



FOR IMMEDIATE RELEASE

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PENNANT INTERNATIONAL GROUP PLC

Sale of Pennant Court

Pennant International Group plc (AIM:PEN) ("**Pennant**", the "**Group**" or "**Company**"), a leading global provider of training technology and integrated product support solutions, announces that it has exchanged contracts for the sale of its facility known as Pennant Court.

With the Group's increasing software focus and reduced reliance on resource-intensive hardware engineering activities, earlier this year the Board commissioned a comprehensive review of the Group's UK facilities. Recognising a reduced requirement for space at its Cheltenham operating sites, the Board decided to market for sale the Group's former Cheltenham head office, Pennant Court.

The Pennant Court site comprises a single unit subdivided between offices and a warehouse, totalling over 19,000 square feet of floor space in aggregate.

An offer for Pennant Court was accepted in May this year and contracts have now been exchanged for the sale of the freehold title. The vendor is Pennant International Limited and the buyer is Pripco Limited. Completion is scheduled for 19 August 2022. Pennant has not entered into any leaseback arrangement in relation to any part of the property and will vacate the site entirely upon completion.

The sale price is £2.1 million (plus VAT), which will be payable in full, in cash on completion. After transaction expenses, the sale is expected to realise a profit of £0.2 million. The Board considers that the sale price fairly reflects Pennant Court's market value.

The sale proceeds will be used to reduce the Group's overdraft, which currently stands at circa £4.2 million overdrawn (against a temporary limit of £5 million) such that immediately after the sale, the Group expects to be around £2.1 million overdrawn against an updated limit of £3 million (adjusted for the release of the asset from the bank's security package).

Following the sale, the Group expects to realise savings of circa £0.2 million per annum in respect of running costs, business rates and other expenses related to Pennant Court.

As a result of the aforementioned facilities review, the Group will also terminate its office lease in Stevenage this month and is in the early stages of negotiations to surrender another leased premises. The Group will continue to have sufficient facilities to service its order book and pipeline opportunities with 30,000 square feet of retained facilities in Cheltenham alone.

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