We remain committed to a responsible approach to executive pay and I would be happy to meet or speak with our shareholders to the extent that there are any questions or feedback on our approach.

Jemima Bird
Chair of the Remuneration Committee
1 April 2025

Directors' Remuneration Committee report continued

Annual Report on Remuneration

Certain information provided in this part of the Directors' Remuneration Report is subject to audit. This is annotated as audited. Any information not annotated as audited is unaudited.

Single total figure of remuneration for directors (audited)
The table below reports the total remuneration receivable in respect of qualifying services by each of the directors for the 11 month period ended 31 December 2024 and the 13 month period ended 31 January 2024.

		Base salary/fees £000	Taxable benefits[1] £000	Pension[2] £000	Total fixed £000	Annual bonus £000	LTIP £000	Total variable £000	Total £000
Executive Directors									
Bill Berman	**2024 (11m)**	517	46	31[2]	594	863[8]	–	863	1,457
	2023 (13m)	596	167	41[2]	804	825	1,111	1,936	2,740
Ollie Mann[3]	**2024 (11m)**	184	22	14	220	300	–	300	520
	2023 (13m)	–	–	–	–	–	–	–	–
Non-Executive Directors									
Jemima Bird[4]	**2024 (11m)**	55	–	–	55	–	–	–	55
	2023 (13m)	31	–	–	31	–	–	–	31
Dietmar Exler	**2024 (11m)**	50	–	–	50	–	–	–	50
	2023 (13m)	58	–	–	58	–	–	–	58
Ian Filby	**2024 (11m)**	138	–	–	138	–	–	–	138
	2023 (13m)	163	–	–	163	–	–	–	163
Nikki Flanders	**2024 (11m)**	46	–	–	46	–	–	–	46
	2023 (13m)	54	–	–	54	–	–	–	54
Brian Small	**2024 (11m)**	55	–	–	55	–	–	–	55
	2023 (13m)	67[9]	–	–	67	–	–	–	67
Chris Holzshu[5]	**2024 (11m)**	8	–	–	8	–	–	–	8
	2023 (13m)	–	–	–	–	–	–	–	–
George Hines[5]	**2024 (11m)**	8	–	–	8	–	–	–	8
	2023 (13m)	–	–	–	–	–	–	–	–
Former Directors									
Martin Casha[6]	2023 (13m)	297	8	16	321	–	–	–	321
Mark Willis[7]	2023 (13m)	328	23	15	366	454	611	1,065	1,431
Total	**2024 (11m)**	1,061	68	45	1,174	1,163	–	1,163	2,337
	2023 (13m)	1,594[9]	198	72	1,864[9]	1,279	1,722	3,001	4,863[9]

1. Taxable Benefits include life assurance, private health cover in the UK (& abroad if applicable), professional subscriptions, the provision of tax support for expatriate associates and car benefit which since April 2024 is car allowance only.
2. Salary supplement in lieu of pension contribution.
3. Appointed on 31 January 2024.
4. Appointed 10 July 2023.
5. Appointed on 31 January 2024
6. Leaver 7 October 2023.
7. Leaver 1 February 2024.
8. Additional bonus of £1.1m was paid in March 2025 by Lithia for managing the transition of the Group to a pure-play SaaS business.. Not reported in the single figure as not paid in or based on FY24 financial performance.
9. Backpay relating to PFIS duties to 2020 paid in March 2024. 2023 figure (and 2023 total) adjusted to reflect backpay for that period.

Annual bonus for FY24 (audited)

For the 11 month period ending 31 December 2024, the Chief Executive Officer and Chief Financial Officer had a maximum annual bonus opportunity equal to 150% of base salary, assessed against sliding scale Underlying Profit before taxation (PBT) targets. The targets, out-turn and payouts are shown in the table below:

Performance metric	Threshold	Target	Maximum	Actual	Bonus earned (% max)	Bonus Receivable CEO (£k)	Bonus Receivable CFO (£k)
Underlying PBT	£6.9m	£7.7m	£8.5m	£8.5m	150%	863	300

25% of any bonus will be deferred into shares until the shareholding guidelines are met in line with the current Policy.

Share awards vested in FY24 (audited)

No share awards vested in respect of, or during, the period ending 31 December 2024.

Share awards granted in FY24 (audited)

Pinewood Technologies Group Long Term Incentive Plan (LTIP)

LTIP awards were granted to the Executive Directors on 15 July 2024 as follows;

	Number of nil-cost options over which award granted	Value of award £000	% of salary	% of award vesting at threshold	Date of grant	Performance period
Bill Berman	1,256,067	£2,587	450%	0%	15 July 2024	1 February 2024 (being the completion date for the motor asset disposal) until 15 July 2027
Ollie Mann	291,262	£600	300%	0%		

1. As per the shareholder consultation exercise and shareholder approval obtained at the July 2024 GM, the share price used to determined the number of shares under award in respect of the LTIP awards and DSP for the CEO was 206 pence (being). The actual share price on 15 July 2024 was 351.50 pence.

The performance targets for the 2024 LTIP award are based on absolute Total Shareholder Return ("TSR") to reflect the Company's accelerated growth strategy as follows:

Vesting outcome (expressed as face value as a % of salary)	Required TSR CAGR performance
0%	Below 10% p.a.
Up to 100%	10% (0% of awards vests) – 15% p.a.
100% to 300%	15% – 25% p.a.
300% to 450% (CEO Only)	25% – 37.5% p.a.

In addition to the absolute TSR targets, the following underpins will also apply to the 2024 LTIP awards:

- 10 US stores (including two or more Original Equipment Manufacturers) must be opened during the performance period;
- Following shareholder feedback during the consultation exercise, the share price must be in excess of 300 pence (adjusted for dividends on a basis consistent with total shareholder return methodology); and
- the Remuneration Committee must be satisfied that the share price performance of the company reflects the company's underlying financial performance.

To the extent that one or more of the underpins are not considered to be met, the Remuneration Committee retains the discretion to reduce award levels appropriately (including to zero).

Directors' Remuneration Committee report continued

Pinewood Technologies Group Deferred Share Plan (DSP)

As a condition of holding the 2024 LTIP award, the CEO was required to acquire or maintain an interest in shares equivalent to at least 100% of salary. In this regard, the CEO voluntarily deferred all of his 2023 bonus (up to the maximum of 150% of salary) into an award over shares (noting that the requirement under the Policy requires only a 25% deferral).

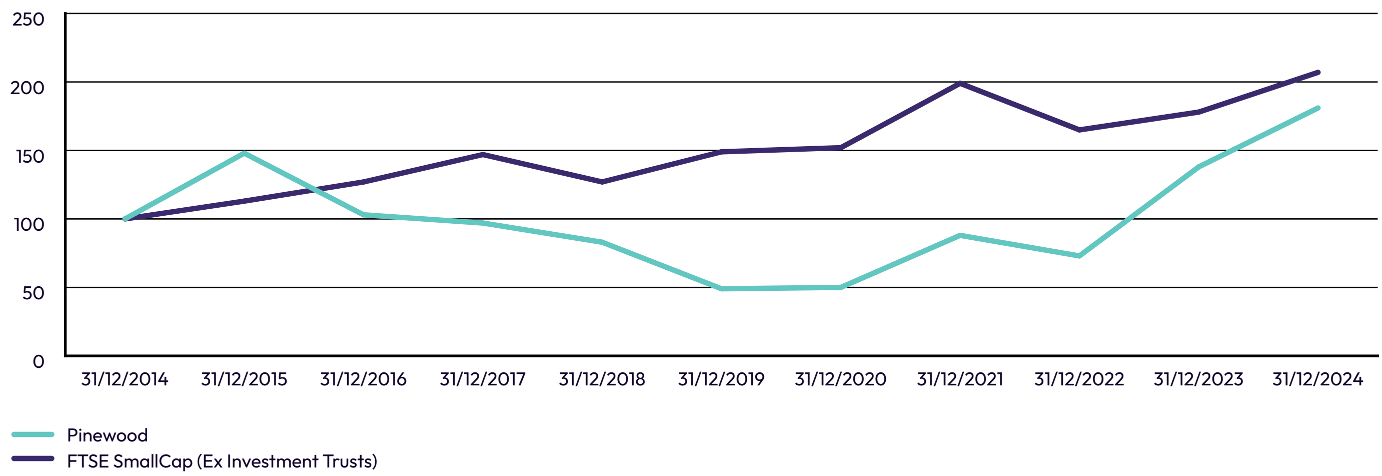
As such, the Company granted a DSP award in the form of a conditional share award over 400,495 shares on 15 July 2024. The DSP Award will ordinarily become exercisable on the third anniversary of grant subject to the grantee's continued service and is subject to dividend equivalents in the form of additional shares. The number of ordinary shares over which the awards were granted was calculated based on a share price of 206 pence per ordinary share.

10 Year history of Chief Executive Remuneration

CEO	2024 (11 months)	2023 (13 months)	2022	2021	2020	2019	2018	2017	2016	2015
Total Remuneration	1,516	2,740	1,313	3,561	510	464	589	727	1,605	1,775
Annual Bonus	100%	100%	73%	100%	100%	0%	0%	30%	87%	100%
LTIP	–	79%	0%	0%	0%	0%	0%	0%	100%	56%

Total shareholder return chart

The graph below shows the total shareholder return (TSR) on the Company's shares in comparison to the FTSE Small Cap Index (excluding investment companies). TSR has been calculated as the percentage change, during the relevant period, in the market price the shares, assuming that any dividends paid are reinvested on the ex-dividend date. The relevant period is the ten years ending 31 December 2024.



Source: Datastream (a LSEG product)

Notes: Total Shareholder Return (TSR) has been calculated over the ten years ended on 31 December 2024 and reflects the theoretical growth in the value of a shareholding over that period, assuming dividends (if any) are reinvested in shares in the Company. The price at which dividends are reinvested is assumed to be the amount equal to the closing price of the shares on the ex-dividend date. The calculation ignores tax and reinvestment charges. The FTSE SmallCap index has been selected as a comparator as it represents the equity market in which the Company was a constituent member for the majority of the relevant ten year period ending 31 December 2024.

Payment for loss of office and to past Directors (Audited)

No payments were made for loss of office and there have been no payments to past directors to be reported for the period under review.

Executive directors LTIPs vesting and holding period

LTIPs issued to executive directors have a three year vesting period and two year holding period, so the total vesting and holding period is five years.

Executive Directors' Share Awards outstanding (Audited)

Bill Berman

Scheme	Number of shares/ options as at 31 January 2024	Shares/ options granted	Shares/ options lapsed	Shares/ options exercised	Number of shares/ options at 31 December 2024	Date of grant	Share price (pence)	Exercise Price (pence)	Market price on exercise date (pence)	Vesting date
LTIP	–	1,256,067	–	–	1,256,067	15/07/2024	206*	Nil	–	July 2027
DSP	–	400,495	–	–	400,495	15/07/2024	206*	Nil	–	July 2027

Ollie Mann

Scheme	Number of shares/ options as at 31 January 2024	Shares/ options granted	Shares/ options lapsed	Shares/ options exercised	Number of shares/ options at 31 December 2024	Date of grant	Share price (pence)	Exercise price (pence)	Market price on exercise date (pence)	Vesting date
LTIP	–	291,262	–	–	291,262	15/07/2024	206*	Nil	–	July 2027

* As per the shareholder consultation exercise and shareholder approval obtained at the July 2024 GM, the share price used to determined the number of shares under award in respect of the LTIP awards and DSP for the CEO was 206 pence. The actual share price on 15 July 2024 was 351.50 pence.

Directors' shareholdings (Audited)

The shareholdings of all Directors, including the shareholdings of their connected persons as at 31 December 2024, are set out below.

Executive Directors	As at 31 December 2024	As at 31 January 2024	LTIP Awards	Deferred Bonus Awards	SIP/ SAYE	Shareholding requirement (% of base salary)	Shareholding as at 31 December 2024 (% of base salary)
Bill Berman	–	73,106	1,256,067	400,495	–	200%	–
Ollie Mann	32,734	1,236	291,262	–	–	100%	59%
Non- Executive Directors							
Jemima Bird	15,627	–	–	–	–	–	–
Dietmar Exler	15,000	10,500	–	–	–	–	–
Ian Filby	–	Nil	–	–	–	–	–
Nikki Flanders	5,714	Nil	–	–	–	–	–
Brian Small	20,000	20,000	–	–	–	–	–
Chris Holzshu	28,000	Nil	–	–	–	–	–
George Hines	–	Nil	–	–	–	–	–

Directors' Remuneration Committee report continued

Percentage change in Director Remuneration

The table below illustrates the percentage change in the remuneration awarded to the directors (excluding leavers) over the last five years and that of the Group's employees across its entire UK business.

	2024 (11m period)			2023 (13 month period)			2022			2021			2020		
Director	Salary and fees (% change)	All taxable benefits (% change)	Annual Bonuses (% change)	Salary and fees (% change)	All taxable benefits (% change)	Annual Bonuses (% change)	Salary and fees (% change)	All taxable benefits (% change)	Annual Bonuses (% change)	Salary and fees (% change)	All taxable benefits (% change)	Annual Bonuses (% change)	Salary and fees (% change)	All taxable benefits (% change)	Annual Bonuses (% change)
Executive Directors															
Bill Berman	2.5%	(67.4%)	23.6%	8.4%	16.8%	36.8%	0	(15.9%)	(26.9%)	7.8%	0%	99.8%	105.6%	0%	100%
Ollie Mann[1]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non-Executive Directors															
Jemima Bird[2]	0%	N/A	N/A	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dietmar Exler	0%	N/A	N/A	8%	N/A	N/A	0%	N/A	N/A	42.9%	N/A	N/A	N/A	N/A	N/A
Ian Filby	0%	N/A	N/A	8.7%	N/A	N/A	500%	N/A	N/A	100%	N/A	N/A	N/A	N/A	N/A
Nikki Flanders	0%	N/A	N/A	8%	N/A	N/A	0%	N/A	N/A	38.9%	N/A	N/A	N/A	N/A	N/A
Brian Small[3]	0%	N/A	N/A	8%	N/A	N/A	0%	N/A	N/A	(3.8%)	N/A	N/A	1,633.3%	N/A	N/A
Chris Holzshu[1]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
George Hines[1]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
All Employees (average)	8.2%	15.0%	12.5%	8.1%	6.5%	2.5%	8.7%	(27.0%)	12.1%	7.0%	(33.3%)	39.0%	8.1%	0%	0%

1. Appointed on 31 January 2024
2. Appointed 10 July 2023
3. Brian Small received £15k during 2024 for fees related to unpaid PFIS responsibility (£5k per annum over 3 years) which had not previously been reported or paid.

The % changes for the 13 month period ended 31 January 2024 and prior show the gross movement.
The % changes for the 11 month period ended 31 December 2024 show the movement in annualised remuneration.

Chief Executive Officer pay ratio

The table below shows our chief executive officer pay ratio at 25th, median and 75th percentiles of our UK associates. The ratios have been calculated based on the single total figure of remuneration for the chief executive officer and the total pay for the associates based on our gender pay gap data under Option B of The Companies (Miscellaneous Reporting) Regulations 2018. We have used Option B as the Company has already completed comprehensive data collection and analysis for the purposes of gender pay gap reporting, and continues to do so on a monthly basis. The gender pay gap data used was collated on 31 December 2024.

Financial Period	Method	25th percentile pay ratio (lower quartile)	Median pay ratio (median)	75th percentile pay ratio (upper quartile)
2024 (11m)	Option B	43:1	40:1	25:1
2023 (13m)	Option B	28:1	23:1	17:1
2022	Option B	26:1	25:1	16:1
2021	Option B	30:1	25:1	19:1
2020	Option B	30:1	26:1	20:1

1. Total pay for the percentile employees taken from our gender pay gap data includes the following pay elements: base salary, holiday pay, hourly pay, national minimum wage top ups, car allowance, acting up allowance, monthly advances, team member vouchers subject to national insurance, benefit schemes, statutory sick pay, maternity pay and paternity pay. Associates who have not received pay (in terms of salary and adjustments) but has still received other salary payments are excluded from our gender pay gap data.

Relative importance of spend on pay

The table below illustrates the period-on-period change in total team member pay (being the aggregate of staff costs as set out in note 2.4 to the financial statements and distributions to shareholders (being declared dividends).

Team member pay			Distribution to shareholders		
11m period ended 31 December 2024	13m period ended 31 January 2024	% change	11m period ended 31 December 2024	13m period ended 31 January 2024	% change
£18.8m	£263.3m	-92.9%	0	£358.4m	n/a

Non-Executive Directors' appointments

Name	Commencement	Expiry/cessation	Unexpired at date of report (months)
Brian Small	10.12.19	31.12.25	9
Nikki Flanders	13.03.20	31.04.25	1
Dietmar Exler	20.04.20	31.12.26	21
Ian Filby	01.11.21	31.12.26	21
Jemima Bird	10.07.23	31.12.26	21

Shareholders' votes on Remuneration in FY24

The following table sets out the results of the binding vote on the Directors' Remuneration Policy and amendments to the LTIP at the 2024 GM and the advisory vote on the Directors' Remuneration Report for the 13-month period ended 31 January 2024 at the 2024 AGM.

	% of votes cast For	% of votes cast Against	Number of Shares Withheld
To approve the Directors' Remuneration Policy and authorise the amendment of the company's LTIP **(26 June 2024 General Meeting)**	80.42	19.58	75,085
To approve the Directors' Remuneration Report for the 13-month period ended 31 January 2024 **(26 June 2024 Annual General Meeting)**	86.74	13.26	1,163,869

Share price information and performance

Other than those detailed above, there are no share option or long term incentive schemes in which the directors are eligible to participate.
The middle market price of Pinewood Technologies PLC ordinary shares at 31 December 2024 was 359 pence and the range during the period was 257 pence to 396 pence.

Directors' Remuneration Committee report continued

Shareholder approved Remuneration Policy

The following table summarises how our shareholder approved remuneration policy fulfils the factors set out in provision 40 of the 2018 UK Corporate Governance Code.

Area	Implementation
Clarity	The committee is committed to providing transparent disclosures to shareholders and the workforce about executive remuneration arrangements. The Directors' Remuneration Report sets out the detail of such arrangements in a clear and transparent way. Our AGM allows shareholders to ask questions on remuneration arrangements.
Simplicity	Our remuneration arrangements for executive directors are simple in nature and understood by all participants, having operated in a similar manner for a number of years. Executive directors receive fixed pay (salary, benefits, pension) and participate in a single short term annual bonus and a single long-term incentive plan (LTIP).
Predictability	Payouts under the annual bonus and LTIP schemes are dependent on company performance over the short and long term and are governed by achievement against set targets. These schemes have strict maximum opportunities, which are outlined in the Directors' Remuneration Report.
Risk	The committee has designed incentives that do not encourage inappropriate risk-taking. The committee retain discretion in both the annual bonus and LTIP schemes to adjust payouts where the formulaic outcomes are not considered reflective of underlying performance and individual contribution. Robust withholding and recovery provisions apply to variable incentives.
Proportionality	Payouts from variable incentive schemes require strong performance against challenging conditions over the short and longer term. Performance conditions have been selected to support Group strategy and consist of both financial and non-financial metrics. The committee retains discretion to override formulaic outcomes in both schemes to ensure they are appropriate and reflective of overall performance.
Alignment to culture	Performance measures used in our variable incentive schemes are selected to be consistent with the company's purpose, values and strategy. The use of annual bonus deferral, LTIP holding periods and our shareholding requirement provide a clear link to the ongoing performance of the Group and ensures alignment with shareholders.

Work of the Remuneration Committee

During FY24, the committee reviewed executive directors' remuneration policy, structure and metrics and concluded that continuing to employ a mix of fixed pay through salary and variable pay through annual bonuses and LTIPs was the correct way to remunerate the executive directors, as having variable pay was key to driving performance in key strategic areas. Feedback received by the Chair of the committee was taken into account when setting metrics for FY25 bonuses and LTIPs. The executive directors pay was benchmarked against peers and the salaries were changed accordingly. The committee has ensured that metrics used for executive directors annual bonuses are also used for senior management teams and have ensured that senior management teams are aware of this alignment. No discretion has been made to executive director remuneration outcomes in FY24. The committee considers that the remuneration policy operated as intended during FY24, with the executive directors earning maximum bonus levels for delivering profitability beyond the profitability level set for maximum bonus achievement. The committee considers that all factors in the table above are addressed by the remuneration policy, in particular the clarity of the bonus and LTIP metrics which shareholders, directors and other company employees all understand and can see are linked to the ongoing success of the Group.

Implementation of the Policy for FY25

Details of how the committee intends to implement the Remuneration Policy for the year ending 31 December 2025 are set out in the Annual Statement.

Approval

This report was approved by the committee and signed on its behalf by:

Jemima Bird
Chair of the Remuneration Committee
1 April 2025

Directors' report

Strategic review and prescribed reporting

Our Strategic Report at pages 02 to 35 contains the information, prescribed by the Companies Act 2006, required to present a fair review of the company's business, a description of the principal risks and uncertainties it faces, and certain of the information on which reports and statements are required by the UK Corporate Governance Code and the Companies Act 2006. The Board approved the Strategic Report set out on pages 02 to 35 and the Viability Statement set out on page 36. Additional information on which the directors are required by law to report is set out below and in the following:-

- Environmental, Social and Governance Report
- Board of Directors
- Audit Committee Report
- Nomination Committee Report
- Directors' Remuneration Report
- Directors' Report
- Directors' Responsibility Statement

In the interests of increasing the relevance of the Report and reducing the environmental impacts of over-lengthy printed reports, we have placed on our website certain background information on the company the disclosure of which, in this Report, is not mandatory. We monitor reaction to the publication of shareholder information on our website, to help shape our shareholder communication and future improvements.

Results and dividends

The results of the Group for the year are set out in the financial statements on pages 62 to 114. A special dividend of £358.4m was made during the year following the completion of the sale of the motor division and leasing division to Lithia.

Appointment and powers of the company's directors

Appointment and removal of directors is governed by the company's articles of association (the Articles), the UK Corporate Governance Code (the Code), the Companies Acts and related legislation. Subject to the Articles (which shareholders may amend by special resolution), relevant legislation and any directions given by special resolution, the company and its Group is managed by its Board of directors. By resolutions passed at company general meetings, the shareholders have authorised the directors: (i) to allot and issue ordinary shares; (ii) to offer and allot ordinary shares in lieu of some or all of the dividends; and (iii) to make market purchases of the company's ordinary shares (in practice, exercised only if the directors expect it to result in an increase in earnings per share).

Details of movements in the company's share capital are given in note 4.4 to the financial statements.

From time to time, Pinewood provides financial assistance to its independent employee benefits trust to facilitate the market purchase of ordinary shares in the company for use in connection with various of the company's employee incentive schemes. The company did not purchase any shares in this way in FY24.

Business at the AGM

At the AGM, a separate shareholders' resolution is proposed for each substantive matter. We will issue to our shareholders the company's annual report and financial statements together with the notice of AGM, giving not less than the requisite period of notice. The notice sets out the resolutions the directors are proposing and has explanatory notes for each. At the AGM, directors' terms of appointment are available for inspection and, as well as dealing with formal AGM business, the Board takes the opportunity to give an update to shareholders on the company's trading position. The Chairman and each committee chairman are available to answer questions put by shareholders present.

Directors and their interests in shares

Current directors are listed on pages 38 and 39. Details of the terms of appointment and notice period of each of the current directors, together with executives directors' respective interests in shares under the company's long term incentive plan (non-executive directors have none), appear in the Directors' Remuneration Report on pages 49 to 56. Directors who served during FY24 and their respective interests in the company's issued ordinary share capital are shown in the table below. All holdings shown are beneficial. None of the directors holds options over company shares, other than nil paid options pursuant to the LTIP as described on page 51 in the Director's Remuneration Report. Executive directors will aim to fulfil the requirements of the company's share ownership policy applicable to them within five years of appointment. There is no company policy requiring non-executive directors to hold a minimum number of company shares.

Directors' rotation

The UK Corporate Governance Code (July 2018) imposes an obligation that all directors should be subject to annual re-election.

Indemnities to directors

In line with market practice and the company's Articles, each director has the benefit of a deed of indemnity from the company, which includes provisions in relation to duties as a director of the company or an associated company, qualifying third party indemnity provisions and protection against derivative actions. Copies of these are available for shareholders' inspection at the AGM.

Share capital

As at 31 December 2024, Pinewood's issued share capital comprised a single class: ordinary shares of 100 pence each. The Articles permit the creation of more than one class of share, but there is currently none other than ordinary shares. Details of the company' share capital are set out in note 4.4 to the accounts. All issued shares are fully paid. The company issued 13,969,444 shares during the period under review. The rights and obligations attaching to the company's ordinary shares are set out in the Articles. The company is currently authorised to issue up to two-thirds of its current issued share capital pursuant to a resolution passed at its 2024 AGM. In February 2025, there was an equity fundraise, which resulted in 11,325,031 new ordinary shares being issued. In March 2025 2,098,633 ordinary shares were also issued as consideration shares as part of the Seez App Holdings Ltd acquisition. Therefore, there are now 100,539,286 ordinary shares in issue.

Directors' report continued

Directors' shareholdings	Number at 31.12.24	Number at 31.01.24*
Bill Berman	nil	73,106
Ollie Mann	32,734	1,236
Dietmar Exler	15,000	10,500
Ian Filby	nil	nil
Nikki Flanders	5,714	nil
Brian Small	20,000	20,000
Jemima Bird	15,627	nil
Chris Holzshu	28,000	nil
George Hines	nil	nil

Significant direct or indirect shareholdings

At 1 March 2025 the directors had been advised of the following interests in the shares of the company:

Shareholder	Number of shares	Percentage of voting rights of the issued share capital
Lithia Motors Inc	22,214,484	22.57
Fidelity Investments	10,052,628	10.21
Working Capital	9,398,765	9.55
Newtyn Management	8,524,721	8.66
Harwood Capital	7,297,300	7.41
Hosking Partners	4,296,743	4.36
Kestrel Investment Partners	2,870,781	2.92
Dimensional Fund Advisors	1,880,897	1.91
Sellaronda Global Management	1,861,994	1.89
Morgan Stanley	1,773,286	1.80

* Figures differ to prior year disclosures following 1 for 20 share consolidation during FY24

Voting rights, restrictions on voting rights and deadlines for voting rights
Shareholders (other than any who, under the Articles or the terms of the shares they hold, are not entitled to receive such notices) have the right to receive notice of, and to attend and to vote at, all general and (if any) applicable class meetings of the company. A resolution put to the vote at any general or class meeting is decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. At a general meeting, every member present in person has, upon a show of hands, one vote, and on a poll, every member has one vote for every 100 pence nominal amount of share capital of which they are the holder. In the case of joint holders of a share, the vote of the member whose name stands first in the register of members is accepted to the exclusion of any vote tendered by any other joint holder. Unless the Board decides otherwise, a shareholder may not vote at any general or class meeting or exercise any rights in relation to meetings whilst any amount of money relating to his shares remains outstanding.

A member is entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at a general meeting. Further details regarding voting can be found in the notes to the notice of the AGM. Details of the exercise of voting rights attached to the ordinary shares held by the company's Employee Benefit Trust are set out below. None of the ordinary shares, including those held by the Employee Benefit Trust, carries any special voting rights with regard to control of the company.

To be effective, electronic and paper proxy appointments and voting instructions must be received by the company's registrars not later than 48 hours before a general meeting.

The Articles may be obtained from Companies House in the UK or upon application to the company secretary. Other than those prescribed by applicable law and the company's procedures for ensuring compliance with it, there are no specific restrictions on the size of a holding nor on the transfer of shares, which are governed by the Articles and prevailing legislation. The directors are not aware of any agreement between holders of the company's shares that may result in restrictions on the transfer of securities or the exercise of voting rights. No person has any special rights of control over the company's share capital.

Shares held by the Pendragon Employee Benefit Trust
As at 31 December 2024, the company's Employee Benefit Trust with Accuro Trustees (Jersey) Limited (the Trustee) held 2,500 shares, representing 0.00% of the total issued share capital at that date (FY23: 3,330,734; 4.55%, number of shares restated for 1 for 20 share consolidation and to include 2,711,224 shares issued on 31 January 2024). The Trustee has waived its voting rights attached to these shares. During FY24, the Trust sold 3,328,234 shares.

It holds these shares to enable it to satisfy entitlements under the company's share schemes.

Contracts
The company and members of its Group are party to agreements relating to banking, properties and employee share plans which alter or terminate if the company or Group company concerned undergoes a change of control. None is considered significant in terms of its likely impact on the business of the Group as a whole.

Compensation for loss of office in the event of a takeover bid
The Directors are not aware of any agreements between the Company and its Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

Stakeholder engagement
Details of the Company's engagement with key stakeholders can be seen in the s.172 statement on pages 16 to 17.

Employee engagement
See the social report on pages 29 to 30 and the s172 statement on pages 16 to 17 for details of employee engagement.

Research and development activities
The Company undertakes both research and development activities as part of the development of the Pinewood system. The system is being continually evolved and enhanced.

Post balance sheet events
For details of post balance sheet events, see note 5.3 on page 106.

Financial instruments
See note 4.2 in the accounts on page 100.

Political donations
The company and its Group made no political donations (FY23: £ nil).

Auditor
The directors who held office at the date of approval of this directors' report confirm that: so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

By order of the Board

Oliver Mann

Ollie Mann
Company Secretary
1 April 2025

Statement of directors' responsibilities in respect of the annual report and the financial statements

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

Company law requires the directors to prepare group and company financial statements for each financial year. The directors have elected under company law and are required under the Listing Rules of the Financial Conduct Authority to prepare group financial statements in accordance with UK-adopted International Accounting Standards. The directors have elected under company law to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing each of the Group and company financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;

d. for the company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;

e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

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

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the directors, whose names and functions are listed in the Directors' Report confirm that, to the best of each person's knowledge:

a. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the company and the undertakings included in the consolidation taken as a whole; and

b. the Strategic Report/Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

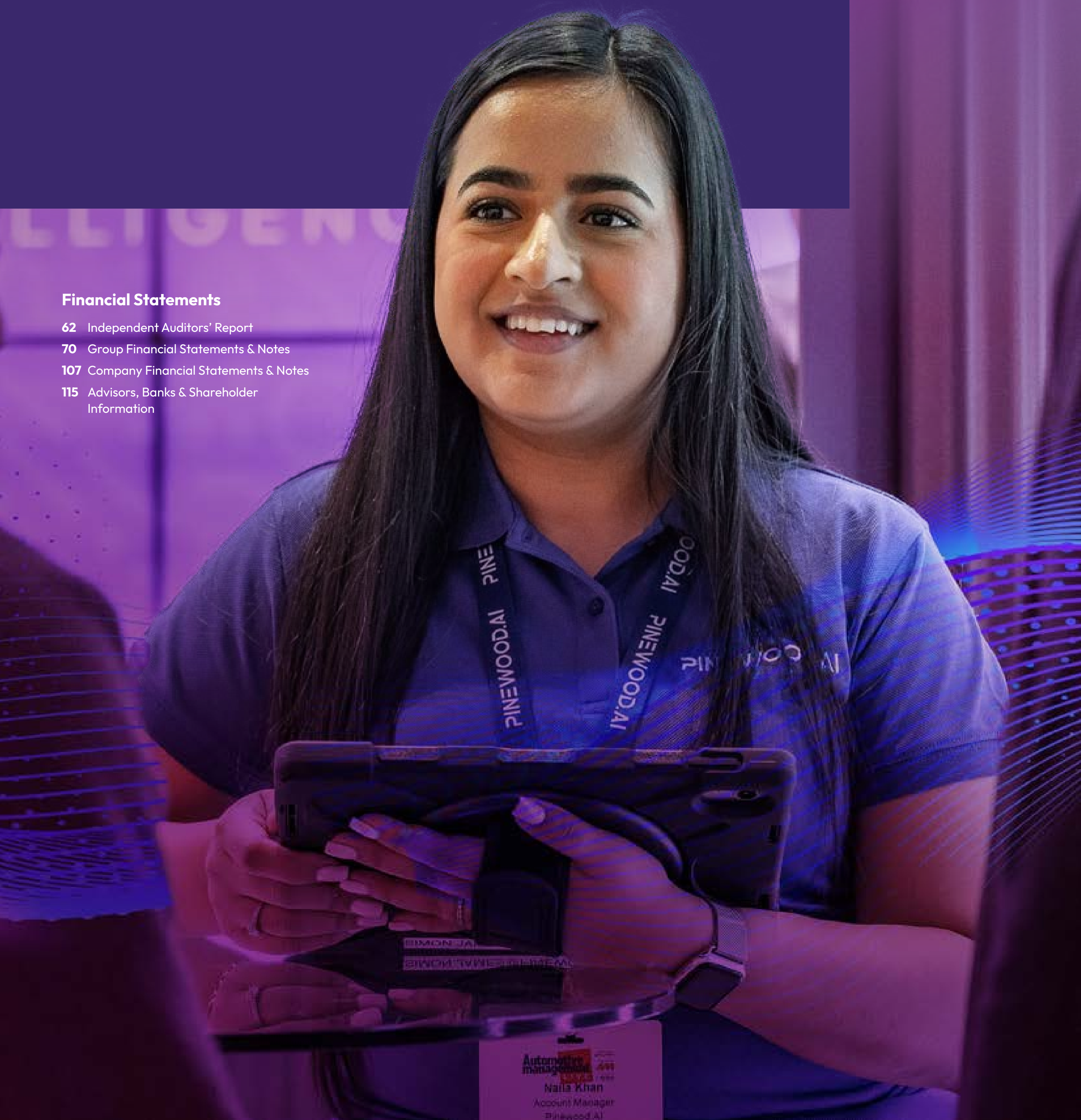
The directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the company's position, performance, business model and strategy.

By order of the Board

Oliver Mann

Ollie Mann
Chief Financial Officer
1 April 2025

Financial Statements.



Financial Statements

Independent auditor's report to the members of Pinewood Technologies Group PLC

Opinion

We have audited the financial statements of Pinewood Technologies Group PLC (the 'parent company') and its subsidiaries (the 'group') for the 11 month period ended 31 December 2024 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Company Statement of Other Comprehensive Income, Company Statement of Changes in Equity, Company Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** • Capitalisation of development costs • Accounting for Downsteam Transactions with Associate **Parent Company** • No key audit matters noted
Materiality	**Group** • Overall materiality: £380,000 • Performance materiality: £266,000 **Parent Company** • Overall materiality: £3,080,000 • Performance materiality: £2,156,000
Scope	Our audit procedures covered 99% of revenue, 99% of total assets and 96% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Capitalisation of development costs	
Key audit matter description	The Group balance sheet includes significant levels of Intangible Assets in respect of capitalised development costs with £7.5m within the period. The costs capitalised include payroll costs of the development team. Such costs should be capitalised if they meet the criteria set out in IAS 38 Intangible Assets. Due to the high level of estimation and judgement in determining whether time spent by the development team meet the criteria in IAS 38 and the highly material values being capitalised we have concluded that this represents a significant audit risk. In accordance with IAS 38, development expenditure is capitalised when it can be reliably measured, the product is both technically and commercially feasible, future economic benefits are probable, and the Group has the intention and resources to complete the development and utilise or sell the asset. This has been disclosed within Note 3.1.
How the matter was addressed in the audit	Our audit work in relation to the capitalised development costs included the following. We have • Considered management's process for identifying costs to be capitalised under IAS 38 and critically challenged the key assumptions and inputs utilised by management. • Critically assessed if the development work captured in the capitalised development cost model meets the criteria for capitalisation under IAS 38 on a sample basis. • Tested the accuracy and completeness of the underlying data utilised in calculating the development costs to be capitalised including the use of an advanced analytics expert in review of relevant reports. • Reperformed management's calculation of the capitalised development costs, adjusting as necessary for any errors or reasonable possible changes identified from our work. • Reviewed and assessed the appropriateness of the costs included in the calculation of capitalised development costs and whether they met the requirements of IAS 38 or were operating costs which should be expensed. We also considered whether the financial statement disclosures in relation to the capitalisation of development costs were appropriate.
Key observations	Based on the procedures performed we consider that the group's accounting for development costs and the related disclosures is appropriate.

Independent auditor's report to the members of Pinewood Technologies Group plc continued

Accounting for Downsteam Transactions with Associate

Key audit matter description	In February 2024 the Group made a £10m investment as part of an agreement with PNA Holding LLC (a subsidiary of Lithia Motors Inc.) in Pinewood North America LLC ('PinNA' or 'the associate') of which it owns 49% of the shares. PinNA has entered into a license and framework service agreement with the group to sell access to the group's software in North America. The license also states that PinNA will fund all of the development work required to further enhance Pinewood's technology for the needs of the US Market. There is a level of judgement regarding the accounting for the development work under IAS 38 and IFRS 15 and downstream transactions under IAS 28. This has been disclosed within Note 5.2.
How the matter was addressed in the audit	Our audit work in relation to the transactions with the associate included the following. We: • Obtained and critically assessed the license and framework service agreement between the group and the associate. • Obtained and challenged management's accounting papers in relation to the transactions with the associate including involvement of our in-house technical specialists. • Performed audit work in relation to the associate's transactions in the year including considering GAAP differences between US GAAP and the groups accounting policies under IFRS. • Critically challenged management's assessment of transactions under IAS 38 and IFRS 15. • Critically challenged management's consolidation adjustments under IAS 28. We also considered whether the financial statement disclosures in relation to the associate including the disclosure of the associate result as non-underlying were appropriate.
Key observations	Based on the procedures performed we consider that the group's accounting for the transactions with the associate and the related disclosures are appropriate.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£380,000	£3,080,000
Basis for determining overall materiality	4.5% of underlying profit before tax.	1.6% of Fixed Asset Investments. For the purposes of the group audit, which excludes items which eliminate on consolidation, the parent company materiality is restricted to £195,000.
Rationale for benchmark applied	Underlying profit before tax is considered the key benchmark of the Group.	Fixed Asset Investments is considered the key benchmark of the parent Company as the entity relies on its investments as a non-revenue generating entity.
Performance materiality	£266,000	£2,156,000
Basis for determining performance materiality	70% of overall materiality	70% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £19,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £19,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of 8 components, located in the following countries: United Kingdom, United States of America, Japan & Sweden.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	99%	99%	96%
Total	2	99%	99%	96%

Full scope audits were performed for 2 components, with no components subject to specific audit procedures. Specific audit procedures were performed in relation to the Group's associate (Pinewood North America LLC). All audit procedures were performed by RSM UK Audit LLP.

Independent auditor's report to the members of Pinewood Technologies Group plc continued

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining copies of management's board approved forecasts and sensitivity analysis for the Group and checking the mathematical accuracy of the forecasts;
- Comparing the forecasts to historical trading results and the key assumptions for expected growth, margin improvement and capital expenditure plans;
- Undertaking our own stress test to consider circumstances under which headroom would be eroded;
- Verifying the committed funding available to the Group and parent Company for the forecast period and the headroom this provided to the Group and parent Company.
- Assessing the groups going concern and viability disclosures ensuring they are consistent with the work performed.

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

In relation to the entity reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annal report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

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

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

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 36;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 36;
- Directors' statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 36;
- Directors' statement on fair, balanced and understandable set out on page 60;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 32 to 35;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 32 to 35; and,
- Section describing the work of the audit committee set out on pages 44 to 45.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 67, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of Pinewood Technologies Group plc continued

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud for regulated entities, as defined in ISA 250B: having obtained an understanding of the overall control environment.

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS/FRS101/Companies Act 2006/Listing Rules	Review of the financial statement disclosures and testing to supporting documentation. Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors. Consideration of whether any matter identified during the audit required reporting to an appropriate authority outside the entity.
GDPR/Data Protection Act 2018	Inquired of those directors responsible for the group's legal matters to confirm compliance with GDPR and the Data Protection Act 2018.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition	Testing a sample of transactions accounted pre and post-yearend for each significant revenue stream ensuring that revenue is recognised in the correct accounting period in line with the group's accounting policy; Transactions posted to nominal ledger codes outside of the normal revenue cycle were identified using a data analytic tool and investigated.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the board of directors on 25 September 2024 to audit the financial statements for the 11 month period ending 31 December 2024 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is one year, covering the period ended 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs (UK).

Use of our report

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

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

Rachel Fleming
(Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

1 April 2025

Consolidated Income Statement
11 month period ended 31 December 2024

	Notes	11m period ended 31 December 2024 Underlying £m	11m period ended 31 December 2024 Non-underlying* £m	11m period ended 31 December 2024 Total £m	13m period ended 31 January 2024 Underlying £m	13m period ended 31 January 2024 Non-underlying £m	13m period ended 31 January 2024 Total £m
Continuing operations							
Revenue	2.1	31.2	–	**31.2**	24.5	–	24.5
Cost of sales		(3.0)	–	**(3.0)**	(2.7)	–	(2.7)
Gross profit		28.2	–	**28.2**	21.8	–	21.8
Administrative expenses		(19.8)	(4.1)	**(23.9)**	(11.8)	–	(11.8)
Operating profit/(loss)	2.2	8.4	(4.1)	**4.3**	10.0	–	10.0
Finance expense	4.3	(0.3)	–	**(0.3)**	(0.1)	–	(0.1)
Finance income	4.3	0.4	4.3	**4.7**	–	–	–
Share of loss in associate	5.2	–	(0.5)	**(0.5)**	–	–	–
Profit/(loss) before taxation		8.5	(0.3)	**8.2**	9.9	–	9.9
Income tax expense	2.6	(2.1)	(0.4)	**(2.5)**	(1.6)	–	(1.6)
Profit/(loss) for the period from continuing operations		6.4	(0.7)	**5.7**	8.3	–	8.3
Discontinued operations							
Profit/(loss) for the period from discontinued operations, net of tax**	3.7	–	–	**–**	–	73.4	73.4
Profit/(loss) for the period		6.4	(0.7)	**5.7**	8.3	73.4	81.7
Earnings per share – Total***							
Basic earnings per share	2.7			**5.1p**			55.2p
Diluted earnings per share	2.7			**5.1p**			55.2p
Earnings per share – continuing operations***							
Basic earnings per share	2.7			**5.1p**			5.6p
Diluted earnings per share	2.7			**5.1p**			5.6p

* See note 2.8.

** The discontinued operations in the 13m period to 31 January 2024 is in respect of the Group's motor and leasing businesses.

*** Diluted EPS for the 13 m period ended 31 January 2024 has been restated, see note 2.7.

The notes on pages 75 to 106 form part of these financial statements.

Consolidated statement of comprehensive income
11 month period ended 31 December 2024

	Notes	**11m period ended 31 December 2024 £m**	13m period ended 31 January 2024 £m
Profit for the period		**5.7**	81.7
Other comprehensive income/(expense)			
Items that will never be reclassified to profit and loss:			
Defined benefit plan remeasurement (losses) and gains		**–**	(11.3)
Income tax relating to defined benefit plan remeasurement (losses) and gains	2.6	**–**	2.3
		–	(9.0)
Items that are or may be reclassified to profit and loss:			
Foreign currency translation differences of foreign operations		**0.1**	(0.1)
		0.1	(0.1)
Other comprehensive income for the period, net of tax		**0.1**	(9.1)
Total comprehensive income for the period		**5.8**	72.6
Total comprehensive income for the period attributable to equity shareholders of the Group arises from:			
Continuing operations		**5.8**	8.2
Discontinued operations		**–**	64.4
		5.8	72.6

The notes on pages 75 to 106 form part of these financial statements.

Consolidated Statement of Changes in Equity

11 month period ended 31 December 2024

	Share capital £m	Share premium £m	Capital redemption reserves £m	Other reserve £m	Translation reserve £m	Retained earnings £m	Total £m
Balance at 1 January 2023	69.9	56.8	5.6	12.6	0.5	135.6	**281.0**
Total comprehensive income for the period							
Profit for the period	–	–	–	–	–	81.7	**81.7**
Other comprehensive income for the period, net of tax	–	–	–	–	(0.1)	(9.0)	**(9.1)**
Total comprehensive income for the period	–	–	–	–	(0.1)	72.7	**72.6**
Issue of ordinary shares*	3.3	–	–	–	–	(3.3)	**–**
Share based payments	–	–	–	–	–	5.9	**5.9**
Reserve realised due to re-organisation (see note 4.4)	–	–	–	(12.6)	–	12.6	**–**
Income tax relating to share based payments	–	–	–	–	–	(0.1)	**(0.1)**
EBT consideration on repurchased shares	–	–	–	–	–	1.0	**1.0**
Balance at 31 January 2024	73.2	56.8	5.6	–	0.4	224.4	**360.4**
Balance at 1 February 2024	73.2	56.8	5.6	–	0.4	224.4	**360.4**
Total comprehensive income for the period							
Profit for the period	–	–	–	–	–	5.7	**5.7**
Other comprehensive income for the period, net of tax	–	–	–	–	0.1	–	**0.1**
Total comprehensive income for the period	–	–	–	–	0.1	5.7	**5.8**
Issue of ordinary shares	13.9	16.1	–	–	–	–	**30.0**
Share based payments	–	–	–	–	–	1.0	**1.0**
Income tax relating to share based payments	–	–	–	–	–	0.2	**0.2**
Dividends paid	–	–	–	–	–	(358.4)	**(358.4)**
Balance at 31 December 2024	87.1	72.9	5.6	–	0.5	(127.1)	**39.0**

* During the 13 month period to 31 January 2024, 65,979,118 ordinary shares were issued at par value for proceeds of £3.3m. These shares were subsequently acquired by the EBT in order to satisfy pending share awards.

The notes on pages 75 to 106 form part of these financial statements.

Consolidated Balance Sheet
At 31 December 2024

	Notes	31 December 2024 £m	31 January 2024 £m
Non-current assets			
Property, plant and equipment	3.2	**1.7**	1.1
Goodwill	3.1	**0.3**	0.3
Investment in associate	5.2	**9.6**	–
Other investments	3.6	**3.2**	–
Other intangible assets	3.1	**16.3**	13.8
Total non-current assets		**31.1**	15.2
Current assets			
Trade and other receivables	3.3	**21.4**	421.8
Current tax assets	2.6	**–**	0.3
Cash and cash equivalents	4.2	**9.3**	47.4
Total current assets		**30.7**	469.5
Total assets		**61.8**	484.7
Current liabilities			
Interest bearing loans and borrowings	4.2	**–**	(93.0)
Lease liabilities	4.7	**(0.7)**	(0.4)
Trade and other payables	3.4	**(11.0)**	(23.0)
Deferred income	3.5	**(7.6)**	(6.5)
Current tax payable	2.6	**(0.1)**	–
Total current liabilities		**(19.4)**	(122.9)
Non-current liabilities			
Interest bearing loans and borrowings	4.2	**(0.2)**	(0.2)
Lease liabilities	4.7	**(0.7)**	(0.6)
Deferred tax	2.6	**(2.5)**	(0.6)
Total non-current liabilities		**(3.4)**	(1.4)
Total liabilities		**(22.8)**	(124.3)
Net assets		**39.0**	360.4
Capital and reserves			
Called up share capital	4.4	**87.1**	73.2
Share premium account	4.4	**72.9**	56.8
Capital redemption reserve	4.4	**5.6**	5.6
Other reserves	4.4	**–**	–
Translation reserve	4.4	**0.5**	0.4
Retained earnings		**(127.1)**	224.4
Total equity attributable to equity shareholders of the company		**39.0**	360.4

Approved by the Board of directors on 1 April 2025 and signed on its behalf by:

Oliver Mann

W Berman
Chief Executive

O Mann
Chief Financial Officer

The notes on pages 75 to 106 form part of these financial statements.

Registered Company Number: 02304195

Strategic Report
Directors' Report
Financial Statements

Consolidated Cash Flow Statement

11 month period ended 31 December 2024

	Notes	**11m period ended 31 December 2024 £m**	13m period ended 31 January 2024 £m
Cash flows from operating activities			
Profit for the period		**5.7**	81.7
Adjustment for taxation	2.6	**2.5**	10.1
Share of result of associate	5.2	**0.5**	–
Adjustment for net financing (income)/expense	4.3	**(4.4)**	65.8
		4.3	157.6
Depreciation and amortisation		**5.6**	30.7
Share based payments		**1.0**	5.9
Profit on disposal of own shares by EBT		**–**	0.5
Profit on sale of businesses and property, plant and equipment		**–**	(41.8)
Contribution into defined benefit pension scheme		**–**	(14.2)
Changes in inventories		**–**	38.5
Changes in trade and other receivables		**(4.7)**	(45.9)
Changes in trade and other payables		**(1.3)**	39.7
Movement in contract hire vehicle balances		**–**	(57.3)
Cash generated from operations		**4.9**	113.7
Net taxation paid		**(0.1)**	(6.6)
Bank and stocking interest paid		**(0.1)**	(45.4)
Bank interest received		**4.5**	1.9
Lease interest paid		**(0.1)**	(16.2)
Finance lease interest received		**–**	1.0
Net cash inflow from operating activities		**9.1**	48.4
Cash flows from investing activities			
Proceeds from sale of businesses net of fees paid		**395.4**	1.3
Fees paid in advance of completion on business disposal to Lithia		**–**	(6.6)
Cash disposed as part of business disposal		**–**	(15.3)
Purchase of property, plant, equipment and intangible assets	3.1, 3.2	**(7.5)**	(40.2)
Proceeds from sale of property, plant, equipment and intangible assets	3.1, 3.2	**–**	11.0
Receipt of lease receivables		**–**	2.4
Investment in associate	5.2	**(10.0)**	–
Other investments	3.6	**(3.2)**	–
Net cash inflow/(outflow) in investing activities		**374.7**	(47.4)
Cash flows from financing activities			
Payment of lease liabilities	4.7	**(0.5)**	(19.0)
Repayment of loans		**(93.0)**	(4.0)
Proceeds from issue of share capital		**30.0**	–
Payment of dividend		**(358.4)**	–
Net cash outflow from financing activities		**(421.9)**	(23.0)
Net (decrease)/increase in cash and cash equivalents		**(38.1)**	(22.0)
Cash and cash equivalents at start of period		**47.4**	69.4
Cash and cash equivalents at 31 December 2024/31 January 2024	4.2	**9.3**	47.4

Notes to the Financial Statements

1. Basis of preparation

Presented below are those accounting policies that relate to the financial statements as a whole and includes details of new accounting standards that are or will be effective for FY24 (being the 11 month period ended 31 December 2024) or later years. To facilitate the understanding of each note to the financial statements those accounting policies that are relevant to a particular category are presented within the relevant notes.

On 6 February 2024, the company extended its accounting reference period to end on 31 January 2024 to match the completion date of the disposal of the UK Motor and Leasing businesses to Lithia. On 13 February 2024, the company changed it name to Pinewood Technologies Group PLC (formerly Pendragon PLC). On 11 March 2025, the company shortened its accounting reference period to end on 31 December 2024.

Pinewood Technologies Group Plc is a Group domiciled in the United Kingdom. The consolidated financial statements of the Group for the 11 month period ended 31 December 2024 comprise the Group and its subsidiaries and the Group's interest in jointly controlled entities, together referred to as the 'Group'.

The consolidated financial statements of the Group as at and for the 11 month period ended 31 December 2024 (FY23: 13 month period ended 31 January 2024) have been prepared in accordance with UK-adopted IFRS in conformity with the requirements of the Companies Act 2006.

The directors have elected to prepare its parent Company financial statements in accordance with FRS 101. These are presented on pages 107 to 114.

The financial statements are presented in millions of UK pounds, rounded to the nearest £0.1m. They have been prepared under the historical cost convention and where other bases are applied these are identified in the relevant accounting policy in the notes below.

Going concern

The directors are, at the time of approving the financial statements, satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. The directors have considered the potential impact of a 10% reduction in revenue. The Group meets its day-to-day working capital requirements from operating in a net cash position and being a highly cash generative business. The Group is forecasting a cash inflow of £15.1m in FY25. The Group also has access to a £10m RCF, which expires in February 2027.

In the context of the above, the directors have prepared cash flow forecasts for the period to 31 December 2026 which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds to meet its liabilities as they fall due for that period. The directors have modelled scenarios as follows:

1. A base cash flow forecast. The 2025 figures in this forecast are based on the Group's FY25 budget, which reflect current run-rates and expected strategic improvements. The 2026 figures in the base cash flow forecast are based on the 2025 budget.
2. A severe, but plausible downside scenario. The directors have also prepared a sensitised forecast which considers the impact of a 10% reduction in revenue when compared to the base case. In this scenario, the Group would remain cash generative.

The directors are mindful of the potential impacts to macro-economic conditions but after assessing the risks do not believe there to be a material risk to going concern.

Based on the above, the directors are confident that the Group and company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Judgements

The Group applies judgement in how it applies its accounting policies, which do not involve estimation, but could materially affect the numbers disclosed in these financial statements. The following accounting judgements, without estimation, have been applied in these financial statements.

Internally generated intangible assets relate to activities that involve the development of the dealer management system by the Group. The directors consider the dealer management system to be one separately identifiable intangible asset that is continuously developed. Accordingly, subsequent expenditure that does not relate to ongoing maintenance or research activities provides additional future economic benefit and meets the definition of an intangible asset.

The Group holds a 49% interest in Pinewood North America LLC, which has the right to sell the Group's software in the United States of America and Canada. The Group level of control or influence over Pinewood North America LLC has been assessed in accordance with IAS 28 and IFRS 10. It has been determined that the Group does not have either control or joint control but does have significant influence, as such Pinewood North America LLC has been classified as an associate.

In the 11 month period ended 31 December 2024 the Group provided software development services to Pinewood North America LLC. The income from these services has been assessed under the criteria of IFRS 15 and has been recognised as revenue, which has been reduced under the equity method consolidation procedures required by IAS 28 to remove the Group's share of the gain resulting from a downstream transaction, see note 5.2.

The Group has presented non-underlying items separately within the income statement. These are 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. Non-underlying items includes the Group's share of the loss from its associate Pinewood North America LLC, see the Alternative Performance Measures section below and note 2.8.

Accounting estimates

The preparation of financial statements in conformity with adopted IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period/year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The value of capitalised development work relies on an estimate of the time spent on different development projects. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors do not consider there to be any areas of estimation uncertainty that could be significant under IAS 1, 'Presentation of Financial Statements', being areas of estimation uncertainty with a significant risk of a material change to the carrying value of assets and liabilities within the next financial year.

Climate change

In preparing these financial statements, management has taken into account climate change risks. This has included reassessing the estimated useful lives of assets and developing assumptions, used in determining estimates, by considered potential impacts of climate risks and the Group's planned response.

Notes to the Financial Statements continued

1. Basis of preparation continued

Basis of consolidation

The consolidated financial statements include the financial statements of Pinewood Technologies Group PLC, all its subsidiary undertakings and investments. Consistent accounting policies have been applied in the preparation of all such financial statements.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intragroup balances and any unrealised gains or losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

The Group's interests in associates are accounted for using the equity method. On initial recognition the investment in an associate is recognised at cost and the carrying amount is subsequently increased or decreased to recognise the Group's share of the profit or loss, other comprehensive income and changes in equity of the associate after the date of acquisition. The net investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of events that occurred after the initial recognition of the net investment which have an impact on the estimated future cash flows that can be reliably estimated.

Foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to sterling at foreign exchange rates ruling at the dates the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in equity, in the foreign currency translation reserve, to the extent the hedge is effective. To the extent the hedge is ineffective, such differences are recognised in profit or loss. When the hedged net investment is disposed of, the cumulative amount in equity is transferred to profit and loss on disposal.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise deposits with banks and financial institutions, bank and cash balances, and liquid investments, net of bank overdrafts. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. In the balance sheet, bank overdrafts are included in current borrowings.

Impairment

The carrying amounts of the Group's assets, other than deferred tax assets (see note 2.6), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill the recoverable amount is estimated at each balance sheet date. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

In assessing fair value less costs to sell, the estimated future cash flows are multiplied by an appropriate trading multiple or by assessing the fair value of the individual assets.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other groups of assets ('the cash generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash generating units. Management has determined that there is only one cash generating unit of the Group.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then, to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The impact of the current period impairment review can be seen in note 3.1.

Classification of operating costs

The presentation of operating expenses from the prior period, which were split between administrative expenses and distribution costs has been reviewed. It has been concluded that for the remaining Group these costs should all be classified as administrative expenses. The prior period classification within note 2.2 has been amended to be consistent with the current period.

Adoption of new and revised standards and new standards and interpretations not yet adopted

A number of new standards, amended standards and interpretations are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The adoption of the following new standards, amended standards and interpretations is not expected to have a material effect on the accounts, with the possible exception of IFRS18, the impact of which is currently being evaluated.

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures (subject to UK endorsement).
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective date 1 January 2026, subject to UK endorsement).
- IFRS 18 'Presentation and Disclosure' in Financial Statements (effective date 1 January 2027, subject to UK endorsement).
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective date 1 January 2025)

Alternative performance measures

The Group uses a number of key performance measures (KPIs) which are non-IFRS measures to monitor the performance of its operations. The Group believes these KPIs provide useful historical financial information to help investors and other stakeholders evaluate the performance of the business and are measures commonly used by certain investors for evaluating the performance of the Group. The Group will report the following KPIs on a consistent basis and they are defined and reconciled as follows:

Gross margin % – gross margin is defined as gross profit as a percentage of revenue.

Operating margin % – operating margin is defined as operating profit as a percentage of revenue.

Underlying operating profit/profit before tax – results on an underlying basis exclude 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. The non-underlying results are shown separately on the face of the consolidated income statement to reconcile from the underlying to total results. The details of the non-underlying items including their tax impact are shown in note 2.8.

Revenue including intercompany revenue – is reconciled on page 13 of the annual accounts to the nearest GAAP measure

Gross Profit including intercompany revenue – is reconciled on page 13 of the annual accounts to the nearest GAAP measure

Underlying administrative expenses including intercompany revenue – reconciled on page 13 of the annual accounts to the nearest GAAP measure

Underlying EBITDA – underlying earnings before interest, tax, depreciation and amortisation. **Underlying EBITDA – reconciliation**	**11m period ended 31 December 2024 £m**	13m period ended 31 January 2024 £m
Underlying operating profit	**8.4**	10.0
Depreciation and amortisation	**5.6**	5.6
Underlying EBITDA	**14.0**	15.6

2. Results and trading

This section contains the notes and information to support the results presented in the income statement.

2.1 Revenue
2.2 Operating profit
2.3 Operating segments
2.4 Staff costs
2.5 Audit fees
2.6 Taxation
2.7 Earnings per share
2.8 Non-underlying items

2.1 Revenue

Accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The following is a description of principal activities from which the Group generates its revenue categorised by the reportable segments as detailed in note 2.3.

Software

The Group supplies dealer management systems to motor vehicle dealers. These systems include consultancy, training and installation services and the right to use the Group's software over a contractual period. Products and services may be sold separately or in bundled packages. Examples of a bundled package will include system consultancy, on and off site training for users together with the right for a number of users to use the software. For bundled packages, the Group accounts for individual products and services separately as they are distinct items, as each performance obligation within that contract is separately identifiable from other items in the bundled package. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells these items and are separately identified on the customer's contract and subsequent invoice.

Products and services	Nature, timing of satisfaction of performance obligations and significant payment terms
Software	Pinewood supply its software on a hosting basis and licence specific numbers of users to access this service. As such Pinewood supply 'Software as a Service' (SaaS). The software licences are provided only in conjunction with a hosting service, the customer cannot take control of the licence or use the software without the hosting service and as such the customer cannot benefit from the licence on its own and the licence is not separable from the hosting services. Therefore, the licence is not distinct and would be combined with the hosting service. The Group's assessment of its performance obligation under IFRS 15 of providing SaaS is that revenue is recognised over the period of the contract. SaaS is billed one month in advance of a quarterly billing cycle ensuring payment is received prior to commencement of usage.
Training, Installation and Consultancy	The Group recognises revenue on the provision of any consultancy time, training and installation at the point of providing and delivering the service. Consultancy hours are billed at the time of delivery. Training courses are billed at the time of booking which may be in advance of the date the training is scheduled for. Installation hours are billed at the time of completion of the service.

Notes to the Financial Statements continued

2. Results and trading continued

2.1 Revenue continued

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products/service lines and timing of revenue recognition.

	Continuing operations Software		Discontinued operations UK Motor	
	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
Primary geographical markets				
UK	27.8	21.5	–	4,235.1
Europe (excl. UK)	1.6	1.6	–	–
Africa	0.7	0.6	–	–
Asia and Middle East	0.7	0.8	–	–
North America	0.4	–	–	–
Revenue from external customers	31.2	24.5	–	4,235.1
Major products/service lines				
Aftersales revenue	–	–	–	343.7
Used vehicle revenue	–	–	–	2,190.2
New vehicle revenue	–	–	–	1,701.2
Software revenue	30.8	24.5	–	–
Software development revenue	0.4	–	–	–
Leasing revenue	–	–	–	–
Revenue from external customers	31.2	24.5	–	4,235.1
Timing of revenue recognition				
At point in time	3.9	2.5	–	4,221.4
Over time	27.3	22.0	–	13.7
Revenue from external customers	31.2	24.5	–	4,235.1

Discontinued operations					
Leasing		Sub total		Total	
11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m	**11m period ended 31 December 2024 £m**	13m period ended 31 January 2024 £m
–	82.9	–	4,318.0	**27.8**	4,339.5
–	–	–	–	**1.6**	1.6
–	–	–	–	**0.7**	0.6
–	–	–	–	**0.7**	0.8
–	–	–	–	**0.4**	–
–	82.9	–	4,318.0	**31.2**	4,342.5
–	–	–	343.7	**–**	343.7
–	–	–	2,190.2	**–**	2,190.2
–	–	–	1,701.2	**–**	1,701.2
–	–	–	–	**30.8**	24.5
–	–	–	–	**0.4**	–
–	82.9	–	82.9	**–**	82.9
–	82.9	–	4,318.0	**31.2**	4,342.5
–	48.0	–	4,269.4	**3.9**	4,271.9
–	34.9	–	48.6	**27.3**	70.6
–	82.9	–	4,318.0	**31.2**	4,342.5

Notes to the Financial Statements continued

2. Results and trading continued

2.1 Revenue continued

Contract liabilities

The Group recognises the following contract liabilities:

	11m period ended 31 December – £m	13m period ended 31 January – £m
Unearned proportion of software as a service sold	7.6	6.5
Customer deposits	0.3	0.2

Contract liabilities have increased by £1.2m as the Group is providing more software services.

2.2 Operating profit

The following items have been included in arriving at operating profit from continuing operations:

	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
Staff costs	18.8	15.1
Depreciation of property, plant and equipment	0.6	0.4
Amortisation of intangible assets	5.0	5.2
Capitalisation of software development costs	(7.4)	(6.8)

In the 13 month period ended 31 January 2024 there were £379.6m of operating expenses from discontinued operations. This balance comprised of: £212.9m of distribution costs; £169.8m of administrative expenses; £0.3m of impairment losses on trade receivables and £3.4m of income from rents received.

2.3 Operating segments

The Group adopts IFRS 8 “Operating Segments”, which determines and presents operating segments based on information provided to the Group’s Chief Operating Decision Maker (CODM), Bill Berman, Chief Executive Officer. The CODM receives information about the Group overall and therefore there is one operating segment.

In the 13 month period ended 31 January 2024 there were three reportable segments, as described below, which were the Group’s strategic business units prior to the disposal of the UK Motor and Leasing segments to Lithia Uk Holding Limited on 31 January 2024. The segments offered different ranges of products and services and were managed separately because they require their own specialism in terms of market and product. For each of these segments, the Executive Committee which is deemed to be the Chief Operating Decision Maker (CODM), reviewed internal management reports on at least a monthly basis. The review of these management reports enabled the CODM to allocate resources to each segment and form the basis of strategic and operational decisions, such as acquisition strategy, closure programme or working capital allocation. The following summary describes the operations in each of the Group’s reportable segments operational in the period:

Software – This segment comprises the Group’s activities as a dealer management systems provider. For the period from 1 February 2024 this was the only reportable operating segment of the Group.

UK Motor – Following the sale of the entire issued share capital of Pendragon NewCo 2 Limited to Lithia UK Holding Limited on 31 January 2024, the UK Motor segment was a discontinued operation.

Leasing – Following the sale of the entire issued share capital of Pendragon NewCo 2 Limited to Lithia UK Holding Limited on 31 January 2024, the Leasing segment was a discontinued operation.

Inter-segment transfers and transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

13 month period ended 31 January 2024

	Continuing operations Software £m	UK Motor £m	Leasing £m	Group Interest £m	Discontinued operations Sub Total £m	**Total £m**
Revenue including intercompany amounts	32.0	4,235.1	99.8	–	4,334.9	**4,366.9**
Inter-segment revenue	(7.5)	–	(16.9)	–	(16.9)	**(24.4)**
Revenue from external customers	24.5	4,235.1	82.9	–	4,318.0	**4,342.5**

	Continuing operations Software £m	UK Motor £m	Leasing £m	Group Interest £m	Discontinued operations Sub Total £m	**Total £m**
Operating profit	10.0	124.6	23.0	–	147.6	**157.6**
Finance expense	(0.1)	–	(3.3)	(65.5)	(68.8)	**(68.9)**
Finance income	–	–		3.1	3.1	**3.1**
Segmental profit before tax	9.9	124.6	19.7	(62.4)	81.9	**91.8**

Other items included in the income statement are as follows:

	Continuing operations Software £m	UK Motor £m	Leasing £m	Group Interest £m	Discontinued operations Sub Total £m	**Total £m**
Depreciation and impairment	(0.4)	(24.8)	(28.2)	–	(53.0)	**(53.4)**
Amortisation	(5.2)	(0.2)	(0.2)	–	(0.4)	**(5.6)**
Share based payments	–	(5.9)	–	–	(5.9)	**(5.9)**
Other income – profit on the sale of businesses and property, plant and equipment	–	41.8	–	–	41.8	**41.8**

Geographical information
In the 11 month period to 31 December 2024 the operating segment originates in the United Kingdom. In the 13 month period to the 31 January 2024 the UK Motor and Leasing segments are discontinued operations.

2.4 Staff costs

The average number of people employed by the Group in the following areas was:

	Continuing operations Number	Discontinued operations Number	**11m period ended 31 December 2024 Number**	Continuing operations Number	Discontinued operations Number	13m period ended 31 January 2024 Number
Sales	44	–	**44**	33	1,800	1,833
Aftersales	–	–	**–**	–	2,500	2,500
Administration and software development	222	–	**222**	173	1,049	1,222
	266	–	**266**	206	5,349	5,555

Following the disposal of the UK Motor and Leasing business to Lithia UK Holding Limited on 31 January 2024 employees in the discontinued operations transferred to the new owners and are no longer employed by the Group.

Notes to the Financial Statements continued

2. Results and trading continued

2.4 Staff costs continued

Costs incurred in respect of these employees were:

	Continuing operations £m	Discontinued operations £m	**11m period ended 31 December 2024 £m**	Continuing operations £m	Discontinued operations £m	13m period ended 31 January 2024 £m
Wages and salaries	15.5	–	**15.5**	13.3	215.3	228.6
Social security costs	1.9	–	**1.9**	1.4	20.9	22.3
Contributions to defined contribution plans	0.4	–	**0.4**	0.4	5.8	6.2
Income/(cost) recognised for defined benefit plans	–	–	**–**	–	(0.2)	(0.2)
Surplus on disposal of pension scheme	–	–	**–**	–	0.5	0.5
Share based payments	1.0	–	**1.0**	–	5.9	5.9
	18.8	–	**18.8**	15.1	248.2	263.3

Information relating to directors' emoluments, share options and pension entitlements is set out in the Directors' Remuneration Report on pages 50 to 56.

2.5 Audit fees

Auditors' remuneration:	Continuing operations £000	Discontinued operations £000	**11m period ended 31 December 2024 £000**	Continuing operations £000	Discontinued operations £000	13m period ended 31 January £000
Fees payable to the company's auditor for the audit of the company's annual accounts	290.0	–	**290.0**	265.0	501.0	766.0
Fees payable to the company's auditor and its associates for other services	–	–	**–**	–	–	–
Audit of the Group's subsidiaries as part of the audit of the Group	50.0	–	**50.0**	50.0	400.0	450.0
Audit-related assurance services	–	–	**–**	–	167.0	167.0
Other assurance services	–	–	**–**	–	425.0	425.0
	340.0	–	**340.0**	315.0	1,493.0	1,808.0

2.6 Taxation

Accounting policy

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the period/year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, recognising temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not recognised: initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination that affect neither accounting nor taxable profit. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Estimates and judgements

The actual tax on the Group's profits is determined according to complex laws and regulations. Where the effect of these laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid on profits which are recognised in the financial statements. The Group considers the estimates, assumptions and judgements to be reasonable but this can involve complex issues which may take a number of years to resolve. The final determination of tax liabilities could be different from the estimates reflected in the financial statements but the Group believes that none has a significant risk of causing a material adjustment to the carrying amount of the liability within the next financial year.

Estimates and judgements

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income.

Taxation – Income statement

	Continuing operations £m	Discontinue operations £m	**11m period ended 31 December 2024 Total £m**	Continuing operations £m	Discontinued operations £m	13m period ended 31 January 2024 Total £m
UK corporation tax:						
Current tax on profit for the period	0.4	–	**0.4**	1.6	–	1.6
Adjustments in respect of prior periods	–	–	**–**	(0.7)	(0.1)	(0.8)
Total current tax	0.4	–	**0.4**	0.9	(0.1)	0.8
Deferred tax expense:						
Origination and reversal of temporary differences	2.1	–	**2.1**	0.7	7.6	8.3
Adjustments in respect of prior periods	–	–	**–**	–	1.0	1.0
Total deferred tax	2.1	–	**2.1**	0.7	8.6	9.3
Total income tax expense in the income statement	2.5	–	**2.5**	1.6	8.5	10.1

Factors affecting the tax charge for the period:

	Continuing operations £m	Discontinued operations £m	**11m period ended 31 December 2024 Total £m**	Continuing operations £m	Discontinued operations £m	13m period ended 31 January 2024 Total £m
Profit before taxation	8.2	–	**8.2**	9.9	81.9	91.8
Tax on profit from continuing operations at UK rate of 25.0% (FY23: 23.64%)	2.1	–	**2.1**	2.3	19.4	21.7
Differences:						
Tax effect of expenses that are not deductible in determining taxable profit	0.3	–	**0.3**	–	0.7	0.7
Permanent differences arising in respect of fixed assets	–	–	**–**	–	1.1	1.1
Unrecognised losses	–	–	**–**	–	0.1	0.1
Employee share option plan	–	–	**–**	(0.3)	(2.4)	(2.7)
Impact of UK corporation tax rate change	–	–	**–**	0.3	(1.8)	(1.5)
Non-taxable disposal of investments in subsidiaries	–	–	**–**	–	(9.5)	(9.5)
Loss in respect of associates	0.1	–	**0.1**	–	–	–
Adjustments to tax charge in respect of previous periods	–	–	**–**	(0.7)	0.9	0.2
Total income tax expense in the income statement	2.5	–	**2.5**	1.6	8.5	10.1

Tax rate

The UK tax rate applying throughout FY24 was 25.0% (FY23: 23.6%), the tax rate increased from 19% to 25% on 1 April 2023. The UK corporation tax rate applicable to the year ended 31 December 2024 and later periods is 25%.

The adjustment to prior period tax charge of £0.7m in 2023 continuing operations is the release of a historic brought forward liability which has no probability of requiring payment. This liability related to a historic group relief claim from a joint venture partner where payment for the Group relief was separately settled. The adjustment to prior period tax charge of £0.9m in 2023 discontinued operations primarily relates to a taxable reversal of an impairment of amounts due from group undertakings.

Notes to the Financial Statements continued

2. Results and trading continued

2.6 Taxation continued

Pillar 2

Pinewood Technologies Group PLC is not be within scope of the enacted Pillar 2 rules due to revenue being below the threshold of €750m.

Deferred tax assets/(liabilities)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The deferred tax assets all relate to the UK.

	31 December 2024 £m	31 January 2024 £m
Deferred tax assets	**1.5**	–
Deferred tax liabilities	**(4.0)**	(0.6)
Deferred tax (liabilities)/assets	**(2.5)**	(0.6)

The table below outlines the deferred tax (liabilities)/assets that are recognised on the balance sheet, together with their movements in the period;

	At 1 January 2023 £m	(Charged) to consolidated income statement £m	(Charged) to equity or other comprehensive income £m	Disposed £m	**At 31 January 2024 £m**
Property, plant and equipment	6.3	(8.7)	–	2.6	**0.2**
Retirement benefit obligations	1.0	(3.4)	2.3	0.1	**–**
Other short term temporary differences	0.4	1.4	(0.1)	(5.1)	**(3.4)**
Losses	3.9	1.4	–	(2.7)	**2.6**
Tax assets/(liabilities)	11.6	(9.3)	2.2	(5.1)	**(0.6)**

During FY23 the Group disposed of the UK motor and leasing business along with the an associated current tax asset and deferred tax assets and liabilities. As part of the disposal LTIPs vested at the end of January 2024 which gave a tax deduction to Pinewood Technologies Group PLC which could not be group relieved to the UK motor and leasing business due to limitations in the UK group relief rules. The tax deduction on LTIPs generated a carried forward loss which is expected to be utilised in full against future profits.

	At 31 January 2024 £m	(Charged)/ credited to consolidated income statement £m	Credited/(charged) to equity or other comprehensive income £m	Disposed £m	**At 31 December 2024 £m**
Property, plant and equipment	0.2	(0.1)	–	–	**0.1**
Other short term temporary differences	(3.4)	(0.4)	0.2	–	**(3.6)**
Losses	2.6	(1.6)	–	–	**1.0**
Tax (liabilities)/assets	(0.6)	(2.1)	0.2	–	**(2.5)**

Current tax liability

At 31 December 2024 the Group had a current tax liability of £0.1m (FY23 current tax asset of £0.3m).

2.7 Earnings per share

Accounting policy

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the period. The shares held by the EBT have been excluded from the calculation until such time as they vest unconditionally with the employees. Diluted EPS is calculated by dividing the profit and loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue taking account of the effects of all dilutive potential ordinary shares, which comprise of share options granted to employees and LTIPs.

In accordance with IAS 33, the weighted average number of ordinary shares in both the current and prior period has been adjusted for the effects of the share consolidation and special dividend announced in April 2024, as well as the equity raise completed in February 2025, see note 5.3.
As part of the acquisition of Seez App Holding Limited in March 2025, 2,098,633 new ordinary shares were issued and these shares do not form part of the EPS calculation, see note 5.3.

Earnings per share calculation	**11m period ended 31 December 2024 Earnings per share pence**	**11m period ended 31 December 2024 Earnings Total £m**	13m period ended 31 January 2024* Earnings per share pence	13m period ended 31 January 2024 Earnings Total £m
Basic earnings per share from continuing operations	**5.1**	**5.7**	5.6	8.3
Basic earnings per share from discontinued operations	**–**	**–**	49.6	73.4
Basic earnings per share	**5.1**	**5.7**	55.2	81.7
Diluted earnings per share from continuing operations	**5.1**	**5.7**	5.6	8.3
Diluted earnings per share from discontinued operations	**–**	**–**	49.6	73.4
Diluted earnings per share	**5.1**	**5.7**	55.2	81.7

The calculation of basic and diluted earnings per share is based on the following number of shares in issue (millions):	**11m period ended 31 December 2024 Number**	13m period ended 31 January 2024* Number
Weighted average number of ordinary shares in issue	**111.4**	147.9
Weighted average number of dilutive shares under option	**–**	–
Weighted average number of shares in issue taking account of applicable outstanding share options	**111.4**	147.9
Non-dilutive shares under option	**2.5**	–

* Restated to adjust for the effects of the share consolidation and special dividend announced in April 2024.

2.8 Non-underlying items

Non-underlying items are items that 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.

	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
Within administrative expenses		
Restructuring and transition costs following the sale of the UK Motor and Leasing businesses to Lithia UK Holding Limited	**(2.2)**	–
Share based payments	**(1.0)**	–
Transaction costs relating to the sale of the UK Motor and Leasing businesses to Lithia UK Holding Limited	**(0.9)**	–
	(4.1)	–
Other items		
Interest arising on cash proceeds from the sale of the UK Motor and Leasing businesses to Lithia UK Holding Limited prior to the payment of the dividend	**4.3**	–
Group share of the result from Pinewood North America, LLC	**(0.5)**	–
Total non-underlying items before tax in continuing operations	**(0.3)**	–
Non-underlying items in tax	**(0.4)**	–
Non-underlying items after tax in continuing operations	**(0.7)**	–
Non-underlying items in discontinued operations net of tax	**–**	73.4
Total non-underlying items after tax	**(0.7)**	73.4

Some of the transition costs and some of the transaction costs relating to the sale of the UK Motor and Leasing businesses to Lithia UK Holding Limited shown in the 11 month period ended 31 December 2024 amounting to £1.5m should have been accrued in the prior period. A prior period adjustment has not been considered necessary as these costs were not material to the prior period accounts.

The Group share of the result from Pinewood North America, LLC, is treated as a non-underlying item. The income and costs in Pinewood North America, LLC, represent the phase of launching the Group's system into the North American DMS market. The North American DMS market is c.20,000 franchised dealerships. Once the Group achieves a market share of 0.1% or 20 dealers, with the Pinewood system fully implemented in these dealers, the Pinewood share of Pinewood North America, LLC, will be treated as underlying. Until this point, any share of income and expenditure will be the non-recurring entry phase to the North American market and shown as non-underlying.

The revenue arising from the sale of software development services to Pinewood North America LLC has been shown as part of the underlying business as it has arisen from Pinewood's core operating activities, which are the development and sale of software. The software development revenue of £0.4m (FY23 £0.0m) is shown in note 2.1.

As well as the items included above there is a net £nil charge relating to a transition bonus for Bill Berman which is being funded by Lithia. Further disclosure in relation to this can be seen in the Directors Remuneration report.

Notes to the Financial Statements continued

3. Operating assets and liabilities

This section contains the notes and information to support those assets and liabilities presented in the Consolidated Balance Sheet that relate to the Group's operating activities.

3.1 Intangible assets and goodwill

Accounting policies

All business combinations are accounted for by applying the purchase method. Goodwill represents the excess of the cost of acquisition over the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary undertakings at the effective date of acquisition and is included in the balance sheet under the heading of intangible assets. The goodwill is allocated to cash generating units (CGUs), which are business units and in relation to the prior period also franchise dealer groups. An impairment test is performed annually as detailed below. Goodwill is then held in the balance sheet at cost less any accumulated impairment losses.

Adjustments are applied to bring the accounting policies of acquired businesses into alignment with those of the Group. The costs associated with reorganising or restructuring are charged to the post acquisition income statement. Fair value adjustments are made in respect of acquisitions. If at the balance sheet date the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities can only be established provisionally then these values are used. Any adjustments to these values made within 12 months of the acquisition date are taken as adjustments to goodwill.

Internally generated intangible assets relate to activities that involve the development of dealer management systems. Development expenditure is capitalised only if development costs can be measured reliably, the product is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the costs of labour and overhead costs that are directly attributable to preparing the asset for its intended use. If the development expenditure does not meet the above criteria it is expensed to the income statement.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses and is amortised over a period of five years beginning at the point of capitalisation.

Intangible assets other than goodwill are stated at cost less accumulated amortisation and any impairment losses. This category of asset includes purchased computer software and internally generated intangible assets which are amortised by equal instalments over five years and the fair value of the benefit of forward sales orders assumed on acquisition, which is amortised by reference to when those orders are delivered.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

	Continuing operations			Discontinued operations			
	Goodwill £m	Other intangibles £m	Sub Total £m	Goodwill £m	Other intangibles £m	Sub Total £m	**Total £m**
Cost							
At 1 January 2023	0.3	31.1	31.4	398.3	4.9	403.2	**434.6**
Additions	–	6.8	6.8	–	0.2	0.2	**7.0**
Classified as non-current assets held for sale	–	–	–	(398.3)	(5.1)	(403.4)	**(403.4)**
At 31 January 2024	0.3	37.9	38.2	–	–	–	**38.2**
At 1 February 2024	0.3	37.9	38.2	–	–	–	**38.2**
Additions	–	7.5	7.5	–	–	–	**7.5**
Disposals	–	(1.0)	(1.0)	–	–	–	**(1.0)**
At 31 December 2024	0.3	44.4	44.7	–	–	–	**44.7**
Amortisation							
At 1 January 2023	–	18.9	18.9	254.0	4.7	258.7	**277.6**
Amortised during the year	–	5.2	5.2	–	0.4	0.4	**5.6**
Classified as non-current assets held for sale	–	–	–	(254.0)	(5.1)	(259.1)	**(259.1)**
At 31 January 2024	–	24.1	24.1	–	–	–	**24.1**
At 1 February 2024	–	24.1	24.1	–	–	–	**24.1**
Amortised during the period	–	5.0	5.0	–	–	–	**5.0**
Disposals	–	(1.0)	(1.0)				**(1.0)**
At 31 December 2024	–	28.1	28.1	–	–	–	**28.1**
Carrying amounts							
At 1 January 2023	0.3	12.2	12.5	144.3	0.2	144.5	**157.0**
At 31 January 2024	0.3	13.8	14.1	–	–	–	**14.1**
At 31 December 2024	0.3	16.3	16.6	–	–	–	**16.6**

The following have been recognised in the income statement within net operating expenses:	**11m period ended 31 December 2024 £m**	13m period ended 31 January 2024 £m
Amortisation of internally generated intangible assets	**5.0**	5.2
Amortisation of other intangible assets	**–**	0.4
Research and development costs (expensed)	**1.6**	1.6

Notes to the Financial Statements continued

3. Operating assets and liabilities continued

3.1 Intangible assets and goodwill continued

Accounting policies continued

Goodwill is allocated across a single cash-generating unit. This is the lowest level at which cash-generating units are formed. Therefore there is a consistent approach to performing the annual impairment test to assess the carrying value of this amount is taken. This value was determined by comparing the carrying value of the asset with the higher of its fair value less costs to sell (where value is determined by applying a trading multiple to the estimated future cash flow or by assessing the depreciated replacement cost of the individual assets) and value in use (where value is determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions):

The CGU's goodwill carrying value has been based on its value in use. There is significant headroom between the carrying value of the goodwill asset and the value in use and as such no sensitivity disclosures are relevant as at 31 December 2024.

Goodwill has been reviewed for any possible impairment and as a result of this review there was no impairment charge made during the period (FY23: £nil).

3.2 Property, plant and equipment

Accounting policy

Freehold land is not depreciated. Depreciation is provided to write off the cost less the estimated residual value of other assets by equal instalments over their estimated useful economic lives. On transition to IFRS as at 1 January 2004, all land and buildings were restated to fair value as permitted by IFRS 1, which is then treated as the deemed cost. All other assets are initially measured and recorded at cost.

Depreciation rates are as follows:	Freehold buildings – 2% per annum
	Right of use assets – over the period of the lease
	Leasehold property improvements – 2% per annum or over the period of the lease if less than 50 years
	Fixtures, fittings and office equipment – 10 – 33% per annum
	Plant and machinery – 10 – 33% per annum
	Motor vehicles – 20 – 25% per annum

The residual value of all assets, depreciation methods and useful economic lives, if significant, are reassessed annually.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is possible that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in the income statement.

The depreciation charge in respect of property, plant and equipment is recognised within administrative expenses within the income statement.

	Continuing operations			
	Land & buildings £m	Plant & equipment £m	Motor vehicles £m	**Sub Total £m**
Cost				
At 1 January 2023	0.3	2.0	–	**2.3**
Additions	1.4	0.1	–	**1.5**
Business disposals	–	–	–	**–**
Other disposals	–	–	–	**–**
Contract hire vehicles transferred to inventory	–	–	–	**–**
Classified as non-current assets held for sale	–	–	–	**–**
At 31 January 2024	1.7	2.1	–	**3.8**
At 1 February 2024	1.7	2.1	–	**3.8**
Additions	–	0.2	1.0	**1.2**
Disposals	–	(1.8)	–	**(1.8)**
At 31 December 2024	1.7	0.5	1.0	**3.2**
Depreciation				
At 1 January 2023	0.3	2.0	–	**2.3**
Charge for the period	0.4	–	–	**0.4**
Disposals	–	–	–	**–**
Contract hire vehicles transferred to inventory	–	–	–	**–**
Classified as non-current assets held for sale	–	–	–	**–**
At 31 January 2024	0.7	2.0	–	**2.7**
At 1 February 2024	0.7	2.0	–	**2.7**
Charge for the period	0.4	0.1	0.1	**0.6**
Disposals	–	(1.8)	–	**(1.8)**
At 31 December 2024	1.1	0.3	0.1	**1.5**

Carrying amounts

At 1 January 2023	–	–	–	**–**
At 31 January 2024	1.0	0.1	–	**1.1**
At 31 December 2024	0.6	0.2	0.9	**1.7**

Notes to the Financial Statements continued

3. Operating assets and liabilities continued

3.2 Property, plant and equipment continued

	Discontinued operations					
	Land & buildings £m	Plant & equipment £m	Motor vehicles £m	Contract hire vehicles £m	Sub Total £m	**Total £m**
Cost						
At 1 January 2023	692.0	83.1	2.4	220.0	997.5	**999.8**
Additions	18.3	9.4	0.4	55.6	83.7	**85.2**
Business disposals	–	(0.1)	–	–	(0.1)	**(0.1)**
Other disposals	(33.9)	(4.2)	(0.1)	–	(38.2)	**(38.2)**
Contract hire vehicles transferred to inventory	–	–	–	(53.3)	(53.3)	**(53.3)**
Classified as non-current assets held for sale	(676.4)	(88.2)	(2.7)	(222.3)	(989.6)	**(989.6)**
At 31 January 2024	–	–	–	–	–	**3.8**
At 1 February 2024	–	–	–	–	–	**3.8**
Additions	–	–	–	–	–	**1.2**
Disposals	–	–	–	–	–	**(1.8)**
At 31 December 2024	–	–	–	–	–	**3.2**
Depreciation						
At 1 January 2023	327.8	57.9	0.8	95.1	481.6	**483.9**
Charge for the period	18.0	6.7	–	28.3	53.0	**53.4**
Disposals	(32.4)	(3.9)	–	–	(36.3)	**(36.3)**
Contract hire vehicles transferred to inventory	–	–	–	(36.3)	(36.3)	**(36.3)**
Classified as non-current assets held for sale	(313.4)	(60.7)	(0.8)	(87.1)	(462.0)	**(462.0)**
At 31 January 2024	–	–	–	–	–	**2.7**
At 1 February 2024	–	–	–	–	–	**2.7**
Charge for the period	–	–	–	–	–	**0.6**
Disposals	–	–	–	–	–	**(1.8)**
At 31 December 2024	–	–	–	–	–	**1.5**

Carrying amounts

At 1 January 2023	364.2	25.2	1.6	124.9	515.9	**515.9**
At 31 January 2024	–	–	–	–	–	**1.1**
At 31 December 2024	–	–	–	–	–	**1.7**

	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
The following items have been charged to the income statement as operating expenses during the period:		
Depreciation of property, plant and equipment – leased	**0.4**	12.3
Depreciation of contract hire vehicles – leased	**0.1**	28.3
Depreciation of property, plant and equipment – owned	**0.1**	12.8

Cash flow statement information	**11m period ended 31 December 2024 £m**	13m period ended 31 January 2024 £m
Additions to property, plant, equipment and intangible assets:		
Additions to land and buildings	**–**	(19.7)
Additions to plant and equipment	**(0.2)**	(9.5)
Additions to motor vehicles	**(1.0)**	(0.4)
Additions to intangible assets (see note 3.1)	**(7.5)**	(7.0)
Total additions	**(8.7)**	(36.6)
Additions to property, plant and equipment of disposal group held for sale	**–**	(8.6)
Less additions to intangibles where cost is accrued	**0.2**	–
Less additions of property, plant and equipment acquired under leases for which no cash flow arises (excludes fees capitalised of £0.0m (FY23: £0.7m))	**1.0**	5.0
Cash flows from investing activities in respect of additions to property, plant and equipment	**(7.5)**	(40.2)

Notes to the Financial Statements continued

3. Operating assets and liabilities continued

3.3 Trade and other receivables

Accounting policy

Trade and other receivables are recognised initially at fair value and are subsequently stated at amortised cost using the effective interest method, less any impairment losses.

Impairment losses are measured in accordance with IFRS 9, which is based on an 'expected credit loss' (ECL) model. At 31 December 2024 and 31 January 2024 the allowance for ECLs on financial assets are not material.

The Group considers a trade or other receivable to be in default when the borrower is unlikely to pay its credit obligations to the Group in full after all reasonable actions have been taken to recover the debt.

Credit risk management

The Group is exposed to credit risk primarily in respect of its trade receivables and financial assets. Trade receivables are stated net of provision for estimated impairment losses. Exposure to credit risk in respect of trade receivables is mitigated by the Group's policy of only granting credit to certain customers after an appropriate evaluation of credit risk.

Before granting any new customer credit terms the Group uses external credit scoring systems to assess the potential new customer's credit quality and defines credit limits by customer. These limits and credit worthiness are regularly reviewed and use is made of monitoring alerts provided by the providers of the credit scoring systems. The Group has no customer that represents more than 5% of the total balance of trade receivables.

Balance sheet	**31 December 2024 £m**	31 January 2024 £m
Trade receivables	**9.2**	3.6
Allowance for doubtful debts	**(0.6)**	(0.5)
	8.6	3.1
Proceeds receivable in respect of sale of business to Lithia UK Holding Limited	**–**	377.5
Other receivables	**12.8**	41.2
	21.4	421.8

All amounts are due within one year.

All trade receivables are classified as loans and receivables and held at amortised cost in the current period and prior year.

The average credit period taken on sales of goods is 92 days (FY23: 29 days). No interest is charged on trade receivables. The Group makes an impairment provision based on the expected credit losses it deems likely to incur. The calculation is based on an average of previous default experiences which is assessed against the risk of the current total in light of current economic expectations. An expense has been recognised in respect of impairment losses during the 11 month period of £0.2m (FY23: £0.3m).

The trade receivables at 31 December 2024 includes £5.5m due from Lithia UK Holdings Ltd, which is a related party, see note 5.1. In addition, trade receivables at 31 December 2024 also includes £1.1m due from Pinewood North America LLC.

Other receivables includes £11.1m (FY23: £40.3m) owed by Lithia UK Holding Limited in relation to the settlement of intra-group balances arising from the sale of the UK Motor and Leasing businesses. The balance was settled in full by March 2025.

The ageing of trade and other receivables at the reporting date was:

	Trade receivables 31 December 2024 £m	**Other receivables 31 December 2024 £m**	Trade receivables 31 January 2024 £m	Other receivables 31 January 2024 £m
Not past due	**3.9**	**12.1**	2.8	418.7
Past due 0-30 days	**2.7**	**–**	0.1	–
Past due 31-120 days	**2.2**	**–**	0.1	–
Past due 120+ days	**0.4**	**–**	0.6	–
	9.2	**12.1**	3.6	418.7
Provision for impairment	**(0.6)**	**–**	(0.5)	–
	8.6	**12.1**	3.1	418.7

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The movement in the allowance for impairment in respect of trade receivables during the period was as follows:

	31 December 2024 £m	31 January 2024 £m
Balance at 1 February 2024/1 January 2023	**0.5**	0.3
Utilisation	**(0.1)**	(0.3)
Impairment loss recognised	**0.2**	0.8
Reclassified as assets held for sale	**–**	(0.3)
Balance at 31 December 2024/31 January 2024	**0.6**	0.5

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

3.4 Trade and other payables

Accounting policy

Trade and other payables are recognised initially at fair value and are subsequently stated at amortised cost using the effective interest method, less any write-offs.

Balance sheet	31 December 2024 £m	31 January 2024 £m
Trade payables	**2.1**	0.5
Other taxation and social security	**1.3**	3.3
Accruals and customer deposits	**7.6**	19.2
	11.0	23.0
Non-current	**–**	–
Current	**11.0**	23.0
	11.0	23.0

Trade payables are classified as other financial liabilities. Fair value is deemed to be the same as carrying value.

3.5 Deferred income

Software as a Service

The Group invoices customers of its Dealer Management System on a Software as a Service basis and is billed one month in advance of a quarterly billing cycle. Revenue and income are recognised over the quarter billed and any unrecognised income is held within deferred income. Movements for FY24 are stated gross to include external and intra group income. All amounts recognised as deferred income as at 31 January 2024 and 1 January 2023 were recognised as income during the subsequent period.

	31 December 2024 £m	31 January 2024* £m
At 31 January 2024/31 December 2022	**6.5**	4.4
Created in the period	**28.4**	30.1
Recognised as income during the period	**(27.3)**	(28.0)
At 31 December 2024/31 January 2024	**7.6**	6.5

* Restated to amend the opening balance at 31 December 2022 and to include what were previously inter-group revenues within Recognised as income during the period.

3.6 Other investments

Other investments is comprised solely of the Group's investment in Seez App Holding Ltd (Seez). Seez is an automotive AI company which boasts a broad product portfolio built on market leading proprietary technology, which includes its AI Chatbot along with several other AI SaaS modules. In September 2024 the Group entered into an advance subscription agreement with Seez under the terms of which the Group invested USD 4.2 million in exchange for 9.1% of the share capital of Seez.

Under IFRS 9 the investment is classified as Fair Value Through Profit or Loss. At the balance sheet date the Group holds the investment at the cost on initial recognition. An assessment has been made as to whether subsequent fair value adjustments are required. In March 2025 the Group acquired the outstanding 90.9% of the share capital of Seez for a total consideration of USD 42.0 million, which is approximately the same price per share as the initial investment, as such the initial cost is considered to be the most appropriate estimate of fair value as at 31 December 2024.

Notes to the Financial Statements continued

3. Operating assets and liabilities continued

3.7 Profit from discontinued operations

Discontinued Operations

During the 13 month period to 31 January 2024, the Group agreed to sell its entire motor and leasing businesses together with related central activities to Lithia UK Holding Limited. The proceeds from the sale of businesses and settlement of intra-group balances net of fees paid was £395.4m. The sale received shareholder approval in October 2023 and completed on 31 January 2024, the balance sheet date of the FY23 report. The motor business, leasing business and related central activities were classified as a disposal group held for sale in October 2023. The comparative consolidated statement of profit or loss and other comprehensive income has been represented to show these discontinued operations separately from continuing operations. The US Motor business is now classified as continuing as operations continue in administering the final transactions of that business.

The results of the discontinued operations and other financial information relating to the discontinued operation for FY23 is set out below.

Income statement

Results from discontinued operations	13m period ended 31 January 2024 £m
Revenue	**4,318.0**
Cost of sales	**(3,832.6)**
Gross profit	**485.4**
Operating expenses	**(379.6)**
Operating profit before other income	**105.8**
Other income – gains on the sale of businesses and property, plant and equipment	**41.8**
Operating profit	**147.6**
Finance expense	**(68.8)**
Finance income	**3.1**
Net finance costs	**(65.7)**
Profit before taxation	**81.9**
Income tax (expense)	**(8.5)**
Profit for the period	**73.4**

4. Financing activities and capital structure

This section contains the notes and information to support the elements of both debt and equity financing as presented in the Consolidated Balance Sheet.

- 4.1 Accounting policies
- 4.2 Financial instruments and derivatives
- 4.3 Net financing costs
- 4.4 Capital and reserves
- 4.5 Dividends
- 4.6 Share based compensation
- 4.7 Leases

4.1 Accounting policies

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, an entity measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. Subsequent to initial recognition financial assets and financial liabilities are classified and measured as described below.

Financial assets

IFRS 9 classifies assets according to the business model for their realisation, as determined by the expected contractual cashflows. This classification determines the accounting treatment, and the classification under IFRS 9 is by reference to the accounting treatment i.e. amortised cost, fair value through other comprehensive income or fair value through profit and loss.

A financial asset is measured at amortised cost if both of the following conditions are met:
the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are therefore classified and measured in these financial statements at amortised cost.

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Impairment of financial assets
IFRS 9 adopts an expected credit loss approach (ECL). The IFRS 9 approach does not require a credit event (an actual loss or a debt past a number of days due) to occur but is based on changes in expectations of credit losses. IFRS 9 also requires that impairment of financial assets be shown as a separate line item in either the statement of comprehensive income or the income statement.

Financial assets	IFRS 9 classification	31 December 2024 £m	31 January 2024 £m
Trade and other receivables	Amortised cost	**21.4**	421.8
Cash and cash equivalents	Amortised cost	**9.3**	47.4

Trade and other receivables – see note 3.3

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Loans and borrowings
Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. The effective interest basis is a method of calculating the amortised cost of a financial liability and of allocating interest payments over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

Trade and other payables – see note 3.4

Notes to the Financial Statements continued

4. Financing activities and capital structure continued

4.2 Financial instruments and derivatives

Cash and cash equivalents

	Carrying value & fair value 31 December 2024 £m	Carrying value & fair value 31 January 2024 £m
Bank balances and cash equivalents	**9.3**	47.4
Cash and cash equivalents in the Balance Sheet	**9.3**	47.4
Bank overdrafts repayable on demand and used for cash management in the Balance Sheet	**–**	–
Cash and cash equivalents in the statement of cash flows	**9.3**	47.4

Bank overdrafts reflect the aggregated overdrawn balances of Group companies (even if those companies have other positive cash balances)

Borrowings

As at 31 December 2024, borrowing facilities comprised of a £10m RCF with Barclays Bank, expiring in February 2027.

As at 31 December 2024, total facility commitments and expiry are as set out below:

	Expiry date	**£m**
RCF	February 2027	**10.0**

At the date of this report the RCF remains undrawn.

For the 11 month period to 31 December 2024, the following margins and fees were in place:

	Current margin	Commitment (non-utilisation) fee
RCF	2.50%	1.00%

For the 11 month period to 31 December 2024, the following covenants were in place:

The R&D adjusted net leverage covenant is calculated as the ratio of net borrowings at the end of each relevant period to R&D adjusted EBITDA. This ratio cannot exceed 2.00 times. At the final reported covenant end period of 31 December 2024, reported to Barclays, the ratio was 0.0 times.

The R&D adjusted interest cover covenant is calculated as the ratio of R&D adjusted EBITDA for each relevant period to gross financing costs for such relevant period. This ratio must exceed 4.00 times. At the final reported covenant end period of 31 December 2024, reported to Barclays, the ratio was 35.42 times.

Summary of borrowings

	Carrying value 31 December 2024 £m	**Fair value 31 December 2024 £m**	Carrying value 31 January 2024 £m	Fair value 31 January 2024 £m
Non-current:				
Other loan notes	**0.2**	**0.2**	0.2	0.2
Lease liabilities	**0.7**	**0.7**	0.6	0.6
Total non-current	**0.9**	**0.9**	0.8	0.8
Senior Facilities Agreement (SFA)	**–**	**–**	93.0	93.0
Lease liabilities	**0.7**	**0.7**	0.4	0.4
Total current	**0.7**	**0.7**	93.4	93.4
Total borrowings	**1.6**	**1.6**	94.2	94.2

Reconciliation of movements of liabilities to cash flows arising from financing activities

13 month period ended 31 January 2024

	Borrowings		Equity			
	Long term borrowings £m	Finance Lease £m	Share capital £m	Other reserves £m	Retained earnings £m	**Total £m**
At 1 January 2023	92.7	217.9	69.9	75.5	135.6	**591.6**
Cash flows from financing activities						
Payment of lease liabilities	–	(19.0)	–	–	–	**(19.0)**
Repayment of loans	(4.0)	–	–	–	–	**(4.0)**
Proceeds from issue of loans (net of directly attributable transaction costs)	–	–	–	–	–	**–**
Disposal of leases as part of business disposal	–	(207.0)	–		–	**(207.0)**
	(4.0)	(226.0)	–	–	–	**(230.0)**
Other changes						
The effect of changes in foreign exchange rates	–	–	–	(0.1)	–	**(0.1)**
New leases undertaken – non cash	–	10.0	–	–	–	**10.0**
Issue of ordinary shares to the benefit of the EBT for which no cash flow arises	–	–	3.3	–	(3.3)	**–**
Disposal of leases – non cash	–	(0.5)	–	–	–	**(0.5)**
Liability-related: Lease expenses – non cash	–	(0.4)	–	–	–	**(0.4)**
Liability-related: Amortisation of fees and expenses	4.5	–	–	–	–	**4.5**
Equity-related : Total other changes	–	–	–	(12.6)	92.1	**79.5**
At 31 January 2024	93.2	1.0	73.2	62.8	224.4	**454.6**

11 month period ended 31 December 2024

	Borrowings		Equity			
	Long term borrowings £m	Leases £m	Share capital £m	Other reserves £m	Retained earnings £m	**Total £m**
At 1 February 2024	93.2	1.0	73.2	62.8	224.4	**454.6**
Cash flows from financing activities						
Payment of lease liabilities	–	(0.5)	–	–	–	**(0.5)**
Repayment of loans	(93.0)	–	–	–	–	**(93.0)**
Proceeds from issue of share capital	–	–	13.9	16.1	–	**30.0**
Payment of dividend	–	–	–	–	(358.4)	**(358.4)**
	(93.0)	(0.5)	13.9	16.1	(358.4)	**(421.9)**
Other changes						
The effect of changes in foreign exchange rates	–	–	–	0.1	–	**0.1**
New leases undertaken – non cash	–	1.0	–	–	–	**1.0**
Liability-related: Lease expenses through operating activities	–	(0.1)	–	–	–	**(0.1)**
Equity-related: Total other changes	–	–	–	–	6.9	**6.9**
At 31 December 2024	0.2	1.4	87.1	79.0	(127.1)	**40.6**

Interest payments in respect of the above borrowings are reported in operating cash flows in the Consolidated Cash Flow Statement.

Notes to the Financial Statements continued

4. Financing activities and capital structure continued

4.2 Financial instruments and derivatives continued

Fair value hierarchy

Financial instruments carried at fair value are required to be measured by reference to the following levels:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The effective interest rates for all borrowings are all based by reference to SONIA. Leases are effectively held at fixed rates of interest within the range set out below. Information regarding classification of balances and interest, the range of interest rates applied in the period to 31 December 2024 and repricing periods, is set out in the table below.

	Classification	Carrying value £m	Classification	Interest classification	Interest rate range	Repricing periods
Bank balances and cash equivalents	Loans and receivables	**9.3**	Amortised cost	Floating GBP	0% to 3.5%	6 months or less
Borrowings						
Non-current:						
Other loan notes	Other financial liabilities	**0.2**	Amortised cost	Fixed GBP	12.50%	n/a
Lease liabilities	Other financial liabilities	**0.7**	Amortised cost	Fixed GBP	10.00%	n/a
Total non-current	Other financial liabilities	**0.9**				
RCF	Other financial liabilities	**–**	Amortised cost	Floating GBP	N/A – not drawn	6 months or less
Lease liabilities	Other financial liabilities	**0.7**	Amortised cost	Fixed GBP	10.00%	n/a
Total current		**0.7**				
Total borrowings		**1.6**				

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	31 December 2024 £m	31 January 2024 £m
Pound sterling	**1.6**	94.2

Treasury policy, financial risk, funding and liquidity management

Financial risk management

During the period, the Group was exposed to the following risks from its use of financial instruments:

Funding and liquidity risk – the risk that the Group will not be able to meet its financial obligations as they fall due.

Credit risk – the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Market risk – the risk that changes in market prices, such as interest rates and foreign exchange rates, have on the Group's financial performance.

The Group's quantitative exposure to these risks is explained throughout these financial statements whilst the Group's objectives and management of these risks is set out below.

Treasury policy and procedures

Group treasury matters are managed within policy guidelines set by the Board with prime areas of focus being liquidity and interest rate exposure. Management of these areas is the responsibility of the Group's treasury function. The Board does not permit the speculative use of derivatives.

Funding and liquidity management

The Group is financed primarily by RCF and operating cash flow. The RCF is a committed facility which matures within appropriate timescales and is maintained at levels in excess of planned requirements.

The maturity of non-current borrowings is as follows, excluding lease liabilities:

	31 December 2024 £m	31 January 2024 £m
Between 1 and 2 years	**–**	–
Between 2 and 5 years	**0.2**	0.2
	0.2	0.2

The Group has £0.2m of loan notes outstanding with a contractual repayment date of March 2027. The maturities therefore represent the final repayment dates for these facilities and the total cash outflows associated with all borrowings, assuming interest rates remain at the same rates as at the period/year end, are estimated on an undiscounted basis as follows:

31 December 2024	Carrying amount	Contractual cashflows	Within 6 months	6–12 months	1-2 years	2-5 years	over 5 years
RCF	–	–	–	–	–	–	–
Loan notes	0.2	0.3	–	–	–	0.3	–
	0.2	0.3	–	–	–	0.3	–
Leases liabilities	1.4	1.5	0.4	0.4	0.5	0.2	–
Trade payables	2.1	2.1	2.1				
Accruals and other payables	8.9	8.9	8.9	–	–	–	–
	12.6	12.8	11.4	0.4	0.5	0.5	–

31 January 2024	Carrying amount	Contractual cashflows	Within 6 months	6–12 months	1-2 years	2-5 years	over 5 years
RCF	–	–	–	–	–	–	–
SFA	93.0	94.9	94.9	–	–	–	–
Loan notes	0.2	0.3	–	–	–	0.3	–
	93.2	95.2	94.9	–	–	0.3	–
Lease liabilities	1.0	1.1	0.3	0.2	0.5	0.1	–
Trade payables	0.5	0.5	0.5	–	–	–	–
	94.7	96.8	95.7	0.2	0.5	0.4	–

The Group has the following undrawn borrowing facilities:

	31 December 2024 £m	31 January 2024 £m
Expiring in 1-2 years	**–**	70.0
Expiring in 2-5 years	**10.0**	–
	10.0	70.0

Interest rate risk management

The objective of the Group's interest rate policy is to minimise interest costs whilst protecting the Group from adverse movements in interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk whereas borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group does not actively manage cash flow interest rate risk and it is normal Group policy to borrow on a floating rate basis. Given that the Group is expected to remain cash positive, interest rate sensitivity risk is not relevant.

Notes to the Financial Statements continued

4. Financing activities and capital structure continued

4.2 Financial instruments and derivatives continued

Foreign exchange risk management

The Group faces currency risk in respect of its net assets denominated in currencies other than sterling. On translation into sterling, movements in currency will affect the value of these assets. The Group's policy is therefore to match, where possible, net assets in overseas subsidiaries which are denominated in a foreign currency with borrowings in the same currency. With very little US assets at the year end there is no material hedging requirement so the Group has no USD borrowings (FY23: nil) against its net assets held in overseas subsidiaries.

Hedges of net investments in overseas operations

A gain or loss in respect of an effective hedge of a net investment in an overseas operation is recognised directly in equity. Any ineffective portion of the hedge is recognised in the income statement.

	31 December 2024 £m	31 January 2024 £m
Foreign exchange gains/(losses) on translation of net investments to sterling at balance sheet date	**0.1**	(0.1)
Net exchange gain/(loss) recognised within translation reserve in equity	**0.1**	(0.1)

The Group is financed primarily by RCF and operating cash flow. The RCF is a committed facility which matures within appropriate timescales and is maintained at levels in excess of planned requirements.

Capital management

The Group views its financial capital resources as primarily comprising share capital, cash generated through operating cashflow and access to an RCF, which nonetheless is expected to remain largely undrawn. As the Group's business is Software as a Service (SaaS), involving payment of licence fees in advance for periods of use, the Group is expected to remain cash positive.

4.3 Finance income and Finance expense

Accounting policy

Finance income comprises interest income on funds invested that are recognised in profit and loss. Interest income is recognised as it accrues in profit and loss, using the effective rate method.

Finance expense comprises interest expense on borrowings, unwinding of the discount on provisions recognised in profit and loss. All borrowing costs are recognised in profit and loss using the effective interest method.

Finance expense

Continuing operations – Recognised in profit and loss	**11m period ended 31 December 2024 £m**	13m period ended 31 January 2024 £m
Interest payable on leases	**0.1**	0.1
Interest on borrowings, RCF commitment and arrangement fees	**0.2**	–
Total finance expense in continuing operations	**0.3**	0.1
Discontinued operations – Recognised in profit and loss		
Interest payable on bank borrowings, SFA, Senior note and loan notes	**–**	15.6
Vehicle stocking plan interest	**–**	30.1
Interest payable on leases	**–**	16.2
Costs incurred on early redemption of SFA	**–**	4.1
Less: interest capitalised	**–**	(0.5)
Total interest expense being interest expense in respect of financial liabilities held at amortised cost	**–**	65.5
Unwinding of discounts in contract hire residual values	**–**	3.3
Total finance expense in discontinued operations	**–**	68.8
Total finance expense	**0.3**	68.9

Finance income

	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
Net interest on pension scheme obligations	–	0.2
Bank interest receivable	4.7	1.9
Interest receivable on finance leases	–	1.0
Total finance income	4.7	3.1

All of the finance income in the prior period was received in discontinued operations

4.4 Capital and reserves

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Allotted, called up and fully paid shares of £1.00 each at 31 December 2024 and allotted, called up and fully paid shares of £0.05 each at 31 January 2024	31 December 2024 Number	31 December 2024 £m	31 January 2024 Number	31 January 2024 £m
At 31 January 2024/31 December 2022	1,462,923,523	73.2	1,396,944,405	69.9
Share issues	279,388,917	13.9	65,979,118	3.3
Share consolidation	(1,655,196,818)	–	–	–
At 31 December 2024/31 January 2024	87,115,622	87.1	1,462,923,523	73.2

On 22 April 2024 the company undertook a capital reorganisation whereby 1 new ordinary share of 100 pence each was issued for every 20 existing ordinary shares of 5 pence each.

On 1 February 2024 a further 279,388,880 were issued to Lithia Motors, Inc. for a consideration of 10.7377 pence per share, totalling £30.0m pursuant to the business disposal agreement. This equated to 13,969,444 further shares, following the 1 for 20 capital reorganisation.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

Share premium

The share premium account relates to the proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

Capital redemption reserve

The capital redemption reserve arose following the purchase by the Group of its own shares in FY23 and comprises the amount by which distributable profits were reduced on these transactions in accordance with s733 of the Companies Act 2006. There were no transfers into the capital redemption reserve during the period in respect of shares purchased by the Group and subsequently cancelled.

Other reserves

Other reserves included the amount of demerger reserve arising on the demerger of the Group from Williams Holdings PLC in 1989. During FY23 the Company restructured it's investments resulting in a reclassification of £12.6m in respect of the merger reserve to the profit and loss reserve.

Own shares held by Employee Benefit Trust (EBT)

Transactions of the Group-sponsored EBT are included in the Group financial statements. In particular, the trust's purchases of shares in the Group, which are classified as own shares, are debited directly to equity through retained earnings. When own shares are sold or reissued the resulting surplus or deficit on the transaction is also recognised within retained earnings.

The market value of the investment in the Group's own shares at 31 December 2024 was £0.0m (31 January 2024: £24.2m), being 0.0m (FY23: 66.6m) shares with a nominal value of £1.00p each, acquired at an average cost of £1.00 each (FY23: £0:05). 66.6m shares were transferred to employees by the Trust on 1 February 2024 for the settlement of the share options which vested on the sale of the UK Motor and Leasing businesses. These options all vested and were accounted for in the prior year however processed by the Trust on 1 February 2024. The trustee of the EBT is Accuro Trustees (Jersey) Limited.

Dividends on the shares owned by the trust, the purchase of which were funded by interest free loans to the trust from Pinewood Technologies Group PLC, are waived. All expenses incurred by the trust are settled directly by Pinewood Technologies Group PLC and charged in the accounts as incurred.

The trust is regarded as a quasi subsidiary and its assets and results are consolidated into the financial statements of the Group.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the net investment in foreign operations as well as from the translation of liabilities held to hedge the respective net investment in foreign operations.

Notes to the Financial Statements continued

4. Financing activities and capital structure continued

4.5 Dividends

A dividend of 490p per ordinary share amounting to a total of £358.4m was paid on 7 May 2024 (FY23: nil) as communicated to shareholders in the circular to shareholders dated October 2023 in respect of the sale of part of the business to Litha Motors Inc. Lithia UK Holding Limited, who held 13,969,444 ordinary shares waived their right to a dividend as per the terms of the business sale outlined in the afore mentioned circular.

4.6 Share based compensation

Accounting policy

The Group operates an employee share option scheme. The fair value at the date at which the share options are granted is recognised in the income statement on a straight line basis over the vesting period, taking into account the number of options that are expected to vest. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The number of options that are expected to become exercisable is reviewed at each balance sheet date and if necessary estimates are revised.

The primary performance metric for the 2024 LTIP awards will be measured on absolute Total Shareholder Return (TSR) of the Company. The following threshold (10%. p.a.), target (15% p.a.), stretch (25% p.a.) and super stretch (37.5% p.a.) targets are to apply, which will be measured off the starting market capitalisation of £191m as at 1 February 2024. The absolute TSR condition is a market-based performance condition: this has been incorporated into the fair value calculation. The TSR performance period is from 1 February 2024 to 15 July 2027.

Executive share options

The number and weighted average exercise prices of share options is as follows:

	Weighted average exercise price FY24	**Number of options millions FY24**	Weighted average exercise price FY23	Number of options millions FY23
Outstanding at the start of the period	**0.00p**	**–**	636.0p	0.1
Granted during the period	**0.00p**	**–**	0.00p	–
Lapsed during the period	**0.00p**	**–**	636.0p	(0.1)
Exercised during the period	**0.00p**	**–**	636.0p	(0.1)
Outstanding at the end of the period	**0.00p**	**–**	0.00p	–

A share consolidation took place in FY24 and so the FY23 comparator has been adjusted for comparative purposes.

Executive Long Term Incentive Plan (LTIP)

The number and weighted average exercise prices of executive LTIPs is as follows:

	Weighted average exercise price FY24	**Number of options millions FY24**	Weighted average exercise price FY23	Number of options millions FY23
Outstanding at the start of the period	**0.00p**	**–**	0.0p	3.2
Granted during the period	**351.5p**	**2.5**	0.0p	0.8
Lapsed during the period	**0.00p**	**–**	0.0p	(0.7)
Exercised during the period	**0.00p**	**–**	0.0p	(3.3)
Outstanding at the end of the period	**351.5p**	**2.5**	0.0p	–

A share consolidation took place in FY24 and so the FY23 comparator has been adjusted for comparative purposes. The LTIP options outstanding at 31 December 2024 have an exercise price in the range of £2.15 and £2.58 and have a weighted average remaining contractual life of 2.54 years.

Movements in the number of options to acquire ordinary shares under the Group's LTIP, together with the outstanding position at 31 December 2024 were as follows:

Exercise period	Date of grant	At 31 January 2024 Number	Granted Number	Lapsed Number	Exercised Number	**At 31 December 2024 Number**
15 July 2027	15 July 2024	–	2,475,729	–	–	**2,475,729**
		–	2,475,729	–	–	**2,475,729**

All options are settled by physical delivery of shares. The fair value at the date at which the share options are granted is recognised in the income statement on a straight line basis over the vesting period, taking into account the number of options that are expected to vest. The number of options that are expected to become exercisable is reviewed at each balance sheet date and if necessary estimates are revised. The fair value of the services received in return for the LTIPs is measured by reference to the fair value of the LTIPs granted.

The table below is in respect of the LTIPs granted in the year.

Period ended 31 December 2024	CEO & CFO LTIPs	Other employee LTIPs
Number of share options granted in period	**1,547,330**	**928,399**
Weighted average share price (pence)	**351.50**	**351.50**
Weighted average exercise price (pence)	**351.50**	**351.50**
Expected volatility (%)	**47.89%**	**50.79%**
Expected life (years)	**5.0**	**3.0**
Risk free interest rate (%)	**4.32%**	**4.09%**

Expected volatility in the table above in respect of the 2024 award was determined by calculating the historical volatility of the Group's share price over the corresponding historical period. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of exercise restrictions and associate turnover.

Deferred Share Plan (DSP)
During 2024, Bill Berman, CEO, was granted an award in July 2024 under the DSP equal to the value of his 2023 bonus (equal to £850,000) over shares. This DSP will vest three years from grant, in July 2027, to align with the vesting period of the 2024 LTIP, subject to continued service. Consistent with the approach taken for the 2024 LTIP awards, a share price of 206 pence was used to determine the number of shares awarded (412,621 shares). The DSP options outstanding at 31 December 2024 have an exercise price of £3.52 and have a weighted average remaining contractual life of 2.54 years.

The maximum total fair value of the LTIP and DSP is £6.7m. £5.3m relates to LTIPs and £1.4m relates to DSP.

Income statement
The estimate of the fair value of the services received in respect of share options issued to the CEO and CFO was measured using the Finnerty option pricing model. The estimate of the fair value of the services received in respect of share options issued to employees excluding the CEO and CFO was measured using a Stochastic option pricing model. The estimate of the fair value of the services received in respect of the Deferred Share Plan issued to the CEO was measured using the Black-Scholes pricing model.

The Group recognised a total net expense of £1.0m (FY23: £5.9m) as an employee benefit cost in respect of all equity-settled share based payment transactions included within administration costs.

4.7 Leases

Accounting policies

Leases as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

The Group recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Cost comprises the initial amount of the lease liability adjusted for any initial direct costs incurred less any lease incentives received. Depreciation is recognised on a straight line basis over the period of the lease the right of use asset is expected to be utilised.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or when this is not readily attainable, the Group's incremental borrowing rate. Lease payments include fixed rental payments and amounts expected to be payable under a residual value guarantee. Generally the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is subsequently increased by the interest cost on the lease liability and reduced by payments made. It is remeasured when there is a change in future lease payments arising from a change of index or rate, a variation in amounts payable following contractual rent reviews and changes in the assessment of whether an extension/termination option is reasonably certain to be exercised. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the Balance Sheet.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Balance sheet
The Group has a property lease with three years six months to expiry. This lease does not contain an extension clause. The lease has a break clause allowing the Group to terminate the agreement earlier than the lease expiry date. The Group has applied judgement in that unless it is reasonably certain that such a break option will be exercised, the calculation of the lease liability and right of use asset is made up to the expiry date of the lease. The Group has also entered into lease agreements on a fleet of motor vehicles. At the 31 December 2024 the Group was leasing 47 vehicles under a three year lease agreements which all expire in 2027.

Right of use assets are presented as part of property, plant and equipment as presented in note 3.2.

Notes to the Financial Statements continued

4. Financing activities and capital structure continued

4.7 Leases continued

Right of use assets

	Land & buildings £m	Motor vehicles £m	Total £m
Balance at 1 January 2023	130.5	–	**130.5**
Additions to right of use assets	5.7	–	**5.7**
Depreciation charge	(12.3)	–	**(12.3)**
Disposals of right of use assets	(1.1)	–	**(1.1)**
Classified as non-current assets held for sale	(122.0)	–	**(122.0)**
Balance at 31 January 2024	0.8	–	**0.8**
Balance at 1 February 2024	0.8	–	**0.8**
Additions to right of use assets	–	1.0	**1.0**
Depreciation charge	(0.3)	(0.1)	**(0.4)**
Balance at 31 December 2024	0.5	0.9	**1.4**

Lease liabilities

	Land & buildings £m	Motor vehicles £m	Total £m
Balance at 1 January 2023	(217.9)	–	**(217.9)**
Additions to right of use assets	(5.3)	–	**(5.3)**
Interest expense related to lease liabilities	(12.2)	–	**(12.2)**
Repayment of lease liabilities (including interest element)	26.3	–	**26.3**
Transfer of liability to Liabilities held for sale as part of a disposal group	208.1	–	**208.1**
Balance at 31 January 2024	(1.0)	–	**(1.0)**
Non-current	(0.6)	–	**(0.6)**
Current	(0.4)	–	**(0.4)**
Balance at 31 January 2024	(1.0)	–	**(1.0)**
Balance at 1 February 2024	(1.0)	–	**(1.0)**
Additions to right of use assets	–	(1.0)	**(1.0)**
Interest expense related to lease liabilities	0.1	–	**0.1**
Repayment of lease liabilities	0.4	0.1	**0.5**
Balance at 31 December 2024	(0.5)	(0.9)	**(1.4)**
Non-current	(0.4)	(0.3)	**(0.7)**
Current	(0.1)	(0.6)	**(0.7)**
Balance at 31 December 2024	(0.5)	(0.9)	**(1.4)**

The calculation of the lease liability and the right of use asset relies upon the estimation of a suitable interest rate. The Group has applied rates to represent the different types of leases it has by applying its incremental borrowing rate for shorter term leases and a higher rates based upon market rates for borrowing against equivalent assets with similar risk profiles in specific markets for medium to longer term leases.

Other future possible cash outflows not included in the lease liability include the payment of dilapidations in respect of properties where the lease contains specific condition of return clauses. Whilst the Group endeavours to maintain its properties to a high standard it is likely that such payments will be made in the future when lease contracts end.

Amounts recognised in profit or loss

	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
Depreciation of right of use assets	**0.4**	12.3
(Losses) on the disposal, termination and assignment of leases (non-underlying)	**–**	(0.1)
Interest on lease liabilities	**0.1**	16.2
Expense relating to variable lease payments not included in lease liabilities	**–**	0.2
Expenses relating to low value leases	**–**	0.8
Expenses relating to short term leases	**0.2**	3.0

Expenses relating to variable lease payments not included in lease liabilities relate to the payment of dilapidation claims made on properties.

5. Other notes

This section contains the notes and information relating to acquisitions and disposals and related party transactions:

5.1 Related party transactions
5.2 Interest in associate
5.3 Post balance sheet events

5.1 Related party transactions

Subsidiaries

The Group's ultimate parent Company is Pinewood Technologies Group PLC. A listing of subsidiaries is shown within the financial statements of the Group on page 112.

Transactions with key management personnel

The key management personnel of the Group comprise the executive and non-executive directors. The details of the remuneration, long term incentive plans, shareholdings, share option and pension entitlements of individual directors are included in the Directors' Remuneration Report on pages 50 to 56.

Directors of the Group and their immediate relatives control 0.1% of the ordinary shares of the Group.

During the period/year key management personnel compensation was as follows:

	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
Short term employee benefits	**2.4**	3.1
Post-employment benefits	**–**	0.1
Share based payments (including the charge recognised for the accelerated vesting in the period ending 31 January 2024)	**0.7**	2.3
	3.1	5.5

During the year Group companies entered into the following transactions with related parties who are not members of the Group. Lithia UK Holding Ltd owned more than 25% of the Group's outstanding shares during the period and has appointed two non-executive directors to the Board. In accordance with IAS 24 Lithia UK Holding Ltd is considered to have significant influence and has therefore been categorised as a related party.

	11m period ended 31 December 2024 Sale of services £m	**11m period ended 31 December 2024 Purchase of services £m**	**31 December 2024 Amounts owed by related parties £m**	**31 December 2024 Amounts owed to related parties £m**
Pinewood North America LLC	**0.4**	**–**	**1.2**	**–**
Lithia UK Holding Ltd	**8.7**	**0.6**	**16.6**	**–**

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2024 or 2023 regarding related party transactions.

Transactions and outstanding balances between the parent and its subsidiaries within the Group and between those subsidiaries have been eliminated on consolidation and are not disclosed in this note.

Notes to the Financial Statements continued

5. Other notes continued

5.2 Interest in Associate

The Group holds a 49% interest in Pinewood North America LLC, which has the exclusive right to sell the Group's software in the United States of America and Canada. The principle place of business of Pinewood North America LLC is the United States of America.

The tables below summarises the financial information of Pinewood North America LLC as included in its own financial statements for the period 1 February 2024 to 31 December 2024, adjusting for differences in accounting policies but not for cut-off differences on the timing of payments to the Group. The Group obtained its 49% interest in Pinewood North America LLC following a cash contribution of £10.0m on 1 February 2024. As the Group had no interest in Pinewood North America LLC in the 13 month period ended 31 January 2024 period no comparative figures for this period are presented.

The elimination of the profit on downstream sales of £0.4m is held in deferred income.

	31 December 2024 £m
Non-current assets	0.8
Current assets	18.8
Current liabilities	(0.1)
Non-current liabilities	–
Net assets	19.5
Group's share of net assets 49%	9.6
Elimination of unrealised profit on downstream sales	–
Carrying amount of interest in associate	9.6

	11m period ended 31 December 2024 £m
Operating loss	(1.7)
Finance Income	0.7
Profit from operations after tax	(1.0)
Other comprehensive income	–
Total comprehensive income	(1.0)
Group's share of total comprehensive income (49%)	**(0.5)**

Details of the related party transactions with Pinewood North America LLC as set out in note 5.1. The carrying value of the investment has been assessed for impairment.

5.3 Post balance sheet events

On 14 February 2025 the Group entered into a five year contract with Global Auto Holdings Plc to implement the Pinewood Automotive Intelligence platform. In recognition of the significant scale of this contract, Pinewood has issued warrants to an affiliate of Global Auto Holdings in respect of a maximum of 6,098,093 ordinary shares up to an equivalent of 7% of the current issued share capital of Pinewood, which shall be exercisable at a strike price of 330.0p in tranches subject to the satisfactory completion of the installation of the Pinewood Automotive Intelligence platform.

On 19 February 2025, the Group entered into a new 5 year lease on its London office with a break clause in December 2025 and an annual rent of £0.1m.

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 new ordinary shares of £1.00 each in the company were subscribed for at a price of 315 pence per share. Total gross proceeds from the fundraise were £35.7m.

On 25 February 2025, the Group's shares commenced trading on the OTCQX® Best Market (OTCQX) in the US under the symbol "PINWF". The company's ordinary shares will continue to trade on the main market of the London Stock Exchange. No new ordinary shares will be issued as part of the commencement of trading on OTCQX.

On 4 March 2025, the acquisition of Seez App Holding Limited, an automotive AI & ML SaaS platform, completed for a total consideration of $42 million (totalling £33.3 million), with £22.8 million payable in cash to certain sellers on completion of the acquisition, £3.9 million payable on completion of the acquisition to the holders of certain ESOP options over shares in the capital of Seez and which will be cash-cancelled at completion of the acquisition, and the balance, £6.6 million, paid through the issue of 2,098,633 new ordinary shares of £1.00 in the company to certain sellers. As a result, the Group now has 100,539,286 ordinary shares in issue. The initial fair value exercise has not been performed given the timing of the transaction. Details of the acquisition accounting will be included in the FY25 interim results. The acquisition is expected to be significantly earnings accretive by FY26, being the first full year under Pinewood's ownership.

Company statement of comprehensive income

11 month period ended 31 December 2024

	Notes	11m period ended 31 December 2024 £m	13m period ended 31 January 2024 £m
Loss for the period		**(0.9)**	(8.6)
Other comprehensive (expense)/income			
Items that will never be reclassified to profit and loss:			
Defined benefit plan remeasurement (losses) and gains		–	(9.9)
Income tax relating to defined benefit plan remeasurement (losses) and gains		–	2.3
Other comprehensive (expense) for the period, net of tax		–	(7.6)
Total comprehensive (expense) for the period		**(0.9)**	(16.2)

Statement of changes in equity
11 month period ended 31 December 2024

	Share capital £m	Share premium account £m	Capital redemption reserves £m	Other reserve £m	Retained earnings £m	**Total £m**
Balance at 1 January 2023	69.9	56.8	5.6	13.9	365.4	**511.6**
Total comprehensive expense for 2024						
Loss for the period	–	–	–	–	(8.6)	**(8.6)**
Other comprehensive expense for the year, net of tax	–	–	–	–	(7.6)	**(7.6)**
Total comprehensive expense for the year	–	–	–	–	(16.2)	**(16.2)**
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	3.3	–	–	–	(3.3)	**–**
Share based payments	–	–	–	–	5.9	**5.9**
Income tax relating to share based payments	–	–	–	–	(0.1)	**(0.1)**
Own shares issued by EBT	–	–	–	(13.9)	13.9	**–**
Own shares purchased by EBT	–	–	–	–	1.0	**1.0**
Total contributions by and distributions to owners	3.3	–	–	(13.9)	17.4	**6.8**
Balance at 31 January 2024	73.2	56.8	5.6	–	366.6	**502.2**
Balance at 1 February 2024	73.2	56.8	5.6	–	366.6	**502.2**
Total comprehensive expense for the period						
Loss for the period	–	–	–	–	(0.9)	**(0.9)**
Other comprehensive expense for the period, net of tax	–	–	–	–	–	**–**
Total comprehensive expense for the period	–	–	–	–	(0.9)	**(0.9)**
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	13.9	16.1	–	–	–	**30.0**
Share based payments	–	–	–	–	1.0	**1.0**
Income tax relating to share based payments	–	–	–	–	0.1	**0.1**
Dividends paid	–	–	–	–	(358.4)	**(358.4)**
Total contributions by and distributions to owners	13.9	16.1	–	–	(357.3)	**(327.3)**
Balance at 31 December 2024	87.1	72.9	5.6	–	8.4	**174.0**

The notes on pages 110 to 114 form part of these financial statements.

Company Balance Sheet
At 31 December 2024

	Notes	31 December 2024 £m	31 January 2024 £m
Fixed assets			
Investment in subsidiaries	4	**184.3**	547.1
Other investments	4	**3.2**	–
		187.5	547.1
Current assets			
Debtors	5	**14.6**	43.4
Deferred tax assets (all due in over 1 year)	8	**1.3**	2.6
Cash at bank and in hand		**3.7**	34.5
		19.6	80.5
Creditors: amounts falling due within one year	6	**(32.9)**	(125.2)
Net current liabilities		**(13.3)**	(44.7)
Total assets less current liabilities		**174.2**	502.4
Creditors: amounts falling due after more than one year	7	**(0.2)**	(0.2)
Net assets		**174.0**	502.2
Capital and reserves			
Called up share capital	10	**87.1**	73.2
Share premium account	10	**72.9**	56.8
Capital redemption reserve	10	**5.6**	5.6
Profit and loss account		**8.4**	366.6
Equity shareholders' funds		**174.0**	502.2

The loss after taxation attributable to the company dealt with in its own accounts for the 11m period ended 31 December 2024 is £0.9m (13m Jan24: loss of £8.6m).

Approved by the Board of directors on 1 April 2025 and signed on its behalf by:

W Berman
Chief Executive

Oliver Mann

O Mann
Chief Financial Officer

The notes on pages 110 to 114 form part of these financial statements.

Registered Company Number: 02304195

Notes to the financial statements of the Company

1. Accounting policies

Basis of preparation

Pinewood Technologies Group Plc is a company incorporated and domiciled in England, UK. The company changed its name from Pendragon PLC to Pinewood Technologies Group Plc on 13 February 2024.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements have been prepared on a going concern basis as explained in note 1 of the Group Financial Statements.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel.
- Disclosures of transactions with a management entity that provides key management personnel services to the company;
- Certain disclosures required by IAS 36 Impairments of Assets in respect of the impairment of assets.

As the consolidated financial statements of the company include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements."

Judgements

The company applies judgement in how it applies its accounting policies, which do not involve estimation, but could materially affect the numbers disclosed in these financial statements. The only key accounting judgement applied in these financial statements is that the dividend received from Pendragon Group Holdings Limited was a return of investment.

Accounting Estimates

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period/year. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors consider the impairment assessment of the value in use of the company's investment in Pendragon Group Holdings Limited to be a key estimate applicable to the financial statements, which has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year or in the long-term.

In preparing these financial statements, management has taken into account climate change risks. This has included reassessing the estimated useful lives of assets and developing assumptions, used in determining estimates, by considered potential impacts of climate risks and the Group's planned response.

Deferred taxation

Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date, except as follows:

(i) tax payable on the future remittance of the past earnings of subsidiaries is provided only to the extent that dividends have been accrued as receivable or a binding agreement to distribute all past earnings exists;

(ii) deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is measured for impairment losses in accordance with IFRS 9 using an expected credit loss (ECL) model. The impairment model applies to financial assets measured at amortised cost. The calculation of ECLs are a probability-weighted estimate of credit losses. For trade receivables, the company applies the simplified approach set out in IFRS 9 to measure expected credit losses using a lifetime expected credit loss allowance. The company considered trade or other receivables, including intercompany receivables, to be in default when the borrower is unlikely to pay its credit obligations to the company in full after all reasonable actions have been taken to recover the debt.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit').

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Investments

Investments held as fixed assets are stated at cost less any impairment losses.

Employee benefits – Share based payments

The company operates a number of employee share option schemes. The fair value at the date at which the share options are granted is recognised in profit and loss on a straight line basis over the vesting period, taking into account the number of options that are expected to vest. The number of options that are expected to become exercisable is reviewed at each balance sheet date and if necessary estimates are revised.

Dividends

Dividends proposed by the Board and unpaid at the end of the period are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when they are paid.

Own shares held by EBT trust

Transactions of the group-sponsored ESOP trust are included in the company financial statements. In particular, the trust's purchases and sales of shares in the company are debited and credited directly to equity.

Auditor's remuneration

Amounts receivable by the company's auditor and its associates in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements.

Profit and loss account

In accordance with the exemption allowed by Section 408 of the Companies Act 2006, the profit and loss account of the company is not presented.

2. Directors

Total emoluments of key management personnel (including pension contributions) amounted to £3.1m (FY23: £5.5m). Information relating to directors' emoluments, share options (including share gains) and pension entitlements is set out in the Directors' Remuneration Report on pages 50 to 56.

3. Dividends

A dividend of 490p per ordinary share amounting to a total of £358.4m was paid on 7 May 2024 (FY23: nil) as communicated to shareholders in the circular to shareholders dated October 2023 in respect of the sale of part of the business to Litha Motors Inc. Lithia UK Holding Limited, who held 13,969,444 ordinary shares waived their right to a dividend as per the terms of the business sale outlined in the afore mentioned circular.

Notes to the financial statements of the Company continued

4. Investments

	Shares in subsidiary undertakings £m
Cost	
At 31 December 2022	981.2
Additions due to group restructuring	547.1
Additions to investments for share based payment arrangements	3.6
Disposals due to group restructuring	(984.8)
At 31 January 2024	547.1
At 1 February 2024	547.1
Dividend received from Pendragon Group Holdings Ltd	(362.8)
At 31 December 2024	184.3
Impairment	
At 31 December 2022	–
Impairment charge due to disposal transaction	(242.5)
Impairment charge for share based payment arrangements	(3.6)
Disposals due to group restructuring	246.1
At 31 January 2024	–
At 1 February 2024	–
Impairment charge	–
At 31 December 2024	–
Carrying amounts	
At 31 December 2022	981.2
At 31 January 2024	547.1
At 31 December 2024	184.3

At the period end, the company holds an investment in Pendragon Group Holdings Limited only, which has been assessed for impairment on a value in use basis. In assessing the carrying value of investments in subsidiary undertakings, an assessment of the recoverable amount of each investment has been undertaken in line with IAS 36. When assessing the carrying value, the value was determined by the higher of its value in use and its fair value less costs to sell. The directors have considered and assessed reasonably possible changes to the key assumptions used in determining the recoverable amounts and have performed sensitivities on these key assumptions. This assessment resulted in the reasonably possible key assumption changes not leading to any impact on the carrying value of investments in subsidiary undertakings at 31 December 2024.

Full details of the company's other investments are given in note 3.6 to the consolidated financial statements. Shares in subsidiary undertakings are stated at cost. Pinewood Technologies Group PLC owns directly or indirectly 100 percent of the issued ordinary share capital and voting rights of the following subsidiaries.

Incorporated in Great Britain having a registered office at 2960 Trident Court, Solihull Parkway, Birmingham, B37 7YN:

Pendragon Group Holdings Limited. *
Pinewood Technologies PLC.
Pendragon Overseas Limited.
Pinewood Computers Limited.

Incorporated in the United States of America having a registered office at 2171 Campus Dr Ste 260, Irvine, California:

Pendragon North America Automotive, Inc. being a merger of the following companies:
Penegon West, Inc.
Bauer Motors, Inc.
Penegon Mission Viejo, Inc.
Penegon Properties, Inc.
Penegon Newport Beach, Inc.
Penegon East, Inc.

Incorporated in Sweden having a registered office at Eversheds Sutherland, Strandvägen, Box 11451, 104 40, Stockholm.
Pinewood Technologies Northern Europe AB

Incorporated in Japan having a registered office at Saiwai Building 9th floor, 3-1 Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo. Pinewood DMS Japan GK

Incorporated in the United States of America having a registered office at Corporation Trust Centre 1209 Orange Street, Wilmington. Delaware.
Pinewood US Holdings LLC

* Direct subsidiary of Pinewood Technologies Group PLC.

5. Debtors

	31 December 2024 £m	31 January 2024 £m
Amounts due within one year:		
Amounts owed by Lithia UK Holdings Ltd	**11.1**	40.3
Other debtors	**1.9**	–
Amounts owed by subsidiary undertakings	**1.6**	3.1
	14.6	43.4

The amount of £11.1m owed by Lithia UK Holding Limited was due in relation to the settlement of intra-group balances arising from the sale of the UK Motor and Leasing businesses. The balance was settled in full by March 2025. Other debtors includes £1.2m owed by Pinewood North America LLC. Full details of related party transactions are disclosed in note 5.1 of the Group accounts.

Expected credit losses in respect of trade and other intercompany receivables are deemed immaterial.

6. Creditors: amounts falling due within one year

	31 December 2024 £m	31 January 2024 £m
Other creditors and accruals	**4.5**	5.4
Other taxation and social security	**–**	2.1
Amounts due to subsidiary undertakings	**28.4**	24.7
Senior Term Finance Agreement	**–**	93.0
	32.9	125.2

Amounts due to subsidiary undertakings are repayable on demand but may remain outstanding indefinitely.

7. Creditors: amounts falling due after more than one year

	31 December 2024 £m	31 January 2024 £m
Other loan notes	**0.2**	0.2

Full details of the company's borrowings including security and maturity are given in note 4.2 to the consolidated financial statements.

8. Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. There are no offset amounts as follows:

	31 December 2024 £m	31 January 2024 £m
Deferred tax assets	**1.3**	2.6

The movement in the deferred tax assets for the period is as follows:

	Retirement benefit obligations £m	Other provisions £m	Losses £m	**Total £m**
At 1 January 2023	1.0	0.9	–	**1.9**
Credited/(Charged) to income statement	(3.4)	(0.8)	2.6	**(1.6)**
Credited/(Charged) to equity	2.3	(0.1)	–	**2.2**
Disposal	0.1	–	–	**0.1**
At 31 January 2024	–	–	2.6	**2.6**
At 1 February 2024	–	–	2.6	**2.6**
Charged to income statement	–	–	(1.4)	**(1.4)**
Credited to equity	–	–	0.1	**0.1**
At 31 December 2024	–	–	1.3	**1.3**

Notes to the financial statements of the Company continued

9. Share based payments

Details of share schemes in place for the Group of which the company participates as at 31 December 2024 are fully disclosed above in note 4.6 of this report.

10. Called up share capital and reserves

Allotted, called up and fully paid shares of £1.00 each at 31 December 2024 and allotted, called up and fully paid shares of £0.05 each at 31 January 2024	**Number**	£m
At 31 January 2024	**1,462,923,523**	73.2
Share issues	**279,388,917**	13.9
Share consolidation	**(1,655,196,818)**	–
At 31 December 2024	**87,115,622**	87.1

Full details of the share issue and share consolidation are given in note 4.4 to the consolidated financial statements. Movements in the number of options to acquire ordinary shares under the Group's various share option schemes, together with exercise prices are fully disclosed above in note 4.6 of this report.

Transactions of the Group-sponsored EBT are included in the company's financial statements. In particular, the trust's purchases of shares in the company, which are classified as own shares, are debited directly to equity through retained earnings. When own shares are sold or reissued the resulting surplus or deficit on the transaction is also recognised within retained earnings.

The market value of the investment in the Group's own shares at 31 December 2024 was £0.0m (31 January 2024: £24.2m), being 0.0m (FY23: 66.6m) shares with a nominal value of £1.00p each, acquired at an average cost of £1.00 each (FY23: £0:05). 66.6m shares were transferred to employees by the Trust on 1 February 2024 for the settlement of the share options which vested on the sale of the UK Motor and Leasing businesses. These options all vested and were accounted for in the prior year however processed by the Trust on 1 February 2024. The trustee of the EBT is Accuro Trustees (Jersey) Limited.

Dividends on the shares owned by the trust, the purchase of which were funded by interest free loans to the trust from Pendragon PLC, are waived. All expenses incurred by the trust are settled directly by Pendragon PLC and charged in the accounts as incurred.

Share premium

The share premium account relates to the proceeds received in excess of the nominal value of shares issued, net of any transaction costs.

Capital redemption reserve

The capital redemption reserve arose following the purchase by the Group of its own shares in FY23 and comprises the amount by which distributable profits were reduced on these transactions in accordance with s733 of the Companies Act 2006. There were no transfers into the capital redemption reserve during the period in respect of shares purchased by the Group and subsequently cancelled.

Other reserves

Other reserves included the amount of demerger reserve arising on the demerger of the Group from Williams Holdings PLC in 1989. During FY23 the company restructured its investments resulting in a reclassification of £13.9m in respect of the merger reserve to the profit and loss reserve.

11. Related party transactions

Identity of related parties.

The company has related party relationships with its subsidiaries, Lithia UK Holdings Limited, Pinewood North America LLC and with its key management personnel.

Transactions with related parties.

The transactions with Lithia UK Holdings Limited and Pinewood North America LLC and directors of the company are set out in note 5.1 to the consolidated financial statements.

12. Parental Guarantee

The UK registered subsidiaries of Pinewood Technologies Group Plc have taken an exemption from audit per Section 479A of the Companies Act for the 11 month period ended 31 December 2024. Pinewood Technologies Group Plc will guarantee the debts and liabilities for Pendragon Group Holdings Limited, Pinewood Technologies Plc, Pendragon Overseas Limited and Pinewood Computers Limited, which have claimed the statutory audit exemption at the balance sheet date of 31 December 2024 in accordance with Section 479C of the Companies Act 2006. The company has assessed the probability of loss under the guarantee as remote.

Advisors, banks and shareholder information

Financial Calendar FY24

1 April 2025	date of this Report
1 April 2025	preliminary announcement of FY24 results

Auditor
RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

Banks
Lloyds Banking Group plc
Barclays PLC
Handelsbanken AB
Mizuho Financial Group Inc
U.S. Bancorp Inc

Closed in FY24
Royal Bank of Scotland plc
Allied Irish Banks plc
HSBC Bank plc

Stockbrokers
Joh. Berenberg, Gossler & Co. KG
Jefferies International Limited

Solicitors
CMS Cameron McKenna
Nabarro Olswang LLP
Geldards LLP
Eversheds LLP
AMT Lawyers Ltd

Stock Classification
The company's ordinary shares are traded on the London Stock Exchange. Investment codes for Pinewood's shares are:
London Stock Exchange: PINE
OTCQX Market: PINWF
Bloomberg: PINE.LN
GlobalTOPIC and Reuters: PINE.L

Share dealing service
Pinewood's company registrar offers a share dealing service, provided by Link Asset Services (a trading name of Link Market Services). Details appear at www.linksharedeal.com

Shareholder and investor information
Making some of our corporate materials and policies available on our website reduces the length of this Report. This year we have placed certain background information on policy and governance on our website. We also display historic financial reports and have a section on company news, which we regularly update on www.pinewood.ai

Getting company reports online
Reduces the environmental impacts of report distribution. To choose online only reporting, visit the share portal and register for electronic form reporting, or contact our registrar, whose details are:

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