



**PENNANT INTERNATIONAL GROUP PLC**  
("Pennant", the "Company" or the "Group")

**Interim Results**  
**Analyst Briefing & Investor Presentation**

Pennant International Group plc (AIM: PEN), the systems support software and training solutions company, announces its Interim Results for the six months ended 30 June 2025 (the **"First Half"**, the **"Period"**, or **"H1 2025"**).

**Commenting on the results, Chairman, Ian Dighé, said:**

*"The Group has made solid progress in executing our strategy during the period, investing in our proprietary Auxilium suite and implementing our 'go to market' plan to increase the segmental and geographic reach of our software distribution channels."*

*"While a difficult procurement environment is causing short-term challenges, we are confident that, by concentrating on higher margin software and related services segments, we can achieve increasing and sustainable recurring and repeatable revenues, and profitability growth. Indeed, with a growing focus in defence on 'operational readiness', 'data standardisation' and 'equipment availability', the Board is confident that Pennant is well-placed to provide the solutions to address these critical market needs."*

**Financial Highlights:**

- Group revenues of £4.5 million (H1 2024: £7.4 million);
- Gross profit margin of 44% (H1 2024: 48%);
- Adjusted<sup>(1)</sup> loss before tax of £1.8 million (H1 2024: £0.2 million);
- Group assets at Period-end of £12.8 million (H1 2024: £17.9 million);
  - £0.6m capitalised investment in Auxilium;
- Net debt, excluding lease liabilities, of £2.1 million (H1 2024: £1.6 million);

**Operational Highlights:**

- Good progress delivering Auxilium suite strategy, successfully completing GenS and Analyzer integration for Q2 release;
  - 50% of installed base customers transitioned to Auxilium;
- Progress executing the 'go-to-market' strategy; expanding Pennant's partnership base and global reach;
- Auxilium sales with several new customers in new territories and adjacent markets;
- Strong bid activity across all segments of the business

**Post Period end:**

- Signed global OEM partner agreement with Siemens Digital Industries Software, licensing it to sell GenS (a key part of the Auxilium suite) as part of its market leading Teamcentre software;
- Appointed Win-Tek and Eva Aviation as Auxilium sales representatives in new territories of South Korea and Japan respectively;
- Appointed Velentra Solutions as sales representative in India;
- GenFly MoD negotiations progressing well;
- Advanced negotiations for multi-year sole source training equipment contracts with existing customers;
- Completed property disposal programme, realising £3.1 million, a net gain versus fair value;

**Commenting on the outlook, Chief Executive Officer, Phil Walker, said:**

*"I am pleased with the team's progress in delivering on our strategic plan including the successful integration of GenS and Analyzer the customer transition programme to Auxilium and, via our go to market strategy, the expansion of our market reach beyond our traditional channels. I'm particularly encouraged by our partnership with Siemens which will offer new market opportunities and is an important endorsement of our capabilities."*

- (1) The loss before taxation is stated prior to £0.2 million of exceptional costs associated with the restructuring exercise initiated in H2 2024, £0.3m of acquired intangible amortisation charge, and a profit relating to the sale of freehold property of £0.1 million.

**Analyst Briefing: 9.30am today, Tuesday 16 September 2025**

An online briefing for Analysts will be hosted by Phil Walker, Chief Executive Officer, and Darren Wiggins, Chief Financial Officer, at 9.30am today, Tuesday 16 September 2025, to review the results and update on prospects. Analysts wishing to attend should contact Walbrook PR on [Pennant@walbrookpr.com](mailto:Pennant@walbrookpr.com) or 020 7933 8780.

**Investor Presentation: 11.00am on Wednesday 17 September 2025**

Management will hold an investor presentation to cover the Interim Results at 11.00am on Wednesday 17 September 2025.

The presentation will be hosted through the digital platform Investor Meet Company. Investors can sign up to Investor Meet Company and add to meet Pennant via the following link <https://www.investormeetcompany.com/pennant-international-group-plc/register-investor>. For those investors who have already registered and added to meet the Company, they will automatically be invited.

Questions can be submitted pre-event to [Pennant@walbrookpr.com](mailto:Pennant@walbrookpr.com) or in real time during the presentation via the "Ask a Question" function.

## Enquiries:

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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:

- **Auxilium 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 equip 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 revenue 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 the UK, North America and Asia-Pacific, serving markets with high barriers to entry often in regulated industries.

## Pennant International Group plc

### Interim Report for the six months ended 30 June 2025

#### Chairman's Statement

#### Financial Results

The Group recorded revenues for the six-month period ended 30 June 2025 of £4.5 million (H1 2024: £7.4 million), generating an adjusted <sup>(1)</sup> loss before tax of £1.8 million (H1 2024: £0.2 million loss). The gross profit margin for the Period was 44% (H1 2024: 48%). The basic loss per share for H1 2025 was 5.21p (H1 2024: 1.08p basic loss per share)

Administrative costs for the Period were £4.1 million (H1 2024: £3.8 million), including realized foreign exchange losses of £0.2m (H1 2024: gain £0.1 million).

Net debt at Period end, excluding lease liabilities, stood at £2.1 million (H1 2024: £1.6 million), with cash and cash equivalents of £0.7 million at 30 June 2025. In July 2025, the Company announced that it had concluded the property disposal programme launched in September 2024 which realised, in aggregate, £3.1 million in gross sale proceeds, £1.1 million of which was released following the end of the Period.

Total assets at Period end stood at £12.8 million (H1 2024: £17.9 million) including a further £0.6m of capitalised investment in the Auxilium suite of software products.

The Group carries forward unrelieved tax losses of £7.0 million (H1 2024: £6.8 million) and continues to benefit from R&D tax credit claims in the UK and Australia.

The Company has today separately announced an underwritten proposed direct subscription for new ordinary shares by existing shareholders to raise £1.25 million (before expenses) at an issue price of 21.5 pence per new ordinary share (the "Subscription"). The results of the Subscription are expected to be announced by the Company by 22 September 2025. With a reduction in the Company's overdraft limit from £2 million to £1 million on 1 November 2025, the net proceeds from the Subscription will enable the Group to both reduce its overdraft as planned and also provide additional working capital resources with which to support the Company, enabling continued investment in the Company's Auxilium software product development.

The Directors have concluded that it is in the best interests of the Company and its shareholders to retain cash at this time and therefore will not be declaring an interim dividend.

#### Performance Review

An analysis of the Group's revenue by operating segment is as follows:

Revenue by operating segment	H1 2025 £m	H1 2024 £m
Systems Support Software	1.2	1.2
Technical services	2.7	3.7
<b>Sub-total Software and Services</b>	<b>3.9</b>	<b>4.9</b>
Engineered training solutions	0.4	2.4
Generic training products	0.2	0.1
<b>Sub-total Training Systems</b>	<b>0.6</b>	<b>2.5</b>
<b>Total</b>	<b>4.5</b>	<b>7.4</b>

Revenues contributed by Software and Services represented an increased 87% of total Group revenue for the Period (2024: 66%), albeit £1.0m behind H1 2024 in absolute terms.

- Revenue from software contracts was flat on prior year as we continued to experience the effect of delayed purchasing decisions which were awaiting the Q2 launch of the integrated Auxilium suite. Focus on the process of converting customers from legacy applications to the new Auxilium equivalent has progressed with 50% of customers now transitioned. This

customer transition programme was a contributing factor in the Group exceeding £2 million of Annual Recurring Revenues (“ARR”), the annualised revenue generated from software subscriptions and maintenance contracts, for the first time in Pennant’s history.

- In the Technical Services segment, revenues were in line with Board expectations with a reduction in revenues in H1 2025 compared to H1 2024 as a result of the completion of the technical publication conversion project for the Australia Defence Force (“ADF”) which contributed £0.5 million in revenue in H1 2024, and the cyclical impacts in our UK Rail market where project awards from Network Rail, which did not contribute in H1 2025, are expected to arise in the second half of the current year or later.
- In the Training Systems segment, prior year comparatives were driven by the final year of delivery under a 3-year contract with Boeing Defence UK for updates to AH Mk1 Apache (“Apache”) training equipment, generating £2.4 million of Engineered training solutions revenues in H1 2024. Following the restructuring exercise announced and executed in 2024 the Training Systems business is now focused on delivering modifications, retrofits and overhauls to its installed base and has an active pipeline of such opportunities which are expected to convert into a strong H2 order intake.

The revenue generated by each region and business line during the Period is shown in the tables below:

Revenue by Region	H1 2025 £m	H1 2024 £m
EMEA	1.6	4.1
Americas	1.6	1.4
APAC	1.3	1.9
<b>Total</b>	<b>4.5</b>	<b>7.4</b>

The year over year trend in the EMEA region is largely explained by the completion of the Apache program in 2024 within the Training System segment and in the APAC regions is explained by the completion of the ADF contract within the Technical Services segment.

The North American business continues to benefit from the successful re-tender of technical service contracts with the Canadian Department of National Defence.

### Property Disposals and Net Debt

As part of the restructuring exercise announced in 2024, certain UK-based facilities within the Training System segment were marketed for sale at a total fair value of £2.9m after estimated selling costs. At the time of releasing these interim financial statements, £3.0 million of net sales proceeds had been contracted, of which £2.0m was realised as cash in H1. £1.1 million of net sales proceeds have since been received in cash in H2 2025.

The Group continues to receive support from HSBC through the provision of a Group overdraft facility. However, following delayed contract awards in the Training Systems segment, and a reduction in the overdraft limit to £1 million from the current temporary limit of £2 million on 1 November 2025, the Group has today announced that it has raised £1.25 million (before expenses) via the Subscription. The net proceeds of the Subscription will enable the planned reduction in the overdraft limit and provide the Group with additional working capital resources to support the Group, including the continued investment in developing Pennant’s Auxilium software product suite.

### Auxilium Development and Go to Market Update

The Board is pleased with the progress in executing our Auxilium strategy. During the Period we successfully completed the integration of GenS and Analyzer, and this was released to market in Q2. We expect development expenditure to run at £1.2 million - £1.4 million per annum for the foreseeable future as we remain committed to ensuring that our market leading Integrated Product Support (“IPS”) software products continue to offer exceptional value to existing and prospective licensees. Recent updates have included the introduction of advanced scenario modelling in support of operational and mission readiness.

Pennant has made progress with its 'go to market' strategy, focusing on partnering for success – enabling Pennant's products to reach new territories, industries, and customers. Post Period end the Company has announced that it has

- Signed a global OEM partner agreement with Siemens Digital Industries Software, licensing it to Siemens to distribute GenS as part of its market leading Teamcenter Service Lifecycle Management software solution
- Appointed Win-Tek and Eva Aviation as sales representatives for Auxilium in South Korea and Japan respectively - new territories for Pennant; and
- Appointed of Velentra Solutions acting as sales representative in India – a market with significant potential

We continue to progress potential appointments and will continue to update the market as appropriate.

During the Period we sold Auxilium products into several new customers, including in new territories and adjacent markets, all of which contributed to an annual recurring revenues ("ARR") of £2.3 million (2024: £1.9 million), a new high for the Group. This growth has been achieved organically, and we continue to view the opportunities presented by the new go-to-market strategy, discussed above, optimistically.

As the global defence industry increases its awareness of the need for strong IPS process and systems, Pennant is well positioned to support as we have done with the Canadian and Australian defence forces for many years.

## **Outlook**

Further to the trading update provided on 8 August 2025, the GenFly contract negotiations with the UK Ministry of Defence are continuing and there have been positive developments towards securing the contract award before the end of the current year.

In addition to GenFly, within the Training Systems segment, the Group is in advanced stages of negotiations for multi-year sole source training equipment contracts that are expected to contribute revenues to 2026. Including GenFly, and in aggregate, the contract value of these advanced bids exceeds £10 million. We expect to be in a position to give further details during Q4 2025.

As at the date of this announcement, the Group has contracted revenue for the full year of approximately £9 million, and the Board has a high level of confidence of generating full year revenues of not less than £10 million.

The Board therefore considers that the Group is currently trading in line with current market expectations.

With our market leading Auxilium suite, delivered by a team of experts supported by our new channel partners, and a commitment to excellent customer service, we believe we are extremely well-placed to capitalise on the longer-term opportunities for our software, systems, and services offerings in the defence space and beyond. While we proactively address the short-term challenges of converting a strong pipeline and the continued re-positioning of the Group, we remain firm in our strategic direction and the growth opportunity we are targeting.

<sup>(1)</sup> See note 4 for further information with regard to this alternative profit measure

**PENNANT INTERNATIONAL GROUP plc**  
**CONSOLIDATED INCOME STATEMENT** for the six months ended 30 June 2025

	Notes	Six months ended 30 June 2025 Unaudited £000s	Six months ended 30 June 2024 Unaudited £000s	Year ended 31 December 2024 Audited £000s
Revenue		4,493	7,382	13,775
Cost of sales		(2,505)	(3,871)	(6,875)
<b>Gross profit</b>		<b>1,988</b>	<b>3,511</b>	<b>6,900</b>
Exceptional costs	4	(176)	(218)	(2,322)
Profit on sale of property, plant, and equipment	4	2	231	231
Profit on sale of available for sale assets	4	96	-	-
Other administration expenses		(3,994)	(3,828)	(7,596)
Total administrative expenses		(4,072)	(3,815)	(9,687)
Other income		53	75	185
<b>Operating loss</b>		<b>(2,031)</b>	<b>(229)</b>	<b>(2,602)</b>
Finance costs		(174)	(190)	(444)
Finance income		-	-	5
<b>Loss before taxation</b>		<b>(2,205)</b>	<b>(419)</b>	<b>(3,041)</b>
Taxation		(40)	-	466
<b>Loss for the period</b>		<b>(2,245)</b>	<b>(419)</b>	<b>(2,575)</b>
<i>Loss per share</i>				
Basic	2	(5.21p)	(1.08p)	(6.37p)
Diluted	2	(5.21p)	(1.08p)	(6.37p)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the six months ended 30 June 2025

	Six months ended 30 June 2025 Unaudited £000s	Six months ended 30 June 2024 Unaudited £000s	Year ended 31 December 2024 Audited £000s
(Loss) attributable to equity holders of the parent	(2,245)	(419)	(2,575)
<b>Other comprehensive income / (loss)</b>			
Exchange differences on translation of foreign operations	66	(79)	(300)
Impairment on property, plant, and equipment	-	-	(80)
Deferred tax credit - property, plant, and equipment	77	-	20
<b>(Loss) attributable to equity holders of the parent</b>	<b>(2,102)</b>	<b>(498)</b>	<b>(2,935)</b>

**PENNANT INTERNATIONAL GROUP plc**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** as at 30 June 2025

	Six months ended 30 June 2025 Unaudited £000s	Six months ended 30 June 2024 Unaudited £000s	Year ended 31 December 2024 Audited £000s
<b>Non-current assets</b>			
Goodwill	2,455	2,574	2,530
Other intangible assets	4,155	5,216	4,218
Property plant and equipment	396	3,974	470
Right of use asset	513	618	543
Deferred tax asset	639	400	591
<b>Total non-current assets</b>	<b>8,158</b>	<b>12,782</b>	<b>8,352</b>
<b>Current assets</b>			
Inventories	652	1,013	617
Trade and other receivables	1,743	2,238	2,355
Current tax asset	447	629	593
Assets held for sale	1,113	-	2,974
Cash and cash equivalents	674	1,282	1,045
<b>Total current assets</b>	<b>4,629</b>	<b>5,162</b>	<b>7,584</b>
<b>Total assets</b>	<b>12,787</b>	<b>17,944</b>	<b>15,936</b>
<b>Current liabilities</b>			
Trade and other payables	3,145	3,487	3,251
Bank overdraft	2,734	2,844	3,330
Current tax liabilities	-	-	3
Lease liabilities	167	141	137
Deferred consideration on acquisition	-	245	311
<b>Total current liabilities</b>	<b>6,046</b>	<b>6,717</b>	<b>7,032</b>
<b>Net current (liabilities) / assets</b>	<b>(1,417)</b>	<b>(1,555)</b>	<b>552</b>
<b>Non-current liabilities</b>			
Lease liabilities	412	534	468
Warranty provisions	69	159	92
<b>Total non-current liabilities</b>	<b>481</b>	<b>693</b>	<b>560</b>
<b>Total liabilities</b>	<b>6,527</b>	<b>7,410</b>	<b>7,592</b>
<b>Net assets</b>	<b>6,260</b>	<b>10,534</b>	<b>8,344</b>
<b>Equity</b>			
Share capital	2,162	2,116	2,162
Share premium	6,457	6,291	6,457
Capital redemption reserve	200	200	200
Retained earnings	(2,598)	1,618	(495)
Translation reserve	(19)	136	(85)
Revaluation reserve	58	173	105
<b>Total equity</b>	<b>6,260</b>	<b>10,534</b>	<b>8,344</b>

On 1st October 2024 owned Land & Buildings in Cheltenham, UK were advertised for sale and subsequently reclassified as current assets held for sale in accordance with IFRS 5. The carrying amount of assets classified as held for sale on 30 June 2025 was £1.1 million. The progress of this sale process is discussed in the Property Disposals and Net Debt section above



**PENNANT INTERNATIONAL GROUP plc**  
**CONSOLIDATED STATEMENT OF CASH FLOWS** for the six months ended 30 June 2025

	Six months ended 30 June 2025 Unaudited £000s	Six months ended 30 June 2024 Unaudited £000s	Year ended 31 December 2024 Audited £000s
<b>Net cash (used in) / generated from operating activities</b>	<b>(837)</b>	<b>144</b>	<b>176</b>
<b>Investing activities</b>			
Interest received	-	-	5
Deferred consideration paid in respect of prior year acquisition	(411)	(511)	(511)
Investment in intangible assets	(612)	(703)	(1,371)
Purchase of property plant and equipment	(26)	(226)	(223)
Proceeds from disposal of available for sale assets	2,030	-	-
Proceeds from disposal of property, plant, and equipment	8	465	484
<b>Net cash generated from / (used in) investing activities</b>	<b>989</b>	<b>(975)</b>	<b>(1,616)</b>
<b>Financing activities</b>			
Proceeds from issue of ordinary shares	-	1,358	1,392
Issue costs	-	(178)	-
Repayment of lease liabilities	(26)	(38)	(251)
<b>Net cash (used in) / generated from financing activities</b>	<b>(26)</b>	<b>1,142</b>	<b>1,141</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>126</b>	<b>311</b>	<b>(299)</b>
Cash and cash equivalents at beginning of period	(2,285)	(1,879)	(1,879)
Effect of foreign exchange rates	99	6	(107)
<b>Cash and cash equivalents at end of period</b>	<b>(2,060)</b>	<b>(1,562)</b>	<b>(2,285)</b>

Cash and cash equivalents consists of Cash at bank of £674k net of short-term borrowings (bank overdraft) of £2,734k.

**PENNANT INTERNATIONAL GROUP plc**  
**STATEMENT OF CHANGES IN EQUITY** for the six months ended 30 June 2025

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Revaluation reserve	Total equity
<b>At 1 January 2025</b>	<b>2,162</b>	<b>6,457</b>	<b>200</b>	<b>(495)</b>	<b>(85)</b>	<b>105</b>	<b>8,344</b>
Loss for the period	-	-	-	(2,245)	-	-	(2,245)
Other comprehensive income	-	-	-	-	66	77	143
	<b>2,162</b>	<b>6,457</b>	<b>200</b>	<b>(2,740)</b>	<b>(19)</b>	<b>182</b>	<b>6,242</b>
Recognition of share-based payment	-	-	-	18	-	-	18
Transfer from revaluation reserve	-	-	-	124	-	(124)	-
<b>At 30 June 2025</b>	<b>2,162</b>	<b>6,457</b>	<b>200</b>	<b>(2,598)</b>	<b>(19)</b>	<b>58</b>	<b>6,260</b>

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Revaluation reserve	Total equity
<b>At 1 January 2024</b>	<b>1,844</b>	<b>5,383</b>	<b>200</b>	<b>1,990</b>	<b>215</b>	<b>185</b>	<b>9,817</b>
Loss for the period	-	-	-	(419)	-	-	(419)
Other comprehensive loss	-	-	-	-	(79)	-	(79)
	<b>1,844</b>	<b>5,383</b>	<b>200</b>	<b>1,571</b>	<b>136</b>	<b>185</b>	<b>9,319</b>
Issue of new ordinary shares	272	1,086	-	-	-	-	1,358
Issue costs	-	(178)	-	-	-	-	(178)
Recognition of share-based payment	-	-	-	35	-	-	35
Transfer from revaluation reserve	-	-	-	12	-	(12)	-
<b>At 30 June 2024</b>	<b>2,116</b>	<b>6,291</b>	<b>200</b>	<b>1,618</b>	<b>136</b>	<b>173</b>	<b>10,534</b>

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Translation reserve	Revaluation reserve	Total equity
<b>At 1 January 2024</b>	<b>1,844</b>	<b>5,383</b>	<b>200</b>	<b>1,990</b>	<b>215</b>	<b>185</b>	<b>9,817</b>
Loss for the year	-	-	-	(2,575)	-	-	(2,575)
Other comprehensive loss	-	-	-	-	(300)	(60)	(360)
	<b>1,844</b>	<b>5,383</b>	<b>200</b>	<b>(585)</b>	<b>(85)</b>	<b>125</b>	<b>6,882</b>
Issue of new ordinary shares	318	1,252	-	-	-	-	1,570
Issue costs	-	(178)	-	-	-	-	(178)
Recognition of share-based payment	-	-	-	70	-	-	70
Transfer from revaluation reserve	-	-	-	20	-	(20)	-
<b>At 31 December 2024</b>	<b>2,162</b>	<b>6,457</b>	<b>200</b>	<b>(495)</b>	<b>(85)</b>	<b>105</b>	<b>8,344</b>

**PENNANT INTERNATIONAL GROUP plc**  
**NOTES TO THE FINANCIAL INFORMATION** for the six months ended 30 June 2025

**1. Basis of preparation**

This condensed set of financial statements has been prepared using accounting policies expected to be adopted for the year ending 31 December 2025.

The interim financial information in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the United Kingdom.

The comparative figures for the year ended 31 December 2024 set out in this Interim Report are not statutory accounts within the meaning of section 434 of the Companies Act 2006 ("the Act"). A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified and did not contain a statement under s498 (2) or s498(3) of the Companies Act 2006. The audit report drew attention by way of emphasis to a material uncertainty relating to going concern.

AIM-quoted companies are not required to comply with IAS34 'Interim Financial Reporting', and the Group has taken advantage of this exemption.

*Going Concern*

Whilst the underlying conditions behind the material uncertainty noted in the statutory accounts for 31 December 2024 have been amplified by delayed contract awards in the Training System segment, the Directors have, at the time of approving these interim results and taking into consideration the proposed equity raise from existing shareholders, a reasonable expectation that the Group has or will have adequate resources to continue in operational existence for at least the next 12 months.

The Directors acknowledge that, even after the proposed equity raise, the group remains reliant on the award of Training Systems contracts without which would give rise to a material uncertainty that may cast significant doubt upon the company's ability to continue as a going concern. The Directors remain satisfied with the availability of mitigating actions and the Group's ability to raise capital from a number of different funding options.

For these reasons, the Directors continue to adopt the going concern basis of accounting in preparing the interim financial statements.

Were the company no longer a going concern, adjustments may be required to the carrying value of assets, provisions would be required for the future liabilities arising as a consequence of the company ceasing business and assets and liabilities currently classified as non-current would be reclassified as current.

**PENNANT INTERNATIONAL GROUP plc**  
**NOTES TO THE FINANCIAL INFORMATION** for the six months ended 30 June 2025

**2. Loss per share**

Basic loss per share is calculated by dividing the loss for the period attributable to the shareholders by the weighted average number of shares in issue. The calculation of diluted loss per share does not consider the potentially diluting effect of share options as this impact would be antidilutive to the losses attributable to equity shareholders.

	<b>Six months ended 30 June 2025 Unaudited</b>	<b>Six months ended 30 June 2024 Unaudited</b>	<b>Year ended 31 December 2024 Audited</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Loss</b>			
Loss attributable to equity shareholders	(2,245)	(419)	(2,575)
<b>Number of shares</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares	43,086,205	38,693,027	40,421,945
Diluting effect of share options	2,332,806	1,655,000	1,683,762
Weighted average number of ordinary shares for the purpose of dilutive loss per share	45,419,011	40,348,027	42,105,707
Loss per share (basic)	(5.21p)	(1.08p)	(6.37p)
Loss per share (diluted)	(5.21p)	(1.08p)	(6.37p)

**PENNANT INTERNATIONAL GROUP plc**  
**NOTES TO THE FINANCIAL INFORMATION** for the six months ended 30 June 2025

**3. Cash generated from operations**

	Six months ended 30 June 2025 Unaudited	Six months ended 30 June 2024 Unaudited	Year ended 31 December 2024 Audited
	£000s	£000s	£000s
Loss for the period	(2,245)	(419)	(2,575)
Finance income	-	-	(5)
Finance costs	174	190	444
Income tax credit	40	-	(466)
Depreciation of property, plant, and equipment	100	164	306
Depreciation of right-of-use assets	73	108	194
Profit on disposal of property	(98)	(231)	(217)
Amortisation of other intangible assets	675	822	1,644
Impairment of other intangibles	-	-	831
Impairment of property, plant, and equipment	-	-	302
Other income – RDEC	(53)	(75)	(119)
Share-based-payment	18	35	70
<b>Operating cash flows before movement in working capital</b>	<b>(1,316)</b>	<b>594</b>	<b>409</b>
Decrease in receivables	612	409	292
(Increase) / decrease in inventories	(35)	(33)	363
Decrease in payables and provisions	(106)	(596)	(901)
<b>Cash (used in) / generated from operations</b>	<b>(845)</b>	<b>374</b>	<b>163</b>
Tax received	182	-	445
Interest paid	(174)	(230)	(432)
<b>Net cash (used in) / generated from operations</b>	<b>(837)</b>	<b>144</b>	<b>176</b>

**PENNANT INTERNATIONAL GROUP plc**  
**NOTES TO THE FINANCIAL INFORMATION** for the six months ended 30 June 2025

**4. Reconciliation of statutory to adjusted loss before tax for the period**

The 'adjusted' income statement excludes exceptional items, share-based payment charges, gains on disposal of land & buildings, and acquired intangible amortisation, and has been presented to aid understanding of our recurring trade and operations.

Certain incomes and expenditures are presented as an 'exceptional item' on the face of the consolidated income statement as they are seen by the Board as non-recurring transactions or one-off in nature.

	<b>Six months ended 30 June 2025 Unaudited</b>	<b>Six months ended 30 June 2024 Unaudited</b>	<b>Year ended 31 December 2024 Unaudited</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Statutory loss before tax for the period	(2,205)	(419)	(3,041)
Exceptional costs	176	218	2,322
Share-based-payments	18	35	70
Profit from disposal of available for sale assets	(96)	-	-
Profit from disposal of property, plant and equipment	(2)	(231)	(231)
Acquired intangible asset amortisation	261	240	552
<b>Adjusted loss before tax for the period</b>	<b>(1,848)</b>	<b>(157)</b>	<b>(328)</b>