

Pendragon PLC

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

THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY FIRM OFFER MIGHT BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

For immediate release

26 September 2022

Pendragon PLC ("Pendragon" or the "Company")

Receipt of Unsolicited Proposal

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

The Board of Pendragon is currently considering the Proposal together with its financial and legal advisers. Shareholders are urged to take no action at this time.

There can be no certainty that any firm offer will be made, nor as to the terms on which any firm offer might be made. A further announcement will be made if and when appropriate.

As required by Rule 2.6(a) of the Code, Hedin Group will be required, by not later than 5.00 p.m. on 24 October 2022, either to announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline may be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

The person responsible for arranging for the release of this announcement on behalf of Pendragon is Richard Maloney, Group General Counsel and Group Company Secretary.

This announcement has been made without the consent of Hedin Group.

Enquiries:

Jefferies International Limited (Financial Adviser & Joint Corporate Broker) +44 20 7029 8000

Philip Noblet

Simon Hardy

James Thomlinson

Thomas Bective

Berenberg (Joint Corporate Broker)

Ben Wright

+44 20 3207 7800

Headland Consultancy (PR & Communications)

Henry Wallers

Jack Gault

+44 20 3805 4822

Notice related to financial adviser

Jefferies International Limited ("Jefferies"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for Pendragon and no one else in connection with the matters set out in this Announcement. In connection with such matters, Jefferies will not regard any other person as their client, and will not be responsible to any persons other than Pendragon for providing the protections afforded to clients of Jefferies or for providing advice in relation to the contents of this announcement or any other matter referred to herein. Neither Jefferies nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this announcement, in any statement contained herein or otherwise.

Joh. Berenberg, Gossler & Co. KG, London Branch ("Berenberg"), which is authorised and regulated by the German Federal Financial Supervisory Authority (BaFin) and is deemed authorised and regulated by the FCA in the United Kingdom, is acting for Pendragon and no one else in connection with the matters set out in this Announcement. In connection with such matters, Berenberg will not regard any other person as their client, and will not be responsible to any persons other than Pendragon for providing the protections afforded to clients of Berenberg or for providing advice in relation to the contents of this announcement or any other matter referred to herein. Neither Berenberg nor any of its subsidiaries, affiliates or branches owes or accepts any duty, liability or responsibility whatsoever (whether direct, indirect, consequential, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Berenberg in connection with this announcement, in any statement contained herein or otherwise.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange

offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rule 26.1 disclosure

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.Pendragonplc.com, by no later than 12 noon (London time) on 27 September 2022. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Rule 2.9 disclosure

In accordance with Rule 2.9 of the Code, as at the close of business on 23 September 2022 (being the business day prior to the date of this announcement), Pendragon confirms that it had in issue 1,396,944,425 ordinary shares of 5 pence each with voting rights and admitted to trading on the main market of the London Stock Exchange under the ISIN code GB00B1JQBT10. Pendragon holds no ordinary shares in treasury.

END