March 2026

Company Briefing

Full year results to 31st December 2025

Pennant

Maximizing Operational Efficiency

Presentation team

Philip Walker – Chief Executive Officer

- Established and now leading the execution of Pennant's strategic shift from a capital intensive, project led model to a high margin software and technical services business.

Darren Wiggins – Chief Financial Officer

- Chartered accountant with significant financial and operational management experience
- Previously worked for Melrose plc and latterly Meggit Aerospace in the UK and Singapore
- Joined the company in November 2024

Executive summary

Headlines:

- FY25 impacted by unexpected delays in contract awards
- Revenues of £9.7m (2024: £13.8m)
- Order intake of £17.8m (2024: £10.2m)
- Adj loss before tax of £1.9m (2024: £0.3m)
- Net Debt of £0.5m (2024: £2.3m)

Strategic & operational highlights:

- Auxilium software – ARR growth to £2.4m (2024: £1.9m)
- Completed integration of GenS and Analyzer applications
- Completed streamlining of Training Systems business

Three-year strategy:

- Grow Software ARR > £4m by the end of 2028
- Return Technical Services to > £7m by 2028
- Maintain Training Systems order book at > £5m
- Achieve adj EBITDA margin of 20% and adj PBT margin of 10% by 2028

The changing landscape

Across every domain — air, land, sea, and space — defence organisations are under mounting pressure to deliver more capability, faster, with fewer resources.

Global rearmament, accelerating platform complexity and the shift to digital engineering are reshaping how militaries plan, sustain and operate critical equipment.

“Pennant is well positioned to take advantage of the opportunity. Misson readiness is no longer just a technical challenge – its digital and human too".

About Pennant

Pennant overview

WHAT WE DO?

Provides systems support software, technical services and training solutions to highly regulated industries and major OEMs

WHY IT MATTERS?

- Improved mission capability/readiness
- Enabling data driven decisions
- Reduce total cost of ownership
- Ensuring data integrity and compliance

To maximize operational capability

Global business

100+ EMPLOYEES

UK (HQ)

USA

CANADA

AUSTRALIA

Geographies (% REV)

39% EMEA

26% APAC

35% NORTH AMERICA

Revenue

80% DEFENCE

10% RAIL

10% AEROSPACE

How we operate

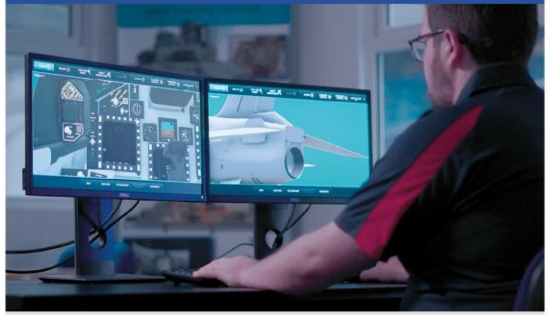
“We ensure mission critical systems are where they are needed, when they are needed and that they work.”

AUXILIUM SOFTWARE

Our software tools are designed to help clients:

- Manage and use complex data
- Ensure equipment availability at optimal cost
- Comply with industry standards

TECHNICAL SERVICES



Our services support all our software and training solutions, including:

- Consultancy
- Support and maintenance
- Training
- Bespoke development

TRAINING SOLUTIONS

Our training solutions provide:

- Hardware, software and virtual solutions
- Critical skills training for maintainers and operators of aircraft, ships and land systems

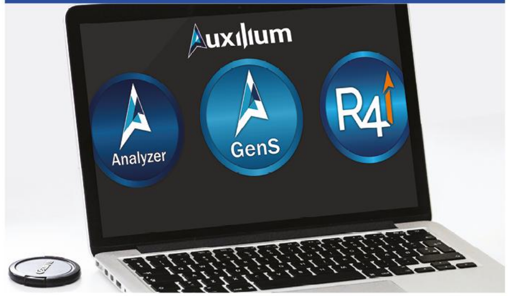
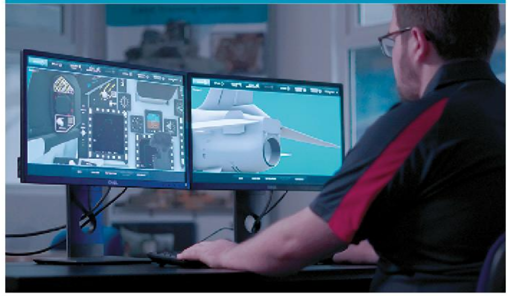
Blue chip customers

DEFENCE

AEROSPACE

- **Significant organic growth potential within existing client base**
- **Becoming an enterprise solution of choice**

3-year strategic targets

STRATEGIC ASPIRATION	**GROW SOFTWARE ARR >£4M**	**RETURN TECHNICAL SERVICES REVENUE TO >£7M**	**MAINTAIN TRAINING SYSTEMS ORDER BOOK >£5M**
BUSINESS SEGMENT	**AUXILIUM SOFTWARE** 	**TECHNICAL SERVICES** 	**TRAINING SYSTEMS** 
WHY THIS IS IMPORTANT	Measures embedded value in the Auxilium software	Measures progress in building the IPS customer value proposition	Sustainment of profitable Training Systems deliveries
2025 BASELINE	£2.4 million	£5.1 million	£9.5 million
2028 TARGET	>£4 million	>£7 million	>£5 million

Deliver profitable growth to investors

EBITDA margin 20%

PBT margin 10%

What is Integrated Product Support (IPS)?

A strategy to ensure that systems are supported efficiently and effectively throughout the lifecycle.

TOTAL OWNERSHIP COST - CIRCA 20%

Systems Development –
Asset Acquisition:

- Engineering for sustainment
- Design for supportability

+

TOTAL OWNERSHIP COST - CIRCA 80%

Systems Support –
Operation and maintenance:

- Technical documentation
- Supply chain / materials management
- Tools and support equipment including calibration & measurement
- Personnel – resources, health & safety, qualifications & training

=

MISSION CAPABILITY / OPERATIONAL READINESS

Auxilium®

What is Auxilium?

Analyze & Record

Logistic Support Analysis (LSA) and product support engineering improves the operational readiness of systems by designing and defining an integrated maintenance and support package.

Integration & Harmonization

Single source of truth common data repository, that ensures traceability and integrity. Enables collaboration across integrated product support domains and connection to third-party tools.

The platform for integrating product lifecycle support

Modelling & Intelligence

Model-based supportability, simulation and analytics provides optimised repair and sparing solutions with detailed through life cost estimation making informed decisions for effective system support solutions.

Authoring & Publishing

Providing streamlined S1000D technical authoring, that ensures data accuracy, consistency, and efficient content reuse, supporting rapid, reliable publishing and delivery of technical publications in both PDF and IETP formats.

The Auxilium Investment Case

The opportunity

IPS will be a major growth area as industries shift from selling products to combining the product sale with a support solution that maximises revenue from the support space.

THIS IS WHY IT MATTERS...

1. **Systems are becoming more complex**
2. **Shift from "Buy and Own" to "Availability and Outcomes"**
3. **Products are expected to last longer**
4. **Cost pressure and whole-life cost focus**
5. **Defence & Security investment trends**
6. **Regulatory & Compliance pressure**

The Defense Lifecycle Management Software market was valued at ~USD 7.8 billion in 2024, and is projected to reach ~USD 15.4 billion by 2033, at a ~8.2 % CAGR.

Competitive advantage

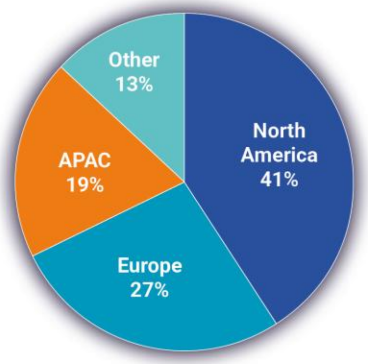
Auxilium's modular design and standards compliance position it to capture significant growth as defence systems modernize and IPS demand increases.

Auxilium provides a structured IPS software toolkit to manage product complexity over decades via:

1. **Technical Publications**
   Authoring and publishing
2. **Configuration & Data Management**
   Secure workflows, approvals and auditability
3. **Maintenance & Support Planning**
4. **APIs**
   Enabling connection to PLM, ERP and digital engineering ecosystems

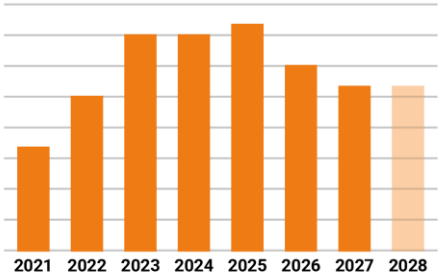
A single IPS solution for the digital transformation across defence and other end markets, replacing outdated, siloed toolsets with cloud enabled collaboration across multi-national programs.

END MARKET BY REGION



Financial returns

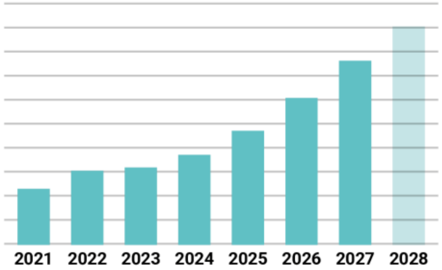
INTERNAL DEVELOPMENT COSTS



Increased investment in recent years to create a market leading product.

Further investment to ensure alignment with customer's digital transformation needs.

AUXILIUM ARR

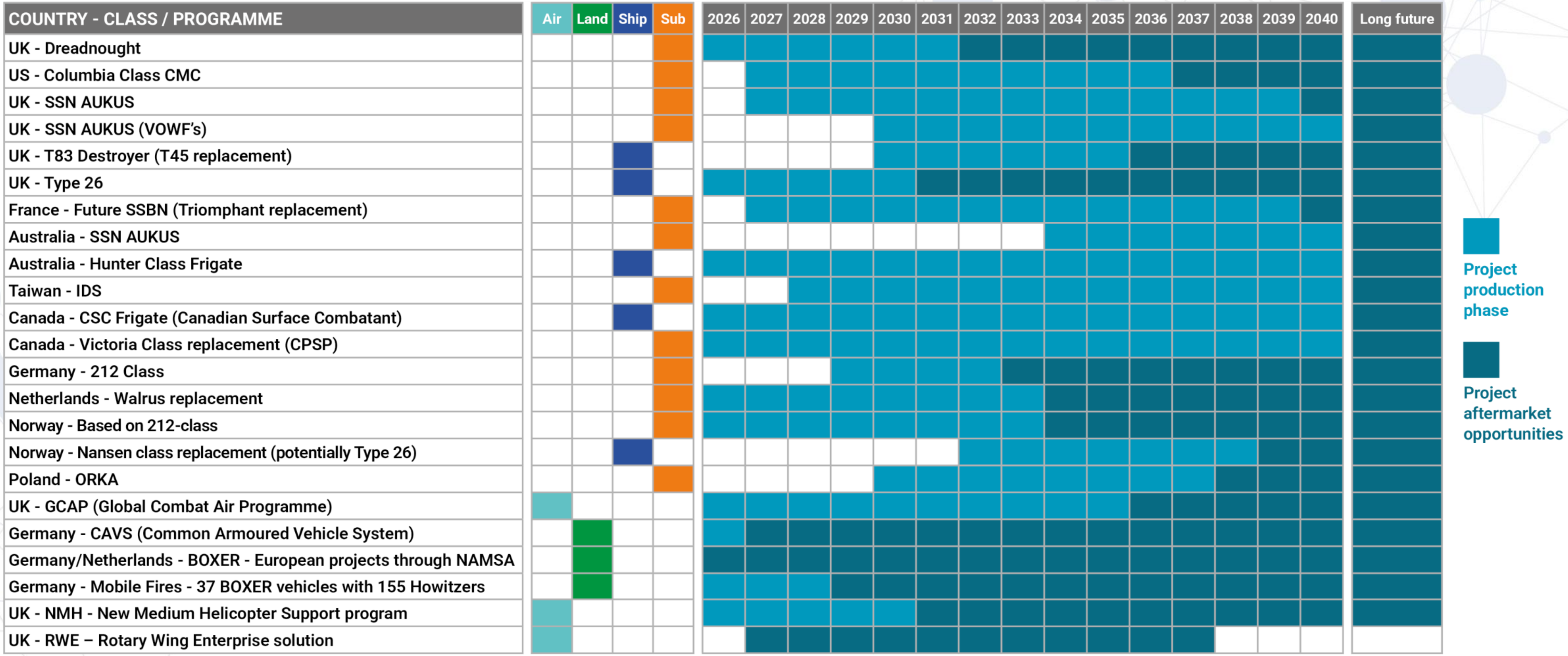


Increasing demand for our products has delivered a 17% ARR CAGR 2021-2025.

Forecast to increase to a 25% CAGR 2025-2028 taking advantage of favourable market dynamics via investment in market leading features.

What is driving the opportunity?

Significant global key defence programmes where Auxilium could be deployed



Case study - major defence programme

2023

- Regional team participated in the GenS Partner Programme – supported early development, helping shape the product.
- Supply chain company purchased OmegaPS to replace legacy LSAR tool and align with OEM company.

2024

- Supply chain company started transition to GenS.
- GenS purchased by second supply chain company.
- GenS purchased by additional site.

2025

- Regional team started transition to GenS.
- New partner company purchased GenS.

2026

- Partner expanded capability to full Auxilium suite.
- Centralised Auxilium server in HQ being explored. Progressing discussions around Enterprise licensing – critical mass achieved, supporting five out of 12 European sites.

Why Auxilium?

IMPROVED MISSION CAPABILITY

Intelligent data-driven decisions

Make informed decisions to optimize your support strategies.

ENHANCED READINESS & RELIABILITY

Maximizing operational efficiency

Reduce unexpected breakdowns and extend the lifespan of your assets.

REDUCE TOTAL OWNERSHIP COST

Reduced costs

Minimize downtime, reduce spare parts inventory costs and optimize resource allocation.

QUALITY & COMPLIANCE

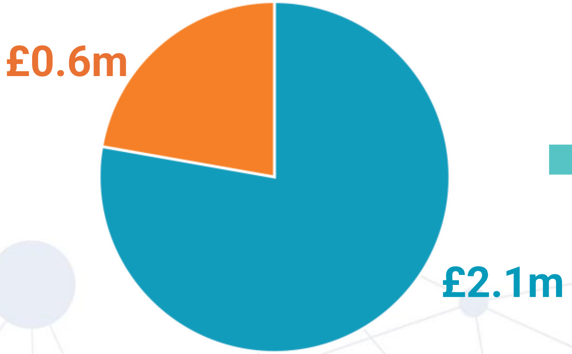
Alignment to international standards and specifications

Comply with industry regulations and standards.

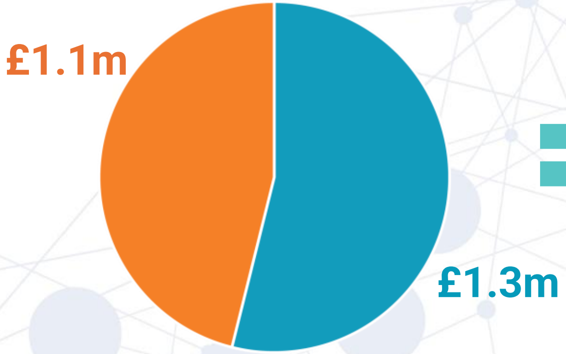
Technical Services

Directly leveraged from product sales (and vice versa):

Software services



Training services



Repeatable v Project based

Technical services FY25 revenue £5.1m (67% repeatable)

Growing repeatable software services through new capabilities:

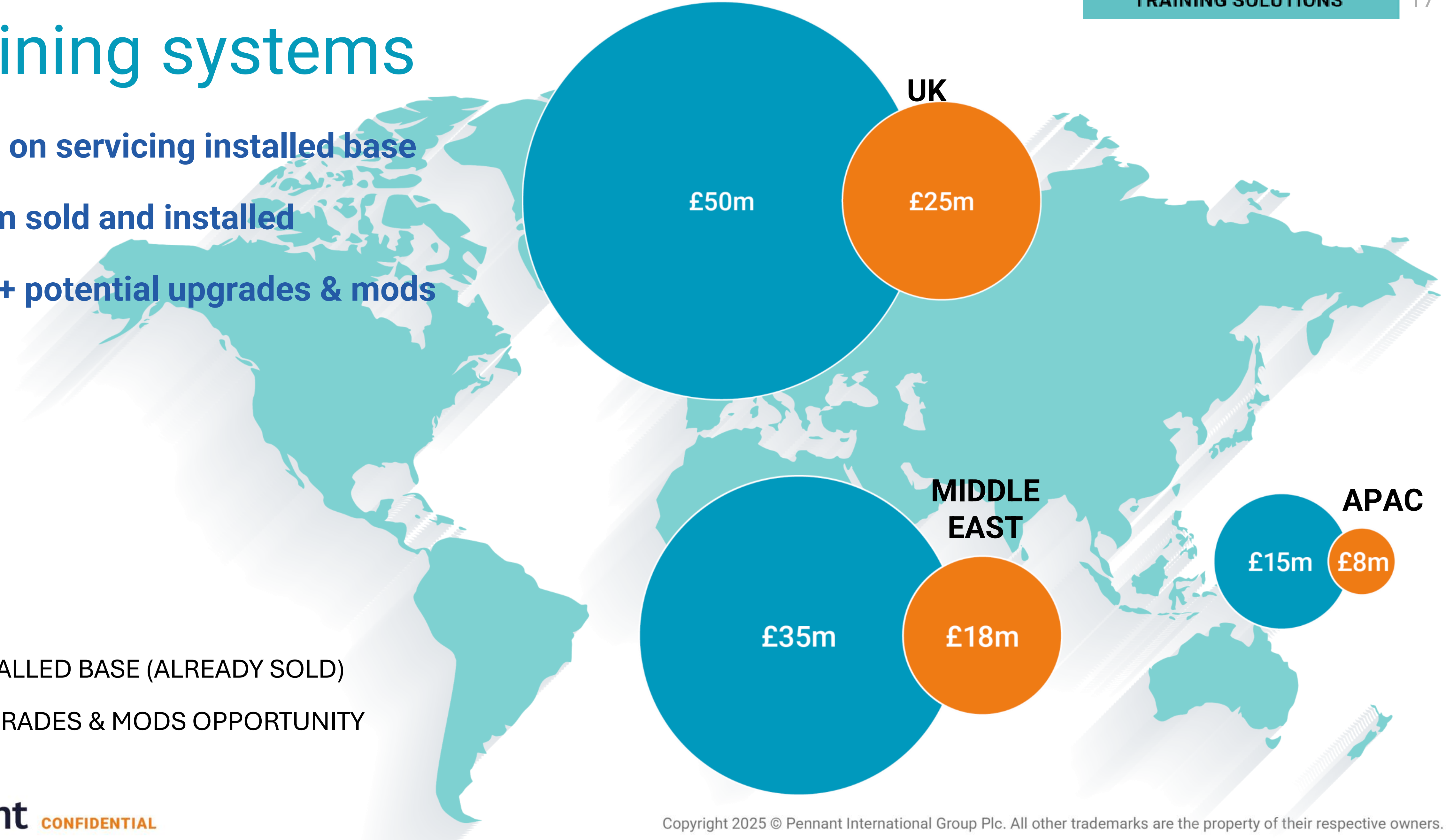
- **Data input – digital conversion services** – transforming legacy documents, manuals, and engineering data into structured, digital formats ready for use in Auxilium and wider IPS workflows.
- **Data distribution – modern viewing** - enabling customers to access, visualise, and distribute their technical data through a secure viewing solution.

Training systems

Focus on servicing installed base

£100m sold and installed

£50m+ potential upgrades & mods

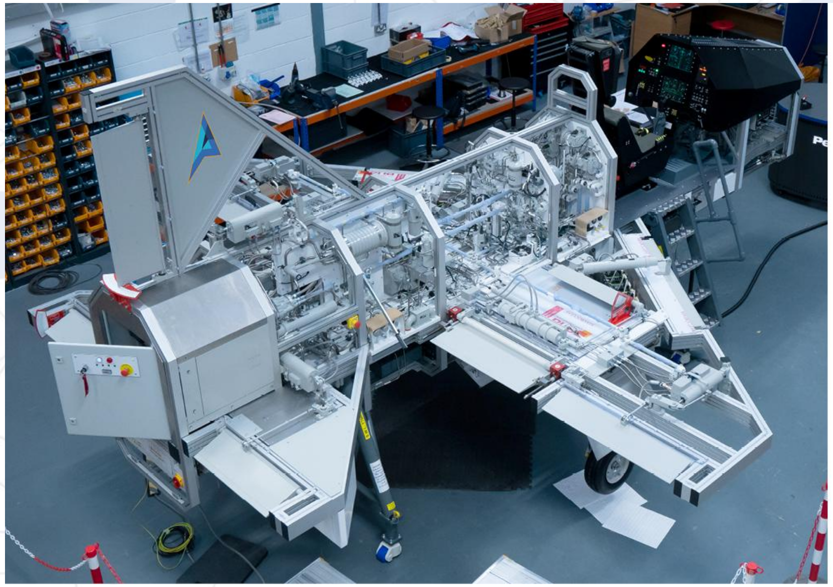


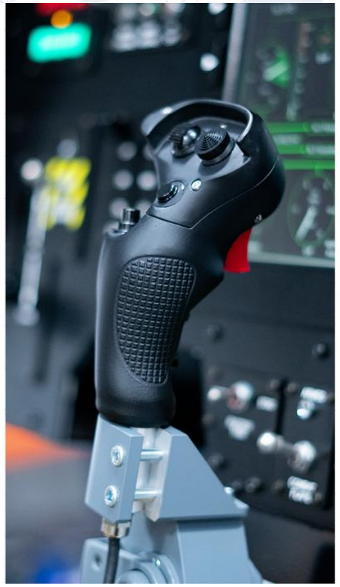
INSTALLED BASE (ALREADY SOLD)

UPGRADES & MODS OPPORTUNITY

Case study: UK MOD – Upgrade and overhaul

- Training System developed and delivered to UK RAF in 1999.
- Key component of UK aeronautical training system.
- System supported by Pennant for of over 20 years.
- Secured and delivering upgrade to installed training system — to modernise and extend life.
- The overall contract value including options is £5.75 million, and revenue will be recognised as costs are incurred over time (3 years).





Financials

Highlights

	Adjusted(1) results		Statutory results	
	2025 £m	2024 £m	2025 £m	2024 £m
Revenue	**9.7**	13.8	**9.7**	13.8
EBITDA	**(0.4)**	1.7	**(0.8)**	(0.5)
Gross Margin	**49%**	50%	**49%**	50%
Loss before tax	**(1.9)**	(0.3)	**(2.5)**	(3.0)
Net assets			**6.9**	8.3
Net debt (excluding lease liabilities)			**(0.5)**	(2.3)
Order Intake			**£17.8m**	£10.2m

- Revenue reduced primarily due to delays in Training Systems contract awards
- Annual recurring revenue from software sales are increasing, ending the year at £2.4m, 26% growth over prior year. Expectation to exit FY26 at £3.0m.
- Order intake of £18m translating into a closing order book of £23.3m (2024: £15.9m) including £9.7m scheduled for delivery in 2026 (75% coverage of market expectation)
- Net debt reduced to £0.5m (2024: £2.3m) including shareholder loan and excluding lease liabilities:
  - Positive operating cash flow during the year, working capital discipline on project work
  - Completed UK surplus property disposal programme, realising gross proceeds of £3.1m, a net gain versus fair value
  - The Group has ensured that ongoing operations are appropriately funded via equity raise and shareholder loan in Q4
  - Capitalised investment into Auxilium software of £1.5m, continuing to build on the strong investment case

(1) The loss before taxation is stated prior to £0.4million of exceptional costs associated with the restructuring exercise initiated in H2 2024, £0.2m of acquired intangible amortisation charge, IFRS 2 charges of £0.1m, and a profit relating to the sale of freehold property of £0.1 million. The Pennant Board considers the adjusted results to be an important measure to exclude non-trading or non-recurring items and therefore better monitor and compare performance between reporting periods.

Statutory income statement

Income Statement	2025 £m	2024 £m
Revenue	9.7	13.8
Cost of sales	(4.9)	(6.9)
Gross profit	**4.8**	**6.9**
Exceptional costs	(0.4)	(2.3)
Profit on sale of land and buildings	0.1	0.2
Acquired intangible amortisation	(0.2)	(0.5)
Other administrative expenses	(6.6)	(7.1)
Administrative expenses	**(7.2)**	**(9.7)**
Other income	0.2	0.2
Operating loss	**(2.2)**	**(2.6)**
Net finance costs	(0.3)	(0.4)
Loss before taxation	**(2.5)**	**(3.0)**
Tax credit / (charge)	0.2	0.5
Loss for the period	**(2.3)**	**(2.5)**

Reconciliation between statutory and adjusted result

Reconciliation statutory to adjusted loss before tax	2025 £m
Statutory loss before tax	(2.5)
Restructuring expense	0.4
Acquired intangible amortisation	0.2
Share based payment charge	0.1
Profit on sale of land and buildings	(0.1)
Total	**(1.9)**

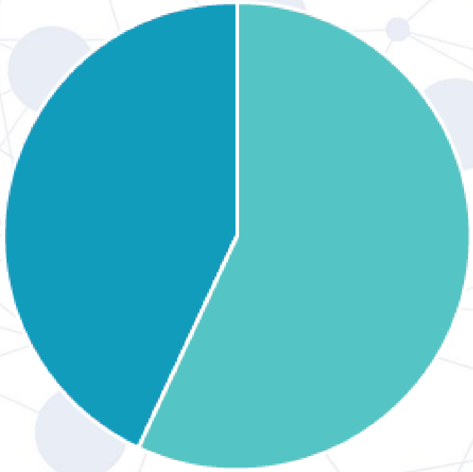
Restructuring expense	2025 £m
Redundancy and recruitment	0.2
Surplus properties	0.1
Legal and professional fees	0.1
Total	**0.4**

Adjusted results

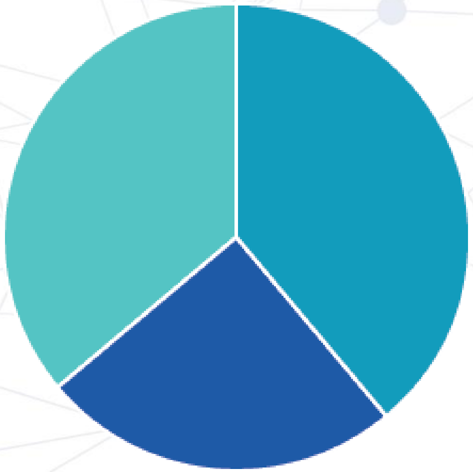
The Pennant Board considers the adjusted results to be an important measure to exclude non-trading or non-recurring items and therefore better monitor and compare performance between reporting periods.

Segmental revenue performance

Revenue	2025 £m	2024 £m	Movement
Systems support software	2.5	2.3	+0.2
Technical services	5.1	7.3	(2.2)
Software and services segment	**7.6**	**9.6**	**(2.0)**
Engineered solutions	1.3	3.6	(2.3)
Generic products	0.7	0.6	+0.1
Training systems segment	**2.0**	**4.2**	**(2.2)**
Total revenue	**9.7**	**13.8**	**(4.1)**



Non-recurring 43%
Recurring 57%



EMEA 39%
Americas 35%
APAC 26%

Statement of financial position

	2025 £m	2024 £m
Current assets	3.0	7.6
Non-current assets	9.2	8.3
Total assets	**12.2**	15.9
Current liabilities	(4.6)	(7.0)
Non-current liabilities	(0.7)	(0.6)
Total liabilities	**(5.3)**	(7.6)
Net assets	**6.9**	8.3

- Prior year current assets included £3.0m of assets held for sale (UK surplus land & buildings)
- Current liabilities includes
  - £1.9m of contract liabilities – i.e. cash received ahead of revenue being recognised
  - £0.3m shareholder loan due for repayment April 2026

Cash generation in the year

Operating cash flow	2025 £m
Operating cash before changes in working capital	(1.1)
Changes in working capital	0.8
Tax received	0.7
Interest paid	(0.4)
Net cash used in operating activities	**0.1**

	£000s
Net Debt at 31 December 2024	(2,285)
Net cash generated from operations	101
Net cash generated from investing activities	1,122
Net cash generated from financing activities	942
Effect of foreign exchange rates	(93)
Net cash/(overdraft) at 31 December 2025	(213)
Shareholder loan	(323)
Net Debt at 31 December 2025	**(536)**

- Continued management focus on working capital discipline – engineering projects in cash positive positions
- Tax receipts of £0.7m supported by R&D (UK) claim proceeds
- Further investment in the development of our integrated Auxilium software £1.5m (2024: £1.3m)
- Completion of the sale of UK properties, £3m cash proceeds net of costs (profit on disposal of £0.1m)
- Funds raised in H2 from
  - Equity raise (existing shareholders), £0.9m
  - Shareholder loan of £0.3m (scheduled for repayment April 2026)
- Operating within the HSBC overdraft facility limit of £1.0m

Finance costs and tax

Finance costs	2025 £m
Interest expense for bank overdraft	188
Lease interest	74
Interest payable on deferred consideration	7
Movement in discounting	10
Other interest expense	46
Total finance costs	**325**

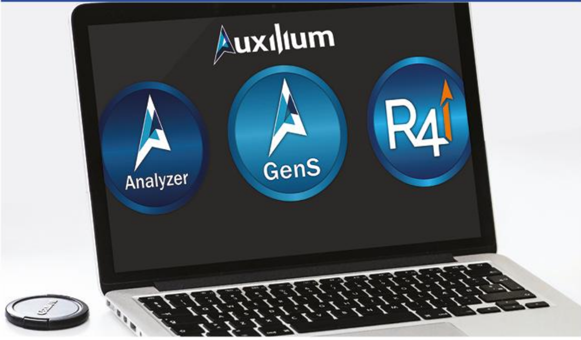
Tax credit	2025 £m
Current tax charge	7
Current tax credit – prior year adjustment	265
Deferred tax credit current year	216
Deferred tax charge – prior year adjustment	(164)
Total tax credit	**310**

- Reducing finance costs from improving cash position and final settlement of deferred consideration in H1
- HSBC overdraft facility carries interest at 2.75% (2024: 2.50%) plus the bank's base rate
- The tax credit in 2025 includes prior year corporation tax credits arising from retrospective R&D claims under UK schemes for SMEs
- The Group has unrelieved UK tax losses carried forward of £7.8m (2024: £7.0m) and continues to take a prudent position with respect to the recognition of deferred tax assets

What to expect?

GROW SOFTWARE ARR >£4M

AUXILIUM SOFTWARE



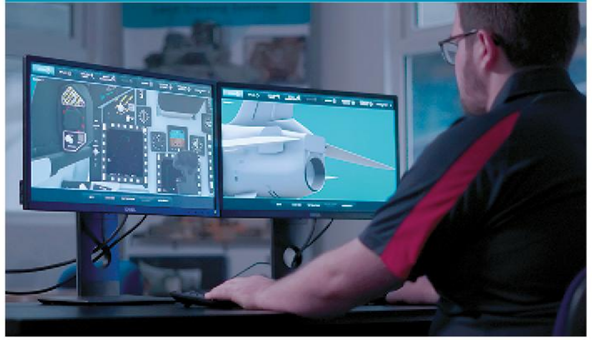
Achievement of ARR £3m

Launch of integrated solution

Funding of Auxilium from operating cashflow

RETURN TECHNICAL SERVICES TO >£7M

TECHNICAL SERVICES



Expansion of repeatable managed services

Launch of new conversion capabilities

Launch of new data viewing capability

MAINTAIN TRAINING SYSTEMS >£5M

TRAINING SYSTEMS

Operational delivery of order book

Winning high margin after market contracts - servicing installed base

Return to positive Adj PBT in FY26

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pennantplc.com

Company Number: 03187528

Maximizing Operational Efficiency

The Auxilium Investment Case

The opportunity

IPS will be a major growth area as industries shift from selling products to combining the product sale with a support solution that maximises revenue from the support space.

THIS IS WHY IT MATTERS...

1 Systems are becoming more complex

As complexity increases, lifecycle risk increases. IPS provides the structured framework (logistics, maintenance planning, reliability engineering, configuration control, training, spares, etc.) to manage that complexity over decades.

2 Shift from "Buy and Own" to "Availability and Outcomes"

Instead of buying equipment, customers are buying capability. IPS enables: Predictable uptime, Cost forecasting, Risk sharing, Long-term sustainment strategies. Outcome-based contracts require strong integrated support frameworks.

3 Products are expected to last longer

High-value assets (aircraft, naval platforms, rail systems, energy infrastructure) often operate for 20–50 years. IPS manages: Obsolescence, Mid-life upgrades, Configuration management, Sustainment planning.

4 Cost pressure and whole-life cost focus

Governments and large enterprises increasingly evaluate: Total Cost of Ownership (TCO), Whole-Life Cost (WLC), Through-life support cost. The proportion of TCO is estimated in latest NATO figures to be up to 85% spent during the in-service phase.

5 Defence & Security investment trends

Many nations are increasing long-term defence spending. Defence platforms require: Structured support frameworks, Standardized IPS methodologies, Long-term sustainment programs. As defence systems modernize, IPS demand increases.

6 Regulatory & Compliance pressure

Increasing requirements around: Cyber security, Environmental impact, Safety, Sustainability, ESG reporting. IPS frameworks help integrate compliance into lifecycle planning.

The Defense Lifecycle Management Software market was valued at ~USD 7.8 billion in 2024, and is projected to reach ~USD 15.4 billion by 2033, at a ~8.2 % CAGR.

Competitive advantage

Auxilium's modular design and standards compliance position it to capture significant growth as defence systems modernize and IPS demand increases.

Auxilium provides a structured IPS software toolkit to manage product complexity over decades via:

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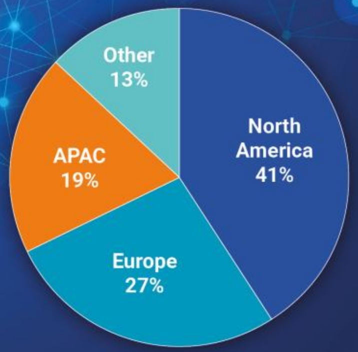
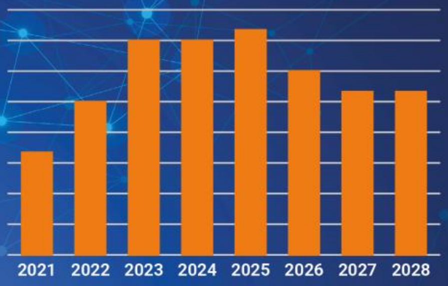
END MARKET BY REGION



Financial returns

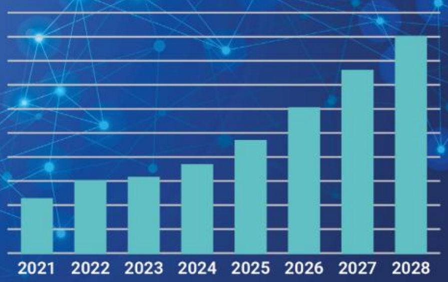
INTERNAL DEVELOPMENT COSTS



Increased investment in recent years to create a market leading product.

Further investment to ensure alignment with customer's digital transformation needs.

AUXILIUM ARR



Increasing demand for our products has delivered a 17% ARR CAGR 2021-2025.

Forecast to increase to a 25% CAGR 2025-2028 taking advantage of favourable market dynamics via investment in market leading features.

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