

JUNE 2024



COMPANY BRIEFING

FINAL RESULTS FOR YEAR ENDED 31 DECEMBER 2023



DISCLAIMER

This presentation is issued on behalf of Pennant International Group plc (the “Company”) solely for the purposes of providing existing and prospective investors in the Company with information primarily concerning the Company’s financial performance for the year ended 31 December 2023 and its future plans. This presentation does not constitute an admission document or prospectus nor does it constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for or otherwise acquire any securities of the Company or of a subsidiary undertaking of the Company, nor does this presentation constitute or form part of any invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 (“FSMA”), nor does it constitute a recommendation regarding securities of the Company, nor shall it or any part of it form the basis of or be relied on in connection with any contract or investment decision. Nothing in this presentation should be construed as constituting any form of investment advice, recommendation, guidance or proposal of a financial nature in respect of any investment issued by the Company or any transaction in relation to the Company. If you are considering engaging in any investment activity, you should seek appropriate independent advice and make your own assessment.

For the purpose of this notice, “presentation” means this document, any oral presentation, any question and answer session and any written or oral material discussed or distributed during the presentation meetings or any presentation to which this document relates. This presentation may not be copied, distributed, reproduced or passed on, directly or indirectly, in whole or in part, or disclosed by any recipient, to any other person (whether within or outside such person’s organisation or firm) or published in whole or in part, for any purpose or under any circumstances. The information in this presentation is provided as at the date of this presentation, has not been the subject of a structured verification exercise by the

Company or its advisers and is subject to material amendment, updating and change. The Company does not undertake to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent. This document sets out certain matters relating to the Company and does not purport to provide a complete description of the Company or the matters the subject of the presentation.

This presentation is only directed to, in the UK (i) persons who, having professional experience in matters relating to investments, are deemed sufficiently expert or sufficiently substantial to understand the risks involved and as such fall within the definition of investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) high net worth companies, partnerships and the trustees of high value trusts or unincorporated associations as defined in Article 49(2) (a) to (d) of that Order, and (iii) others to whom it can lawfully be distributed without approval by an authorised person, (each a “Relevant Person”); and, outside of the UK, persons who are “Qualified Investors” within the meaning of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state of the EEA) and any implementing measure in each relevant member state of the European Economic Area.

Any investment or investment activity to which this presentation relates is only available to and will only be engaged in with Relevant Persons and Qualified Investors. Any other persons should not rely on or act upon this presentation. By attending this presentation or accepting a copy of this document, the recipient represents and warrants that they are either a Relevant Person or a Qualified Investor. The information contained in this presentation is not for distribution, directly or indirectly, in

or into the USA, Canada, Australia, New Zealand, South Africa or Japan or in any other country where such distribution may lead to a breach of any law or regulatory requirement. Neither the Company nor any of its advisers or connected persons accepts any liability to any person in relation to the distribution or possession of this presentation to or in any such jurisdiction.

The information described in this presentation may contain information that is confidential, price-sensitive and which has not been publicly disclosed. By your receipt of this presentation you recognise and accept that to extent that the information in this presentation does constitute “inside information” as defined in Article 7 of the Market Abuse Regulation (“MAR”) and section 56 of the Criminal Justice Act 1993 (the “CJA”) this presentation constitutes a “market sounding” for the purpose of Article 11 of MAR. You recognise and accept that such information is being provided to you by the Company pursuant to Article 11 of MAR and you confirm, warrant and undertake that you will not: (i) deal in securities that are price-affected securities (as defined in the CJA) in relation to the inside information, encourage another person to deal in price-affected securities or disclose the information except as permitted by the CJA or MAR or before the inside information is made public; (ii) or cancel or amend an order which has already been placed concerning a financial instrument (as defined in MAR) to which the inside information relates; (iii) deal or attempt to deal whether on your own account or for a third party directly or indirectly in a financial instrument on the basis of the inside information; (iv) disclose the inside information to another person other than in the normal exercise of your employment, profession or duties; or (v) engage in behaviour based on any inside information which might amount to market abuse or market manipulation for the purposes of MAR. You also confirm you will undertake your own assessment of whether you are in possession of inside information and when you cease to be in possession of inside information.

This presentation may contain forward-looking statements relating to the Company’s expected operations based on management’s current expectations, estimates and projections. Words such as “expects”, “intends”, “plans”, “projects”, “believes”, “estimates”, and similar expressions are used to identify such forward-looking statements. These statements are not warranties or guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Outcomes and results may materially differ from what is expressed or forecast in such forward-looking statements. By their nature forward-looking statements involve risk and uncertainty as they relate to events and depend on circumstances that may occur in the future. Although the Company believes such statements are reasonable, no assurance can be given that these expectations will prove to be correct. There are a number of factors, many of which are beyond the control of the Company, which could cause actual results and developments to differ materially from those expressed or implied by forward-looking statements. No representation or warranty express or implied is made as to the fairness, accuracy or completeness of the information contained in this presentation and no reliance should be placed upon it. Save in the case of fraud, no liability is or will be accepted for such information by the Company, its advisers or any of their respective directors, officers, employees, agents or advisers or any other person. In particular it should be noted that information about past performance is not a guide as to future performance.



WHO WE ARE

Pennant is a market leading, technology driven business with a global customer base

Our software and training solutions are designed to enable users to maximise operational and maintenance efficiency

Our mission is to ensure systems are where they are needed, when they are needed and that they work



GLOBAL BUSINESS
UK, Canada, USA,
Australia



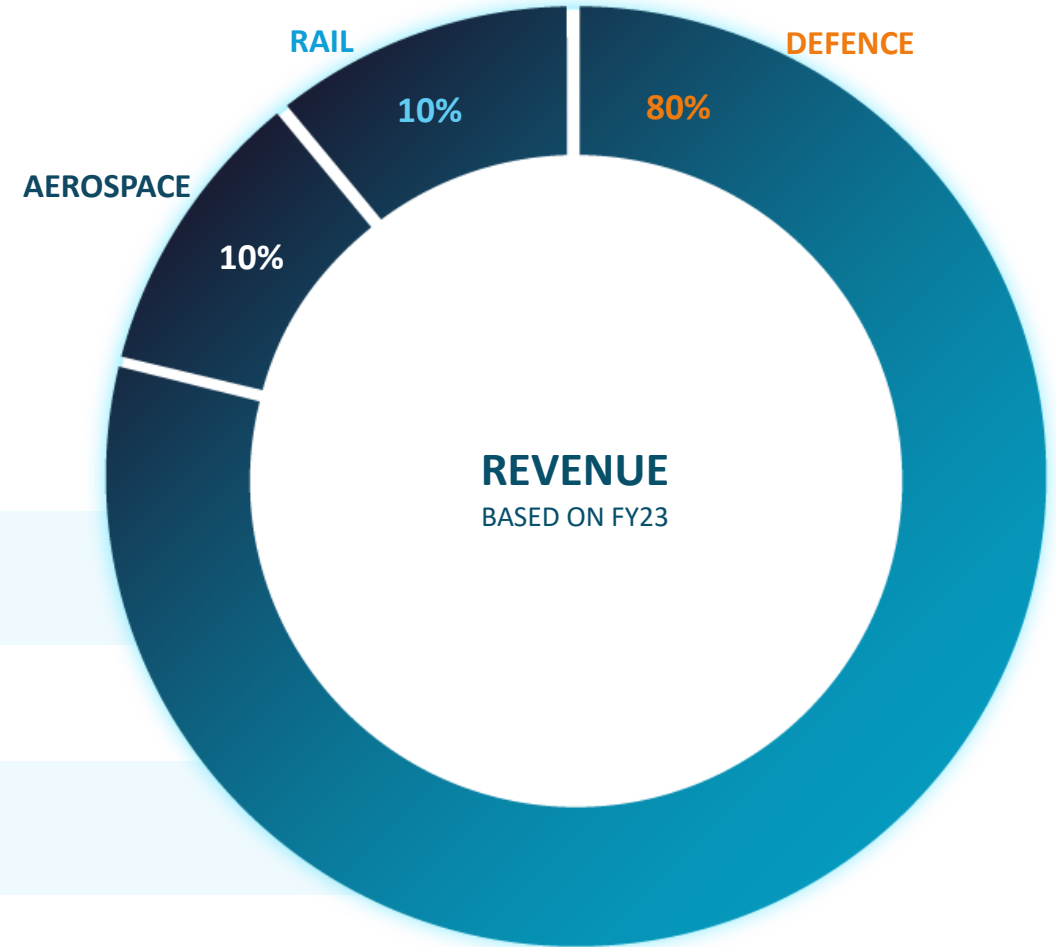
140+
Employees
(UK circa 80)



HEAD OFFICE
Cheltenham UK



UK based SME





WHAT PENNANT DOES

Pennant provides systems support and training solutions to defence departments and major OEMs worldwide to maximise operational and maintenance efficiency

We address the market through three key business lines:



SYSTEMS SUPPORT

Our software tools are designed to help clients:

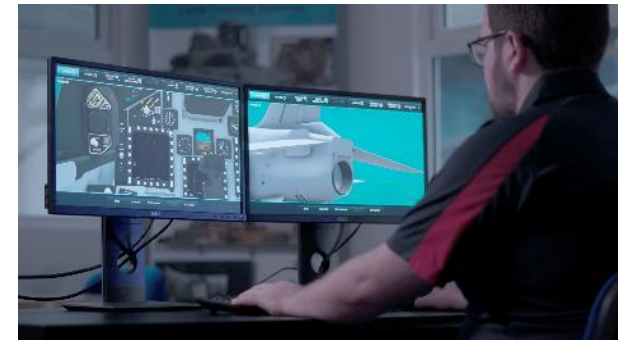
- manage and use complex data.
- ensure equipment availability at optimal cost
- comply with industry standards



TRAINING SOLUTIONS

Our training solutions provide:

- hardware, software and virtual solutions
- critical skills training for maintainers and operators of aircraft, ships and land systems



TECHNICAL SERVICES

Our services support all our software and training solutions, including:

- Consultancy
- Support & maintenance
- Training
- Bespoke development



BLUE CHIP CUSTOMERS

DEFENCE



AEROSPACE



RAIL





OUR SOLUTIONS IN ACTION

GenS

Configuration management

Analyzer

Modelling and analysis

R4i

Documentation management

Integrated Database

Database management

Training Solutions

Training Solutions

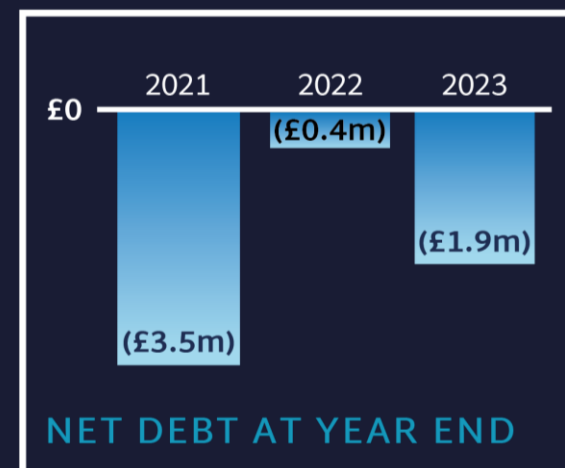
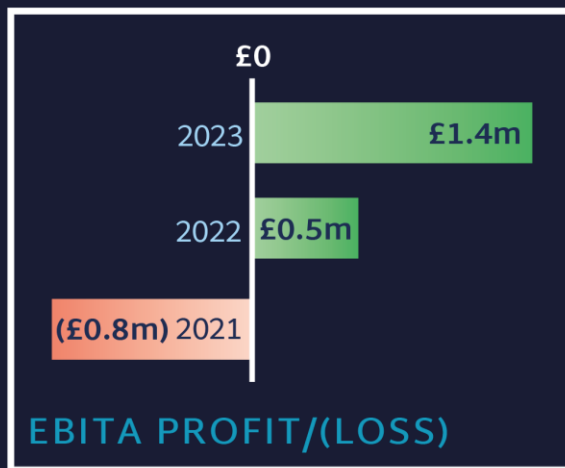
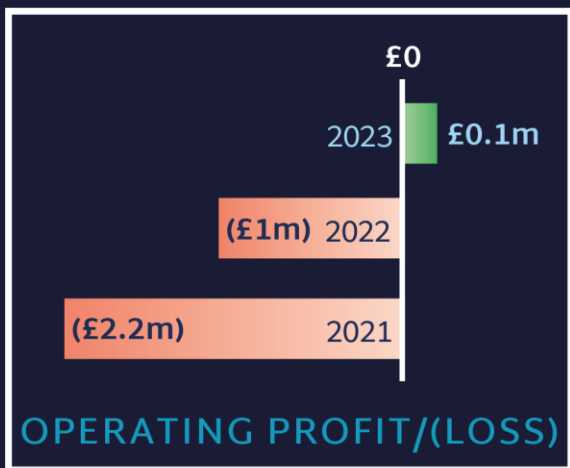
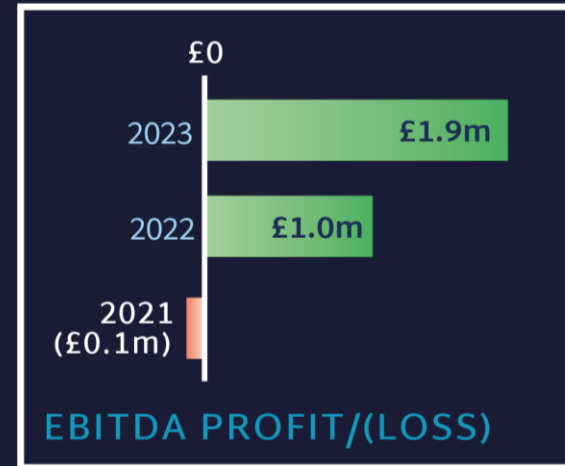
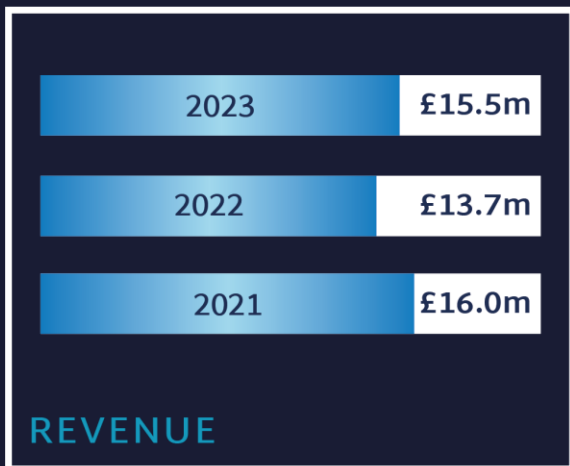


RESULTS





HEADLINES





HIGHLIGHTS

OPERATIONAL

- Continued significant investment in the Group's proprietary software products, totalling £1.4 million for the Period
- Acquisition of Track Access Productions Limited in April 2023, broadening Pennant's existing rail offering and customer base, delivering PBT of £155k in approx. 9 months
- Version 2 of GenS released in May 2023, with first commercial sale achieved in June 2023
- Strategic partnership with Aquila Learning Ltd to collaborate and integrate its ALaRMS into Pennant's IPS software suite

POST PERIOD HIGHLIGHTS

- Successful £1.4 million fundraise to support investment in the IPS software suite
- Ian Dighé appointed Chair
- Release of GenS v3.0 and beginning of investment phase which will see all three IPS applications – GenS, Analyzer and R4i – integrated into one, holistic solution



CONSOLIDATED INCOME STATEMENT

£M	31 DEC 2021 (AUDITED)	31 DEC 2022 (AUDITED)	31 DEC 2023 (AUDITED)
Revenue	15.97	13.69	15.54
Gross profit	4.36	5.79	7.73
Administrative expenses	(6.70)	(6.90)	(7.84)
EBITA / PBITA	(0.78)	0.53	1.42
Amortisation	(1.37)	(1.52)	(1.33)
Operating (Loss)/Profit	(2.15)	(0.99)	0.10
Net finance costs	(0.33)	(0.37)	(0.46)
Tax	0.87	0.46	(0.57)
(Loss) for the period	(1.61)	(0.90)	(0.93)



CONSOLIDATED BALANCE SHEET

£M	31 DEC 2021 (AUDITED)	31 DEC 2022 (AUDITED)	31 DEC 2023 (AUDITED)
Non-current assets	15.0	13.2	13.3
Current assets	6.6	6.6	5.4
Current liabilities	(9.0)	(8.1)	(8.0)
Non-current liabilities	(1.4)	(1.0)	(0.9)
Shareholders funds	11.1	10.7	9.8

- Non-current assets include £3.1m of freehold property
- Current assets include trade and other receivables of £2.6m
- Current liabilities include bank overdraft of £3.0m (offset by £1.1m of cash and cash equivalents)
- Non-current liabilities include the contingent consideration of the acquisition of ADG £0.3m (2022: £0.6m)



CONSOLIDATED CASH FLOW

£M	31 DEC 2022 (AUDITED)	31 DEC 2023 (AUDITED)
Net cash from operations	2.57	1.29
Investing activities	0.36	(2.32)
Financing activities	(0.18)	(0.17)
Net increase / (decrease) in cash and cash equivalents	2.75	(1.20)
Cash and cash equivalents brought forward	(3.54)	(0.43)
Impact of foreign exchange	0.37	(0.25)
Cash and cash equivalents at end of year	(0.43)	(1.88)

- **Investing activities includes purchase of intangible assets of £1.4m and the net payment for the acquisition of Track Access Productions of £0.2m**



NET CASH GENERATED FROM OPERATIONS

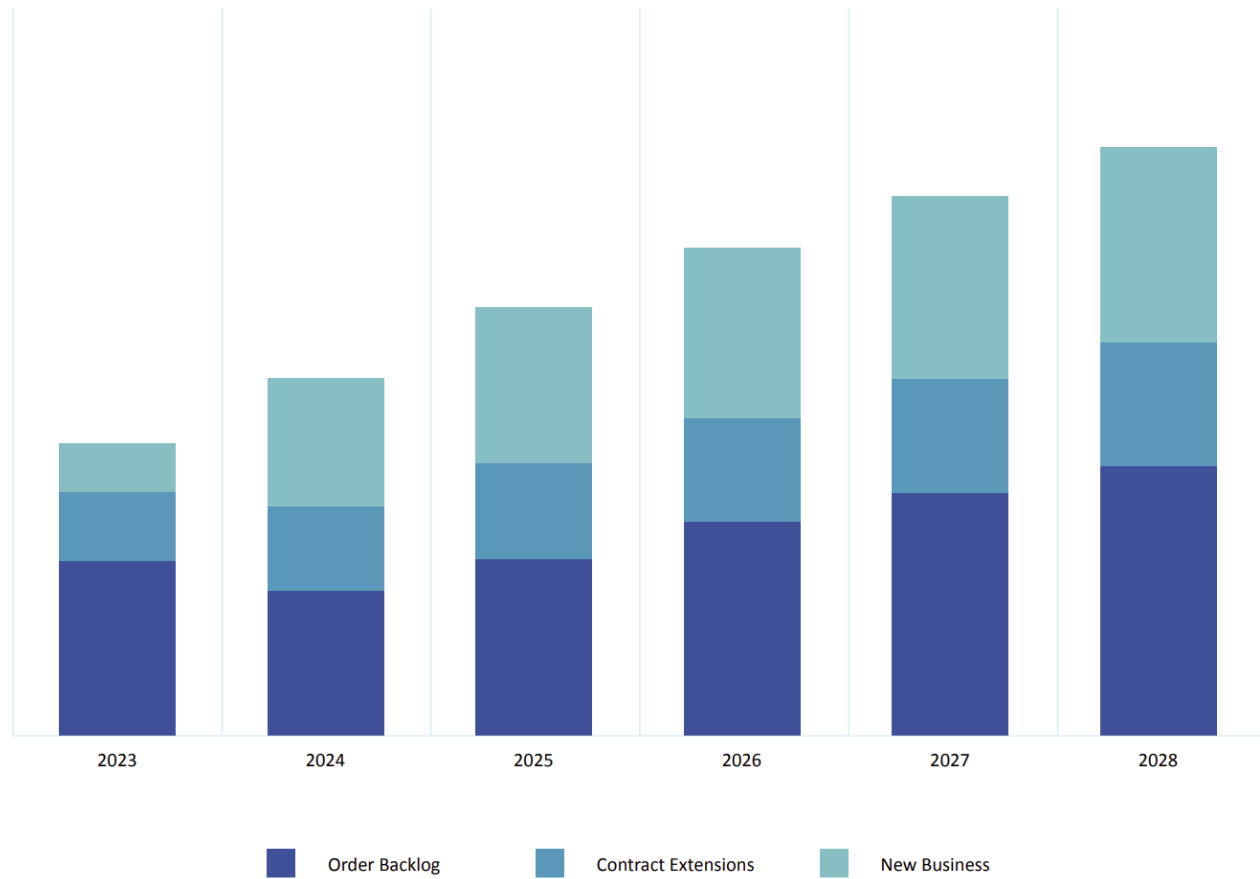
CASH GENERATED FROM OPERATIONS (£M)	31 DEC 2022 (AUDITED)	31 DEC 2023 (AUDITED)
(Loss) for the year	(0.90)	(0.93)
Depreciation	0.56	0.51
Amortisation	1.52	1.33
Share based payments	0.03	0.07
Other – finance, tax, profit on disposal	(0.58)	0.78
Operating cash flow before working capital	0.63	1.76
Working capital movement	2.51	(0.23)
Cash generated (used in) / from operations	3.14	1.53
Tax (paid) / received	(0.31)	0.12
Interest paid	(0.26)	(0.36)
Net cash generated from operations	2.57	1.29

OUTLOOK





WHAT WE ARE LOOKING TO ACHIEVE



- Increase recurring revenue to 75% of Group revenue
- Accelerate new business wins and maximise cross selling-opportunities with enhanced software capability and investment in business winning team
- Operational team to focus on growing and delivering order backlog
- Improve number of contract extensions through dedicated account management teams
- Bolt-on M&A opportunities to be considered in due course

APPENDICES





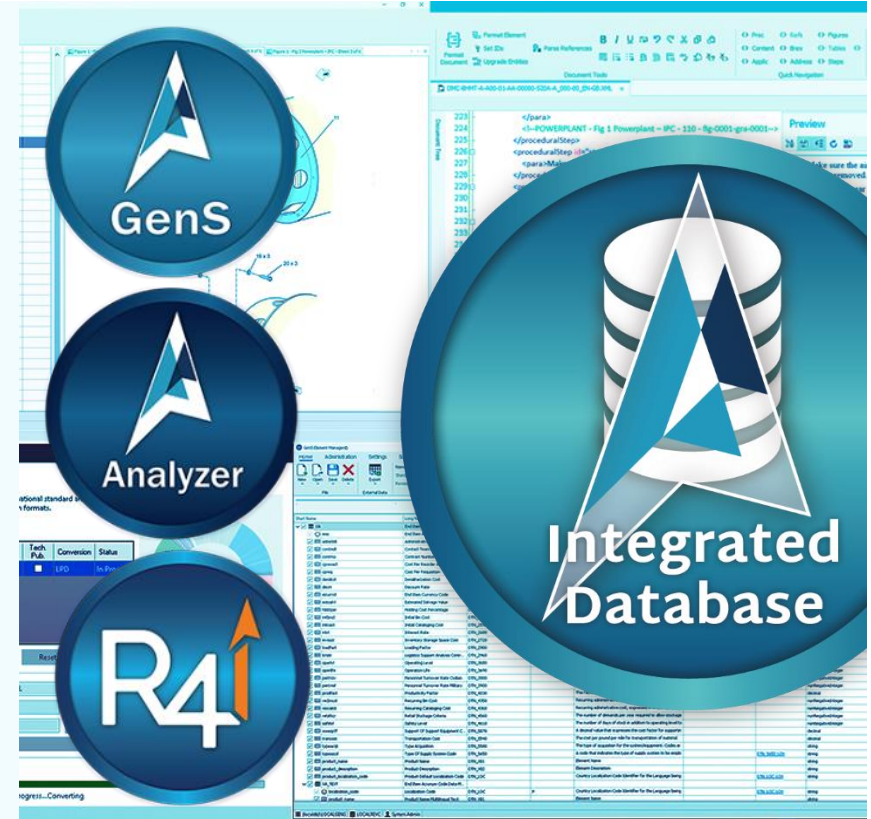
SYSTEMS SUPPORT - **Auxilium**

Pennant's Auxilium IPS software suite offers a comprehensive package of tools that include:

- **Configuration** - logistics support analysis (LSA)
- **Modelling & analysis** - model-based product support
- **Documentation** - technical authoring and publication

Combined into a single **Integrated Database**:

- uses a common backend; maximising efficiency
- aligned to global standards & specifications
- ensures traceability and integrity of data



Whether you design, build, operate, train or maintain complex systems you need a comprehensive support solution.



TRAINING SOLUTIONS

Pennant provides training solutions that develop and refine skills and confidence, aligned to global standards and regulation. They are used in a safe and controlled environment, without the risks associated with real-world scenarios.

We address the market through the following solutions:



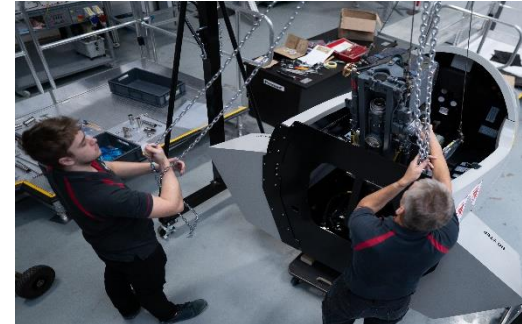
HAND SKILLS TRAINERS

- ‘Off the shelf’ training aids to support practical and theoretical training
- Designed to build confidence and develop the fundamental transferable skills all students need
- Aligned to global standards and regulations



PART TASK TRAINERS

- Replicate a specific part or aspect of a larger system or procedure
- Refine abilities in a targeted manner
- A safe and controlled environment without the risks associated with real-world scenarios.



PROCEDURAL TRAINERS

- Develop and maintain high levels of procedural proficiency
- Realistic and immersive training experience
- Leverage software-based trainers to provide feedback and enhance maintenance training programs.



SYSTEM TRAINERS

- Realistic and immersive training experience
- Self-paced learning options available
- Familiarity with specific procedures
- Modular and adaptive approach

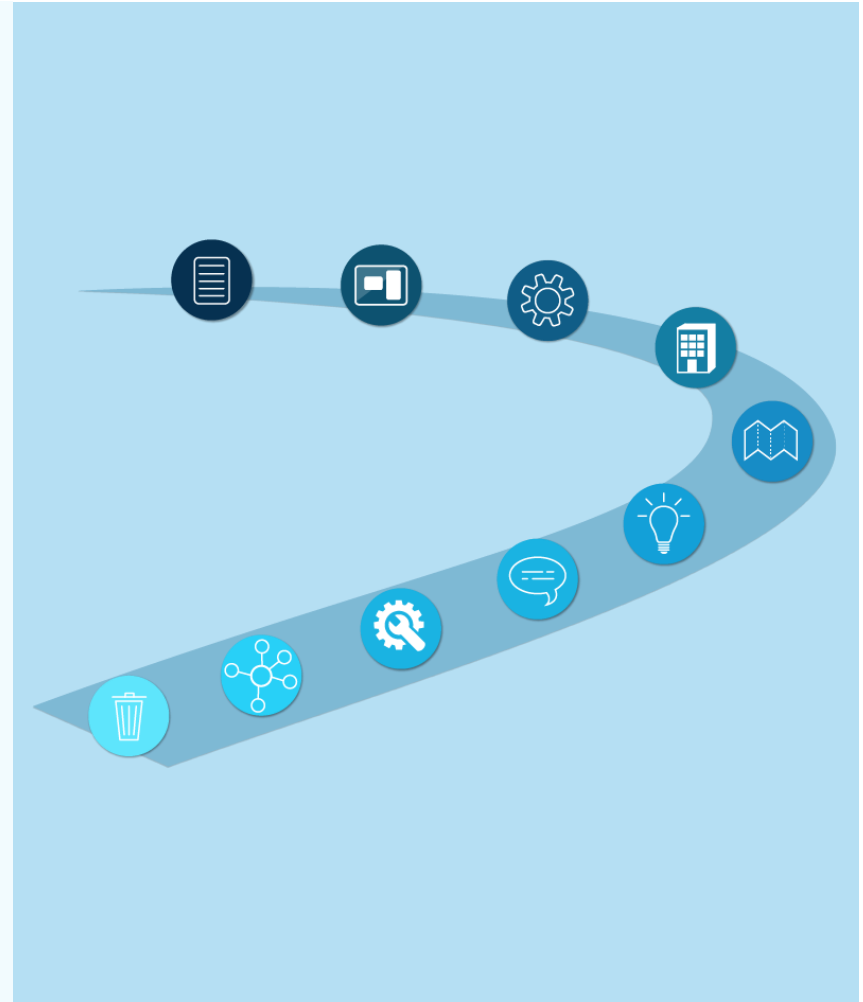


TECHNICAL SERVICES

Pennant's dedicated service departments deliver highly professional, reliable and cost-effective services for our customers

We are able to support in everything from consultancy, technical publication, training services, bespoke solutions and maintenance of our training devices

- Training Needs Analysis (TNA)
- Technical Publications, IETMS, S1000D etc.
- Competency Mapping to EASA, EMAR, City of Guilds
- In Service Support and Maintenance
- Instruction and Training
- Bespoke Software Development
- Consultancy





MARKET OPPORTUNITY

The latest defence spending figures for our regional markets:



UK (2022)

\$68.46 Bn

US (2022)

\$876.94 Bn

Canada (2022)

\$26.9 Bn

Australia (2022)

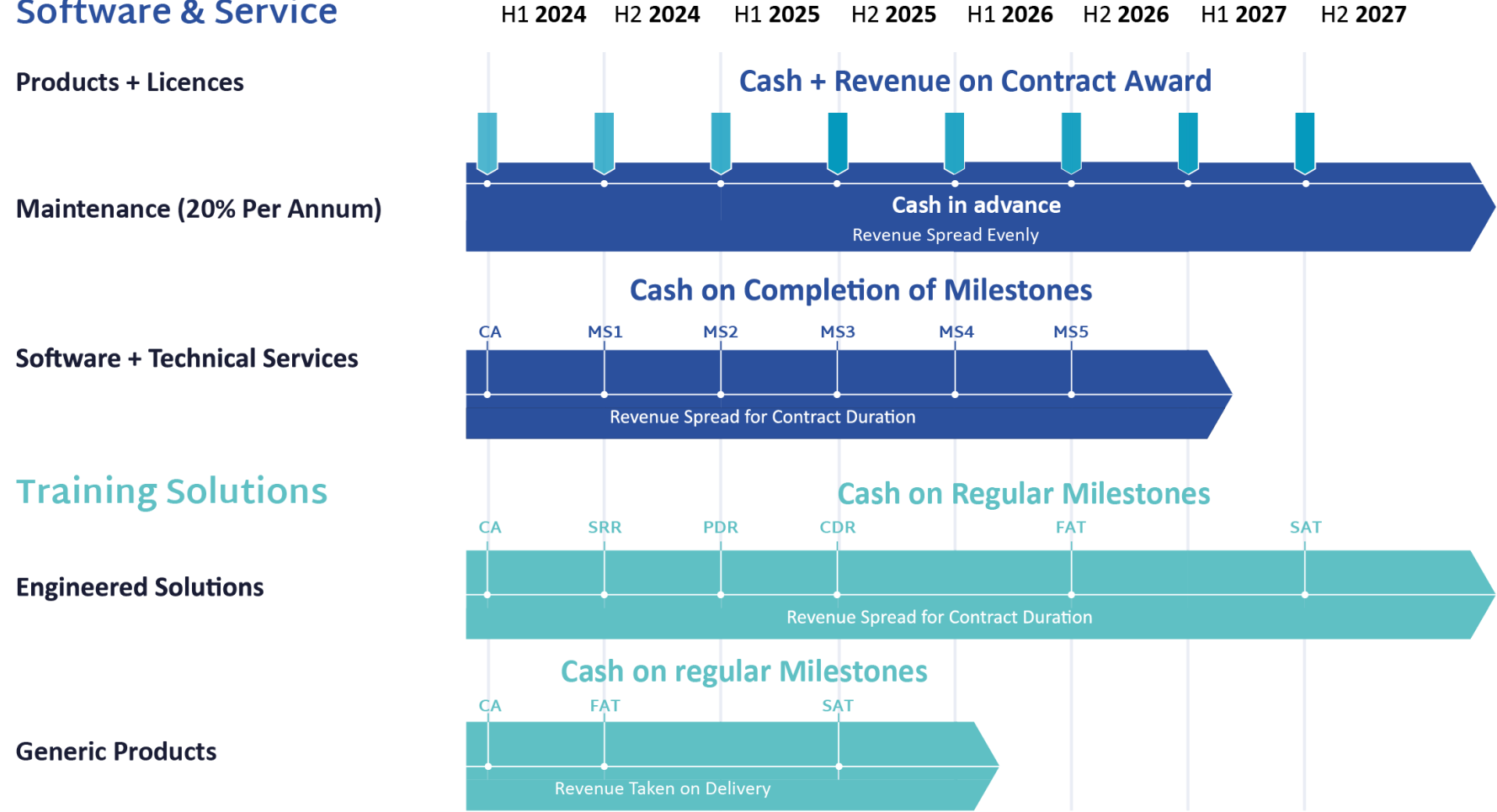
\$32.3 Bn

- **Defence market trends: increased NATO spend; move towards Performance Based Logistics; Ukraine showing importance of sustainment.**
- **Total Defence Spending in our markets is circa \$1004.6Bn p.a.**



REVENUE RECOGNITION

Software & Service



- Glossary:**
- CA - Contract Award
 - FAT - Factor Acceptance Testing
 - SRR - Systems Requirement Review
 - SAT - Site Acceptance Testing
 - PDR - Preliminary Design Review
 - CDR - Critical Design Review

