



PENNANT INTERNATIONAL GROUP PLC

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

Trading and Strategic Update

Notice of Results & Investor Presentation

Entering 2026 with an improved order book and confidence in the Strategic Plan

Pennant International Group plc (AIM: PEN), the systems support software and training solutions company, provides the following trading update for the year ended 31 December 2025 ("FY25" or the "Period"). The Group expects to report trading results for FY25 in line with market expectations, subject to audit.

Highlights

- Revenues of approximately £10.0 million (2024: £13.8 million)
- Annual Recurring Revenue⁽¹⁾ ("ARR") of £2.4 million from Auxilium software products, a record for the Group
- Three-year contracted order book of £23.3 million (2024: £15.9 million) with £9.7 million scheduled for delivery in 2026
- Gross margins maintained at circa 50% (2024: 50%)
- Statutory loss before tax of £2.6 million (2024: £3.0 million)
- Net debt of £0.2 million (2024: £2.3 million) following the completion of the property disposal programme and the external funding provided by the equity subscription and shareholder loan in September and October respectively
- Contract wins within the Training Systems segment totaling up to £9.5 million across the next three years

Three-Year Strategy

Pennant provides systems support software, technical services & training solutions to highly regulated industries and major OEMs. Our solutions are designed to optimize and extend the lifecycle and mission readiness of critical assets via:

- Maximizing asset availability and end user capability
- Enablement of data driven decisions
- Ensuring data integrity and compliance

The Group's principal strategic objectives over the next three years are to:

- Grow software ARR, via organic strategies, to exceed £4 million by the end of 2028
- Return Technical Service revenues to >£7.0 million by 2028
- Maintain the deliverable Training Systems order book at >£5.0 million
- Achieve adjusted EBITDA margin of 20% and adjusted PBT margin of 10% by 2028

With a growing proportion of the Group's trading coming from the higher margin Software and Technical Services segment, together with the cost savings from the restructuring program carried out in FY24 and FY25, management is confident of achieving profitable growth over the next three years in line with the strategic plan.

Auxilium Update

Pennant has made solid progress in developing its Auxilium product suite – with successful completion of the integration of GenS and Analyzer, released to market in H1 2025.

During FY25 we sold Auxilium software into several new territories, including new customers in the Czech Republic, Denmark, Germany and Finland. The software has also been successfully deployed into several new adjacent industries, including Shipping, Robotics and Space.

The above has resulted in the growth of the Auxilium user base by 8% and also in generating ARR of £2.4 million (2024: £1.9 million), a record for the Group. This growth has been achieved organically, and we continue to see more opportunities for organic growth from our new go-to-market strategy.

The Company expects development expenditure of between £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.

As part of its organic growth plan Pennant has made significant progress with its go-to-market strategy, focusing on partnering for success and enabling Pennant’s products to reach new territories, industries, and customers. Notably in FY25 the Company announced that it had signed a global OEM partner agreement with Siemens Digital Industries Software, and that it had appointed sales representatives in South Korea, Japan and India which are expected to be key markets going forward. Progress is being made on further potential appointments, and the Company will update the market in the future as appropriate.

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

Outlook

Pennant enters 2026 with a three-year contracted order book of £23.3 million, including £9.7 million that is scheduled for delivery in FY26. This represents approximately 75% of revenue market expectations for FY26 ⁽²⁾.

Software ARR is expected to grow to exceed £3.0 million by the end of FY26. This represents accretion to gross margins across the Group and, alongside the benefits of the 2024/25 cost restructuring, management expects the Group to return to a break even adjusted PBT in FY26.

Through disciplined program management to contract milestones, the Group expects to achieve a positive operating cash-flow position such that ongoing investment in Auxilium product development is internally funded.

Phil Walker, CEO commented “2025 was a reset year for the Group following the major restructure of the Training Systems business. While unexpected delays to contract awards presented challenges and impacted performance, we made significant progress in delivering our strategic plan and converting orders. These achievements have created a strong platform for growth, and we enter 2026 with confidence, underpinned by a robust pipeline and clear market opportunities.”

(1) Annual Recurring Revenue (ARR) is the annualised revenue generated from software subscriptions and maintenance contracts.

(2) FY26 market expectations for revenue at the date of this announcement is £13.0 million.

Notice of Results

Pennant expects to announce Final Results for the year ended 31 December 2025 on Monday 23 March 2026.

Investor Presentation: 11.00am on Tuesday 24 March 2026

Management will hold an investor presentation to cover the results at 11.00am on Tuesday 24 March 2026.

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 or in real time during the presentation via the "Ask a Question" function.

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