

**FOR IMMEDIATE RELEASE**

**03 July 2025**

*This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*



**PENNANT INTERNATIONAL GROUP PLC**

("Pennant", the "Company" and together with its subsidiaries the "Group")

**Business Update**

Pennant International Group plc (AIM:PEN), the systems support software and training solutions company, provides the following business update.

**Conclusion of Property Disposal Programme**

The Company is pleased to report that the sale of the final two freehold units at Staverton Connection (Units D1 and D2) has now completed on a sale-and-leaseback basis.

The aggregate sale consideration for the final two units is £1.125 million (excluding VAT). Pennant remains in occupation of the two units under a full repairing lease which has been entered into for a five-year term, with a three-year 'tenant only' break clause. The annual rent is £95,000 (exclusive of VAT, utilities and related outgoings).

The net proceeds of the final property sales will be applied to reducing the Group's overdraft borrowings and, after associated expenses, the transaction has realised a small loss against book value as at 31 December 2024.

This transaction successfully concludes the property disposal programme launched in September 2024 which has realised £3.2 million in gross sale proceeds in line with the programme's objectives.

**Trading update**

The Company is seeing increased interest in its products and services and, together with a growing pipeline of opportunities for 2025 and beyond, the Q2 2025 outcome of the UK Government's defence spending review augurs well for the remainder of the financial year and in the medium term.

Negotiations with the Ministry of Defence on the GenFly technology upgrade contract are progressing well and Pennant looks forward to announcing formal contract award, scheduled for Q3 of the current financial year.

As expected, 2025 revenue is anticipated to be significantly second-half-weighted, particularly noting the likely award date for the GenFly contract and delayed project work through Q2 within the Company's Track Access (rail) business.

While the expected conversion of the software sales pipeline has shifted into H2, the campaign to migrate legacy OmegaPS users to Auxilium (via GenS subscriptions) is proceeding to plan and, when combined with new

subscription sales, Pennant's annual recurring revenue (ARR) attributable purely to software subscriptions and maintenance now exceeds £2m for the first time in the Group's history.

The Directors remain confident that the Group will meet market expectations for the full year, with the second half revenue weighting achievable through the continued delivery of existing contracts, execution of Pennant's 'go to market' strategy for the Auxilium suite, and successful conversion of the GenFly contract (which is expected to contribute circa 15% of 2025 revenue).

A further trading update will be provided in August ahead of the Interim Results.

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#### Notes to editors:

Pennant International Group plc (AIM: PEN) is a technology driven, leading global provider of system support software and services, technical services, and training solutions. It supports its global customer base in the design, development, operation, maintenance, and training of complex assets, to maximise operational and maintenance efficiency.

Its key markets include Aerospace, Defence and Rail, and adjacent safety-critical markets such as Shipping, Nuclear and Space.

The Group addresses the market through three key business segments:

- **Software:** a key generator of recurring revenues through the provision of a suite of software tools designed to help clients: manage and use complex data; ensure equipment availability at optimal cost; and comply with industry standards. Its Integrated Product Support (IPS) and Integrated Logistics Support (ILS) software and services equips customers with powerful market-leading toolsets to manage, model and utilise complex equipment data.
- **Technical Services:** drives repeatable revenues through expert support for users of Pennant and third-party solutions including consultancy, support and maintenance, training and bespoke development.
- **Training Systems:** project-based revenues relating to the design and build of hardware, software and virtual training solutions for maintainers and operators of aircraft, ships and land systems.

Pennant is strategically focused on sustainable recurring and repeatable revenues and profitability growth, shifting its model towards high margin software and services. Against a climate of rising defence budgets and the burgeoning technological complexity of military, aviation and rail platforms, the demand for these solutions is expected to grow substantially.

Headquartered in Cheltenham, UK, the Group operates worldwide, with offices in Europe, North America and Asia-Pacific, serving markets with high barriers to entry often in regulated industries.

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