

**FOR IMMEDIATE RELEASE**

**23 March 2022**

## **PENNANT INTERNATIONAL GROUP PLC**

### **Contracts & Order Book Update**

Pennant International Group plc (AIM:PEN) (“**Pennant**”, the “**Group**” or “**Company**”), a leading global provider of training technology and integrated product support solutions, is pleased to provide the following update.

#### Major Programme

The contract for the Major Programme has now been formally awarded to Pennant by Boeing Defence United Kingdom Limited (BDUK).

The contract is for the significant redesign and upgrade of several Apache training devices in support of the UK Apache Mk 2 programme.

The contract value is £8.8 million and, being an ‘engineered-to-order’ programme, the associated revenue will be recognised over the next three years on a ‘cost-to-complete’ basis. Pennant has agreed a milestone payment plan over the course of the contract with the customer such that additional working capital facilities should not be required.

BDUK is a new customer for Pennant.

#### Other Contract Wins & Order Book

The Group has finalised and signed contracts for the supply of software and services to a new customer in the North American commercial aerospace market (an opportunity mentioned in the Group’s announcement of 20 January 2022). The contract is worth circa \$1.8 million, comprising software licences to be supplied this financial year, consultancy services and a multi-year maintenance package.

This contract win demonstrates significant progress in the Group’s strategy to increase the proportion of its revenues from civilian customers, which was further boosted this January when the Group secured circa £200,000 in new orders from rail industry customers in the UK.

Pennant has also received an order worth up to £250,000 from UK Defence for the supply of the Group’s sophisticated, proprietary rotary-wing aircraft systems training software and related maintenance services.

Taking into account orders received since the year-end, the Group’s three-year order book now stands at £32 million (of which circa £13 million is scheduled for delivery in 2022, and £12 million in 2023).

#### MTE Programme

The first of the four devices has now successfully passed Factory Acceptance Testing (FAT) and has been delivered to the end-user’s site. The second device is currently proceeding through the FAT process. The final two devices (which are repeat builds of the first two) have been substantially completed and remain on track to be tested and delivered before the end of the second quarter.



Having now overseen the successful design and build of the 'first off' devices, Mervyn Skates will step down as Operations Director at the end of this month.

### Outlook

Commenting on these developments, **Phil Walker, Pennant CEO**, said: "We are delighted with these recent contract wins, and the good progress made on the MTE Programme. They provide an excellent start to the current financial year and are helping to build firm foundations for the future growth of the Group."

*Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of MAR.*

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