

PENNANT INTERNATIONAL GROUP PLC**Covid-19 Update**

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, issues the following Covid-19 update.

Current Risks

The Group continues to assess and manage the impact of Covid-19 on its business. Three key risks to trading and prospects have been identified so far.

The first is the challenge of holding review events with customers. Such review events are held, as physical meetings, through the lifecycle of an engineering programme and frequently have milestone payments attached (paid by the customer to Pennant upon successful completion of the review). If the review cannot be held due to Covid-19 restrictions, cash and revenue associated with completion of the milestone may be delayed.

The second risk is the inability to gain access to customer facilities to deliver services. Our ‘integrated logistics support’ consultancy services are typically delivered at a customer’s site; if we cannot access the relevant site due to Covid-19 restrictions, the ability to deliver the services is severely hampered.

Lastly, there is the broader risk that governments and major OEMs which award contracts to Pennant are, in the shorter term at least, consumed by their own efforts to deal with Covid-19 and therefore expected contract awards are consequently delayed until the pandemic has abated.

Actions Taken

With the first two risks set out above, we are working closely with the applicable customers to establish solutions so that reviews and services can be held and provided via remote means. We are confident that workarounds will be possible (and in some cases, these are already being implemented) but the impact on the timing and amount of any affected revenues is not yet clear. The third, macro risk is less easy for Pennant to directly influence, but we remain in close contact with key stakeholders to ensure we are well-informed and remain well-placed for awards.

Simultaneously, we are prioritising the safety and well-being of our employees and other stakeholders and have implemented near-total homeworking already.

Financial Position

We are actively focused on cash and cost management across the business and retain undrawn facilities.

We welcome certain UK Government initiatives to support businesses in these exceptional times, and we have already utilised the UK Government’s Coronavirus Job Retention Scheme to protect (and part-fund) the jobs of those employees who are currently unable to carry out their usual duties due to Covid-19 interruption.

We are also investigating other potential financial options, including the Coronavirus Business Interruption Loan Scheme, with a view to securing access to further funding should it be required.

Outlook

With the UK Government’s unprecedented restrictions on travel, social and business contact, providing forward guidance is extremely difficult but the Board will be keeping the situation under very close review.

The Company intends to announce preliminary results for the year ended 31 December 2019 on Monday 20 April 2020 and will provide a further update at that point.

The Board is confident that the Group's underlying strengths – our long-term customer relationships with governments and major OEMs, contracted order book, specialist services and our quality-assured reputation – will continue to provide a solid foundation for our long-term success.

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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