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**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

6 June 2025

**Pinewood Technologies Group plc**  
**(“Pinewood.AI” or the “Company”)**

**Acquisition of Lithia’s Majority Stake in North America JV for New Ordinary Shares**  
**Agreement with Lithia for DMS Contract and Roll-Out Scheduled by End of 2028**  
**Publication of Circular in relation to a Proposed Rule 9 Waiver**

Pinewood.AI, a leading pure-play cloud-based software business providing innovative retail solutions to the automotive industry, is pleased to announce that it has entered into an acquisition agreement (the “**Acquisition Agreement**”) with Lithia UK Holdings Limited (the “**Seller**”), a wholly-owned subsidiary of Lithia Motors, Inc. (“**Lithia**”), for the acquisition of the Seller’s 51 per cent. interest in Pinewood North America LLC (the “**Joint Venture**”) for a total consideration of \$76.5 million to be satisfied by the issue of 14,560,691 new ordinary shares (the “**New Ordinary Shares**”) in the capital of Pinewood.AI (the “**Acquisition**”). The New Ordinary Shares will be issued at a price of 386.5 pence per New Ordinary Share, being the volume-weighted average price of Pinewood.AI’s ordinary shares during the thirty-day period preceding the date of this announcement. The Acquisition values the Joint Venture at \$150 million in total, which is supported by the independent valuation work performed by Kroll, LLC (“**Kroll**”) and as further described below.

Pinewood.AI is also delighted to announce that, subject to completion of the Acquisition (“**Completion**”), it will enter into a five year contract with Lithia to roll-out Pinewood.AI’s software to all of Lithia’s current and future sites across the US and Canada by the end of 2028 at the latest (the “**DMS Contract**” and, together with the Acquisition, the “**Transaction**”). Once the Pinewood Automotive Intelligence™ platform has been fully deployed across all existing Lithia stores in North America, Pinewood.AI expects to generate approximately \$40 million in annual recurring revenue based on the current suite of Pinewood.AI products from Lithia in North America. Furthermore, upon completion of the additional North America-specific layered applications (targeted by the end of 2028), Pinewood.AI anticipates total annual revenue from Lithia in North America to increase to approximately \$60 million.

**Acquisition Highlights and Strategic Rationale**

The Independent Directors\* believe that the Acquisition would unlock compelling strategic and commercial opportunities for the Pinewood.AI group across North America, and in particular:

- **Unlocking North America:** the Acquisition would unlock broader adoption of the Pinewood.AI products among North American dealer groups by removing the perceived ‘competitor overhang’ (a consequence of Lithia’s majority stake in the Joint Venture),

positioning the Company to capture a significant share of the \$6.5 billion North American automotive dealer software market;

- **Full Strategic Control:** acquiring Lithia's majority stake in the Joint Venture would give Pinewood.AI complete control over its North American platform, enabling faster execution, greater commercial agility and the ability to fully capitalise on early market momentum as its North American product reaches commercial readiness over the coming months;
- **Lithia North American Roll-out Terms Agreed:** Pinewood.AI and Lithia have agreed pricing for Lithia's use of Pinewood.AI's DMS platform, layered apps, and third-party integrations pursuant to the DMS Contract, which will also secure Lithia's contractual commitment to roll-out Pinewood.AI's software across all current and future sites across the US and Canada by 31 December 2028, subject to the commercial readiness of Pinewood.AI's products for deployment in North America;
- **Supports Medium-Term Growth Ambitions:** the Independent Directors consider the Acquisition to be a key enabler of Pinewood.AI's medium-term ambition to scale in North America and deliver sustainable EBITDA growth, with an updated medium-term target for the financial year ending 31 December 2028 ("FY 2028") to be communicated later this year, following Completion;
- **Enhanced Financial Clarity:** the Acquisition would simplify Pinewood.AI's corporate structure, enabling full revenue consolidation, and enhancing transparency in financial reporting, delivering clearer performance visibility;
- **Strengthened Strategic Partnership with Lithia:** Lithia remains a key customer and committed long-term minority strategic shareholder, and would be contractually committed to a full roll-out of Pinewood.AI's software across its North American dealerships under the DMS Contract, reinforcing long-term alignment between Pinewood.AI and Lithia; and
- **Valuation Supported by Independent Opinion:** the acquisition price is underpinned by a third-party valuation from Kroll, which estimates the fair market value of the Seller's 51 per cent. interest in the Joint Venture at \$73.0 - \$86.1 million (based on a discounted cashflow analysis of the roll-out, which is expected to be contractually committed under the DMS Contract, across Lithia's North American sites only).

*\*The "Independent Directors" are the directors of Pinewood.AI other than Christopher Holzshu and George Hines, who are appointed by the Seller to the board of Pinewood.AI pursuant to the terms of a relationship agreement between the Company and the Seller.*

**Bill Berman, Chief Executive Officer of Pinewood Technologies Group plc, commented:**

*"We are delighted to have reached an agreement with Lithia to acquire the majority stake of the North America joint venture. The US and Canada are central to our growth strategy, and through the Joint Venture, we have made significant progress towards commercialising the Pinewood.AI platform for the North American market. Assuming full control of the Joint Venture will strengthen our ability to fully capitalise on the opportunities available in a key strategic growth market.*

*Today, we are also announcing that we have agreed the terms of a five-year contract with Lithia to implement the Pinewood Automotive Intelligence™ Platform across all its current and future sites by the end of 2028. This is a significant milestone on our journey to entering the North American market and we remain on track to pilot the platform in Lithia's US stores in the second half of 2025, with the full system roll-out commencing in 2026.*

*I would like to take this opportunity to thank Lithia for their partnership in the joint venture and we look forward to working with them as a key customer long into the future.”*

**Bryan DeBoer, Chief Executive Officer of Lithia Motors, Inc., commented:**

*“This agreement represents the next step in our strategic partnership with Pinewood.AI and supports our vision to modernize customer experiences across our ecosystem. As Pinewood.AI’s largest global customer, we are excited to partner in the rollout of their platform across our North American network and accelerate our transformation into a fully integrated, data-driven retailer. Pinewood.AI is now able to emerge as the leading automotive intelligence provider in the U.S.. Each of our global stores are committed to the Pinewood Automotive Intelligence™ Platform, and we will continue partnering on best-in-class product development.”*

**Background to and Reasons for the Acquisition**

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

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

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

greater number of North American dealer groups and accelerate Pinewood.AI's ability to scale up in the highly attractive and lucrative North American market.

The Independent Directors anticipate that Lithia will remain a supportive partner to Pinewood.AI following the Acquisition, committing, under the DMS Contract, to the full roll-out of the Pinewood Automotive Intelligence™ platform across all of its North American stores upon commercial readiness of the product.

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

### **Principal Terms of the Acquisition**

Under the current structure of the Joint Venture, the Company (through Pinewood US Holdings LLC) holds 49 per cent. of the equity interest in the Joint Venture whilst Lithia (through Lithia JVCo) holds the remaining 51 per cent. equity interest (the “**Majority JV Interests**”).

Pursuant to the Acquisition Agreement, the Company has agreed conditionally to acquire the Majority JV Interests for a total acquisition consideration of \$76.5 million, which is supported by the valuation work performed by Kroll. A copy of the valuation report prepared by Kroll (the “**Valuation Report**”) is set out at Appendix 7 to this announcement.

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

The Independent Directors believe that acquiring full control of the Joint Venture will unlock compelling strategic and commercial opportunities across North America. The Acquisition enhances Pinewood.AI's ability to deliver a differentiated value proposition to other North American dealers, while also addressing and mitigating the perceived “competitor overhang”.

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

The consideration for the Acquisition is to be satisfied by the issue of 14,560,691 New Ordinary Shares to the Seller at a price of 386.5 pence per New Ordinary Share (the “**Issue Price**”), being the volume-weighted average price of the Company's ordinary shares (the “**Ordinary Shares**”) during the thirty-day period preceding the date of this announcement, following which the Company shall assume 100 per cent. ownership in the Joint Venture.

Pursuant to the Acquisition Agreement, Lithia is subject to a lock-in restricting the Seller from disposing of the New Ordinary Shares for a period of two years following completion (subject to certain limited customary exceptions, including with the consent of Pinewood.AI) and non-compete restrictions on Lithia and the Seller for 12 months post-completion. The lock-in and non-compete restrictions are customary and similar to the terms agreed in the existing relationship agreement and joint venture agreement between the Company and Lithia).

The Acquisition is subject to certain conditions, as described below and, subject to satisfaction of those conditions, Completion is expected to occur during Q3 2025.

The Transaction is, in the Independent Directors' opinion, in the best interests of shareholders as a whole.

### **Financial Information**

The gross assets of the Joint Venture as at 31 December 2024 were £19.6 million, with net assets of £19.5 million at the same date (both presented under UK-adopted International Accounting Standards (“UK-adopted IFRS”)). The Pinewood.AI group (the “Group”) recognised £9.6 million of the Joint Venture’s net assets as at 31 December 2024, being the Group’s 49 per cent. share, recognised as an interest in associate on the Group’s consolidated statement of financial position. For the 11 months ended 31 December 2024 (“FY24”), under UK-adopted IFRS, the Joint Venture generated an operating loss of £1.7 million, and a loss before tax of £1.0 million. The Group recognised its 49 per cent. share of the loss before tax, amounting to £0.5m, as a share of loss in associate in the Group’s consolidated income statement for FY24. This financial information has been extracted from the Joint Venture’s income statement from Note 5.2 of the Group’s audited 31 December 2024 financial statements.

### **Pro Forma Financial Information**

On an unaudited pro forma basis, to illustrate the effect of the proposed Acquisition on the Group’s net assets for FY24 as if the proposed Acquisition had completed on 31 December 2024, the Acquisition would have increased the net assets of the Group by £8.3 million representing:

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

An unaudited pro forma income statement has been prepared to illustrate the effect of the proposed Acquisition on the Group’s results for FY24 as if the proposed Acquisition had occurred on 1 February 2024 being the beginning of the period presented which shows a FY24 pro forma profit after tax of £3.5m for the combined business.

The unaudited proforma net assets statement and income statement, and the bases of preparation and assumptions applied are included as Appendix 2.

The unaudited pro forma financial information has been prepared for illustrative purposes only. By its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the enlarged group’s actual financial position or results. It does not purport to represent what the Group’s financial position or results of operations actually would have been if the Acquisition and other adjusted items described had been completed on the dates indicated, nor does it purport to represent the results of operations for any future period or financial position of the Group at any future date.

### **Current Trading**

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

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

In light of the Acquisition, the Directors intend to provide the market with updated guidance for the financial year ending 31 December 2025 (which will be on an underlying EBITDA basis) later this year, following completion of the Acquisition. In addition, the Directors intend to issue a new medium-term underlying EBITDA target for FY 2028) later this year, following completion of the Acquisition, which the Company believes will significantly enhance its value proposition to other North American dealer groups. It is expected that the FY 2028 underlying EBITDA target would reflect the Company's medium-term prospects, on account of the anticipated ramp-up of its North America operations.

### **Rule 9 of the Takeover Code**

The issue of the New Ordinary Shares to the Seller in connection with the Acquisition would result in the Seller's and its concert parties' (together, the “**Concert Party**”) holding of Ordinary Shares increasing from approximately 22.1 per cent. of the Company's total issued share capital to approximately 32.0 per cent. of the Company's total issued share capital. This would therefore trigger the obligation under Rule 9 of the City Code on Takeovers and Mergers (the “**Takeover Code**”) for the Concert Party to make a general offer to acquire all of the Ordinary Shares not held by the Concert Party at the Issue Price.

In addition, the percentage of Ordinary Shares in which the Concert Party is interested could be increased subsequently as a result of the Company making market purchases of Ordinary Shares, which could similarly result in the Concert Party becoming obliged under Rule 9 and Rule 37 of the Takeover Code to make an offer for the entire issued Ordinary Share capital of the Company. In the event that the Company makes market purchases of Ordinary Shares up to the maximum amount of its authority to do so, other than in relation to the buyback of Ordinary Shares held by the Concert Party, based on the anticipated issued share capital of the Company immediately following completion of the Acquisition, the Concert Party would hold approximately 35.5 per cent. of the issued share capital of the Company.

The requirement to make a mandatory offer under Rule 9 of the Takeover Code can be waived by the Panel on Takeovers and Mergers (the “**Panel**”), if (amongst other things) the shareholders of the Company (other than the Concert Party) (the “**Independent Shareholders**”) approve a waiver of the mandatory offer provisions set out in Rule 9 of the Takeover Code (the “**Waiver Resolutions**”). The Panel has agreed, subject to the approval of Independent Shareholders of the Waiver Resolutions on a poll at the general meeting (the “**General Meeting**”), to waive any obligations that would otherwise arise on the Concert Party to make a mandatory offer under Rule 9 of the Takeover Code, as further detailed in the Circular (as defined below).

### **Annual General Meeting, General Meeting and Publication of the Circular**

The Acquisition is conditional, amongst other things, on (i) the aforementioned approval by the Independent Shareholders of the Waiver Resolutions at the General Meeting and (ii) the approval by the shareholders of the Company (“**Shareholders**”) of an ordinary resolution to provide the Directors with the authority to allot and issue the New Ordinary Shares (together, the “**Resolutions**”). Therefore, if the Resolutions are not approved, the Acquisition will not proceed.

To convene the General Meeting to propose the Resolutions, the Company has published a Panel-approved circular to its shareholders (the “**Circular**”). The Circular, which will be despatched to shareholders today, contains a notice of General Meeting at which the Company will seek approval of the Resolutions. Shareholders will also find enclosed with the Circular a form of proxy to use in connection with the General Meeting.

The General Meeting will be held at the Radisson Hotel & Conference Centre, London Heathrow, Meeting Room - Earhart, Building A, Bath Rd, Heathrow Blvd, Sipson, West Drayton UB7 0DU on 30 June 2025 at 1.00 p.m., or as soon thereafter as the annual general meeting of the Company, which is being held at 12.45 p.m. at the same location on the same day (the “**AGM**”), has been concluded or adjourned, if later. Notice of the AGM will be despatched to Shareholders today.

Shareholders are reminded to review carefully the actions to be taken by them in connection with the General Meeting, which are detailed in the Circular. The procedures and timings for shareholders to vote on the Resolutions proposed at the General Meeting are set out in the notes to the notice of the General Meeting in the Circular and on the form of proxy.

A copy of the Circular and the Notice of the AGM will be submitted to the National Storage Mechanism and will shortly be available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. The Circular and the Notice of the AGM are also available for inspection on the Company's website.

### **UK Listing Rules**

#### ***Significant transaction***

Due to its size in relation to the Group, the Acquisition constitutes a “significant transaction” for the purposes of the UK Listing Rules (“**UKLRs**”) made by the Financial Conduct Authority (the “**FCA**”) and is therefore notifiable in accordance with UKLR 7.3.1R and 7.3.2R.

#### ***Related party transaction***

In addition, as a result of the Seller being a significant shareholder in Pinewood.AI, the Seller is a “related party” of Pinewood.AI for the purposes of the UKLRs and, as a result, the Acquisition constitutes a “related party transaction” under UKLR 8R.

The Independent Directors consider the Acquisition to be fair and reasonable as far as the shareholders of Pinewood.AI are concerned and the Independent Directors have been so advised by Jefferies International Limited (“**Jefferies**”) acting in its capacity as sponsor. In providing its advice to the Independent Directors, Jefferies has taken into account the Independent Directors’ commercial assessments.

Further information relating to the Acquisition, as required by the UKLRs and the Takeover Code, is set out in the Appendices to this announcement.

### **Market Abuse Regulation Statement**

This announcement contains inside information.

The person responsible for arranging the release of this announcement on behalf of the Company is Oliver Mann, Chief Financial Officer.

#### **Enquiries:**

#### **Pinewood.AI**

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Neither the contents of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.



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### **Notice to Overseas Investors**

This announcement may not be distributed, directly or indirectly, in or into any jurisdiction where to do so might constitute a breach of applicable law.

This announcement is for information purposes only and does not constitute or form part of any offer or invitation to buy, subscribe for, or sell Ordinary Shares in the United States or any other jurisdiction in which such offer or solicitation is unlawful. This announcement is intended only to comply with the Company's obligations under applicable disclosure rules and is not intended to constitute marketing or promotion of the Ordinary Shares in the United States or to U.S. persons as such term is defined in Regulation S promulgated under the United States Securities Act of 1933, as amended (the “**US Securities Act**”).

The Ordinary Shares have not been and will not be registered under the US Securities Act or under the laws of any state or other jurisdiction of the United States, and therefore may not be offered or sold, directly or indirectly, in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. No public offering of securities is being made in the United States. The Transaction relates to the securities of an English company and is subject to UK procedural and disclosure requirements that are different from those of the United States. Any financial statements or other financial information included in this document may have been prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. It may be difficult for US holders of Ordinary Shares to enforce their rights and any claims they may have arising under the US federal securities laws in connection with the Transaction, since the Company is located in a country other than the United States, and some or all of its officers and directors may be residents of countries other than the United States. US holders of Ordinary Shares may not be able to sue the Company or its officers and directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel the Company and its affiliates to subject themselves to the jurisdiction or judgment of a US court.

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

The release, publication or distribution of this announcement, the Ordinary Shares in or into jurisdictions other than the United Kingdom may be restricted by laws and/or regulations of those jurisdictions. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and should observe, any applicable requirements. Any failure to comply with

these requirements may constitute a violation of the securities laws of any such jurisdiction. Unless otherwise determined by the Company, and permitted by applicable law and regulation, the Transaction will not be implemented and documentation relating to the Transaction shall not be made available, directly or indirectly, in, into or from an Excluded Territory where to do so would violate the laws of that jurisdiction. Accordingly, copies of this announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Excluded Territory and persons with access to this announcement and any documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in, into or from any Excluded Territory.

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

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

#### **Notice to all Shareholders**

This announcement is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security. The Company intends to publish the Prospectus, once approved by the FCA, in connection with the admission of the New Ordinary Shares to the equity shares (commercial companies) category of the Official List and to trading on the Main Market (“**Admission**”) in due course. Accordingly, this announcement has not been approved by or filed with the FCA or the London Stock Exchange. This announcement should be read in conjunction with the Circular and the Prospectus, both of which will be made available on the Company’s website at [www.pinewood.ai/investors](http://www.pinewood.ai/investors) on or around the date of this announcement.

This announcement contains forward-looking statements. These statements relate to the Pinewood.AI group's future prospects, developments and business strategies. Forward-looking statements are identified by their use of phrases such as “potential”, “estimate”, “expect”, “may”, “will”, or the negative of those, variations or comparable expressions, including references to assumptions. The forward-looking statements in this announcement are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. No assurance can be given that this information will prove to be correct and such forward-looking statements should not be relied upon. These forward-looking statements speak only as at the date of this announcement.

No statement in this announcement is intended as a profit forecast or estimate for any period.

No statement in this announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Pinewood.AI group, for the current or future

financial years would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Pinewood.AI group.

## **APPENDIX 1**

### **KEY FINANCIAL INFORMATION RELATING TO THE ACQUISITION**

To assist with the assessment of the valuation of the Majority JV Interests, below is a summary of the key financials.

#### **Sources of Financial Information**

In this announcement unless otherwise stated:

- (i) financial information relating to Pinewood.AI has been extracted, without material adjustment, from the audited financial statements for the 11-month period ended 31 December 2024 prepared in accordance with UK-adopted International Accounting Standards; and
- (ii) where information has been sourced from a third party, Pinewood.AI confirms that the information has been accurately reproduced and, as far as Pinewood.AI is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used, the source of such information has been identified wherever it appears in this announcement.

## APPENDIX 2

### UNAUDITED PRO FORMA FINANCIAL INFORMATION

#### Basis of preparation

The unaudited pro forma financial information (the “Unaudited Pro Forma Financial Information”) of the Group has been prepared to illustrate the effect of the Acquisition on:

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

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

The Unaudited Pro Forma Financial Information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

#### Unaudited Pro Forma Income Statement

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

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

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

## Unaudited Pro Forma Statement of Net Assets

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

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

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



## APPENDIX 3

### MATERIAL CONTRACTS

#### 1. MATERIAL CONTRACTS OF THE PINEWOOD.AI GROUP

- 1.1 The following contracts, not being contracts entered into in the ordinary course, have been entered into by the Company or other members of the Group in the two years prior to the date of this announcement, or are subsisting agreements which the Company believes Shareholders would reasonably require for the purpose of making a properly informed assessment of the Acquisition and its impact on the Company:

##### 1.1.1 *Acquisition Agreement*

The Acquisition Agreement provides for the sale of a 51 per cent. interest the Joint Venture from the Seller (following a pre-sale reorganisation whereby Lithia JVCo will transfer the 51 per cent. interest to the Seller) to the Company, for a total consideration of \$76.5 million to be satisfied by the issue of the New Ordinary Shares to the Seller.

Completion is conditional upon (i) the Financial Conduct Authority (the “FCA”) approval and publication of the Prospectus, (ii) approval by the Shareholders of the Resolutions, (iii) completion of the abovementioned pre-sale reorganisation between the Seller and Lithia JVCo (iv) all waiting periods applicable to the Acquisition under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 having expired or been terminated and (v) Admission (the “Conditions”). Completion under the Acquisition Agreement will occur automatically upon Admission. The Acquisition Agreement will terminate if one or more of the Conditions are not satisfied prior to 3 September 2025.

Lithia may terminate the Acquisition Agreement in the event that any of the following occur:

- a) the Circular is not despatched to the Company’s shareholders by 13 June 2025;
- b) the Circular does not include the recommendation from the Independent Directors to Company’s shareholders to vote in favour of the Resolutions (or such recommendation is subsequently withdrawn);
- c) if the FCA does not provide approval to the Prospectus or the Prospectus is not published in accordance with the Prospectus Regulation Rules by 30 June 2025; or
- d) if the General Meeting has not been held (and the Resolutions put to Shareholders) by 7 July 2025.

The Acquisition Agreement contains certain restrictions on Lithia and the Seller between the date of the Acquisition Agreement and completion to ensure that the Joint Venture does not depart from its ordinary course of business during that time. The Acquisition Agreement includes certain warranties from all parties relating to their capacity to enter into the Acquisition Agreement, title warranties from Lithia JVCo and the Seller in relation to its 51 per cent. interest in the Joint Venture, a lock-in restricting the Seller from disposing of the New Ordinary Shares for a period of

two years following completion (subject to certain limited customary exceptions, including with the consent of Pinewood.AI) and certain non-compete restrictions on Lithia and the Seller for 12 months post-completion. The lock-in and non-compete restrictions are customary and similar in nature to the terms agreed in the existing relationship agreement and joint venture agreement between the Company and Lithia (and their respective subsidiaries).

The Acquisition Agreement is governed by English law and subject to the exclusive jurisdiction of the courts of England and Wales.

#### 1.1.2 *2025 Sponsor Agreement*

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

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

#### 1.1.3 *Jefferies Engagement Letter*

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

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

#### 1.1.4 *Warrant Instruments*

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

North American installations by GAH each relate to warrants over 871,156 Ordinary Shares. The Warrant Instrument in respect of the UK installation by GAH relates to warrants over 4,355,781 Ordinary Shares.

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

#### 1.1.5 *Seez Acquisition Agreement*

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

#### 1.1.6 *Placing Agreement*

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

#### 1.1.7 *Seez Warranty Deed*

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

#### 1.1.8 *Seez Subscription Letters*

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

#### 1.1.9 *Seez Lock-In Deeds*

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

- (i) with the prior written consent of the Company, which shall not be unreasonably withheld;
- (ii) transferring or otherwise disposing of Ordinary Shares in accordance with any order made by a court of competent jurisdiction as required by law or regulation;
- (iii) accepting a recommended offer for the whole of the issued equity share capital of the Company (other than any equity share capital held by or committed to the offeror and/or persons acting in concert with the offeror) made in accordance with the Takeover Code on or in executing and delivering an irrevocable undertaking to accept such an offer;
- (iv) pursuant to any compromise or arrangement under Section 896 of the Companies Act providing for the acquisition by any person (or any group of persons acting in concert, as such expression is defined in the Takeover Code) of 50 per cent. or more of the Ordinary Shares and which compromise or arrangement has been sanctioned by the courts;
- (v) in connection with any scheme of reconstruction under section 110 of the Insolvency Act 1986 in relation to the Company;
- (vi) the disposal of rights to Ordinary Shares issued by the Company by way of a rights issue to fund the take-up of the balance of such rights; and
- (vii) selling or otherwise disposing of Ordinary Shares pursuant to any offer by the Company to purchase its own Ordinary Shares which is made on identical terms of all holders of Ordinary Shares in the Company.

#### 1.1.10 *Joint Venture Agreement*

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

The Joint Venture Agreement provides that:

- (i) the board of the Joint Venture shall consist of a maximum of four managers, of whom two shall be appointed by Lithia and two shall be appointed by

the Company, and that the member holding a majority of the equity interests in the Joint Venture, being Lithia JVCo as at the date of this announcement, has the right to appoint the chairperson of the board of the Joint Venture;

(ii) the quorum for meetings of managers of the Joint Venture is to be one manager appointed by each of the Company and Lithia, with resolutions being passed by simple majority, and the chairperson having a casting vote; and

(iii) a number of strategic decisions are reserved for shareholders, and require the approval of members holding at least 85 per cent. of membership interests.

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

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

#### 1.1.11 *Pendragon Disposal Agreement*

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

##### Consideration

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

##### Warranties and indemnities

The Pendragon Disposal Agreement contains warranties and a tax covenant (subject to customary limitations including a maximum financial liability cap of £1.00) granted by the Company to the Seller that are customary for this type of transaction. The aggregate liability of the Company for all other claims under the Pendragon Disposal Agreement shall not exceed an amount equal to 25 per cent. of the consideration thereunder.

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

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

##### Governing law and jurisdiction

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

#### 1.1.12 *Relationship Agreement*

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

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

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

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

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

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

#### 1.1.13 *Reverse Transitional Services Agreement*

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

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

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

#### 1.1.14 *Intellectual Property Agreement*

On 31 January 2024, the Company entered into an IP assignment agreement with Pendragon Management Services Limited (the “IP Assignment Agreement”). Pursuant to the IP Assignment Agreement, the Company agreed to assign to

Pendragon Management Services Limited certain trade marks and domain names together with all trading names and business names in connection with the Disposal for a consideration of £1.00. Such trade marks, domain names and associated trading names are relevant to the Disposal Group's business only and were not relevant to or required by the Group following completion of the Disposal.

#### 1.1.15 *Licence and Framework Services Agreement*

On 1 February 2024, Pinewood.AI and the Joint Venture entered into a licence and framework services agreement (the “**Licence and Framework Services Agreement**”) for the Joint Venture to commercialise software owned by Pinewood.AI in the United States of America and Canada. Pursuant to the Licence and Framework Services Agreement, the Joint Venture granted the Company a perpetual, royal-free, non-transferable, non-sub-licensable, exclusive licence to edit, market, promote, sell, implement, configure and support the software and deliverables.

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

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

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

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

#### 1.1.16 *DMS Escrow Software Agreement*



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

#### 1.1.17 *Deed of Admission and Amendment*

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

#### 1.1.18 *Flexible Apportionment Agreement*

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

- (i) NewCo 2 substituted the Company as “Principal Employer” of the Scheme;
- (ii) NewCo 2 assumed recallabilities for the liabilities; and
- (iii) the Company ceases to be an employer and a former employer in relation to the Scheme and is discharged from any further liability under the Scheme.

#### 1.1.19 *2023 Sponsor Agreement*

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

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

## 2. MATERIAL CONTRACTS OF THE JOINT VENTURE

- 2.1 The Joint Venture has not entered into any material contracts in the two years immediately preceding the publication of this announcement, save for contracts entered into in the ordinary course, or as set out above.

## **APPENDIX 4**

### **SIGNIFICANT CHANGE STATEMENT**

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

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

## **APPENDIX 5**

### **LITIGATION**

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

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

## **APPENDIX 6**

### **RELATED PARTY TRANSACTIONS**

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

**APPENDIX 7**  
**VALUATION REPORT**



**Strictly Confidential:**

June 4, 2025

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

Ladies and Gentlemen:

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

**Description of the Proposed Transaction**

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

**Fair Market Value**

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

**Valuation Methodology**

The Valuation Opinion has been prepared in compliance with appropriate professional standards and pursuant to the requirements of the UK City Code on Takeovers and Mergers (the "Code") and the prospectus regulation rules of the UK Financial Conduct Authority (the "FCA") (the "Prospectus Regulation Rules"). Duff & Phelps used the discounted cash flow methodology to estimate the Fair Market Value of Lithia's 51% ownership interest in the JV. The discounted cash flow methodology is a valuation technique that provides an estimation of the value of a business based on expectations about the cash flows that the business would generate over time. Beginning with estimations of the annual cash flows expected to be generated over a discrete projection period, these cash flows are converted to their present value equivalent using a rate of return appropriate for the risk of achieving the projected

cash flows. The present value of the estimated cash flows is then added to the present value of the residual value for the business at the end of the discrete projection period to arrive at an estimate of fair market value. Duff & Phelps did not rely on alternative valuation methodologies, such as a market approach or precedent transaction approach, due to the lack of public companies and target companies in precedent transactions with comparable financial performance metrics as the JV, given that the JV is in the early stages of commercialization in North America.

### **Valuation Analysis**

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

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

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

### **Valuation Opinion**

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

### **Conflicts of Interest / Independence**

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

### **Responsibility Statements**

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

Save for any responsibility which we have to the Company and any responsibility arising under the Prospectus Regulation Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept

any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Opinion or our statement above; and

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

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

### **Consent Statement**

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

### **Professional Credentials**

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

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

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

**Yours sincerely,**

**for and on behalf of Kroll, LLC**



Kroll, LLC  
1 S. Wacker Drive  
Suite 7000  
Chicago, IL 60606

## **APPENDIX 8**

### **RULE 29 OF THE TAKEOVER CODE**

The Valuation Report set out in Appendix 7 to this announcement was produced at the Company's request by Kroll. Kroll has given and has not withdrawn its written consent to the annexure of the Valuation Report to this announcement and has authorised the contents of the Valuation Report and the inclusion of its name and the references to it in the form and context in which it is included.

For the purposes of Rule 29.5 of the Takeover Code, the Directors confirm that Kroll has confirmed to it that an updated valuation, as at the date of this announcement, of the Majority JV Interests valued by Kroll would not be materially different to the valuation given by Kroll as at 4 June 2025 and contained in the Valuation Report.



## APPENDIX 9

### RISKS TO THE COMPANY AS A RESULT OF THE ACQUISITION

The Directors consider the following risks to Pinewood.AI as a result of the Acquisition.

However, additional risks and uncertainties as a result of the Acquisition and not currently known to the Directors, or that the Directors currently consider immaterial, may also adversely affect the Group's business, results of operations, financial condition and prospects. If any or a combination of the following risks materialise, the Group's business, financial condition and/or operational performance could be materially adversely affected. In that case, the trading price of the Ordinary Shares may decline and investors may lose all or part of the value of their investment.

Additional material risk factors that are specific to the Company and its Ordinary Shares will be set out in the Prospectus.

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

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

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

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

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

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

Additionally, whilst the Company has obtained an independent valuation of the Joint Venture, the assumptions upon which the valuer estimated the fair market value of the Joint Venture may prove to be incorrect and the value of the Joint Venture may be lower than the value of the consideration paid.

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

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

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

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

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

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

As a result of the Acquisition, Pinewood.AI's exposure to Lithia is expected to increase, particularly through the expansion of Lithia's shareholding in the Company. While this deepened relationship may offer strategic alignment and opportunities for collaboration, it also represents a shift in the Company's Shareholder profile. Changes of this nature may influence third party's perception of the Company's independence and positioning within the broader market. Although Pinewood.AI remains committed to serving all customers equally and maintaining its open, partner-neutral approach, it is possible that some existing customers may reassess their commercial engagement with Pinewood.AI over time, and potential new customers who are competitors of Lithia may be less likely to switch to using the Group's products, depending on how they interpret the evolving shareholder landscape. If the Group's existing customers were to cease to use the Group's products, or potential new customers were to decline to switch to the Group's products, as a result of their interpretation of Pinewood.AI's shareholder profile, this could have a material and adverse impact on the Group's growth strategy, business, financial condition, results of operations or prospects.