

FOR IMMEDIATE RELEASE

19 February 2020

PENNANT INTERNATIONAL GROUP PLC

Statement of Intent for Prospective £5 million Contract

Pennant International Group plc ("**Pennant**", the "**Group**", or the "**Company**"), the AIM quoted supplier of integrated training and support solutions, products and services which train and assist operators and maintainers in the defence and regulated civilian sectors, is pleased to announce that it has received a statement of intent for a potential major new contract for a suite of generic training aids.

The statement of intent has been issued by a long-standing customer in the Middle East which is expanding its regional operations. Based on the customer's stated requirements, the prospective contract is anticipated to be worth up to £5 million.

The opportunity remains subject to contract, and the statement of intent does not guarantee that a contract will ultimately be awarded to Pennant. While the timing of any contract award is not certain, the Group is optimistic about the contract's prospects and expects award to occur within the first half of 2020.

The majority of the revenues on the contract would be recognised on product acceptance in accordance with IFRS 15 and, depending on timing and composition of the eventual contract, up to £3 million could be recognisable in the second half of 2020. Currently (not taking into account this opportunity), the Group's contracted order book scheduled for delivery in 2020 stands at £16 million (as part of its total £33 million three-year order book).

Conversion of this opportunity would be the fourth contract awarded from the Group's £30 million 'single source' pipeline referenced in the Interim Results on 24 September 2019 (following the UK contract award announced on 31 October 2019 and the Australian and Middle East contracts announced on 3 February 2020).

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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