

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

PENDRAGON PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 02304195)

Registered office: Loxley House 2 Oakwood Court, Little Oak Drive, Annesley Nottingham,
Nottinghamshire, NG15 0DR

27 September 2022

To the employees and employee representatives of Pendragon PLC (“Pendragon” or the “Company”)

Dear Colleagues,

Announcement in respect of receipt of an unsolicited proposal regarding a possible offer for Pendragon

On 26 September 2022, Pendragon announced that, on 21 September 2022, it received an unsolicited, preliminary and highly conditional proposal from Hedin Mobility Group AB (the “**Hedin Group**”) regarding a possible cash offer for the entire issued and to be issued share capital of Pendragon at 29 pence per share (the “**Proposal**”).

In accordance with the requirements of Rule 2.11 of the City Code on Takeovers and Mergers (the “**Code**”), a copy of the announcement (the “**Announcement**”) released on 26 September 2022 by the Company in relation to the Proposal, will be available on the Company’s website at www.pendragonplc.com as soon as possible and in any event no later than 12 noon on 27 September 2022, so that it is readily available to you.

There can be no certainty that any firm offer will be made by the Hedin Group, nor as to the terms on which any firm offer might be made. The Board of Pendragon is currently considering the Proposal together with its financial and legal advisers and will make a further announcement if and when appropriate. In the meantime, you do not need to take any action.

If the Hedin Group or any other potential bidder announces a firm offer for the Company, the formal offer documentation providing further information will be made available on the Company’s website in due course.

I would also like you to note that, should a firm offer be made for the Company, you (as an employee of the Company) or your employee representative (if appointed) will have a right under Rule 25.9 of the Code to have published, at the Company’s cost, a separate opinion on the effects of the transaction on your employment. Any such opinion will be appended to any offer or scheme document published in respect of the transaction in accordance with Rule 25.9 of the Code. The Company will also be responsible for the costs reasonably incurred in taking advice required for the verification of the information contained in that opinion. This notice is being given in accordance with Rule 2.11(d) of the Code.

We will, of course, keep you updated as things progress including making formal announcements as and when appropriate.

Yours sincerely

Ian Filby
Chairman
PENDRAGON PLC