

Driving future growth

Pinewood Technologies Group PLC
Annual Report FY25

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FY25 Highlights

Financial highlights*

Revenue	Gross profit
£40.5m	£34.7m
+29.8%	+23.0%
FY24: £31.2m	FY24: £28.2m
Recurring revenue	Net customer churn
83.2%	2.5%
-3.3%	+1.4%
FY24: 86.5%	FY24: 1.1%
Underlying EBITDA	Underlying EBITDA margin
£16.4m	40.5%
+17.1%	-4.4%
FY24: £14.0m	FY24: 44.9%

Contents

Strategic Report	Directors' Report
Pinewood at a glance.....	Board of Directors.....
Investment Case.....	The Non-Executive Board.....
Our Growth Ambition.....	Corporate Governance Report.....
Chairman's Statement.....	Audit Committee Report.....
Chief Executive Officer's Review.....	Nomination Committee Report.....
Drivers of Growth.....	Remuneration Committee Report.....
Business Model.....	Directors' Remuneration Report.....
Business Strategy.....	Directors' Report.....
Financial Review.....	Statement of Directors' Responsibilities.....
Operating Review.....	
S172 Statement.....	Financial Statements
ESG Report.....	Independent Auditors' Report.....
Risk Overview & Management.....	Group Financial Statements & Notes.....
Viability Statement.....	Company Financial Statements & Notes.....
	Advisors, Banks & Shareholder Information.....

* Please note that FY24 was an 11 month period.

Pinewood at a glance

Dedicated to transforming automotive retail software

What we do

Software-as-a-Service (SaaS) for two decades

First SaaS automotive system

Our platform

A leading automotive retail ecosystem

- Pure cloud-based software designed around customers and hyperscale
- Our system is active in 36 countries with over 35,000 users focused on the UK, Europe and Asia

Recurring revenue streams

- Consistent growth in revenue and high, stable gross margins
- c.86% of revenue is recurring (H1 FY25)

High user loyalty

- 2.0% avg. net user churn over the last three years

Experienced workforce

- 40 year's experience in the automotive industry
- International workforce across multiple countries
- Headcount of c.400 employees of which c.50% are software developers

Partnerships with 50+ OEM Brands

- Long-standing relationships with original equipment manufacturer (OEM) strategic partners
- Enables transformation of customer experience, improved efficiency and increased profitability

398

Employees across the globe

36

Countries with Pinewood AI operations

8

Registered offices globally

Investment case

Why invest in automotive DMS?

01

Mission-Critical Software

- Dealer Management Software (DMS) is a mission-critical system of record, allowing car dealerships to manage day-to-day operations
- It is the operational backbone for dealerships—downtime halts revenue, reinforcing its strategic indispensability

02

Long Customer Tenure

- OEM relationships and market 'know-how' are required to sell to dealerships, creating barriers to entry and reinforcing incumbent advantage
- Average customer relationships exceed a decade, giving vendors durable, annuity-like retention
- Certification with each manufacturer can cost vendors up to \$1m per brand, deterring new entrants

03

High Switching Costs

- Historically, DMS migration has been a lengthy process, taking 12+ months and requires retraining staff and risking short-term revenue disruption
- This has historically resulted in high retention rates

04

Attractive Financial Profile

- Subscription revenue visibility as dealer groups pay on multi-year contracts, creating highly predictable cash flows
- Asset light SaaS model and minimal COGS translates to high gross margins

05

Digital-Transformation Catalyst

- AI-enabled features (e.g., automated scheduling, customer outreach) boost operational efficiency, reduce errors and cut admin burdens for dealerships
- This has accelerated modern DMS adoption

06

Compliance & Regulatory

- Heightened scrutiny and rising compliance demands have driven dealers towards secure, cloud-based DMS platforms like Pinewood.AI

Our growth ambition

Clear roadmap for growth

Our target

£58-62m

FY28 Underlying EBITDA

How we will get there: our drivers of growth

Continuous evolution

The Group maintains a balance between product innovation, operational efficiency and a customer-centric focus. This blend of influences acts as a constant source of inspiration and allows us to maintain a continuous flow of enhancements and new products for our customers.

Customer growth and retention

Customer growth remains a central driver of our success, with our sales teams proactively engaging prospective clients to showcase the innovation, performance, and intuitive design of our solutions. Equally vital is customer retention; our dedicated product specialists work closely with clients to maximise value, deepen adoption, and introduce enhancements and new capabilities that support their evolving needs.

Experts behind our products

From product specialists with extensive system and dealership expertise to senior developers and architects who were instrumental in building the product from the ground up, our team brings unmatched mastery, insight, and hands-on experience across every critical area, ensuring innovative solutions, seamless integration, and exceptional performance at every level.

Chairman's statement

2025 was a year of strong strategic and operational progress

Pinewood.AI, as a Group, continued to build momentum as a standalone, pure-play automotive technology business."

Ian Filby, Non-Executive Chairman

Over the period, the focus has been firmly on executing our strategy and delivering against the targets set out at our Capital Markets Day in October 2024. The strong financial performance achieved over the year is clear evidence of that progress.

During the year, Pinewood.AI achieved a number of important milestones, including signing a significant contract with Global Auto Holdings, hitting our target to sign up two of the top 20 auto retail groups in the UK and Ireland ahead of schedule. Implementation is progressing well and remains on track for completion in 2026, demonstrating our ability to deliver complex, large-scale deployments for leading automotive retailers.

Building on this strong execution in the UK, Pinewood.AI made significant progress in advancing its international ambitions. In particular, the opportunity in North America remains significant, and the Group has taken meaningful steps towards unlocking this potential. Engagement with OEM partners across Lithia's network has progressed well, with integration work underway with a large number of partners. The commencement of a pilot programme in one of Lithia's US dealerships marks an important milestone, and we are encouraged by the early progress as we build towards a broader rollout in 2026.

A further strategic highlight was the acquisition of Seez, a leading automotive AI platform. This enhances Pinewood.AI's product offering and strengthens our in-house capabilities in an area that is becoming increasingly important to our customers. Integration is progressing well, and the Company sees a meaningful opportunity to drive further growth through cross-sell and continued product innovation.

Alongside these strategic developments, the Group has continued to invest in its platform and product capabilities. The pace of innovation remains high, with enhancements to user experience and the development of our Business Intelligence offering further strengthening the value we provide to customers. This is reflected in the Group's exceptionally high levels of customer retention and recurring revenue, which remain key indicators of the strength and relevance of our technology.

The Board also took steps during the year to simplify the Group's structure and strengthen its position in North America, with the agreement to acquire Lithia's majority stake in the Pinewood North America joint venture. This provides the Group with greater strategic and operational control as we pursue our growth ambitions in this important market.

During the year, we also strengthened the composition of the Board with the appointments of Shruthi Chindalur and Dr Robert Plant as Independent Non-Executive Directors. They bring a wealth of experience across technology, strategy and international markets, which will be invaluable as the Group continues to execute its growth plans. I would also like to thank Nikki Flanders for her significant contribution to the Board over a number of years, particularly in advancing the Group's ESG agenda, and wish her well for the future.

As we look ahead, we remain confident in the Group's long-term prospects. Pinewood.AI benefits from a strong competitive position, underpinned by its proprietary technology, deep OEM integrations and high levels of recurring revenue. The Board is encouraged by the momentum in the business and the significant opportunities ahead across our core markets.

On behalf of the Board, I would like to thank all of our colleagues for their continued hard work and commitment. Their expertise and dedication have been central to the progress made over the past year and will remain critical as we move into the next phase of our development.

The Board remains focused on supporting Bill and his team as they continue to execute the Group's strategy and deliver on its medium-term targets. We are confident that Pinewood.AI is well positioned to deliver sustainable, long-term value for shareholders.



Ian Filby,
Chairman

22 April 2026

Chief Executive Officer's review

Well-positioned for future expansion

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."

Bill Berman, Chief Executive Officer

2025 was the second year of Pinewood.AI being a standalone technology provider to automotive retailers and OEMs and I am proud of the huge progress we have made in this time. From the highly successful system rollout in the 42 ex-Jardine Motor Group dealers, signing major enterprise customers Marshalls and Lookers, our pivotal acquisition of Seez AI, an oversubscribed equity raise, deals with Porsche and Volkswagen in Japan and buying Lithia out of their share of the North American JV, it has been a momentous two years. We set out our strategy at our Capital Markets Day (CMD) in October 2024 and all of this activity represents positive progress against the strategic targets we declared.

The largest opportunity from a commercial viewpoint is in North America, with a total addressable market of over \$9 billion. We have made huge strides in the last 12 months on our North American development work and we have now engaged with the vast majority of OEMs that Lithia represents through its North American dealer network. Integration work is underway with a large number of these OEMs. Alongside this, our product teams have been carrying out extensive testing and development to optimise the Pinewood.AI platform for the North American market and this has enabled us to start our system testing in some of Lithia's US dealers.

Chief Executive Officer's review continued

The pilots are progressing extremely well and we are building significant momentum towards a full rollout across Lithia's US dealers.

In July 2025 we reached an agreement with Lithia to acquire its majority stake in our Pinewood North America LLC joint venture, which was established at the time the original transaction that created Pinewood.AI. We saw the benefits of this decision in February 2026 with our first showing at the North American Dealer Association (NADA) conference in Las Vegas, which was a tremendous success. We had thousands of visits to our stand and a number of positive conversations with potential customers based not only in North America, but around the world.

One of the prevailing trends in the past year has been increased scrutiny on companies in the software industry in the face of continued advances in AI technologies, particularly those made by the largest 'general purpose' AI agents.

We are excited by the transformative potential that AI presents for our business and our customers. In March 2025, Pinewood.AI acquired Seez, the market-leading automotive AI company. Unlike competitors whose AI functionality relies solely on general-purpose Large Language Models (LLMs), Seez's approach uses advanced reasoning to actively drive our customers' businesses forward. Integration of the Seez AI functionality with the Pinewood AI data stack has been a priority throughout 2025 and is now at an advanced stage, with cross-selling opportunities already converting across both the historic Pinewood AI and Seez customer bases.

The quality and depth of our proprietary data, built up over 20+ years, underpins a competitive moat that general-purpose AI agents cannot easily replicate. Our OEM integrations are tailored to each country and manufacturer, requiring the kind of deep industry intelligence that comes only from years of collaborative development with dealers and OEMs. This is not a 'one size fits all' market, and that complexity is our advantage. We are not standing still: we continuously use these insights to evolve and improve our platform, ensuring Pinewood.AI remains the most capable and trusted solution in automotive retail technology.

The evolution of the Pinewood.AI platform continues at pace, with a number of other embedded features that can be offered to our customers. In particular, we are in a progressed stage with our Business Intelligence module, which has a number of Data & Analytics embedded dashboards. This continual evolution is one of the key reasons our customer retention is so high. Our net customer churn in FY25 was just 2.5%.

Looking ahead, we are very confident in the positive long-term prospects for the Group. Pinewood.AI holds a leading position as a mission-critical, full-service, embedded technology provider to automotive retailers and OEMs. We benefit from high recurring revenues and long-standing OEM partnerships. This positions Pinewood.AI to remain at the forefront of technology innovation, ensuring that we provide best in class technology and secure solutions for our current and future customers.

Therefore, we are well-positioned to continue executing our strategy and the Board reaffirms its expectations that Pinewood.AI will achieve its medium-term FY28 guidance of underlying EBITDA of £58-62 million.



Bill Berman
Chief Executive Officer

22 April 2026

Drivers of growth

Continuous evolution

Origins

Pinewood was founded in 1981 after a Renault dealer in London grew frustrated with the lack of suitable systems to run his business. He assembled a small team of developers to build a better solution, marking the birth of Pinewood as a classic early-1980s tech startup.

1981

Growth and modernisation

Throughout the 2000s, Pinewood evolved from traditional on-premise systems to a fully cloud-based DMS, pioneering digital tools for online vehicle sales, customer communication, and data-driven dealership management. It's software powered thousands of dealerships across the UK and Europe, becoming known for reliability, integration, and innovation.

2000s-2010s

Expansion

Pinewood spun out independently and began trading as Pinewood Technologies Group PLC (LSE: PINE). Under the customer-facing brand Pinewood.AI, the company launched its Automotive Intelligence Platform, a unified, AI-powered cloud platform designed for OEMs and dealer groups worldwide. Led by CEO Bill Berman, Pinewood.AI positioned itself as a global leader in automotive intelligence, blending data, automation and customer experience tools.

2024

Early innovation

Pendragon acquired Pinewood to develop a multi-brand DMS capable of supporting large-scale dealership operations. Pinewood became central to Pendragon's growth, helping introduce new digital processes and efficiency models that later became industry norms.

1998

Transformation

By the early 2020s, Pendragon was one of Europe's largest dealer groups, with Pinewood providing its core technology backbone. In 2023-24, following Pendragon's strategic sale of its dealer network to Lithia Motors, Pinewood Technologies Group PLC emerged as a standalone public company, focused solely on software and technology for automotive retail.

2020-2023

Global scale

In March 2025, Pinewood.AI acquired Seez, strengthening its capabilities in AI-driven automotive retail. In July 2025, it acquired the remaining 51% stake in its North American joint venture, taking full ownership and accelerating its U.S. roll-out. In August 2025 the South African partner operation was acquired, enabling full control and accelerated growth in the region. By late 2025, Pinewood.AI operated in 36 countries, with their technology being utilised in over 2,000 dealers with more than 50,000 daily users.

2025

Drivers of growth continued

Customer growth and retention

Growth

Seez AI

- Acquisition opens global AI automotive opportunities
- Works with all dealer software no matter the existing provider

International scale up

- US & Japanese projects progressing well
- Acquisition of market partners allows access to full scale of global revenues

Retention

Minimal net user churn

- Net user churn 2.5%

High recurrence

- Recurring revenue and long-term retention through subscription-led model

Customer satisfaction

- Users experienced 91% satisfaction FY25

Security driving retention

- 100% cloud-based and continued investment in security

\$60_m

Fully scaled
annual Lithia
US revenue

£64.5m

Total Contract Value (TCV) –
future incremental revenue
from signed customer contracts

83.2%

Recurring
revenue

2.5%

Net user
churn

Drivers of growth continued

Experts behind our products

Expanding product range

Integration of Seez AI tools

- Integration of AI products allows us to improve dealer operational efficiencies and automate workflows, resulting in faster lead responses and improved conversion rates as well as proactive aftersales revenue generation

Connected ecosystem strategy and future roadmap

- Pinewood AI platform powered by Seez creates a seamless experience leveraging the best from both platforms
- Business Intelligence reporting, driving improved dealership oversight from operational data as the single source of the truth

Expert skill

Deep expertise

- Built by car people, for car people

Global implementation know-how

- Wide operations and experience
- 36 countries with Pinewood AI operations

Expanding technical skill base

- e.g. Acquisition of Seez adds specialist knowledge, ensuring we retain competitive advantages

People-first culture

- People-first, values-led culture that drives growth by engaging with, supporting and inspiring our team

£33.7m

Recurring revenue

398

Employees around the world

£10.5m

Spend on software development

Business model

Technology platforms, built by car people for car people

How we create value

What we offer	The problems we solve	What our clients value	Benefits we provide to dealerships
Connected, real time data	- Our USP is more than a DMS - The inability of dealerships to unlock the value of their data isn't just due to the limitations of their current DMS - Cultural lack of customer-centricity is an industry problem that technology does not solve	Connected customer journey	- 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
Superior customer insights	- 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	Personalised conversations	- Automotive specific AI, supporting dealer processes - Deep and longstanding customer relationships, 2% net user churn over the last three years
Customer-centric culture		Customer-centric experience	- A stable, highly skilled team, unrivalled automotive industry expertise and experience – built by car people for car people

Business strategy

Significant opportunity ahead

The Pinewood business strategy, as outlined at our Capital Markets Event in October 2024 can be seen below. So far, we have seen strong initial execution with significant opportunity ahead.

UK & Ireland	International	Products / Vertical sales	North America
- Target Large UK Auto Retail Groups - Top 100 Sweep - Maximise Product Sales in Existing Customer Base	- Northern & Central Europe - Asia Pacific - South Africa	- Multiple Product Opportunities to Upsell - AI - Build vs Buy vs Partner	- Discovery Phase and Development Work - US Store Pilot - Rollout into US Market

Financial review

Strong growth with global demand

Revenue increased by 29.8% to £40.5m in FY25 (from £31.2m in FY24) and gross profit increased to £34.7m in FY25 (from £28.2m in FY24). The revenue growth was due to a combination of FY24 being an 11 month period and FY25 being a 12 month period, the Seez acquisition in March 2025, revenue from new customers and revenue from upselling to our existing customer base. £33.7m of the FY25 revenue of £40.5m was recurring (83.2%). Underlying profit before tax increased from £8.5m in FY24 to £8.8m in FY25.

The decrease in the gross margin rate from 90.4% in FY24 to 85.7% in FY25 was due to the impact of the Seez acquisition, whose results were consolidated from the start of March 2025. The majority of our cost of sales are cloud hosting costs. We continue to use a series of measures to make our cloud hosting as efficient as possible, while maintaining optimum system performance.

Underlying administrative expenses in FY25 increased by £6.6m compared to FY24 to £26.4m. £2.6m of the increase related to increased software asset amortisation and increased depreciation charges, with the remainder primarily related to increased resource costs.

As a result of these movements, underlying operating profit in FY25 was £8.3m, a decrease of £0.1m from £8.4m in FY24 and underlying EBITDA was £16.4m, an increase of £2.4m from £14.0m in FY24.

There was a non-underlying profit before tax of £40.9m (FY24: £0.3m loss). This consisted of a £60.8m gain on the remeasurement of previously held equity interest in Pinewood North America, LLC with Lithia (FY24: nil), £1.6m loss from the Group's share of the result from the 'joint venture', (FY24: £0.5m loss), one-off transaction related costs of £5.9m (FY24: £3.1m), share-based payment costs of £3.6m (FY24: £1.0m), amortisation of acquisition related intangible assets of £4.0m (FY24: £nil), finance income of £0.2m (FY24: £4.3m income) and a £4.2m loss from the subsidiary, Pinewood North America, LLC, since Lithia's share was bought in July 2025 (FY24: £nil) and losses on financial instruments of £0.8m (FY24: £nil).

Group net assets were £204.2m at 31 December 2025 (31-Dec-2024: £39.0m), with the main balances being £51.5m of goodwill (31-Dec-2024: £0.3m), a £161.7m intangibles balance (31-Dec-2024: £16.3m), £34.1m of cash (31-Dec-2024: £9.3m) and £7.5m of deferred income (31-Dec-2024: £7.6m).

The operating loss of £9.4m (FY24: £4.3m profit) was made up of the underlying operating profit of £8.3m and the non-underlying operating loss of £17.7m. The profit before tax of £49.7m (FY24: £8.2m profit) was a result of the underlying profit before tax of £8.8m and the non-underlying profit before tax of £40.9m.

	12m period ended 31 December 2025 (FY25)	11m period ending 31 December 2024 (FY24)	Variance
£m, unless stated			
Revenue	40.5	31.2	29.8%
Gross Profit	34.7	28.2	23.0%
Underlying EBITDA	16.4	14.0	17.1%
Underlying Profit Before Tax	8.8	8.5	3.5%
Underlying Operating Profit	8.3	8.4	(1.2)%
Operating (Loss) / Profit	(9.4)	4.3	(318.6)%
Profit Before Tax	49.7	8.2	506.1%
Cash as at 31 December	34.1	9.3	266.7%

Cash at the start of FY25 was £9.3m and the main movements to arrive at the £34.1m at the end of FY25 were £34.1m of proceeds from the equity fundraise in February 2025, £26.5m paid relating to the Seez acquisition in March 2025 and £10.0m collected from Lithia relating to a tax debtor.

Operating review

Strong financial performance

Pinewood.AI is a leading cloud-based full-service technology provider to automotive retailers and OEMs in the UK and 35 other countries worldwide, 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.AI. 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 complementary add-on products such as CRMs and service tools is worth an additional \$4.1 billion and there is also a \$2.8 billion addressable market in systems for commercial vehicles, RVs, motorbikes and boats. All of this North American market is an opportunity for Pinewood.AI.

Pinewood.AI'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;
- a focus on strong manufacturer partnerships and supporting dealer profitability; and
- a commitment to using the latest technology to reshape motor retail.

Operating review continued

£m	H1 FY25	H2 FY25	FY25	H1 FY24	H2 FY24 ²	FY24	Change
Revenue	19.6	20.9	40.5	16.1	15.1	31.2	29.8%
Gross Profit	17.0	17.7	34.7	14.5	13.7	28.2	23.0%
Gross margin rate	86.7%	84.7%	85.7%	90.1%	90.7%	90.4%	(4.7%)
Underlying Administrative Expenses	(12.9)	(13.5)	(26.4)	(10.5)	(9.3)	(19.8)	33.3%
Underlying Operating Profit¹	4.1	4.2	8.3	4.0	4.4	8.4	(1.2%)
Net finance income	0.3	0.2	0.5	-	0.1	0.1	400.0%
Underlying Profit Before Tax	4.4	4.4	8.8	4.0	4.5	8.5	3.5%
Underlying Depreciation and Amortisation	3.8	4.3	8.1	2.9	2.7	5.6	44.6%
Underlying EBITDA¹	7.9	8.5	16.4	6.9	7.1	14.0	17.1%

¹ This is an Alternative Performance Measure (APM).

² H2 FY24 was a five month period ending 31 December 2024.

Note: FY25 is a 12 month period ended 31 December 2025 and FY24 is an 11 month period ended 31 December 2025.

Pinewood.AI's system is a market-leading automotive intelligence platform, which has been developed collaboratively with dealers and OEMs to provide secure software across sales, aftersales, accounting and CRM and has focused on developing recurring revenue streams. In FY25, 83.2% of Pinewood.AI's revenues were on a recurring basis. During FY25 there has been net customer churn of 2.5%. This low net churn reflects the 'stickiness' of the Pinewood.AI system.

In FY25, Pinewood.AI increased its investment in its systems with £13.6m of development expenditure, of which £10.5m was capitalised (77% capitalisation rate). The main focuses for the development team during FY25 have been 'hyperscale' system development to ensure the system is ready for deployment in North America, working on North American integrations with OEMs and third-party layered apps, and ongoing investment in platform architecture and security.

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.

S172 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 2025, further detail of which is set out below and which are incorporated into others parts of the Strategic Report.

Customers

How we engage

- 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

Why we engage

- Our purpose is to deliver a market-leading Dealer Management System to all of our customers

What matters to this group

- Uninterrupted access to our system
- Use of a market-leading system
- Having a relationship with us where they are listened to

What did we do as a result

- 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
- Acquired Seez to enhance product offering
- Acquired Pinewood North America, allowing full operational control
- Acquired partner operations, allowing full operational control in their markets

Employees

How we engage

- We listen carefully to the views of all of our employees through regular employee surveys

Why we engage

- 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

What matters to this group

- 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

What did we do as a result

- We reviewed associate pay and conditions
- We continued to enhance the range of benefits available to associates, including adding full EVs 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
- Worked with acquired businesses to ensure the successful integration of their employees into the Group

Suppliers

How we engage

- Regular meetings and updates between all key suppliers and management
- Supplier payment terms reported and published

Why we engage

- 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

What matters to this group

- Fair trading and payment terms
- Anti-bribery
- Anti-modern Slavery
- Operational improvement

What did we do as a result

- We surveyed all key suppliers for adherence to anti-slavery standards

S172 Statement continued**Community****How we engage**

- Regular involvement in charity appeals

Why we engage

- We generate community involvement through local engagement, contributing to local areas in a variety of ways

What matters to this group

- Charitable donations and support
- Employment opportunities
- Volunteering
- Fair tax policy

What did we do as a result

- We continued other charitable activities where possible

Environment**How we engage**

- 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

Why we engage

- We acknowledge the responsibility we have to protect the environment and to minimise the environmental impact of our activities

What matters to this group

- 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

What did we do as a result

- 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 21 of this Annual Report

Shareholders And Potential Shareholders**How we engage**

- 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

Why we engage

- We work to ensure our shareholders and their representatives have a good understanding of our strategy and business model

What matters to this group

- Long-term value creation
- Fair and equal treatment
- Growth opportunity
- Financial stability
- Transparency
- To share in the success of our business

What did we do as a result

- 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 engaged with and met with a number of large shareholders throughout FY25
- 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 wanted to raise
- We engaged with shareholders with reference to resumption of dividends
- Equity raise for Seez acquisition
- Prospectus for Pinewood North America and vote for acquisition

ESG Report

Driving sustainable value with ESG

Improving positive environmental impact, meaningful social progress, and transparent, responsible governance

Pinewood's focus is fully aligned with the unique nature of our SaaS operations, ensuring our Environmental, Social and Governance (ESG) strategy is both relevant and impactful. There have been many positive changes to the Group in FY25 related to our ESG activities.

- The Group has transitioned to using fully renewable electricity for the main UK office, reducing our CO₂ footprint. The practicality of replicating this for our recent acquisitions will be analysed in FY26
- We are accelerating the transition of our vehicle fleet to fully hybrid and electric models, delivering a meaningful reduction in CO₂ emissions compared with previous years and reinforcing our commitment to lower-carbon operations
- Reduction in single use plastic has been particularly effective this year. Plastic water cups have been replaced by aluminium water bottles for employees and glass for visitors, while all hot drink cups have been replaced by ceramic mugs. This was one of our most significant areas of plastic waste
- By embracing the UK Government's Simpler Recycling initiative and partnering with our waste management provider, since starting the scheme we have been able to recycle over 30% of our general waste
- As we move forward, our ESG strategy will continue to evolve, adapting to the needs of both our business and wider society. We remain committed to embedding ESG considerations into our strategic priorities, ensuring lasting impact and accountability

ESG Report continued

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.

We are committed to creating an environment where our people feel empowered, supported and inspired to do their best work as we shape the future together.”

Caroline Pilatowicz, HR Director

ESG Report continued

Gender balance

We describe our approach to Board composition diversity in the Nomination Committee's report on page 44.

	as at 31 December 2025			as at 31 December 2024		
	Male	Female	Total	Male	Female	Total
Director	8	2	10	7	2	9
Senior Manager*	12	6	18	4	2	6
All employees	261	137	398	203	93	296

*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.

This year, we've taken our offering even further. Through a new partnership, all employees now have round-the-clock access to remote medical services, including mental health support.

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 member's 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 member's futures by investing in robust pension schemes and insured benefits that provide security for health-related matters.

Our development

Our training and development programmes support both our team member's 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.

102

Increased headcount

34%

Female employees FY25 (FY24: 31%)

ESG Report continued

Environmental report

Pinewood remains committed to its environmental responsibility, operating under a formal Environment Policy that reflects our position 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 of dealerships to Lithia, 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.

As part of our commitment to reducing single-use plastics across the Group, we introduced a new initiative this year: the Pinewood AI reusable mug. Designed to replace non-recyclable coffee cups and plastic lids, the mug helps support our sustainability objectives.

ESG Report continued

TCFD Overview

Recommendation	Recommended disclosures	Summary of progress	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 2025, the ESG Committee met three times, as they did in 2024, maintaining 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. FY26 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 will continue to meet at least twice a year, maintaining a strong focus on sustainability and driving progress on our ESG commitments.	Annual Report Environmental, social and governance report page 18	●
	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, the Operations & Compliance Director, and two senior members of operational leadership, with other associates 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 twice 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. FY26 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 have embedded climate-conscious decision-making into our energy procurement and supplier selection processes, reinforcing our commitment to sustainability at every level of our operations.		

Disclosure Level: ● Full ● Partial ○ Omitted

ESG Report continued

Recommendation	Recommended disclosures	Summary of progress	Reference	Disclosure level
Strategy				
Disclose the actual and potential impacts of climate relates 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 26 - Dec 27), medium term (Jan 28 - Dec 30), 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 28 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. FY26 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 30 Environmental, social and governance report page 18	●
	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 six 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. FY26 priorities The Group is constantly evaluating how climate-related factors may influence our products and services, via the ESG and Risk Committees, ensuring we remain proactive and well-prepared for any potential impacts.	Annual Report Risk Management page 30 Environmental, social and governance report page 18	◐
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios. We are including a 2 degree C or lower scenario reflecting the original 2 degree international danger line and an above 3 degree C scenario representing severe to extreme risks	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 six leased office locations in urban areas. The two in the UK are not significantly exposed to climate risks. Most likely to occur issues for our offices are : Dubai is predicted to have issues with extreme heat, Fort Lauderdale is likely to face issue with sea level rises, Cape Town is expected to have problems with drought, while Tokyo is likely to face increased extreme weather. 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. FY26 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.		●

Disclosure Level: ● Full ◐ Partial ○ Omitted

ESG Report continued

Recommendation	Recommended disclosures	Summary of progress	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 meets, 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 times 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 30 to 32 on our Group's risk management approach. FY26 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 30	●
	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 30 to 32 on risk management in the Group. FY26 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 30	●
	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. FY26 priorities Maintain strong focus on all areas that facilitate management and assessment of climate-related risks.	Annual Report Risk Management page 30	●

Disclosure Level: ● Full ● Partial ○ Omitted

ESG Report continued

Recommendation	Recommended disclosures	Summary of progress	Reference	Disclosure level
Metrics & Targets				
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 CO₂. We consider it important to recognise that as revenue increases so will emissions, which is why we include tonnes of CO₂ per £m of revenue as a further key metric. The ESG Committee is responsible for presenting these findings to the Board. FY24 serves as a baseline for reported emissions allowing us to report future changes. More information on the Group's carbon emissions is provided on page 28. FY26 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 26	●
	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 the flights taken during FY25. FY26 priorities The Group is focused on enhancing our data capture process allowing us to report to the enhanced UK reporting standard expected for FY26.	Annual Report Environmental, social and governance report page 28	●
	c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	The Group will remain focused on its CO₂ emissions by £m of revenue as a key metric driving immediate action to reduce its environmental impact. FY26 priorities The Group will target a 10% reduction of the total CO₂ emissions by the end of 2027 from a base year of 2024.	Annual Report Director's Remuneration Report page 47 Environmental, social and governance report page 28	●

Disclosure Level: ● Full ● Partial ○ Omitted

ESG Report continued

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 of £500k, pre mitigation. 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 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.	Medium term Below 2 degrees	Transitional Minor	Increase in annual cost (£) of internal resources used to monitor climate legislation and compliance remain below 10%.
	Mitigation Ensuring compliance while maintaining efficiency will require ongoing investment in technology, processes and expertise.			
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.	Medium to long term Above 3 degrees	Transitional Minor	Number of providers requesting contract reviews based on increased costs does not exceed 1.
	Mitigation Maintaining clear communication and support for partners. Acquisition of partner operations. Appoint regional directors to sharpen strategic focus and drive disciplined expansion into new markets.			
	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.	Medium to long term Above 3 degrees	Transitional Minor	Change in annual cost (£) relating to data centre services per user remain below 15%.
	Mitigation Regular review of data centre costs and reported climate changes.			
	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.	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.
	Mitigation Ensuring critical suppliers have robust disaster recovery plans.			

ESG Report continued

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%.

ESG Report continued

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.	Short term Below 2 degrees	Physical Minor	Annual cost (£) relating to energy and CO ₂ reduction against prior year > 5%.
	Mitigation Review of energy usage targeted on reducing intensity.			

For the purpose of the above table, in terms of impact and rating: Minor shall mean the risk has relatively little, or non-material financial impact; Moderate shall mean the risk has a moderate financial impact; Major shall mean the risk has a major or material financial impact.

Global greenhouse gas emissions data

The current period is a 12 month period and the prior period is an 11 month period. Scope 1, direct emissions decreased as a result of enhanced emissions analysis and the accelerated transition of our company fleet to hybrid and electric vehicles. Scope 2 indirect emissions also reduced following the UK operation's move to renewable electricity during the year. Scope 3 emissions increased significantly, reflecting the first-time inclusion of comprehensive flight data. It is worth noting that flight distances and frequency have significantly increased with our acquisition of delivery partners and work in the US. We are taking 2024 as the base year for emissions, with tonnes of CO₂ per £m of revenue as our primary metric.

Source*	Tonnes of CO ₂ e			
	UK 01.01.25 – 31.12.25	Global 01.01.25 – 31.12.25	FY25 Total 01.01.25 – 31.12.25	FY24 Total (Base) 01.02.24 – 31.12.24
Scope 1: Direct emissions from activities for which the company own or control – emissions generated by its internal fleet operations (Scope 1/tCO ₂ e)	14	1	15	43
Scope 2: Indirect emissions from the use of purchased electricity and gas (Scope 2/tCO ₂ e)	38	0	38	71
Scope 3: Emissions generated by employee commuting, cloud services, AI model & flights (Scope 3/tCO ₂ e)	1,124	188	1,312	359
Total gross scope 1, 2 & 3 emissions: /tCO₂e	1,176	189	1,365	473
Energy consumption used to calculate above emissions: /kWh (Scope 2)	333,068	N/A**	333,068	361,773
Scope 1, 2 & 3 Intensity Ratio (tonnes of CO ₂ per £m of revenue)			34	15

Methodology (i) Scope 1 and Scope 2 emissions have been reported where the Group has operational control of a property or asset. This includes emissions from driving activities as detailed in note (ii). (ii) CO₂ emitted from driving activity comprising business vehicle travel (Scope 1) and employee commuting (Scope 3) is the result of analysis of mileage, vehicle and employee commute data for FY25 to quantify the total mileage and CO₂ emissions across internal operations (company cars and employee commutes). The mileage of vehicles was extracted from the Groups expense system. Employee home and work postcode information was used to calculate commuting distances, with an average CO₂ emissions per mile (based on the UK average) used to calculate total emissions (iii) Other than employee commuting, Scope 3 emissions are reported from flight information extracted from the Group's expense system. (iv) We use the latest UK Government GHG Conversion Factors for Company Reporting, published by DEFRA, to calculate our greenhouse gas emissions.

*Table includes UK, South African, North American and Seez operations. The disclosure of other overseas operations is immaterial. **Global KWH not available as offices are managed service buildings.

Risk Overview and Management

Optimising risk strategies in automotive retail

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 39. 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.

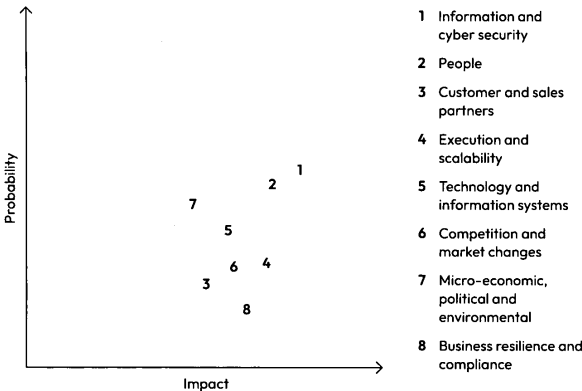
Risk Overview and Management continued

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 30 to 32 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. During FY25 the RCG continued to review all business risks, updating our risk register and mitigation strategies as required. These risk factors should be considered alongside the Group's risk management system, as detailed below and in the Corporate Governance Report on page 39.

Risk heat map



Change in risk from 2024: Increased Decreased No change

1 Information and cyber security

- 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	Mitigation - 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
Impact before mitigation - 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	

2 People

- Failure to retain key personnel or recruit the necessary additional talent to deliver our strategic ambitions	Mitigation - 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 - Comprehensive employee assistance programme
Impact before mitigation - 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	

Risk Overview and Management continued

3 Customer and sales partners



- 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

Impact before mitigation

- 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

Mitigation

- 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
- Appointment of regional directors to ensure focus is maintained as the business expands into new markets
- Acquisition of sales partner business where appropriate
- 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

4 Execution and scalability



- Failure to implement our strategy effectively through inability to deliver product development or sales growth in-line with the business plan

Impact before mitigation

- 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

Mitigation

- Rigorous Quality Assurance tests are conducted for every piece of development work, ensuring the highest standards of performance and reliability
- Risk assessments are a mandatory and integral part of the development process, ensuring proactive identification and mitigation of potential challenges
- Appointment of regional directors to ensure focus is maintained as the business expands into new markets

5 Technology and information systems



- Failure to maintain current technology, or identify and adapt to new technological opportunities

Impact before mitigation

- 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

Mitigation

- The Product Team conducts multi-level sign-offs, ensuring thorough pre-release functionality reviews with key stakeholders. We proactively provide customers with development release notes ahead of each launch
- Continuous investment in Development (approx. 25% of revenue)
- Our Microsoft partnership empowers the business to leverage cutting-edge technology and tools, driving innovation and enhancing operational capabilities
- Pursue targeted acquisitions where purchase delivers greater speed, scale or value than building organically e.g. Seez

Change in risk from 2024: Increased Decreased No change

Risk Overview and Management continued

6 Competition and market changes

- Failure to meet competitive challenges such as entry of a new competitor, competitor consolidation, or changes to the franchise dealer networks or operating model

Impact before mitigation

- 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

Mitigation

- 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
- Pursue targeted acquisitions where purchase delivers greater speed, scale or value than building organically

7 Micro-economic, political and environmental

- 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
- Potential disruption to software implementations and client support due to deteriorating global conditions and restricted international mobility

Impact before mitigation

- 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
- Lost revenue from failed implementations and support

Mitigation

- Aged debts are actively and effectively managed to maintain financial stability
- Customer deposits are secured to safeguard against the risk of customer insolvency
- We maintain a portfolio of multi-currency bank accounts, enabling us to convert currencies at a predetermined future fixed value or when exchange rates are most favourable
- Remote communications software (Teams etc) and a SaaS product allows us to support and implement without a physical presence

8 Business resilience and compliance

- 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

Impact before mitigation

- 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

Mitigation

- 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

Change in risk from 2024:  Increased  Decreased  No change

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code, published by the Financial Reporting Council in January 2024 (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 2028. 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 £34.1m of cash and during this period, the three-year review forecasts indicate that the Group will be cash generative.

These metrics are subject to a stress-test that has a 10% reduction in forecast revenue. Given the Group's activity is Software as a Service (SaaS), with net customer 'churn' of 2.5%, 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 the three-year period, the Group still remained cash flow positive in the period. 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.

Whilst the Group is forecasting significant growth in both Seez and Pinewood North America during this period (some of which is not yet secured via contract), given the level of starting cash and the cash generative nature of this growth plus the ability to mitigate associated costs, the Directors consider that any further risk beyond the 10% reduction in revenue modeled would not result in cash resources being significantly impacted such that it would impact on the Group's viability.

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 viability.

In addition, further discussion of the principal risks affecting Pinewood Technologies Group PLC can be found within the Annual Report and Accounts on pages 30 to 32.

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 FY25, 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

22 April 2026

Directors' Report

Board of Directors.....	35
The Non-Executive Board.....	36
Corporate Governance Report.....	37
Audit Committee Report.....	40
Nomination Committee Report.....	44
Remuneration Committee Report.....	46
Directors' Remuneration Report.....	47
Directors' Report.....	56
Statement of Directors' Responsibilities.....	59

Board of Directors

Key to memberships, roles and re-election status during FY25

- (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

Company Secretary

Ollie Mann

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 Telephone 0121 697 6600

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 Registered number 2304195

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.

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.

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.

The Non-Executive Board

Board composition

Chris Holzshu

Non-Executive Director



Chris joined the Pinewood board on 31 January 2024 and served as Executive Vice President and Chief Operations Officer for Lithia & Driveway (LAD) until 31 January 2026, at which point Chris was deemed to be Independent. Since joining LAD in 2003, the organisation has experienced tremendous growth under his leadership. LAD is the number one automotive retailer in North America. 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



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 served as the Chief Innovation & Technology Officer for Lithia & Driveway (LAD), driving digital innovation, technology strategy and execution. Additionally, he brings a focus on human-centred 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. George resigned as a Director of the Board in 14 April 2026.

Dietmar Exler

Non-Executive Director



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.

Dr Robert Plant

Non-Executive Director



Robert has over three decades of experience spanning technology, strategy and education. He is the founding Chair of the Department of Business Technology at the University of Miami and an associate professor at the University of Miami's Herbert Business School. His innovative work is focused on AI. He has advised global firms including Polen Capital, the global asset manager, and currently serves on the advisory board of Arreva, a fundraising and donor management software business. He has taught executive MBAs across the world and is a frequent contributor on technology issues to publications including the Financial Times, Forbes Insights and Harvard Business Review.

Shruthi Chindalur

Non-Executive Director

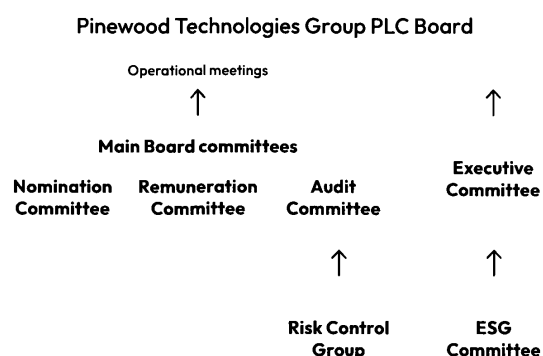


Shruthi has 25 years' experience across technology, commercial and go-to-market strategy. She previously held senior leadership roles at Oracle, LinkedIn and Criteo, where she led commercial strategy, international expansion and business transformation across EMEA and the Americas. She most recently held a Non-Executive Director role at The Access Group for 4 years and is currently a Non-Executive Director at Bytes Technology Group plc and Kainos Group plc, in addition to her role as an Advisory Board Member at FirstParty Capital.

Corporate Governance Report

The 2024 UK Corporate Governance Code (Code) applies to the Company and is available on the FRC website at www.frc.org.uk. During the period ended 31 December 2025, the Company complied with the majority of the applicable provisions of the Code. While Provision 29 of the 2024 Code has been considered, it is not a mandatory requirement. The Company therefore continues to apply Provision 29 of the 2018 Code, which remains appropriate and effective for its governance arrangements. The corporate governance statement as required by the Listing Rules is set out below.

Governance framework



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 baseline 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, where the ability to ask questions anonymously ensures that workforce voices are heard clearly by the Board. Our information sharing platforms include Teams channels and our intranet, which provide timely and relevant news to all. While the Company has not appointed a director from the workforce, a formal workforce advisory panel, or a single designated non-executive director, the Board considers these existing methods including the conferences, digital forums, and the employee share investment scheme to be highly effective alternative arrangements.

These mechanisms provide a broad and consistent flow of information that allows the Board to monitor culture and address workforce concerns effectively.

While the Board entrusts the Chief Executive Officer and Chief Financial Officer with the primary responsibility of engaging with key stakeholders, the Non-Executive Chairman remains readily accessible. During the year, the Chairman maintained regular dialogue with the Company's Top 10 shareholders through various channels, including face-to-face meetings, email, and at the NADA show. In accordance with Provision 3 of the Code, Committee Chairs also sought engagement on matters relevant to their responsibilities; Ms Bird engaged with shareholders regarding Remuneration and reviewed relevant Proxy Reports to ensure the Board maintains a clear understanding of investor views. Insights gathered from these engagements are shared across the entire Board, ensuring they are fully integrated into our financial planning and strategic decision making processes.

The Nomination Committee continues to lead the process for appointments and succession planning, with minutes maintained as evidence of an orderly and diverse pipeline for both the Board and senior management. The Audit Committee manages the external audit relationship in line with the Minimum Standard, ensuring the auditor has full access to staff and records and monitoring their independence and objectivity. Furthermore, the Board monitors the company's internal control framework, prioritising material controls such as SOC 1 and SOC 2.

SOC 1 and SOC 2 are independent audit reports that assess a service organisation's internal controls, with SOC 1 focusing on controls relevant to financial reporting and SOC 2 focusing on operational controls, including data security.

Executive remuneration schemes, including Remuneration Committee incentive plans, promote long-term shareholdings. All Director contracts and LTIPs include robust malus and clawback provisions to enable the recovery or withholding of sums in specific circumstances, such as misconduct or financial misstatement.

The Board is committed to ensuring the workforce can raise concerns in confidence and, if they wish, anonymously.

Corporate Governance Report continued

While whistleblowing has historically been reported via our standalone HR department, a new third-party whistleblowing service went live in February 2026 to provide further independence. This service will ensure the proportionate and independent investigation of concerns, with the Board routinely reviewing reports and follow-up actions to ensure the control environment remains robust.

The Board operates robust conflict management procedures to ensure that the influence of third parties does not compromise independent judgement. Specifically, a formal declaration of interest is in place regarding Lithia Motors Inc., and the Board has deemed its conflict clearance processes effective in managing this relationship. The responsibilities of the Chair, CEO, and committees are clearly defined in writing and made publicly available. To assist Board effectiveness, the Chairman conducted individual meetings with each Director and met with the non-executive directors separately from the executive team. The Committee ensures that notice or contract periods for directors are one year or less, ensuring compensation commitments do not reward poor performance.

When making new appointments, the Board takes into account other demands on directors' time. For the recent executive recruitment, the Board engaged third-party agency, TENO to ensure a rigorous process. The Board confirms that all directors disclose significant commitments prior to appointment and that no director has undertaken additional external appointments without prior Board approval.

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.

A primary focus this year has been the implementation of our roadmap toward SOC 2 and SOC 1 compliance for our global operations. The Committee specifically identified segregation of duties and platform-wide permissions as material focus areas within our digital infrastructure. To further mitigate the risk of financial misstatement, we have overseen the integration of AI-driven enhancements within our financial control systems to reduce the potential for human error.

Furthermore, the Board's oversight of the South African buyout led to an outcome that significantly outperformed initial expectations, delivering a 25% return and performing £2.6 million ahead of our initial matrix. These results demonstrate that our governance framework is successfully converting strategic intent into measurable shareholder value, ensuring that the Board's time is effectively spent on drivers of long-term sustainability.

Leadership and board composition

As at 22 April 2026, the Board comprises two executive directors, seven non-executive directors, (including the non-executive chairman) and two director nominated by Lithia Motors Inc. Chris Holzshu left Lithia Motor Inc. on 31 January 2026 and is still on the Pinewood Board but is no longer

a Lithia representative. On 14 February 2026, Tina Miller was appointed to the Board as Lithia's Board representative in place of George Hines, who resigned from the Board on 14 February 2026. 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 2026, together with directors' brief biographical details appear on page 35, and gender balance details are on page 45.

The Board operates with clearly defined roles, and the Chairman met with Non-Executive Directors separately during the year to assess board effectiveness. All directors have access to the advice of the Company Secretary, Heena Chowdhury.

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 2025 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;
- up to the end of 31st July 2025, 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.

Board evaluation

In FY25, 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

Corporate Governance Report continued

incorporating recommended improvements into our 2026 Board programme. For more information on our approach to individual and Board evaluations, please visit the company's website.

The Board remains committed to the highest standards of corporate governance and continues to monitor its own performance to ensure long-term success. The Chair commissioned a regular board performance review facilitated by an independent third party, moving away from the previous approach of simply considering the requirement on an annual basis. This ensures a more robust, independent evaluation of our leadership dynamics and strategic oversight.

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.

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. Following a formal decision by the Board, Heena Chowdhury has stepped into the role of Company Secretary. The Company Secretary plays a critical role in facilitating the flow of information within the Board and its committees. All directors have direct access to the advice and services of the Company Secretary, who is responsible for advising the Board, through the Chairman, on all governance matters, statutory obligations, and procedural rules.

Directors also have access to expert support on legal and procedural issues, as well as guidance for their induction and ongoing professional development. Additionally, all directors have the right to seek independent professional 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.

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.

Work of the risk control group

The RCG, made up of the chief financial officer, operations and compliance director, technical compliance leader 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 FY25.

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

Board Attendance

Current Directors	Board	Audit	Nomination	Remuneration
Bill Berman	4/4	N/A	N/A	N/A
Jemima Bird	4/4	1/1	2/2	2/2
Dietmar Exler	4/4	2/2	2/2	2/2
Ian Filby	4/4	N/A	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	1/1	N/A	N/A
George Hines	4/4	N/A	N/A	N/A
Shruthi Chindalur	1/1	N/A	1/1	N/A
Dr. Robert Plant	1/1	N/A	1/1	N/A

The table above outlines the attendance of our Directors at scheduled meetings during FY25. Note that Dr. Robert Plant and Shruthi Chindalur joined the Board in 14 October 2025, attending all meetings held since their appointment.

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 EBITDA 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 FY25. 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 managed associate risk

Until the acquisition on 31 July 2025, the Board had an associate, Pinewood North America, LLC, in which it had a 49% investment. Three of the Pinewood Board, Bill Berman, Ollie Mann and Dietmar Exler were also Board members of the associate. They ensured that any relevant financial, operational and risk related information for the associate were shared with the Pinewood Board in a timely manner.

This oversight was particularly critical as the Group expanded its US footprint and integrated the Seez platform into North American operations.

Post year-end committee changes

In December 2025, the Audit Committee agreed that Chris Holzshu would replace Brian Small as Chair of the Committee with effect from 30 April 2026 and Chris replaced Jemima Bird on the Audit Committee at this time as part of the transition. As Chris was still an employee of Lithia until 31 January 2026, this was a temporary breach of provision 24 of the Corporate Governance Code as Chris was not deemed independent at this time. This was considered to be resolved by 31 January 2026. Chris Holzshu left Lithia Motor Inc. on 31 January 2026, and Lithia will appoint another director to the Board in the first half of 2026. On 14 April 2026, Tina Miller replaced George Hines as one of Lithia Motors Inc.'s representatives on the Board.



Ian Filby

Non-executive Chairman

22 April 2026

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 pages 35 and 36 and attendance at meetings in the table on page 39.

3

Committee members

2

Committee meetings

100%

Meeting attendance

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 January 2025

The Audit Committee met two times in the period and this report describes its work and conclusions. The committee has focused on ensuring the integrity of financial reporting during a period of continued strategic expansion. Following the successful transition to RSM UK Audit LLP as external auditor, we have scrutinised the judgements surrounding our acquisition of Seez and subsequent software capitalisation, acquisition of Pinewood North America and the presentation of non-underlying items, to ensure the Annual Report remains fair, balanced, and understandable.

Financial statements review

The committee received the auditor's memorandum on the company's FY24 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.

Audit risk considered by the committee

The information on pages 42 to 43 sets out the key audit risks and judgements applied, for the FY25 year end results, which the Committee considered and discussed with the auditor, and the Committee's conclusions.

External auditor appointment and performance evaluation

Following their appointment at the 2024 AGM, RSM UK Audit LLP has served as the external auditor throughout FY25.

This follows the mandatory rotation from KPMG in the prior period.

The Committee evaluated RSM's effectiveness and independence during the period 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.

Audit Committee Report continued

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.

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. Having satisfied itself on each item for its review, the Committee reported to the Board that

- RSM UK Audit LLP performed services in the role of Reporting Accountant in respect of the prospectus to support the acquisition of the further 51% of Pinewood North America LLC. The fees for this were £148,000.
- The ratio of non-audit to audit fees was 0.38:1 in FY25 (FY24: 0.0:1).

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 29 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 39. During FY25, the Committee re-assessed the need for an internal audit function. It concluded that the work of the RCG provides a sufficiently high level of detail and mitigation planning, and therefore recommended that a separate internal audit function is not currently required.

Review of anti-bribery controls and whistleblowing

The Committee reviewed anti-bribery controls and whistleblowing procedures. In February 2026, the company rolled out a third-party whistleblowing service to provide further independence. This service will ensure the proportionate and independent investigation of concerns, with the Board routinely reviewing reports and follow-up actions to ensure the control environment remains robust.

There have been no incidents of actual corruption or bribery recorded in our businesses in FY25.

Board evaluation

The Board and its committees conducted formal evaluations of their effectiveness in FY25, 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.

Audit Committee Report continued

These are the key risks considered by the committee:

Capitalisation of software intangible assets

Audit risk considered by the Committee
The Group has capitalised software development costs. There is judgement in determining whether the Pinewood and Seez systems are each a single asset or whether it would be more appropriate to identify a number of separate assets. The Group considers the systems to be two assets. There are also judgements and estimates in determining the method for calculating the development time and costs associated with capitalised development costs.

Evidence considered and conclusion reached
The Committee reviewed management's approach to determining the Pinewood and Seez systems are each single assets which are continuously developed. It was noted that the same version of the system is deployed in all countries that customers operate in and that updates are rolled out globally. The Committee considered the judgements and estimates in calculating the amount of capitalisable development expenditure. The Committee concluded that it is appropriate to consider Pinewood and Seez as single systems and that the approach to calculating capitalisable development costs is reasonable.

Acquisition of Seez

Audit risk considered by the Committee
In March 2025 the Group completed the acquisition of Seez, requiring a complex purchase price allocation exercise under IFRS 3. There was significant judgement involved in the valuation assigned to capitalised software and to the Seez brand, particularly in relation to the revenue growth assumptions used in the purchase price allocation calculations.

Evidence considered and conclusion reached
The Committee reviewed management's conclusions concerning the acquisition and the related purchase price allocation exercise. In doing so, the Committee considered the work of valuation experts engaged by management as well as the external auditor's findings. The Committee concluded that the final accounting treatment, including the recognition of additional software assets and the Seez brand was appropriate.

Acquisition of Pinewood North America

Audit risk considered by the Committee
The Group acquired a 51% share in Pinewood North America LLC, requiring a complex purchase price allocation exercise under IFRS 3. Significant judgement was required in valuing the consideration, identifying intangible assets (Customer Contracts vs. Reacquired Rights), and determining the appropriate model for valuation. There was also complexity in 'unwinding' the previous associate accounting and determining the Useful Economic Life (UEL) of the identified assets.

Evidence considered and conclusion reached
The Committee reviewed the conclusions of management's accounting paper concerning the acquisition and the related purchase price allocation exercise. In doing so, the Committee considered the external auditor's findings. The Committee concluded that the final accounting treatment, including the recognition of a customer contract intangible asset and the UEL assessment was appropriate.

Presentation of items as non-underlying

Audit risk considered by the Committee
The Group uses Alternative Performance Measures (APMs) to present 'underlying' results, which involves significant judgement as accounting standards do not strictly define non-underlying items. Key risks include the potential for misclassification to meet bonus targets and the treatment of the entire losses of Pinewood North America LLC as non-underlying.

Evidence considered and conclusion reached
The Committee reviewed management's classification of non-underlying items and challenged whether certain costs should instead be treated as part of normal trading operations. The Committee specifically discussed the treatment of Pinewood North America LLC's losses as non-underlying and the rationale for the chosen presentation. The Committee coordinated with the Remuneration Committee to ensure that the final presentation of underlying results is appropriate for the assessment of management's bonus targets. The Committee concluded that the approach taken was reasonable.

Audit Committee Report continued**Accounting for warrants****Audit risk considered by the Committee**

In February 2025 the Group entered into a contract with Global Auto Holdings (GAH) to implement the Pinewood platform. In recognition of the significant scale of this contract, the Group issued 6,098,093 warrants to an affiliate of GAH. Accounting judgements and estimates were required in classifying the warrants as debt liabilities, in calculating their fair value and in determining that the initial fair value of the warrants will be amortised as a reduction of revenue over the term of the contract, matching the pattern of service delivery to GAH.

Evidence considered and conclusion reached

The Committee reviewed management's assessment of the warrants issued to GAH, specifically the accounting requirements under IFRS 15 and IAS 32. In doing so, the Committee considered the work performed by valuation experts engaged by management as well as the external auditor's findings. Based on these reviews, the Committee concluded that management's accounting treatment was reasonable.

Approval

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

**Brian Small**

Chairman of the Audit Committee

22 April 2026

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 pages 35 and 36 and attendance at meetings in the table at page 39.

6

Committee members

2

Committee meetings

100%

Meeting attendance

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.

Scan or click the QR Code for more information about the Nomination Committee responsibilities

The committee's work in 2025

The Nomination committee met two times in FY25 and in early 2026 to conclude its ordinary year end business. This report describes its work and conclusions.

Review of Board composition and balance

During FY25, 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.

Evaluation

The annual evaluations of the Board and its members were conducted by the Board and are described on page 38. As part of that process, the Committee conducted an evaluation of its own performance.

The non-executive directors met without the Chairman during FY25 to assess the Chairman's performance.

The committee used an independent external search agency, Teneo, to assist in the search for a new non-executive Directors in 2025. Teneo are independent from the company and its directors. Subsequently, Robert Plant and Shruthi Chindalur joined the committee in October 2025.

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.

Nomination Committee report continued

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 with 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) the Board notes that as at 31/12/2025, two of the ten directors were female, representing 20% 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 meet due to the current make-up of the Board of directors.



Ian Filby

Chairman of the Nomination Committee

22 April 2026

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	8	80.00%	4	12	66.6%
Women	2	20.00%	0	6	33.3%

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	90%	4	16	89%
Asian/Asian British	1	10%	0	2	11%

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.

4

Committee members

2

Committee meetings

100%

Meeting attendance

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.

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

The committees schedule in FY25

The Remuneration Committee met twice in 2025. The Directors' Remuneration Report, beginning at page 47 describes its work and conclusions.

The committee's work in FY25

- set the annual bonus awards in respect of FY25;
- consulted major shareholders in respect of the Directors' Remuneration Policy taken to shareholders for approval at the 30 June 2025 General Meeting;
- determined performance targets and granted LTIP awards in 12th June 2025 and 16th Dec 2025 and approved further grants of the 2024 LTIPs on 28th April 2025;
- 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's fees in respect of advice provided to the Committee during the year ended 31 December 2025 were £39,261 (excluding VAT) (FY24: £40,938) and were charged on a time and disbursements basis. FIT also provided additional related advice to the Company in relation to drafting this report and share award documentation. 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.

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.

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 year ended 31 December 2025.

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 year ended 31 December 2025 and how the remuneration policy is intended to be operated for the year ending 31 December 2026.

The current Directors' Remuneration Policy, which was approved by a majority of shareholders at the 30 June 2025 General Meeting, is set out in the Notice of General Meeting dated 6 June 2025 (<https://pinewood.ai/wp-content/uploads/2025/06/Notice-of-AGM-271377.pdf>).

Business performance and incentive out-turn for FY25

During FY25, the Group achieved an underlying EBITDA of £16.4m.

For FY25, annual bonus opportunity was capped at 150% of base salary and based on sliding scale underlying EBITDA targets which reflected the Company's focus on growth. Following an assessment of the performance targets, the committee determined that 78.3% of the maximum bonus should be payable. As the executive directors have not met their shareholding guidelines, 25% of the bonus award will be deferred into shares.

Given that all outstanding LTIP awards vested/lapsed on completion of the sale of the motor and leasing assets during 2024, no LTIPs are due to vest in respect of the performance period ended 31 December 2025 (currently, only the July 2024 and June 2025 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 year ended 31 December 2025.

Implementation of the Remuneration Policy for FY26

In respect of implementing the Remuneration Policy for 2026:

- **Base salary:** Base salary levels will increase from 1 May 2026 for Bill Berman from £592,000 to £615,000. This is just below the average workforce increase of 4%. Ollie Mann from £250,000 to £300,000. Shareholders may recall that Ollie Mann was appointed to the Board as CFO in February 2024 on a base salary of £200,000 with the below market positioning reflecting that this was his first CFO role. Given the Committee's desire to move Ollie's salary towards market over time, his salary was increased to £250,000 from 1 May 2025 and the Committee has agreed a second increase to £300,000 from 1 May 2026. While this second salary increase is significantly above the 4% average increase awarded to the workforce, the Committee is satisfied that the increase is appropriate in light of Company and individual performance and noting that the £300,000 still remains below CFO market levels. To the extent that subsequent above workforce increases are awarded, these will be contingent on satisfactory Company and individual performance.
- **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 2026, 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 2026.
- **LTIPs:** LTIP awards in 2026 may be granted up to 150% of salary for the CEO and CFO. While the performance metrics and targets have yet to be finalised, details of the awards will be set out in the RNS following any grant.

Non-Executive Director fees continue to be 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. The remuneration of the Chairman is determined by the Remuneration Committee while the remuneration for non-executive directors is determined by the Board.

Shareholder views and voting outcomes

As detailed last year's Annual Statement, the Remuneration Committee conducted an extensive 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. As we are not seeking any changes to our current policy at the 2026 AGM, no further shareholder consultation has taken place.

We hope we will again receive your support at the forthcoming AGM.

2026 AGM resolution

On the basis no changes are proposed to our policy, only the Directors' Remuneration Report (excluding the Policy) will be subject to an advisory shareholder vote at the 2026 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
22 April 2026

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 is unaudited.

Single total figure of remuneration for directors (audited)

The table on the right reports the total remuneration receivable in respect of qualifying services by each of the directors for the year ended 31 December 2025 and the 11 month period ended 31 December 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	2025	587	107	35 ²	729	689	–	689	1,418
	2024 (11m)	517	46	31 ²	594	863 ⁶	–	863	1,457
Ollie Mann ³	2025	233	20	20 ²	273	291	–	291	564
	2024 (11m)	184	22	14	220	300	–	300	520
Non-Executive Directors									
Jemima Bird	2025	61	–	–	61	–	–	–	61
	2024 (11m)	55	–	–	55	–	–	–	55
Dietmar Exler	2025	55	–	–	55	–	–	–	55
	2024 (11m)	50	–	–	50	–	–	–	50
Ian Filby	2025	153	–	–	153	–	–	–	153
	2024 (11m)	138	–	–	138	–	–	–	138
Brian Small	2025	61	–	–	61	–	–	–	61
	2024 (11m)	55	–	–	55	–	–	–	55
Chris Holzshu ³	2025	58	–	–	58	–	–	–	58
	2024 (11m)	8	–	–	8	–	–	–	8
George Hines ³	2025	58	–	–	58	–	–	–	58
	2024 (11m)	8	–	–	8	–	–	–	8
Shruthi Chindalur ⁴	2025	12	–	–	12	–	–	–	12
	2024 (11m)	–	–	–	–	–	–	–	–
Dr Robert Plant ⁴	2025	12	–	–	12	–	–	–	12
	2024 (11m)	–	–	–	–	–	–	–	–
Former Directors									
Nikki Flanders ⁵	2025	22	–	–	22	–	–	–	22
	2024 (11m)	46	–	–	46	–	–	–	46
Total	2025	1,312	127	55	1,494	980	–	980	2,474
	2024 (11m)	1,061	68	45	1,174	1,163	–	1,163	2,337

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 on 14 October 2025.

5. Stepped down on 4 June 2025.

6. 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.

Directors' Remuneration Committee report continued

Annual bonus for FY25 (audited)

For the year ended 31 December 2025, 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 EBITDA targets (70%) and strategic targets (30%).

The targets, out-turn and payouts are shown in the table below:

Performance Metric	Weight	Threshold	Target	Maximum	Actual	Bonus earned (% max)	2025 Bonus CEO	2025 Bonus CFO
Underlying EBITDA	70%	£13.7m	£15.2m	£16.8m	£16.0m*	83.3%		
JV Growth	10%	A pilot running in at least 2 US stores			Not met	0%		
Seez Integration	10%	Seez chatbot rolled out in at least 10 US stores			Met	100%	£689k	£291k
Leadership	10%	75% of colleagues to have a minimum of 1 x performance review per year			Met	100%		

* The underlying EBITDA for FY25 was £16.4m although a £0.4m unbudgeted benefit (being the impact of the IFRS 16 lease accounting for company vehicles) has been excluded from the result.

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 FY25 (audited)

No share awards vested in respect of, or during, the year ended 31 December 2025.

Share awards granted in FY25 (audited)

Pinewood Technologies Group Long Term Incentive Plan (LTIP)

LTIP awards were granted to the Executive Directors on 12 June 2025 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	232,194	888	150%	0%	12 June 2025	3 years from the date of grant
Ollie Mann	98,013	375	150%	0%	12 June 2025	3 years from the date of grant

1. The share price used to determine the number of shares under award in respect of the LTIP awards was 382.6 pence being the 5 day average share price up to 15 May 2025 (being the intended grant date provisionally agreed by the Remuneration Committee) noting that the Board delayed the formal grant of awards for approximately one month such that it followed the publication of the 6 June 2025 Prospectus in respect of the acquisition of Lithia's majority stake in the North America JV and the five year contract with Lithia to roll-out Pinewood.AI's software to Lithia's current and future US and Canadian sites. Rather than penalise management for the delay to the grant date by using the (higher) share price at grant, the Remuneration Committee considered that it was fair and reasonable to keep management whole in this regard.

70% of the 2025 LTIP Awards will be measured on absolute Total Shareholder Return ('TSR') of the Company:

Required TSR CAGR performance during the performance period	Vesting outcome of TSR element (expressed as a percentage of 70% of the total number of Award Shares)
Below 7.5% p.a.	0%
7.5%-15% p.a.	Straight-line Vesting between 16.67% and 66.67%
15%-20% p.a.	Straight-line Vesting between 66.67% and 100%
Above 20% p.a.	100%

30% of the 2025 LTIP Awards will be measured by reference to the number of North American stores opened during the three-year performance period:

Vesting outcome of Store Opening element	Vesting outcome of Store Opening element (expressed as a percentage of 30% of the total number of Award Shares)
Less than 130	0%
130-190	Straight-line Vesting between 16.67% and 66.67%
190-220	Straight-line Vesting between 66.67% and 100%
Greater than 220	100%

In addition to the absolute TSR and store opening targets, 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 the underpin is not considered to be met, the Remuneration Committee retains the discretion to reduce award levels appropriately (including to zero).

LTIPs issued to executive directors have a three year vesting period plus a two year post vesting holding period.

Pinewood Technologies Group Deferred Share Plan (DSP)

Consistent with the Policy, 25% of the 2024 annual bonus awards were deferred into shares. This resulted in DSP awards being granted to Bill Berman and Ollie Mann over 56,357 and 19,602 shares respectively on 12 June 2025. The DSP Awards 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. As per the LTIP awards noted above, the number of ordinary shares over which the awards were granted was calculated based on a share price of 382.6 pence per ordinary share.

Directors' Remuneration Committee report continued

10 Year history of Chief Executive Remuneration

No share awards vested in respect of, or during, the period ended 31 December 2025.

CEO	2025	2024 (11 months)	2023 (13 months)	2022	2021	2020	2019	2018	2017	2016
Total Remuneration	1,418	1,457	2,740	1,313	3,561	510	464	589	727	1,605
Annual Bonus	78%	100%	100%	73%	100%	100%	0%	0%	30%	87%
LTIP	–	–	79%	0%	0%	0%	0%	0%	0%	100%

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 ended 31 December 2025.

Notes: Total Shareholder Return (TSR) has been calculated over the ten years ended on 31 December 2025 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 ended 31 December 2025.

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.

Directors' Remuneration Committee report continued

Executive Directors' Share Awards outstanding (Audited)

Bill Berman

Scheme	Number of shares/ options as at 31 December 2024	Shares/ options granted	Shares/ options lapsed	Shares/ options exercised	Number of shares/ options at 31 December 2025	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
LTIP	-	232,194	-	-	232,194	12/06/2025	383	Nil	-	June 2028
DSP	-	56,357	-	-	56,357	12/06/2025	383	Nil	-	June 2028

Ollie Mann

Scheme	Number of shares/ options as at 31 December 2024	Shares/ options granted	Shares/ options lapsed	Shares/ options exercised	Number of shares/ options at 31 December 2025	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
LTIP	-	98,013	-	-	98,013	12/06/2025	383	Nil	-	June 2028
DSP	-	19,602	-	-	19,602	12/06/2025	383	Nil	-	June 2028

* As per the shareholder consultation exercise and shareholder approval obtained at the July 2024 GM, the share price used to determine 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' Remuneration Committee report continued

Directors' shareholdings (Audited)

The shareholdings of all Directors, including the shareholdings of their connected persons as at 31 December 2025, are set out below.

Executive Directors	As at 31 December 2025	As at 31 December 2024	LTIP awards	Deferred bonus awards	SIP / SAYE	Shareholding requirement (% of base salary)	Shareholding as at 31 December 2025 (% of base salary)
Bill Berman	13,921	-	1,488,261	456,852	-	200%	154.8%
Ollie Mann	49,296	32,734	389,275	19,602	-	100%	85.5%
Non-Executive Directors							
Jemima Bird	32,518	15,627	-	-	-	-	-
Dietmar Exler	26,650	15,000	-	-	-	-	-
Ian Filby	-	-	-	-	-	-	-
Brian Small	26,349	20,000	-	-	-	-	-
Chris Holzshu	28,000	28,000	-	-	-	-	-
George Hines	-	-	-	-	-	-	-
Shruthi Chindalur	-	-	-	-	-	-	-
Dr Robert Plant	-	-	-	-	-	-	-

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.

Director	2025			2024 (11m period)			2023 (13 m period)			2022			2021		
	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	4.1%	113.2%	-26.8	2.5%	(67.4%)	23.6%	8.4%	16.8%	36.8%	0	(15.9%)	(26.9%)	7.8%	0%	99.8%
Ollie Mann	16.1%	-16.7%	-11.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Non- Executive Directors															
Jemima Bird ²	1.7%	N/A	N/A	0%	N/A	N/A	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dietmar Exler	0.8%	N/A	N/A	0%	N/A	N/A	8%	N/A	N/A	0%	N/A	N/A	42.9%	N/A	N/A
Ian Filby	1.6%	N/A	N/A	0%	N/A	N/A	8.7%	N/A	N/A	500%	N/A	N/A	100%	N/A	N/A
Brian Small	1.7%	N/A	N/A	0%	N/A	N/A	8%	N/A	N/A	0%	N/A	N/A	(3.8%)	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
Shruthi Chindalur ³	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
Dr Robert Plant ³	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
Nikki Flanders ⁴	N/A	N/A	N/A	0%	N/A	N/A	8%	N/A	N/A	0%	N/A	N/A	38.9%	N/A	N/A
All Employees															
All Employees (average)	4%	N/A	N/A	8.2%	15.0%	12.5%	8.1%	6.5%	2.5%	8.7%	(27.0%)	12.1%	7.0%	(33.3%)	39.0%

1. Appointed on 31 January 2024

2. Appointed 10 July 2023

3. Appointed on 14 October 2025

4. Stepped down on 4 June 2025

The % changes for the 12 month period ended 31 December 2025 show the movement in annualised remuneration

Directors' Remuneration Committee report continued

Chief Executive Officer pay ratio

The table below shows our chief executive officer pay ratio at 25th, median and 75th percentiles of our UK employees. The ratios have been calculated based on the single total figure of remuneration for the chief executive officer and the total pay for the employees using the full population methodology under Option A of The Companies (Miscellaneous Reporting) Regulations 2018.

We have used Option A as it provides the most accurate and representative calculation of pay ratios, based on the remuneration of all UK employees. The data used for this calculation was collated on 31 December 2025.

Financial Period	Method	25th percentile pay ratio (lower quartile)	Median pay ratio (median)	75th percentile pay ratio (upper quartile)
2025	Option A	43:1	32:1	24:1
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

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		
Year ended 31 December 2025	11m period ended 31 December 2024	% change	Year ended 31 December 2025	11m period ended 31 December 2024	% change
£32.0m	£18.8m	70.2%	£0	£0	n/a%

Non-Executive Directors' appointments

Name	Commencement	Expiry/cessation	Unexpired at date of report (months)
Brian Small	10.12.19	31.12.25 ¹	-
Dietmar Exler	20.04.20	31.12.26	8
Ian Filby	01.11.21	31.12.26	8
Jemima Bird	10.07.23	31.12.26	8
Chris Holzshu	31.01.24	31.12.26	8
Shruthi Chindalur	14.10.25	31.12.28	32
Dr Robert Plant	14.10.25	31.12.28	32
Tina Miller	14.04.26	31.12.28	44

1. Brian Small's term expired at end of 2025 but he is staying on the Board until 30 April 2026 when he leaves the Board and Chris Holzshu will take over as Audit Committee Chair.

Shareholders' votes on Remuneration in FY25

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 11-month period ended 31 January 2024 at the 2024 AGM.

	% of votes cast For	% of v otes cast Against	Number of Shares Withheld
To approve the Directors' Remuneration Report for the 11-month period ended 31 December 2024			
(30 June 2025 AGM)	91.95	8.05	1,197,218
To approve the Directors Remuneration Policy and authorise the amendments to the company's LTIP			
(26 June 2024 AGM)	80.42	19.58	75,085

Directors' Remuneration Committee report continued**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 closing price of Pinewood Technologies PLC ordinary shares at 31 December 2025 was 358 pence and the range during the period was 296 pence to 558 pence.

Work of the Remuneration Committee

During FY25, 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 / will be taken into account when setting metrics for FY26 bonuses and LTIPs. 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 FY25. The committee considers that the remuneration policy operated as intended during FY25.

Implementation of the Policy for FY26

Details of how the committee intends to implement the Remuneration Policy for the year ending 31 December 2026 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

22 April 2026

Directors' report

Strategic review and prescribed reporting

Our Strategic Report at pages 02 to 32 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 32 and the Viability Statement set out on page 33. 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 61 to 113. No dividend was paid in the year (FY24: £358.4m).

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 FY25.

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 35 and 36. 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 47 to 55. Directors who served during FY25 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 49 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 (January 2024) 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 2025, 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's share capital are set out in note 4.4 to the accounts. All issued shares are fully paid. The company issued 27,984,355 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 2025 AGM. In February 2025, there was an equity fundraising, 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. In July 2025 14,560,691 ordinary shares were issued as consideration shares as part of the Pinewood North America acquisition. Therefore, there are now 115,099,977 ordinary shares in issue.

Directors' report continued

Directors' shareholdings	Number at 31.12.25	Number at 31.12.24
Bill Berman	13,921	nil
Ollie Mann	49,296	32,734
Dietmar Exler	26,650	15,000
Ian Filby	nil	nil
Brian Small	26,349	20,000
Jemima Bird	32,518	15,627
Chris Holzshu	28,000	28,000
George Hines	nil	nil
Shruthi Chindalur	nil	nil
Dr. Robert Plant	nil	nil

Significant direct or indirect shareholdings

At 1 April 2026 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	36,775,175	31.95
Fidelity Investments	11,507,730	10.0
Working Capital	9,956,751	8.65
Newtyn Management	8,701,064	7.56
Harwood Capital	6,577,500	5.71
Feoh Investments UK LLP	4,340,442	3.77
Sellaronda Global Management	2,537,756	2.2
Hosking Partners	2,459,448	2.14
Interactive Investor	2,047,960	1.78
JPMorgan Asset Management	2,032,572	1.77

Directors' report continued

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 2025 the company's Employee Benefit Trust with Salamanca Group Trust (Jersey) Limited (the Trustee) held 2,500 shares, representing 0.00% of the total issued share capital at that date (FY24: 2,500).

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 19 to 20 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 104.

Financial instruments

See note 4.2 in the accounts on page 96.

Political donations

The company and its Group made no political donations (FY25: £ 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. The directors intend to propose the re-appointment of RSM as auditors at the 2026 Annual General Meeting.

By order of the Board

Oliver Mann

Ollie Mann

Company Secretary

22 April 2026

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; and
- 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

22 April 2026

Financial statements

Independent Auditors' Report.....	61
Group Financial Statements & Notes.....	68
Company Financial Statements & Notes.....	105
Advisors, Banks & Shareholder Information.....	114

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 year ended 31 December 2025 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 2025 and of the group’s profit for the year 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 - Acquisition of Seez App Holding Limited and Pinewood North America LLC
	Parent Company
	- Impairment of Investment in Subsidiaries
Materiality	Group
	- Overall materiality: £410,000 (2024: £380,000) - Performance materiality: £307,500 (2024: £266,000)
	Parent Company
	- Overall materiality: £4,380,000 (2024: £3,080,000) - Performance materiality: £3,285,000 (2024: £2,156,000)
Scope	Our audit procedures covered 96% of revenue, 99% of total assets and 97% 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 and parent company 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 and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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 £10.5m capitalised within the year. The costs capitalised include payroll costs of the development team, 3rd party developers and other direct costs incurred. 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 including our oversight of the component audit team 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.

Acquisition of Seez App Holding Limited and Pinewood North America LLC

Key audit matter description	During the year the group completed a number of acquisitions, the largest of which were Seez App Holding Limited ("Seez") and Pinewood North America LLC (Pinewood North America), both of which were step acquisitions: In March 2025 the group acquired the remaining 91% of Seez for total consideration of \$42m (£33.9m). In July 2025 the group acquired the remaining 51% of shares of Pinewood North America for consideration of \$93m (£70.3m). Both step acquisitions have been accounted for as business combinations under IFRS 3 'Business Combinations' as explained in note 3.6 of the financial statements with the related key sources of judgement and estimation uncertainty disclosed in note 1. The purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values in accordance with IFRS 3 'Business Combinations'. The purchase price allocation (PPA) assessment involves both management judgement and the use of forward-looking estimates. Management engaged an external expert to assist in the preparation of the Seez PPA assessment. Due to the significance of the estimates and judgements associated with the fair value accounting of both acquisitions including the quantum of goodwill (£50.5m) and other intangible assets (£143.7m) recognised in the consolidated financial statements, we consider this is a key audit matter.
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Independent auditor's report to the members of Pinewood Technologies Group PLC continued

How the matter was addressed in the audit	Our audit work in relation to the step acquisitions accounting of the two entities included the following. We have: - Obtained an understanding of the transactions via enquiries of management and evaluation of the signed purchase price agreements. - Assessed whether the accounting treatment applied was in accordance with the requirements of IFRS 3 'Business Combinations' and was consistent with the underlying terms of the purchase agreements. - Obtained an understanding of the process adopted by management to derive the fair value of consideration and acquired assets and liabilities for the acquisitions including separately identifiable intangible assets. - Critically assessed the capabilities, competence and objectivity of management's expert engaged for the Seez PPA assessment. - Involved our valuation experts and have; - Evaluated the reasonableness of the valuation methodologies applied and the conclusions in the report of management's expert; and - Evaluated the reasonableness of significant assumptions including the forecast future cashflows and discount rates. - Tested the mathematical accuracy of the valuation models. - Recalculated the measurement of goodwill based upon the consideration transferred and the assets acquired and liabilities assumed. - Recalculated the remeasurement gain on the original 49% share of Pinewood North America under IFRS 3. We also considered whether the financial statement disclosures in relation to the acquisitions were appropriate.
Key observations	Based on the procedures performed we consider that the group's accounting for acquisitions and the related disclosures is appropriate.

Impairment of Investment in Subsidiaries

Key audit matter description	As at 31 December 2025 the parent company held investment in subsidiary undertakings at a carrying value of £292m. Management has undertaken a value-in-use assessment and deemed no impairment is required against either investment balance. There is a degree of judgement and estimation involved in assessing value-in-use and as such this matter represents a significant risk of material misstatement for the parent company. Refer to note 4 to the notes the company balance sheet ('amounts owed by subsidiary undertakings' and 'impairment'), together with the significant accounting judgements and estimates made in applying the company's accounting policies. This has been included as a key audit matter given the material carrying values of the investment and the estimation uncertainty regarding future cashflows to support the investments in subsidiary undertakings, as set out above.
How the matter was addressed in the audit	We obtained management's value-in-use calculations and supporting workings prepared to support the remaining carrying value of investments in subsidiary undertakings: In responding to the key audit matter, we performed the following audit procedures: - Obtained management's impairment assessment, including the underlying discounted cash flow forecasts used to determine value in use and confirming the arithmetical accuracy of those calculations. - Assessed the accuracy of management's historical forecasting through a comparison of budget to actual data. - Evaluated the key assumptions applied in management's impairment model, through our knowledge of the business, discussions with management and by using industry data and other external information to assess the reasonableness of management's assumptions. This included engaging our internal valuations specialists to review the discount rate applied by management. - Performed our own sensitivity analysis to understand the impact of any reasonably possible changes in assumptions, and evaluating the headroom available from different outcomes to assess whether goodwill could be impaired. - Assessed the accounting policy and disclosure to ensure it is in accordance with the financial reporting framework, including IAS 36.
Key observations	Based on the procedures performed we consider that the group's Investment impairment assessment and the related disclosures is appropriate.

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

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	£410,000 (2024: £380,000)	£4,380,000 (2024: £3,080,000)
Basis for determining overall materiality	2.5% of Underlying Earnings before interest, tax and amortisation and depreciation (2024: 5% of Underlying Profit before Tax).	1.5% 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 £233,000.
Rationale for benchmark applied	Underlying EBITDA 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	£307,500 (2024: 266,000)	£3,285,000 (2024: 2,156,000)
Basis for determining performance materiality	75% of overall materiality (2024: 70%)	75% of overall materiality (2024: 70%)
Reporting of misstatements to the Audit Committee	Misstatements in excess of £20,500 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £20,500 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 13 components, located in the following countries; United Kingdom, United States of America, Japan, United Arab Emirates, Denmark, South Africa & Sweden.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	3	96%	93%	89%
Specific Scope	1	0%	6%	8%
Total	4	96%	99%	97%

Of the above, full scope audits for 1 component were undertaken by component auditors.

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; and
- 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.

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

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 annual 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 year 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 33;
- 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 33;
- 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 33;
- Directors' statement on fair, balanced and understandable set out on page 59;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 29 to 32;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 29 to 32; and
- Section describing the work of the audit committee set out on pages 40 to 43.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 59, 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.

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 and component auditors:

- 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.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our audit approach.

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

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team and component auditors 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.
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.
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.

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

Risk	Audit procedures performed by the audit engagement team included:
Revenue recognition	Testing a sample of transactions accounted pre and post-year end for each significant revenue stream ensuring that revenue is recognised in the correct accounting period in line with the group's accounting policy;
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 period ending 31 December 2024 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is 2 years, covering the period ended 31 December 2024 to the year ended 31 December 2025.

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

Consolidated Income Statement

period ended 31 December 2025

	Notes	12m period ended 31 December 2025 Underlying £m	12m period ended 31 December 2025 Non-underlying* £m	12m period ended 31 December 2025 Total £m	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
Revenue	2.1	40.5	–	40.5	31.2	–	31.2
Cost of sales		(5.8)	–	(5.8)	(3.0)	–	(3.0)
Gross profit		34.7	–	34.7	28.2	–	28.2
Administrative expenses		(26.4)	(17.7)	(44.1)	(19.8)	(4.1)	(23.9)
EBITDA		16.4	(13.7)	2.7	14.0	(4.1)	9.9
Depreciation	3.2	(1.1)	–	(1.1)	(0.6)	–	(0.6)
Amortisation	3.1	(7.0)	(4.0)	(11.0)	(5.0)	–	(5.0)
Operating profit / (loss)	2.2	8.3	(17.7)	(9.4)	8.4	(4.1)	4.3
Finance expense	4.3	(0.3)	–	(0.3)	(0.3)	–	(0.3)
Finance income	4.3	0.8	0.2	1.0	0.4	4.3	4.7
Gain on remeasurement of previously held equity interest	3.6	–	60.8	60.8	–	–	–
Share of loss in associate	5.2	–	(1.6)	(1.6)	–	(0.5)	(0.5)
Net fair value losses on financial instruments	4.2	–	(0.8)	(0.8)	–	–	–
Profit / (loss) before taxation		8.8	40.9	49.7	8.5	(0.3)	8.2
Income tax expense / (credit)	2.6	(3.1)	3.7	0.6	(2.1)	(0.4)	(2.5)
Profit / (loss) for the year / period		5.7	44.6	50.3	6.4	(0.7)	5.7
Earnings per share							
Basic earnings per share	2.7			48.0p			5.1p
Diluted earnings per share	2.7			48.0p			5.1p

*See note 2.8

The notes on pages 73 to 104 form part of these financial statements.

Consolidated Statement of Comprehensive Income

12 month Period ended 31 December 2025

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Profit for the period	50.3	5.7
Other comprehensive income/(expense)		
Items that are or may be reclassified to profit and loss:		
Foreign currency translation differences of foreign operations	(0.7)	0.1
Other comprehensive income for the period, net of tax	(0.7)	0.1
Total comprehensive income for the period	49.6	5.8

The notes on pages 73 to 104 form part of these financial statements.

Consolidated Statement of Changes in Equity

12 month Period ended 31 December 2025

	Notes	Share capital £m	Share premium £m	Other reserves £m	Translation reserve £m	Retained earnings £m	Total £m
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
Balance at 1 January 2025		87.1	72.9	5.6	0.5	(127.1)	39.0
Total comprehensive income for the period							
Profit for the period		-	-	-	-	50.3	50.3
Other comprehensive income for the period, net of tax		-	-	-	(0.7)	-	(0.7)
Total comprehensive income for the period		-	-	-	(0.7)	50.3	49.6
Issue of ordinary shares	4.4	28.0	22.8	61.0	-	-	111.8
Share based payments		-	-	-	-	3.6	3.6
Income tax relating to share based payments		-	-	-	-	0.2	0.2
Balance at 31 December 2025		115.1	95.7	66.6	(0.2)	(73.0)	204.2

The notes on pages 73 to 104 form part of these financial statements.

Consolidated Balance Sheet

At 31 December 2025

	Notes	31 December 2025 £m	31 December 2024 £m		Notes	31 December 2025 £m	31 December 2024 £m
Non-current assets				Non-current liabilities			
Property, plant and equipment	3.2	2.3	1.7	Interest bearing loans and borrowings	4.2	(0.2)	(0.2)
Goodwill	3.1	51.5	0.3	Lease liabilities	4.7	(0.6)	(0.7)
Other intangible assets	3.1, 3.6	161.7	16.3	Other liabilities	4.2	(7.9)	-
Contract assets	2.1, 4.2	6.3	-	Deferred tax liabilities	2.6	(35.0)	(2.5)
Investment in associate	5.2	-	9.6	Total non-current liabilities		(43.7)	(3.4)
Other investments	3.7	-	3.2	Total liabilities		(62.8)	(22.8)
Total non-current assets		221.8	31.1	Net assets		204.2	39.0
Current assets				Capital and reserves			
Trade and other receivables	3.3	10.3	21.4	Called up share capital	4.4	115.1	87.1
Contract assets	2.1, 4.2	0.8	-	Share premium account	4.4	95.7	72.9
Cash and cash equivalents	4.2	34.1	9.3	Other reserves	4.4	66.6	5.6
Total current assets		45.2	30.7	Translation reserve	4.4	(0.2)	0.5
Total assets		267.0	61.8	Retained earnings		(73.0)	(127.1)
Current liabilities				Total equity attributable to equity shareholders of the Company		204.2	39.0
Lease liabilities	4.7	(0.7)	(0.7)	Approved by the Board of Directors on 22 April 2026 and signed on its behalf by:			
Trade and other payables	3.4	(10.7)	(11.0)				
Deferred income	3.5	(7.5)	(7.6)				
Current tax payable	2.6	(0.2)	(0.1)	W Berman			
Total current liabilities		(19.1)	(19.4)	O Mann			

Chief Executive

Chief Financial Officer

The notes on pages 73 to 104 form part of these financial statements

Registered Company Number: 02304195

Consolidated Cash Flow Statement

12 month Period ended 31 December 2025

	Notes	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Cash flows from operating activities			
Profit for the period		50.3	5.7
Adjustment for taxation	2.6	(0.6)	2.5
Gain on remeasurement of previously held equity interest	3.6	(60.8)	-
Share of result of associate	5.2	1.6	0.5
Net fair value losses on financial instruments	4.2	0.8	-
Adjustment for net financing expense		(0.7)	(4.4)
		(9.4)	4.3
Depreciation and amortisation		12.1	5.6
Share based payments		3.6	1.0
Changes in trade and other receivables		0.3	(4.7)
Changes in trade and other payables		(0.1)	(1.3)
Cash generated from operations		6.5	4.9
Net taxation paid		(0.6)	(0.1)
Bank interest paid		(0.1)	(0.1)
Bank interest received		1.1	4.5
Lease interest paid		(0.1)	(0.1)
Net cash from operating activities		6.8	9.1

	Notes	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Cash flows from investing activities			
Proceeds from sale of business and settlement of previous intra-group balance net of fees paid		10.0	395.4
Purchase of property, plant, equipment and intangible assets	3.1, 3.2	(11.4)	(7.5)
Acquisition of subsidiaries, net of cash acquired	3.6	(10.7)	-
Acquisition of resellers	3.6	(2.8)	-
Investment in associate		-	(10.0)
Other investments		-	(3.2)
Net cash from / used in investing activities		(14.9)	374.7
Cash flows from financing activities			
Proceeds from issue of share capital	4.4	35.7	30.0
Cost of issuing share capital		(1.6)	-
Payment of lease liabilities	4.7	(1.2)	(0.5)
Repayment of loans		-	(93.0)
Payment of dividend		-	(358.4)
Net cash inflow / outflow from financing activities		32.9	(421.9)
Net increase / (decrease) in cash and cash equivalents		24.8	(38.1)
Cash and cash equivalents at start of period		9.3	47.4
Cash and cash equivalents at end of period	4.2	34.1	9.3

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 FY25 (being the 12 month period ended 31 December 2025) 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 11 March 2025, the Company changed its accounting reference period to end on 31 December. On 13 February 2024, the Company changed its name to Pinewood Technologies Group PLC (formerly Pendragon PLC).

Pinewood Technologies Group Plc is a Group domiciled in the United Kingdom. The consolidated financial statements of the Group for the 12 month period ended 31 December 2025 comprise the parent 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 12 month period ended 31 December 2025 (FY24: 11 month period ended 31 December 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 105 to 107.

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 at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group meets its day-to-day working capital requirements from operating in a net cash position and being a cash generative business. The Group is forecasting a cash inflow of £1.8m in FY26. The Group also has access to a £10m RCF, which expires in February 2027 and the Group is in the process of renewing, although it is not forecast to be required due the Group's year end cash and cash equivalents position of £34.1m and net current assets of £26.1m.

In the context of the above, the directors have prepared cash flow forecasts for the period to 31 December 2027 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 2026 figures in this forecast are based on the Group's FY26 budget, which reflect current run-rates and expected strategic improvements. The 2027 figures in the base cash flow forecast are based on the 2026 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.

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 and automotive retail software by the Group. The Directors consider the dealer management system to be one separately identifiable intangible asset that is continuously developed. The automotive retail software developed by the Group's subsidiary Seez App Technology Ltd is considered an additional separately identifiable intangible asset that is continuously developed. 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.

Between 1 February 2024 and 31 July 2025 the Group held 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. During this period the Group's 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 during this period the Group did not have either control or shared control but did have significant influence, as such Pinewood North America LLC was classified as an associate for that period.

Between 1 February 2024 and 31 July 2025 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.

Following the Group's acquisition of the outstanding 51% interest in Pinewood North America LLC previously owned by Lithia Motors, Inc. on 31 July 2025, Pinewood North America LLC has been reclassified as a subsidiary and its results fully consolidated in the Group's accounts.

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 for the 7 month period ended 31 July 2025 as well as the consolidated result of Pinewood North America LLC for the 5 month period ended 31 December 2025, see the Alternative Performance Measures section below and note 2.8.

Notes to the Financial Statements continued

1 – Basis of Preparation continued

Judgements continued

The Group exercises judgement in identifying and valuing intangible assets acquired in business combinations under IFRS 3. During the period, the Purchase Price Allocation (PPA) for the acquisitions of Seez App Holding Ltd, Pinewood North America LLC and certain key assets including customer contracts from the Motify Group in South Africa required significant judgement. Judgement was required to distinguish between and value the assets acquired, which comprised customer contracts, reacquired rights, software development, the Seez brand and goodwill, see notes 3.6 and 3.7.

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. The value of intangible assets arising on the PPA in respect of Pinewood North America LLC involved forecasting the cashflows associated with delivery of secured contracts in North America. Key estimates and judgements were involved in determining assumptions on renewal periods, margins, contributory asset costs and discount rate. It was concluded that based on historic experience in the Group that renewals for a period of 20 years was appropriate. The value of intangible assets arising on the PPA in respect of Seez involved estimates of future profitability, royalty rates and discount rates. Cashflow forecasts were based on a 5 year period in line with the Group's targets for Seez and assumed a terminal value based on 2% long term growth.

The amortisation period of the Group's intangible assets relies on estimates of the technological and commercial obsolescence rate relevant to each asset class to determine the useful economic life. The fair value of warrants classified as debt relies on estimates of key inputs within the valuation model, including expected share price volatility, risk-free interest rates, and the anticipated timing of exercise. The measurement of share-based payment expenses relies on estimates of the fair value of equity instruments at the grant date and the probability of non-market performance conditions being met.

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 valuation of intangible assets arising on acquisition and the assessment of their value in use for impairment testing to involve significant estimation uncertainty, see note 3.1. The Directors do not consider there to be any further 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 included assessing the estimated useful lives of assets and developing assumptions, used in determining estimates, by considering potential impacts of climate risks and the Group's planned response.

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. 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.

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.

Notes to the Financial Statements continued

1 – Basis of Preparation continued

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 have determined that there are two cash generating units in 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.

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

The Group has adopted the following new or amended standards. There are no material impacts of these new or revised standards on the consolidated financial statements for the year ended 31 December 2025

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.
- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments - effective date 1 January 2026.
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

A number of new standards, amended standards and interpretations are effective for annual periods beginning after 1 January 2026 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

IFRS 18 was issued in April 2024 and is effective for periods beginning on or after 1 January 2027. Early application is permitted and comparatives will require restatement. The standard will replace IAS 1 Presentation of Financial Statements and although it will not change how items are recognised and measured, the standard brings a focus on the income statement and reporting of financial performance. Specifically, it classifies income and expenses into five new defined categories - operating, investing, financing, income taxes and discontinued operations and two new subtotals operating profit and loss and profit or loss before financing and income tax. In addition, IFRS 18 introduces disclosures of management defined performance measures (MPMs) and enhances general requirements on aggregation and disaggregation. The impact of the standard on the Group is currently being assessed and it is not yet practicable to quantify the effect of IFRS 18 on these consolidated financial statements, however there is no impact on presentation for the Group in the current year given the effective date - this will be applicable for the Group's 2027 Financial Statements.

Alternative performance measures

The Group uses a number of key performance measures ('KPI's') 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 % - defined as gross profit as a percentage of revenue, with calculation on page 15 of the annual accounts.

Underlying EBITDA - Underlying EBITDA is defined as earnings before interest, taxation, depreciation and amortisation, adjusted to exclude non-underlying 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. This measure is broken out within the Income Statement.

Underlying EBITDA margin % - Underlying EBITDA margin is defined as EBITDA as a percentage of revenue, adjusted to exclude non-underlying items, as defined above.

Underlying operating profit/(loss) before tax - results on an underlying basis exclude items which in management's judgement are non-underlying in nature, as defined above. 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.

Notes to the Financial Statements continued

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 Group provides marketing services tailored to the automotive retail sector, including digital advertising and lead generation. Under IFRS 15, these services are treated as a single performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits. Revenue is recognised on a straight-line basis over the service period.

The Group issued warrants to a customer in February 2025 as part of a service agreement, see note 4.2. The fair value of these warrants at the time of issuance will be recognised as a reduction of the transaction price and recorded as a deduction from revenue over the expected service delivery period. For the period ended 31 December 2025 the value recognised was nil (FY24: nil).

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 and automotive retail software 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 supplies 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 are typically 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.
Digital advertising and Lead Generation	The Group provides marketing services tailored to the automotive retail sector, including digital advertising and lead generation. Under IFRS 15, these services are treated as a single performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits. Revenue is recognised on a straight-line basis over the service period.

Disaggregation of revenue

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

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Primary geographical markets		
UK	31.2	27.8
Europe (excl. UK)	2.3	1.6
Africa	1.4	0.7
Asia-Pacific and Middle East	4.3	0.7
North and Central America	1.3	0.4
Revenue from external customers	40.5	31.2

Notes to the Financial Statements continued

2 – Results and Trading continued

2.1 Revenue continued

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Major products/service lines		
Software revenue	39.4	30.8
Software development revenue	1.1	0.4
Revenue from external customers	40.5	31.2
Timing of revenue recognition		
At point in time	4.4	3.9
Over time	36.1	27.3
Revenue from external customers	40.5	31.2
Contract liabilities		
The Group recognises the following contract liabilities:		
	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Unearned proportion of software as a service sold	7.5	7.6
Customer deposits	0.5	0.3

Contract liabilities have decreased by £0.1m. Expansion of the Group's software business which predominately invoices quarterly in advance, was offset by a reduction of deferred income from the software development revenues from Pinewood North America LLC, which ended in the period following the acquisition of this entity in July 2025. The contract liabilities of £7.6m from the beginning of FY25 were recognised in full as revenue in the period. The Group applies the practical expedient under paragraph 121(b) of IFRS 15 in not disclosing the remaining performance obligations.

During the year a contract asset was recognised of £7.1mil. The corresponding liability is discussed in detail in note 4.2.

2.2 Operating profit

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

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Staff costs	32.0	18.8
Depreciation of property, plant and equipment	1.1	0.6
Amortisation of intangible assets	11.0	5.0
Capitalisation of software development costs	(10.5)	(7.4)

2.3 Operating segments

In the year ended 31 December 2025 there were two reportable segments, as described below, which were the Group's strategic business units. The segments offered different ranges of products and services and were managed separately. For each of these segments, the Group's Chief Operating Decision Maker (CODM) was Bill Berman Chief Executive Officer. The CODM receives 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:

Pinewood: This segment comprises the Group's activities as a dealer management systems provider.

Seez: Following the acquisition of Seez on 4 March 2025, see note 3.6, Seez became a segment comprising sales of AI products for automotive retail as well as digital advertising and sales lead generation.

In the prior period Pinewood was the only operating segment as such no prior period comparator is presented.

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

Notes to the Financial Statements continued

2 – Results and Trading continued

2.3 Operating segments continued

12 month period ended 31 December 2025	Pinewood £m	Seez £m	Total £m
Revenue including intercompany amounts	36.1	4.4	40.5
Inter-segment revenue	–	–	–
Revenue from external customers	36.1	4.4	40.5
Underlying EBITDA	16.1	0.3	16.4
Finance expense			(0.3)
Finance income			0.8
Depreciation			(1.1)
Underlying amortisation			(7.0)
Non-underlying items, see note 2.8			40.9
Profit before tax			49.7

Other items included in the income statement are as follows:

Cost of Sales	(3.6)	(2.2)	(5.8)
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Geographical information.

In both the 12 month period to 31 December 2025 and the 11 month period to 31 December 2024 the Pinewood operating segment originates in the United Kingdom. The Seez operating segment originates in Dubai.

2.4 Staff costs

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

	12m period ended 31 December 2025 Number	11m period ended 31 December 2024 Number
Sales and business development	64	44
Administration	114	67
Software development	173	155
	351	266

Costs incurred in respect of these employees were:

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Wages and salaries	25.2	15.5
Social security costs	2.5	1.9
Contributions to defined contribution plans	0.7	0.4
Share based payments	3.6	1.0
	32.0	18.8

Information relating to directors' emoluments, share options and pension entitlements is set out in the Directors' Remuneration Report on pages 48 to 55.

2.5 Audit fees

	12m period ended 31 December 2025 £000	11m period ended 31 December 2024 £000
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual accounts	387.4	340.0
Fees payable to the company's auditor and its associates for other services:		
Other assurance services	148.0	–
	535.4	340.0

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.

Notes to the Financial Statements continued

2 – Results and Trading continued

2.6 Taxation continued

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 and do not give rise to equal taxable and deductible temporary differences. 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 have a significant risk of causing a material adjustment to the carrying amount of the liability within the next financial year.

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

	12m period ended 31 December 2025 Total £m	11m period ended 31 December 2024 Total £m
UK corporation tax:		
Current tax on profit for the period	0.5	0.4
	0.5	0.4
Overseas taxation:		
Current tax on profit for the period	0.3	–
	0.3	–
Total current tax	0.8	0.4

	12m period ended 31 December 2025 Total £m	11m period ended 31 December 2024 Total £m
Deferred tax expense:		
Origination and reversal of temporary differences	(1.2)	2.1
Adjustments in respect of prior periods	(0.2)	–
Total deferred tax	(1.4)	2.1
Total income tax (credit) / expense in the income statement	(0.6)	2.5

Factors affecting the tax charge for the period:

The tax assessed is different from the standard rate of corporation tax in the UK of 25.0% (FY24: 25.0%)

The differences are explained below:

	12m period ended 31 December 2025 Total £m	11m period ended 31 December 2024 Total £m
Profit before taxation	49.7	8.2
Tax on profit at UK rate of 25.0% (FY24: 25.0%)	12.4	2.1
Differences:		
Tax effect of expenses that are not deductible in determining taxable profit	(13.0)	0.3
Tax rate differential on overseas income	0.2	–
Income in respect of associates	–	0.1
Adjustments to tax charge in respect of previous periods	(0.2)	–
Total income tax (credit) / expense in the income statement	(0.6)	2.5

Tax rate

The UK tax rate applying throughout FY25 was 25.0% (FY24: 25.0%). The UK corporation tax rate applicable to the year ended 31 December 2025 and later periods is 25%.

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.

	31 December 2025 £m	31 December 2024 £m
Deferred tax assets	3.1	1.5
Deferred tax liabilities	(38.1)	(4.0)
Deferred tax liabilities	(35.0)	(2.5)

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 February 2024 £m	Arising on Acquisition £m	(Charged) to consolidated income statement £m	(Charged) to equity or other comprehensive income £m	At 31 December 2024 £m
Property, plant and equipment	0.2	–	(0.1)	–	0.1
Intangible fixed assets	(3.4)	–	(0.6)	–	(4.0)
Other short term temporary differences	–	–	0.2	0.2	0.4
Losses	2.6	–	(1.6)	–	1.0
Tax assets/(liabilities)	(0.6)	–	(2.1)	0.2	(2.5)

	At 1 January 2025 £m	Arising on Acquisition £m	(Charged)/ credited to consolidated income statement £m	Credited/ (charged) to equity or other comprehensive income £m	At 31 December 2025 £m
Property, plant and equipment	0.1	–	(2.8)	–	(2.7)
Intangible fixed assets	(4.0)	(34.4)	3.0	–	(35.4)
Other short term temporary differences	0.4	–	0.7	0.2	1.3
Losses	1.0	0.3	0.5	–	1.8
Tax (liabilities)/assets	(2.5)	(34.1)	1.4	0.2	(35.0)

Current tax liability

At 31 December 2025 the Group had a current tax liability of £0.2m (FY24: £0.1m).

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.

	12m period ended 31 December 2025 Earnings per share pence	12m period ended 31 December 2025 Earnings Total £m	11m period ended 31 December 2024 Earnings per share pence	11m period ended 31 December 2024 Earnings Total £m
Earnings per share calculation				
Basic earnings per share	48.0	50.3	5.1	5.7
Diluted earnings per share	48.0	50.3	5.1	5.7

Notes to the Financial Statements continued

2 – Results and Trading continued

2.7 Earnings per share continued

The calculation of basic, adjusted and diluted earnings per share is based on the following number of shares in issue (millions):

	12m period ended 31 December 2025 Number	11m period ended 31 December 2024 Number
Weighted average number of ordinary shares in issue	104.7	111.4
Weighted average number of dilutive shares under option	0.2	–
Weighted average number of shares in issue taking account of applicable outstanding share options	104.9	111.4
Non-dilutive shares under option	10.5	2.5

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.

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Within administrative expenses		
Amortisation of Intangibles arising on acquisition	(4.0)	–
Restructure and transition costs, including transaction fees, following FY25 acquisitions	(4.6)	–
Administrative expenses in Pinewood North America, LLC as subsidiary	(4.2)	–
Share based payments	(3.6)	(1.0)
Restructuring and transition costs following the sale of the UK Motor and Leasing businesses to Lithia UK Holding Limited	(1.3)	(2.2)
Transaction costs relating to the sale of the UK Motor and Leasing businesses to Lithia UK Holding Limited	–	(0.9)
	(17.7)	(4.1)

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Other items		
Gain on remeasurement of previously held equity interest	60.8	–
Finance income in Pinewood North America, LLC as subsidiary	0.2	–
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 result of Pinewood North America, LLC as associate	(1.6)	(0.5)
Net fair value of losses on financial instruments	(0.8)	–
Total non-underlying items before tax	40.9	(0.3)
Non-underlying items in tax	3.7	(0.4)
Non-underlying items after tax	44.6	(0.7)

All items stated above are significant in size or nature and not considered part of the Group's normal, recurring operating activities for the reasons as follows:

- Amortisation of acquired intangible assets arises from acquisition accounting and does not reflect the Group's underlying trading performance.
- Restructure and transition costs, including transaction fees, following FY25 acquisitions relate to integration and restructuring activities following recent acquisitions and are not expected to recur as part of normal operations.
- Administrative expenses and Finance income in Pinewood North America, LLC as subsidiary relate to a subsidiary that has not yet reached operational scale and are therefore not considered representative of the Group's underlying cost/income base.
- Share-based payment charges are non-cash expenses arising from equity incentive arrangements rather than underlying operating activities.
- Restructuring and transition costs directly incurred as the result of the sale of the Group's motor retail and leasing businesses to Lithia UK Holding Limited on 31/01/2024, therefore not part of the Group's ongoing operations.
- Gain on remeasurement of previously held equity interest is a one-off accounting adjustment.
- Group share of result of Pinewood North America, LLC as associate relates to the period when the investment was accounted for as an associate prior to becoming a consolidated subsidiary.
- Net fair value losses on financial instruments reflect market-driven valuation changes rather than underlying trading performance.

Notes to the Financial Statements continued

2 – Results and Trading continued

2.8 Non-underlying items continued

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 £1.1m arising when Pinewood North America was equity accounted for as an associate (FY24: £0.4m) is shown in note 2.1.

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
- 3.2 Property, plant and equipment
- 3.3 Trade and other receivables
- 3.4 Trade and other payables
- 3.5 Deferred income
- 3.6 Acquisitions
- 3.7 Other Investments

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). 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.

Intangible assets other than goodwill are stated at cost less accumulated amortisation and any impairment losses. Intangible assets other than goodwill are stated at cost less accumulated amortisation and any impairment losses. 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.

Intangible assets arising on an acquisition are recognised separately from goodwill if its fair value can be measured reliably and is either (i) separable from the acquired business, or (ii) arises from contractual or legal rights. Amortisation is calculated on a straight line basis over the estimated useful life of the intangible asset. Amortisation methods and useful lives are reviewed annually and adjusted if appropriate.

The main intangible assets recognised are customer contracts and relationships, reacquired rights, brands and trademarks and software development. Customer contracts and relationships relate to the fair value of the customer contracts entered into by Pinewood North America LLC prior to its acquisition by the Group. Reacquired rights relate to the fair value of the reseller rights previously granted to the former resellers in the South African and Middle Eastern markets. Brand and trademarks relate to the fair value of the Seez brand, see note 3.6 for details of all these acquisitions. Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives.

The estimated useful lives are as follows:

- Customer contracts and relationships – 20 years
- Reacquired rights – 10 years
- Brands and trademarks – 5 years
- Software development – 5 to 10 years

Notes to the Financial Statements continued

3 – Operating Assets and Liabilities continued

3.1 Intangible assets and goodwill continued

	Goodwill £m	Customer contracts / relationships £m	Reacquired Rights £m	Brands / Trademarks £m	Software development £m	Other intangibles £m	Total £m
Cost							
At 1 February 2024	0.3	-	-	-	36.8	1.1	38.2
Additions	-	-	-	-	7.4	0.1	7.5
Disposals	-	-	-	-	-	(1.0)	(1.0)
At 31 December 2024	0.3	-	-	-	44.2	0.2	44.7
At 1 January 2025	0.3	-	-	-	44.2	0.2	44.7
Additions	-	-	-	-	10.5	0.1	10.6
Acquisition through business combinations	51.2	125.0	2.4	1.6	17.1	-	197.3
Foreign exchange differences	-	-	-	-	(0.4)	-	(0.4)
At 31 December 2025	51.5	125.0	2.4	1.6	71.4	0.3	252.2
Amortisation							
At 1 February 2024	-	-	-	-	23.0	1.1	24.1
Amortised during the period	-	-	-	-	5.0	-	5.0
Disposals	-	-	-	-	-	(1.0)	(1.0)
At 31 December 2024	-	-	-	-	28.0	0.1	28.1
At 1 January 2025	-	-	-	-	28.0	0.1	28.1
Amortised during the period	-	2.6	0.1	0.3	8.0	-	11.0
Foreign exchange differences	-	-	-	-	(0.1)	-	(0.1)
At 31 December 2025	-	2.6	0.1	0.3	35.9	0.1	39.0
Carrying amounts							
At 1 February 2024	0.3	-	-	-	13.8	-	14.1
At 31 December 2024	0.3	-	-	-	16.2	0.1	16.6
At 31 December 2025	51.5	122.4	2.3	1.3	35.5	0.2	213.2

Notes to the Financial Statements continued

3 – Operating Assets and Liabilities continued

3.1 Intangible assets and goodwill continued

The following have been recognised in the income statement within net operating expenses:

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Amortisation of internally generated intangible assets	4.0	5.0
Amortisation of other intangible assets arising on consolidation	7.0	–
Research and development costs (expensed)	3.1	1.6

The Group identifies two CGUs corresponding to the Pinewood and Seez operating segments. The Group performs an annual impairment test to compare the carrying value of the CGUs with their value in use. The value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions: continuation of historic growth rates in core markets, delivery of signed customer contracts and continuation of historic margins. The values used are consistent with past experience and the Group's budgeting. Cash flows have been projected for a 5 year period with a terminal value assigned, applying 3% growth to the final year of the 5 year projection. Growth projections include the rollout of the Group's product to Lithia US and in the case of Seez also to Lithia UK. A discount rate of 10% has been applied.

Goodwill and the other intangible assets of the Group have been reviewed for any possible impairment and as a result of this review there was no impairment charge made during the period (FY24: £nil). There is significant headroom between the carrying value of the CGU and the intangible assets of the Group and their value in use and as such no sensitivity disclosures are relevant as at 31 December 2025.

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:	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.

	Land & buildings £m	Plant & equipment £m	Motor vehicles £m	Total £m
Cost				
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
At 1 January 2025	1.7	0.5	1.0	3.2
Additions	1.1	0.4	0.2	1.7
At 31 December 2025	2.8	0.9	1.2	4.9
Depreciation				
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
At 1 January 2025	1.1	0.3	0.1	1.5
Charge for the period	0.5	0.2	0.4	1.1
At 31 December 2025	1.6	0.5	0.5	2.6
Carrying amounts				
At 1 February 2024	1.0	0.1	–	1.1
At 31 December 2024	0.6	0.2	0.9	1.7
At 31 December 2025	1.2	0.4	0.7	2.3

Notes to the Financial Statements continued

3 – Operating Assets and Liabilities continued

3.2 Property, plant and equipment continued

The following items have been charged to the income statement as operating expenses during the period/year:

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Depreciation of property, plant and equipment – leased	0.5	0.4
Depreciation of contract hire vehicles – leased	0.4	0.1
Depreciation of property, plant and equipment – owned	0.2	0.1

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Cash flow statement information		
Additions to property, plant, equipment and intangible assets:		
Additions to land and buildings	(1.1)	-
Additions to plant and equipment	(0.4)	(0.2)
Additions to motor vehicles	(0.2)	(1.0)
Additions to intangible assets (see note 3.1)	(10.6)	(7.5)
Total additions	(12.3)	(8.7)
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 (FY24: £0.0m))	0.9	1.0
Cash flows from investing activities in respect of additions to property, plant and equipment	(11.4)	(7.5)

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 2025 and 31 December 2024 the allowance for expected credit losses ('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.

	31 December 2025 £m	31 December 2024 £m
Balance sheet		
Trade receivables	6.3	9.2
Allowance for doubtful debts	(0.3)	(0.6)
	6.0	8.6
Other receivables	4.3	12.8
	10.3	21.4

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 53 days (FY24: 92 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 12 month period of £0.3m (FY24: £0.2m).

The trade receivables at 31 December 2025 includes £2.7m due from Lithia UK Holdings Ltd (FY24: £5.5m), which is a related party, see note 5.1.

Notes to the Financial Statements continued

3 – Operating Assets and Liabilities continued

3.3 Trade and other receivables continued

At 31 December 2024 Other receivables included £11.1m 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. This balance was settled by March 2025 and at 31 December 2025 there were no amounts owed by Lithia arising from the arising from the sale of the UK Motor and Leasing businesses.

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

	Trade receivables 31 December 2025 £m	Other receivables 31 December 2025 £m	Trade receivables 31 December 2024 £m	Other receivables 31 December 2024 £m
Not past due	5.1	4.3	3.9	12.1
Past due 0-30 days	0.6	–	2.7	–
Past due 31-120 days	0.3	–	2.2	–
Past due 120+ days	0.3	–	0.4	–
	6.3	4.3	9.2	12.1
Provision for impairment	(0.3)	–	(0.6)	–
	6.0	4.3	8.6	12.1

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

	2025 £m	2024 £m
Balance at 1 January 2025 / 1 February 2024	0.6	0.5
Utilisation	(0.6)	(0.1)
Impairment loss recognised	0.3	0.2
Balance at 31 December 2025 / 31 December 2024	0.3	0.6

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.

	31 December 2025 £m	31 December 2024 £m
Balance sheet		
Trade payables	1.8	2.1
Other taxation and social security	1.0	1.3
Accruals and customer deposits	7.9	7.6
	10.7	11.0
Non-current	–	–
Current	10.7	11.0
	10.7	11.0

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 majority of the Group invoices customers of its Dealer Management System on a Software as a Service basis 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.

Following acquisitions during the year, certain Group entities invoice in month and as a result do not typically generate significant deferred income balances.

	2025 £m	2024 £m
At 1 January 2025 / 1 February 2024	7.6	6.5
Created in the period	31.7	28.4
Recognised on acquisition	0.2	–
Recognised as income during the period	(32.0)	(27.3)
At 31 December 2025 / 31 December 2024	7.5	7.6

Notes to the Financial Statements continued

3 – Operating Assets and Liabilities continued

3.6 Acquisitions

Seez App Holding Ltd

On 4 March 2025 the Group acquired the 90.9% of the share capital of Seez App Holding Ltd ('Seez') not previously owned by the Group for consideration of £33.9m, see note 3.7 for details of the previous investment in Seez. Seez offers automotive retail Artificial Intelligence (AI) and Machine Learning (ML) solutions globally, which complement Pinewood.AI's existing Automotive Intelligence platform.

The assets and liabilities acquired and the associated fair value adjustments were as follows:

	Book value £m	Fair Value £m
Capitalised software development	4.8	17.1
Intangible assets – Brands / trademarks	–	1.6
Trade and other receivables	1.3	1.3
Cash and cash equivalents	1.0	1.0
Trade and other payables	(0.6)	(0.6)
Deferred tax asset / (liability)	0.3	(1.0)
Total net assets acquired	6.8	19.4
Fair value of previously held equity interest, see note 3.7		(3.2)
Goodwill		17.7
Consideration on acquisition of control		33.9
The consideration was satisfied by:		
		£m
Cash		26.5
Consideration in shares, see note 4.4		7.4
Consideration on acquisition of control		33.9

The Group has recognised goodwill of £17.7m, which is primarily attributable to the expected synergies from integrating Seez's AI technology with the existing automotive retail platform and the value of the acquired assembled workforce.

As the outstanding 90.9% of the share capital of Seez was acquired at approximately the same price per share as the initial investment, a gain on remeasurement of the previously held equity interest has not been recorded.

The contribution of Seez in the reporting period included in the Group statement of comprehensive income since acquisition includes:

	£m
Revenue	4.4
Loss after tax	(1.5)

Pinewood North America LLC

On 31 July 2025 the Group acquired the 51% of the share capital of Pinewood North America LLC not previously owned by the Group for consideration of £70.3m. see note 5.2 for details of the previous investment in Pinewood North America LLC. Pinewood North America LLC has a contract with Lithia Motors, Inc. ('Lithia') to provide the Pinewood Automotive Intelligence platform across all Lithia's current and future dealerships in the United States of America and Canada, and is building a team to sell and support the product in these markets.

The assets and liabilities acquired and the associated fair value adjustments were as follows:

	Book value £m	Fair Value £m
Intangible assets – Customer contracts / relationships	–	125.0
Intangible assets – Licence asset	2.5	–
Trade and other receivables	0.1	0.1
Cash and cash equivalents	14.8	14.8
Trade and other payables	(2.0)	(2.0)
Deferred tax asset / (liability)	–	(32.5)
Total net assets acquired	15.4	105.4
Fair value of previously held equity interest		(67.6)
Goodwill		32.5
Consideration on acquisition of control		70.3

The consideration was satisfied by:

	£m
Consideration in shares	70.3
Consideration on acquisition of control	70.3

Notes to the Financial Statements continued

3 – Operating Assets and Liabilities continued

3.6 Acquisitions continued

The Group has recognised goodwill of £32.5m, which is primarily attributable to expected growth opportunities within the North American market and the value of the acquired assembled workforce.

In accordance with IFRS 3 a gain on remeasurement of the previously held equity interest in Pinewood North America LLC has been recognised in the statement of comprehensive income. This gain can be reconciled as follows:

	Fair Value £m
Fair value of previously held equity interest	67.6
Carrying value of equity interest at acquisition date, see note 5.2	(7.6)
Gain on release of deferred income in relation to downstream sales	1.2
Foreign exchange difference reclassified from equity	(0.4)
Gain on remeasurement of previously held equity interest	60.8

The contribution of Pinewood North America LLC in the reporting period included in the Group statement of comprehensive income since acquisition has been recorded as a non-underlying item, see note 2.8, and includes:

	Fair Value £m
Revenue	–
Loss after tax	(4.0)

Pinewood South Africa

On 31 July 2025 a newly incorporated subsidiary of the Group acquired certain key assets comprising of, amongst others, customer contracts relating to the software-as-a-service business offering from entities within the Motify Group for a total cash consideration of £2.5m, which was payable at completion. The Motify Group previously had the exclusive rights to resell the Pinewood Automotive Intelligence platform in various Southern African markets. This acquisition returns these rights to the Group and will enable it to fully control its sales and customer service functions within these markets.

The acquisition has been assessed in relation to the criteria of IFRS 3 and in management's judgement represents a business combination rather than an asset purchase. The assets and liabilities acquired and the associated fair value adjustments were as follows:

	Book value £m	Fair Value £m
Intangible assets – Reacquired rights	–	2.1
Deferred tax asset / (liability)	–	(0.5)
Total net assets acquired	–	1.6
Goodwill		0.9
Total consideration		2.5

The consideration was satisfied by:

	£m
Cash	2.5
Total Consideration	2.5

The Group has recognised goodwill of £0.9m, which is primarily attributable to expected synergies and the value of the acquired assembled workforce.

The contribution of the Pinewood South Africa business combination in the reporting period included in the Group statement of comprehensive income since acquisition includes:

	£m
Revenue	0.9
Profit after tax	0.1

Notes to the Financial Statements continued

3 – Operating Assets and Liabilities continued

3.6 Acquisitions continued

Pinewood Middle East

In August 2025 the Group reached an agreement with the Brambourne Group to reacquire the exclusive rights to sell the Pinewood Automotive Intelligence platform in various Middle Eastern markets, which had previously been granted to the Brambourne Group. The total consideration was £0.3m, which was payable at completion. This acquisition will enable the Group to fully control its sales and customer service functions within these markets.

The acquisition has been assessed in relation to the criteria of IFRS 3 and in management's judgement represents a business combination rather than an asset purchase. The assets and liabilities acquired and the associated fair value adjustments were as follows:

	Book value £m	Fair Value £m
Intangible assets – Reacquired rights	–	0.3
Deferred tax asset / (liability)	–	(0.1)
Total net assets acquired	–	0.2
Goodwill		0.1
Total consideration		0.3
The consideration was satisfied by:		
		£m
Cash		0.3
Total Consideration		0.3

The contribution of the Pinewood Middle East business combination included in the Group statement of comprehensive income since acquisition is not considered material for separate identification.

3.7 Other investments

At 31 December 2024 Other investments was comprised solely of the Group's investment in Seez App Holding Ltd ('Seez'). In September 2024 the Group entered into an advance subscription agreement with Seez under the terms of which the Group invested £3.2m in exchange for 9.1% of the share capital of Seez. Following the acquisition of the 90.9% of the Seez share capital not previously owned by the Group in March 2025, Seez has been fully consolidated as it is now a 100% wholly owned subsidiary, see note 3.6.

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.

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.1 Accounting policies continued

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.

		31 December 2025 £m	31 December 2024 £m
Financial assets	IFRS 9 classification		
Trade and other receivables	Amortised cost	10.3	21.4
Cash and cash equivalents	Amortised cost	34.1	9.3

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.

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

Trade and other payables – see note 3.4

4.2 Financial instruments and derivatives

Cash and cash equivalents

	Carrying value & fair value 31 December 2025 £m	Carrying value & fair value 31 December 2024 £m
Bank balances and cash equivalents	34.1	9.3
Cash and cash equivalents in the Balance Sheet	34.1	9.3
Cash and cash equivalents in the statement of cash flows	34.1	9.3

Borrowings

As at 31 December 2025, borrowing facilities comprised of a £10m RCF with Barclays Bank, expiring in February 2027.

As at 31 December 2025, total facility commitments and expiry are as set out below:

	Expiry date	£m
RCF	February 2027	10.0

Throughout the period of account, and at the date of this report, the RCF remains undrawn.

For the 12 month period to 31 December 2025, the following margins and fees were in place:

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

For the 12 month period to 31 December 2025, 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 2025, reported to Barclays, the ratio was 25.51 times.

Summary of borrowings

	Carrying value 31 December 2025 £m	Fair value 31 December 2025 £m	Carrying value 31 December 2024 £m	Fair value 31 December 2024 £m
Non-current:				
Other loan notes	0.2	0.2	0.2	0.2
Lease liabilities	0.6	0.6	0.7	0.7
Total non-current	0.8	0.8	0.9	0.9
Current:				
Lease liabilities	0.7	0.7	0.7	0.7
Total current	0.7	0.7	0.7	0.7
Total borrowings	1.5	1.5	1.6	1.6

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.2 Financial instruments and derivatives continued

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

11 month period ended 31 December 2024

	Borrowings		Equity			Total £m
	Long term borrowings £m	Lease £m	Share capital £m	Other reserves £m	Retained earnings £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

12 month period ended 31 December 2025

	Borrowings		Equity			Total £m
	Long term borrowings £m	Leases £m	Share capital £m	Other reserves £m	Retained earnings £m	
At 1 January 2025	0.2	1.4	87.1	79.0	(127.1)	40.6
Cash flows from financing activities						
Payment of lease liabilities	-	(1.2)	-	-	-	(1.2)
Proceeds from issue of share capital	-	-	11.3	22.8	-	34.1
	-	(1.2)	11.3	22.8	-	32.9
Other changes						
The effect of changes in foreign exchange rates	-	-	-	(0.7)	-	(0.7)
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	-	-	16.7	61.0	54.1	131.8
At 31 December 2025	0.2	1.3	115.1	162.1	(73.0)	205.7

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.2 Financial instruments and derivatives continued

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

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)

There were no transfers between levels 1, 2 and 3 fair value measurements during the current or prior period.

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 2025 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	34.1	Amortised cost	Floating GBP	0% to 4.2%	n/a
Borrowings and other financial liabilities						
Other loan notes	Other financial liabilities	0.2	Amortised cost	Fixed GBP	12.50%	n/a
Warrants	Other financial liabilities	7.9	FVTPL	Non-interest bearing	n/a	n/a
Lease liabilities	Other financial liabilities	0.6	Amortised cost	Fixed GBP	10.00%	n/a
Total non-current		8.7				
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 and other financial liabilities		9.4				

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.2 Financial instruments and derivatives continued

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

	31 December 2025 £m	31 December 2024 £m
Pound sterling	1.5	1.6

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, and is not regularly used.

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

	31 December 2025 £m	31 December 2024 £m
Between 1 and 2 years	0.2	–
Between 2 and 5 years	–	0.2
	0.2	0.2

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.2 Financial instruments and derivatives continued

The Group has £0.2m of loan notes outstanding with a contractual repayment date of June 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 and other 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 December 2025	Carrying amount	Contractual cashflows	Within 6 months	6-12 months	1-2 years	2-5 years	over 5 years
RCF	-	-	-	-	-	-	-
Loan notes	0.2	0.2	-	-	0.2	-	-
	0.2	0.2	-	-	0.2	-	-
Leases liabilities	1.3	1.4	0.4	0.3	0.4	0.3	-
Warrants	7.9	-	-	-	-	-	-
Trade payables	1.8	1.8	1.8	-	-	-	-
Accruals and other payables	8.9	8.9	8.9	-	-	-	-
	20.1	12.3	11.1	0.3	0.6	0.3	-

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.2 Financial instruments and derivatives continued

The Group has the following undrawn borrowing facilities:

	31 December 2025 £m	31 December 2024 £m
Expiring in 1-2 years	10.0	–
Expiring in 2-5 years	–	10.0
	10.0	10.0

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.

Foreign exchange risk management

The Group faces currency risk in respect of its net assets/liabilities denominated in currencies other than sterling. On translation into sterling, movements in currency will affect the value of these assets and liabilities. The Group has £15.5m of net current assets exposed to foreign currency risk, comprising £14.2m US Dollars, £0.5m Euros, £0.5m South African Rand, and £0.3m Swedish Krona.

Foreign currency translation differences of foreign operations

	31 December 2025 £m	31 December 2024 £m
Foreign exchange gains / (losses) on translation of foreign operations to sterling at balance sheet date	(0.7)	(0.1)
Net exchange gain / (loss) recognised within translation reserve in equity	(0.7)	(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.

Warrants

On 14 February 2025 the Group entered into a contract with Global Auto Holdings 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 issued share capital of Pinewood at the time of the transaction, 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.

At the date of issuance, the Group recognized a financial liability of £7.1 million, representing the fair value of the warrants as valued using the Black-Scholes model. As these warrants were issued in connection with a long-term service contract, the initial fair value was recorded as a contract asset. This asset will be amortised as a reduction of revenue over the term of the contract, matching the pattern of service delivery to Global Auto Holdings.

The valuation of warrants accounted for as debt relies on estimates of market-based inputs, including share price volatility and risk-free rates, which are categorised within Level 2 of the fair value hierarchy. The financial liability is classified as fair value through profit or loss (FVTPL) under IFRS 9. As at 31 December 2025, the fair value of the liability has been remeasured using the Black-Scholes model to £7.9 million. The resulting fair value movement of £0.8 million has been recognised as a charge within the consolidated income statement.

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.

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.3 Finance income and Finance Expense continued

Finance expense

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Recognised in profit and loss		
Interest payable on leases	0.1	0.1
Interest on borrowings, RCF commitment and arrangement fees	0.2	0.2
Total finance expense	0.3	0.3

Finance income

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Bank interest receivable	1.0	4.7
Total finance income	1.0	4.7

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.

	31 December 2025 Number	31 December 2025 £m	31 December 2024 Number	31 December 2024 £m
Alotted, called up and fully paid shares of £1.00 each at 31 December 2025 and 31 December 2024 and allotted, called up and fully paid shares of £0.05 each at 1 February 2024				
At 1 January 2025 / 1 February 2024	87,115,622	87.1	1,462,923,523	73.2
Share issues	27,984,355	28.0	279,388,917	13.9
Share consolidation	-	-	(1,655,196,818)	-
At 31 December 2025 / 31 December 2024	115,099,977	115.1	87,115,622	87.1

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.4 Capital and reserves continued

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 279,388,880 new Ordinary Shares 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.

On 25 February 2025 the Group completed 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. The net proceeds after directly attributable fees were £34.1m.

On 4 March 2025 2,098,633 new Ordinary Shares were issued at a value of £7.4m to various shareholders of Seez App Holding Ltd ('Seez') as part of the consideration to acquire the 90.9% of the Seez share capital not previously owned by Pinewood Technologies Group Plc.

On 31 July 2025 14,560,691 new Ordinary Shares were issued at a value of £70.3m to Lithia Motors, Inc ('Lithia') as the consideration for acquiring Lithia's 51% interest in Pinewood North America LLC.

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.

Other reserves

At 31 December 2025, Other reserves consists of a Merger reserve £61.0m (FY24: nil) and a Capital redemption reserve £5.6m (FY24: £5.6m).

The Merger reserve arose during FY25 in connection with acquisitions of Seez and Pinewood North America LLC. In accordance with Section 612 of the Companies Act 2006, the Group qualified for merger relief on the consideration shares issued as part of these acquisitions. Consequently, the premium arising on the shares issued, representing the difference between the fair value of the shares and their nominal value, has been credited to a Merger reserve, which has been reduced by the value of the directly attributable transaction costs associated with this share issuance.

The Capital redemption reserve arose following the purchase by the Group of its own shares in 2023 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.

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 2025 was £0.0m (31 December 2024: £0.0m), being 0.0m (FY24: 0.0m) shares with a nominal value of £1.00p each, acquired at an average cost of £1.00 each (FY24: £1.00). The number of own shares held by the EBT at 31 December 2025 was 2,500 shares (31 December 2024: 2,500 shares). The trustee of the EBT is Salamanca Group Trust (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 financial information of foreign operations.

4.5 Dividends

No dividend was paid in FY25. In FY24 a dividend of 24.5p per £1.00 ordinary share amounting to a total of £358.4m was paid on 7 May 2024 as communicated to shareholders in the circular to shareholders dated October 2023 in respect of the sale of part of the business to Lithia Motors Inc. Lithia UK Holding Limited, who at the time 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 continued

4 – Financing Activities and Capital Structure continued

4.6 Share based compensation

Accounting policy

The Group operates a Long Term Incentive Plan (LTIP) and Deferred Share Plan (DSP). 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.

Awards made under the LTIP are normally able to vest following the third anniversary of the date of the grant. For Executive Directors, awards will normally be subject to a two-year holding period following the end of the vesting period. Vesting is subject to continued employment and the achievement of market and non-market performance conditions, full details of which can be found in the Remuneration Report on page 49. All awards are settled by physical delivery of shares.

Awards made under the DSP are normally able to vest following the third anniversary of the date of the grant. Vesting is subject to continued employment, full details of which can be found in the Remuneration Report on page 49. All awards are settled by physical delivery of shares.

Executive Long Term Incentive Plan ("LTIPs")

	Weighted average exercise price 12m period ended 31 December 2025	Number of options 12m period ended 31 December 2025	Weighted average exercise price 11m period ended 31 December 2024	Number of options 11m period ended 31 December 2024
The number and weighted average exercise prices of executive LTIPs is as follows:				
Outstanding at the start of the period	0.0p	2,475,729	0.0p	-
Granted during the period	0.0p	2,276,282	0.0p	2,475,729
Lapsed during the period	0.0p	(331,819)	0.0p	-
Exercised during the period	0.0p	-	0.0p	-
Outstanding at the end of the period	0.0p	4,420,192	0.0p	2,475,729
Exercisable at the end of the period	0.0p	-	0.0p	-
Weighted average remaining contractual life (years)		1.8		2.5

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. For awards with a market condition we have used a Monte-Carlo model, for awards with a non-market condition we use the Black-Scholes model. For executive directors where a holding period applies we use the Finnerly model to determine the discount for lack of marketability.

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.6 Share based compensation continued

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

Period ended At 31 December	2025			2024
	16th December 2025	12th June 2025	28th April 2025	15th July 2024
Date of grant				
Number of share options granted in period	287,405	899,028	1,089,849	2,475,729
Weighted average share price (pence)	358.00	453.00	318.00	351.50
Weighted average exercise price (pence)	-	-	-	-
Weighted average fair value (pence)	203.95	318.65	208.26	230.70
Expected volatility (%)	38.62%	46.31%	37.76%	50.79%
Expected life (years)	2.49	3.00	2.21	3.00
Risk free interest rate (%)	3.74%	3.87%	3.67%	4.32%

Expected volatility in the table above in respect of the 2025 award was determined by calculating the historical volatility of the Group's share price over the corresponding historical period.

Deferred Share Plan ("DSP")

A DSP grant was made on 12th June 2025. The fair value was determined using the same inputs as the LTIP awards and the weighted average fair value of the DSP shares granted in the period was 453 (pence). The number and weighted average exercise prices of the DSP is as follows:

	Weighted average exercise price 12m period ended 31 December 2025	Number of options 12m period ended 31 December 2025	Weighted average exercise price 11m period ended 31 December 2024	Number of options 11m period ended 31 December 2024
Outstanding at the start of the period	0.0p	400,485	0.0p	-
Granted during the period	0.0p	75,959	0.0p	400,485
Lapsed during the period	0.0p	-	0.0p	-
Exercised during the period	0.0p	-	0.0p	-
Outstanding at the end of the period	0.0p	476,444	0.0p	400,485
Exercisable at the end of the period	0.0p	-	0.0p	-
Weighted average remaining contractual life (years)		1.7		2.5

Income statement

The Group recognised a total net expense of £3.6m (FY24: £1.0m) as an employee benefit cost in respect of all equity-settled share based payment transactions included within administration costs.

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

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 6 months to expiry. The Group exercised the break clause and as such the lease ends 2nd July 2026.

The Group entered into two new property leases: one in April 2025 with 1 year 3.5 months to expiry at 31 December 2025, and one in May 2025 with 4 years 4.5 months to expiry at 31 December 2025. Neither lease contains an extension clause however the latter contains a break clause allowing the Group to terminate the agreement earlier than the lease expiry date. The Group has applied judgement in calculating the lease liability and right of use asset up to the expiry date of the lease as it is not considered likely that the break option will be exercised.

The Group has continued to lease a fleet of motor vehicles. At the 31 December 2025 the Group was leasing 45 vehicles under a three year lease agreements which all expire in 2027, and entered into 9 new agreements under a three year lease which all expire in 2028, taking the total fleet to 54 vehicles.

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

Right of Use Assets

	Land & buildings £m	Motor vehicles £m	Total £m
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
Balance at 1 January 2025	0.5	0.9	1.4
Additions to right of use assets	0.7	0.2	0.9
Depreciation charge	(0.5)	(0.4)	(0.9)
Balance at 31 December 2025	0.7	0.7	1.4

Notes to the Financial Statements continued

4 – Financing Activities and Capital Structure continued

4.7 Leases continued

Lease liabilities

	Land & buildings £m	Motor vehicles £m	Total £m
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)
Balance at 1 January 2025	(0.5)	(0.9)	(1.4)
Additions to right of use assets	(0.8)	(0.2)	(1.0)
Interest expense related to lease liabilities	(0.1)	–	(0.1)
Repayment of lease liabilities	0.8	0.4	1.2
Balance at 31 December 2025	(0.6)	(0.7)	(1.3)
Non-current	(0.3)	(0.3)	(0.6)
Current	(0.3)	(0.4)	(0.7)
Balance at 31 December 2025	(0.6)	(0.7)	(1.3)

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

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024, £m
Depreciation of right of use assets	0.9	0.4
(Losses)/gains on the disposal, termination and assignment of leases (non-underlying) (included in Other income – gains on the sale of businesses and property, plant and equipment)	0.3	–
Interest on lease liabilities	0.1	0.1
Expenses relating to short term leases	0.1	0.2

Expenses relating to variable lease payments not included in lease liabilities relate to the accrual of a provision 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 pages 110 to 111.

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 48 to 55.

Directors of the Group and their immediate relatives control 0.2% of the ordinary shares of the Group.

Notes to the Financial Statements continued

5 – Other Notes continued

5.1 Related party transactions continued

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

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Short term employee benefits	2.5	2.4
Share based payments	1.8	0.7
	4.3	3.1

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	–

	12m period ended 31 December 2025 Sale of services £m	12m period ended 31 December 2025 Purchase of services £m	31 December 2025 Amounts owed by related parties £m	31 December 2025 Amounts owed to related parties £m
Pinewood North America LLC	1.1	–	6.7	–
Lithia UK Holding Ltd	9.1	0.6	2.7	–

During the year, the Group employed a close family member of an executive director of the Company. The employment is on normal commercial terms and is remunerated at a salary consistent with other employees in similar roles. Total remuneration (including salary and benefits excluding share options) for the year ended 31 December 2025 amounted to £179,436 (2024: £nil). At the year end, amounts owing of £84,820 was outstanding. In addition, the individual was granted 34,849 share options under the 2025 LTIP scheme. The charge to the profit and loss account in the year in respect of these options was £12,830.

During FY25, coaching services were provided to the Group by an entity in which a Non-Executive Director is a Director and Shareholder. The services were provided by a close family member of the Non-Executive Director. The cost of the services was £40,000 (FY24: nil) and at the year end £20,000 (FY24: nil) was outstanding to this entity in respect of the services provided to the Group. These services were approved by the Board prior to commencement.

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 12 months ended 31 December 2025 or the prior period 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.

5.2 Interest in associate

The Group held a 49% interest in Pinewood North America LLC between 1 February 2024 and 31 July 2025. Pinewood North America LLC has the 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 periods 1 February 2024 to 31 December 2024, and 1 January 2025 to 31 July 2025 adjusting for differences in accounting policies. The Group's 49% interest in Pinewood North America LLC arose on 1 February 2024 following the sale of the UK Motor and Leasing businesses to Lithia UK Holding Limited. On 31 July 2025 the Group acquired the outstanding 51% interest in Pinewood North America LLC it did not previously own from Lithia Motors, Inc. Effective from 31 July 2025 the results of Pinewood North America LLC have been fully consolidated with the equity method accounting under IAS 28 ceasing to apply at the same date. Details of the acquisition accounting under IFRS 3 are set out in note 3.6.

The movement in the carrying amount of the interest in associate differs from the net loss recognised in the profit or loss by £0.4m. This variance represents the reclassification of cumulative exchange differences from other comprehensive income to the profit or loss following the loss of significant influence, see note 3.6.

Notes to the Financial Statements continued

5 – Other Notes continued

5.2 Interest in associate continued

	31 July 2025 £m	31 December 2024 £m
Non-current assets	2.5	0.8
Current assets	14.9	18.8
Current liabilities	(2.0)	(0.1)
Non-current liabilities	–	–
Net assets	15.4	19.5
Group's share of net assets 49%	7.6	9.6
Elimination of unrealised profit on downstream sales	–	–
Carrying amount of interest in associate	7.6	9.6

	7m period ended 31 July 2025 £m	11m period ended 31 December 2024 £m
Operating loss	(3.6)	(1.7)
Finance income	0.3	0.7
Loss from operations after tax	(3.3)	(1.0)
Other comprehensive income	–	–
Total comprehensive income	(3.3)	(1.0)
Group's share of total comprehensive income (49%)	(1.6)	(0.5)

Details of the related party transactions with Pinewood North America LLC as set out in note 5.1.

5.3 Post balance sheet events

On 30 December 2025 the Group entered into a new lease agreement for a commercial property located on the Blythe Valley Business Park, Birmingham, UK. The lease has a term of 10 years, with a 5 year break which the Group does not expect to exercise. The commencement date of the lease is 1 January 2026 as a result the Group expects to recognise a lease liability of approximately £2.8m and a corresponding right-of-use asset plus direct costs of approximately £0.1m on 1 January 2026.

On 26 February 2026 the Group acquired Grayhams B.V., which was previously the exclusive reseller of the Group's services and products in the Netherlands, for a total cash consideration of £3.3m payable on completion. The acquisition is aligned with Pinewood.AI's strategy to fully control its international sales and customer service functions, and it will support the Group's growth ambitions in the Central European market. The initial accounting for the business combination is incomplete and as such no disclosures have been included in respect of the fair value of assets acquired and allocation of the purchase price.

Company Statement of Comprehensive Income
12 month Period ended 31 December 2025

	12m period ended 31 December 2025 £m	11m period ended 31 December 2024 £m
Loss for the year / period	(7.6)	(0.9)
Other comprehensive (expense) / income for the year / period, net of tax	-	-
Total comprehensive (expense) for the year / period	(7.6)	(0.9)

Company Statement of Changes in Equity

12 month Period ended 31 December 2025

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m
Balance at 1 February 2024	73.2	56.8	5.6	366.6	502.2
Total comprehensive income for the period					
Loss for the year	-	-	-	(0.9)	(0.9)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive expense for the year	-	-	-	(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
Balance at 1 January 2025	87.1	72.9	5.6	8.4	174.0
Total comprehensive income for the period					
Loss for the period	-	-	-	(7.6)	(7.6)
Other comprehensive expense for the period, net of tax	-	-	-	-	-
Total comprehensive expense for the period	-	-	-	(7.6)	(7.6)
Transactions with owners, recorded directly in equity					
Issue of ordinary shares	28.0	22.8	61.0	-	111.8
Share based payments	-	-	-	3.6	3.6
Income tax relating to share based payments	-	-	-	0.2	0.2
Total contributions by and distributions to owners	28.0	22.8	61.0	3.8	115.6
Balance at 31 December 2025	115.1	95.7	66.6	4.6	282.0

The notes on pages 108 to 113 form part of these financial statements.

Company Balance Sheet

At 31 December 2025

	Notes	31 December 2025 £m	31 December 2024 £m
Fixed assets			
Investment in subsidiaries	4	291.8	184.3
Other investments	4	–	3.2
		291.8	187.5
Current assets			
Debtors	5	9.8	14.6
Deferred tax assets (all due in over 1 year)		0.9	1.3
Cash at bank and in hand		15.7	3.7
		26.4	19.6
Creditors: amounts falling due within one year	6	(28.1)	(32.9)
Net current liabilities		(1.7)	(13.3)
Total assets less current liabilities		290.1	174.2
Creditors: amounts falling due after more than one year	7	(8.1)	(0.2)
Net assets		282.0	174.0
Capital and reserves			
Called up share capital	10	115.1	87.1
Share premium account	10	95.7	72.9
Other reserves	10	66.6	5.6
Profit and loss account		4.6	8.4
Equity shareholders' funds		282.0	174.0

The loss after taxation attributable to the company dealt with in its own accounts for the 12m period ended 31 December 2025 is £7.6m (11m Dec24: loss £0.9m).

Approved by the Board of Directors on 22 April 2026 and signed on its behalf by:



W Berman
Chief Executive



O Mann
Chief Financial Officer

The notes on pages 108 to 113 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; and
- 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; and
- 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 the application of its accounting policies which, while not involving significant estimation uncertainty, could materially affect the amounts recognised in these financial statements. The key areas of judgement applied are set out below.

The company exercises judgement in assessing the recoverability of the carrying amount of its investments in subsidiaries, which are held at cost less impairment in accordance with IAS 27.

At each reporting date, the company assesses whether there are indicators that an investment may be impaired. Where such indicators exist, the company determines the recoverable amount of the investment, which are detailed in note 4.

Changes in these assumptions could result in a material adjustment to the carrying value of investments in future periods. The carrying amount of investments in subsidiaries is disclosed in note 4.

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 assessment of the value in use used in the impairment testing of its investment in its subsidiaries to involve significant estimation uncertainty regarding future cash flows, which are projected over a five-year period plus a terminal value. These projections rely on key assumptions including the continuation of historic growth rates and margins, and the successful delivery of contracted revenue. The Directors do not consider there to be any further 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.

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 where it is not probable that the temporary difference will reverse.

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.

Notes to the Financial Statements of the Company continued

1. Accounting policies continued

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 a 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. For investments 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.

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/year 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 £4.3m (FY24: £3.1m). Information relating to directors' emoluments, share options (including share gains) and pension entitlements is set out in the Directors' Remuneration Report on pages 48 to 55.

3. Dividends

No dividend was paid in FY25. In FY24 a dividend of 24.5p per £1.00 ordinary share amounting to a total of £358.4m was paid on 7 May 2024 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. Litha UK Holding Limited, who at the time 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 1 February 2024	547.1
Dividend received from Pendragon Group Holdings Ltd	(362.8)
At 31 December 2024	184.3
At 1 January 2025	184.3
Investment in Pendragon Group Holdings	70.4
Investment in Seez App Holdings Ltd	37.1
At 31 December 2025	291.8
Impairment	
At 1 February 2024	-
Impairment charge	-
At 31 December 2024	-
At 1 January 2025	-
Impairment charge	-
At 31 December 2025	-
Carrying amounts	
At 1 February 2024	547.1
At 1 January 2025	184.3
At 31 December 2025	291.8

At the period end, the company holds an investment in Pendragon Group Holdings Limited and Seez App Holding Ltd. In the case of Pendragon Group Holdings the recoverable amount of this directly-held subsidiary has been determined with reference to the value of investments in the actively trading members of the Group. In the case of Seez App Holding Ltd the recoverable amount of this directly-held subsidiary has been determined with reference to the trading member Seez App Technology Ltd.

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 for year ended 31 December 2025.

Full details of the company's other investments are given in notes 3.6 and 3.7 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 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.

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.
Pinewood North America LLC.

Notes to the Financial Statements of the Company continued

4. Investments continued

Incorporated in the UAE having a registered office at Fl 24, Al Sila Tower, Abu Dhabi Global Market Square, Al Markaziyah, Abu Dhabi, C/O: ResCo-Work02:
Seez App Holding Ltd*.

Incorporated in the UAE having a registered office at Unit GA-00-SZ-L1-RT-182, Level 1, Gate Avenue – South Zone, Dubai IFC, Dubai, UAE:
Seez App Technology Ltd.

Incorporated in Denmark having a registered office at C/O Highbridge Advokatanpartsselskab, Højbro Plads 10, 1200 København K, 1200 Højbro Plads:
Seez App APS.

Incorporated in South Africa having a registered office at Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, Gauteng, 2196:
Pinewood AI South Africa (Pty) Ltd.

* Direct subsidiary of Pinewood Technologies Group PLC.

5. Debtors

	31 December 2025 £m	31 December 2024 £m
Amounts due within one year:		
Amounts owed by Lithia UK Holdings Ltd	–	11.1
Other debtors	1.0	1.9
Amounts owed by subsidiary undertakings	8.8	1.6
	9.8	14.6

At 31 December 2024 £11.1m was 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. This balance was settled by March 2025 and at 31 December 2025 there were no amounts owed by Lithia arising from the arising from the sale of the UK Motor and Leasing businesses.

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

6. Creditors: amounts falling due within one year

	31 December 2025 £m	31 December 2024 £m
Other creditors and accruals	1.7	4.5
Amounts due to subsidiary undertakings	26.4	28.4
	28.1	32.9

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 2025 £m	31 December 2024 £m
Warrants	7.9	–
Loan notes	0.2	0.2
	8.1	0.2

The valuation of warrants accounted for as debt relies on estimates of market-based inputs, including share price volatility and risk-free rates, which are categorised within Level 2 of the fair value hierarchy. Valuations have been performed using the Black-Scholes model. Full details of the company's warrants and loan notes including security and maturity are given in note 4.2 to the consolidated financial statements.

Notes to the Financial Statements of the Company continued

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 2025 £m	31 December 2024 £m
Deferred tax assets	0.9	1.3

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

	Losses £m	Total £m
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
At 1 January 2025	1.3	1.3
Charged to income statement	(0.6)	(0.6)
Credited to equity	0.2	0.2
At 31 December 2025	0.9	0.9

9. Share based payments

Details of share schemes in place for the Group of which the company participates as at 31 December 2025 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 2025 and 31 December 2024

	Number	£m
At 31 December 2024	87,115,622	87.1
Share issue	27,984,355	28.0
At 31 December 2025	115,099,977	115.1

Full details of the share issue and share consolidation are given in note 4.4 to the consolidated financial statements.

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 2025 was £0.0m (31 December 2024: £0.0m), being 0.0m (FY24: 0.0m) shares with a nominal value of £1.00p each, acquired at an average cost of £1.00 each (FY24: £1.00). The trustee of the EBT is Salamanca Group Trust (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.

Other reserves

At 31 December 2025, Other reserves consists of a Merger reserve £61.0m (FY24: nil) and a Capital redemption reserve £5.6m (FY24: £5.6m).

The Merger reserve arose during FY25 in connection with acquisitions of Seez and Pinewood North America LLC. In accordance with Section 612 of the Companies Act 2006, the Group qualified for merger relief on the consideration shares issued as part of these acquisitions. Consequently, the premium arising on the shares issued, representing the difference between the fair value of the shares and their nominal value, has been credited to a Merger reserve, which has been reduced by the value of the directly attributable transaction costs associated with this share issuance.

The Capital redemption reserve arose following the purchase by the Group of its own shares in 2023 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.

Notes to the Financial Statements of the Company continued

11. Related party transactions

Identity of related parties

The company has related party relationships with its subsidiaries and with its key management personnel.

Transactions with related parties

The transaction with 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 2025. 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 2025 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 FY25

22 April 2026	date of this Report
22 April 2026	preliminary announcement of FY25 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

First Abu Dhabi Bank
Danske Bank A/S
First National Bank

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

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The registered office of each of these companies is MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

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:

Registrar and shareholder enquiries

By post: MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

By telephone: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. If you are outside the UK call +44 371 664 0300. Calls outside the UK will be charged at the applicable international rate. The helpline is open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales.

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