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23 October 2024

IMAGE SCAN HOLDINGS PLC

("Image Scan" or the "Company")

Trading Update

Profits expected to be in line with market expectations

Strong Profit Growth, Healthy Cash Position,

Image Scan, a leading provider of X-ray screening systems, today announced its pre-close trading update for the year ended 30 September 2024 ("FY24").

As anticipated in the interim report, after a measured first-half, trading in the second half has been much stronger. Subject to audit, revenue is expected to be approximately £2.9m, broadly in line with the previous year (FY23: £3.0m). The Group also expects to report unaudited pre-tax profit in line with market expectations at £0.2m (FY23: £0.1m) being a 100% increase on FY23.

Notable factors contributing to this pleasing performance have been

- **Product Innovation:** The introduction of new and innovative products has driven increased market adoption and customer satisfaction.
- **Government Opportunities:** The company's ability to secure government contracts has been a key driver of growth.
- **Cost Management:** Previous restructuring and ongoing cost-control measures have contributed to improved profitability.

In addition to the strong profitability and financial performance, Image Scan also maintained a healthy cash position. As at 30 September 2024, the Group had cash balances of £912k (FY23: £958k). During FY24, £215k (FY23: £185k) was invested in product development. This financial foundation provides the Company with the flexibility to invest in future growth initiatives, including potential acquisitions.

Recent Contract Win and Order Book

As announced in a separate release last week, Image Scan has successfully finalised a major contract with a prominent defence contractor for the supply of its ThreatScan® portable X-ray system. Valued at approximately £3m over a 36-month period, the contract is a significant achievement in our strategic growth.

The revenue and profit from this contract are anticipated to be recognised primarily in FY25 and FY26. The win further strengthens our substantial order book as we enter the new financial year. This contract provides a solid foundation for next year's performance, providing a consistent level of activity and reflects the growth in demand for our high-performance solutions to the security and defence sectors.

As at 30 September 2024 the order book stood at £4.5m which will be primarily delivered in FY25 and FY26.

Looking Ahead

Image Scan remains focused on expanding its product range, strengthening its market position, and exploring new growth opportunities including through acquisition. The Company's strong financial performance, bolstered by recent contract wins gives the Board confidence for the year ahead.

Vince Deery, Chief Executive of Image Scan, commented: *"I am extremely pleased with the Group's performance in FY24. We have not only achieved a significant increase in profitability but also maintained a strong cash position. The recent contract awards with European defence partners positions us well in the marketplace and gives us confidence for future growth in FY25 and beyond."*

For further information on the Company, please visit: www.ish.co.uk and for further information on its products, please visit: www.3dx-ray.com

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ABOUT IMAGE SCAN HOLDINGS PLC
About Image Scan Holdings plc

The core activity of the Group is the manufacture of portable X-ray systems for security and counter terrorism

The core activity of the Group is the manufacture of portable X-ray systems for security and counter terrorism applications. The Group recently launched an updated and refreshed range of portable products to compliment the previously revised cabinet-based x-ray product line. All these products are taken to market across the world through a strong network of international partners.

In addition, over the last sixteen years, Image Scan has developed and manufactured industrial X-ray inspection systems. The primary market for these systems is in automotive emissions control where they are used for quality control inspection of catalytic converters and diesel particulate filters.

For further information on the Company, please visit: www.ish.co.uk - and for further information on its products, please visit: www.3dx-ray.com

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