

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.



IMAGE SCAN HOLDINGS PLC

("Image Scan" or the "Company")

Interim Results

Image Scan (AIM: IGE), the specialist supplier of X-ray screening systems for security and industrial inspection, is delighted to announce its interim results for the six months ended 31 March 2025 ("H1 2025" or the "Period").

Financial summary:

- Order intake £315k (H1 2024: £1,136k)
- Revenue was £350k (H1 2024: £1,061k)
- Gross profit margin of 59% (H1 2024: 54%)
- Loss before taxation of £422k (H1 2024: £120k)
- Period end bank balance was £512k (H1 2024: £759k)
- Period end orderbook of £4,720k (H1 2024: £729k)

Operational highlights:

- Actively engaged in extensive marketing activities, with attendance at exhibitions in the UK, USA, Middle East, South East Asia, and Europe, to promote the enhanced product portfolio.
- A number of important demonstrations co-ordinated by our business partners to several key end users have been undertaken in support of significant end user requirements.
- Continued to develop a strong pipeline of future opportunities.

Post Period-end highlights

- A significant post-period order of over £300k in Australasia was received for diplomatic security. This order demonstrates the strong market interest in our newer products and validates our product development strategy.

Vince Deery, Chief Executive Officer of Image Scan commented:

"H1 performance is disappointing and has been impacted by the ongoing delay with the significant defence contract, from which revenue was originally expected to commence by this time. The current geopolitical situation and the resulting uncertainty have further affected budgets and customer decisions, adding to these challenges. While we are optimistic about our opportunity pipeline, which includes some significant prospects, the timing of both these opportunities and the delayed defence contract introduces uncertainty into our view of our full-year performance. We are continuing an active program to promote and demonstrate our broader product range, alongside careful cost management. We believe this will position us strongly to capitalise when the delays to the large defence contract are resolved and global market conditions improve."

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

-ENDS-

Image Scan Holdings plc

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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 applications. The Group recently launched a cabinet X-ray machine and is replacing its Axis range of checkpoint X-ray systems with new machines developed with a partner. All these products are taken to market across the world through a strong network of international partners.

In addition, over the last seventeen years, Image Scan has developed and manufactured industrial X-ray inspection systems, the MDXi range. 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.

The visibility and reach of the Company's 3DX-Ray brand has been further strengthened through a new LinkedIn profile focussed on its EOD and counter-terrorism activities. This can be found at: <https://www.linkedin.com/company/3dx-ray/>

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

A graphic consisting of several overlapping, semi-transparent blue triangles of varying shades, creating a dynamic, geometric pattern that points towards the right.

IMAGE SCAN

INSIGHT WHERE IT MATTERS

Image Scan Holdings plc

Interim report 2025

Chief Executive Officer's statement

Introduction

Image Scan Holdings plc is a specialist in innovative X-ray technology, operating globally in the security and industrial inspection sectors. The Company's principal activity is the design, manufacture, and supply of both portable and fixed X-ray security screening systems to governments, security organisations and law enforcement agencies. The Company also supplies high-quality screening systems used in the manufacture of catalytic converters and diesel particulate filters.

Financial results

Revenue for the period was £350k (H1 2024: £1,061k). Gross profit margin increased by 5% to 59% (H1 2024: 54%) due mainly to the change in product mix.

Operating expenses were well managed at £630k (H1 2024: £691k), reflecting strong cost control measures.

The improved gross margin percentage and a reduction in costs did not compensate for the quiet sales period leading to a pre-tax loss of £422k in H1 2025 (H1 2024: pre-tax loss off £120k).

The Company finished H1 2025 with an order book of £4,720k ^[1] (H1 2024: £729k).

At the period end, the Company had a cash balance of £512k (H1 2024: £759k) and no debt.

Review of the period

Following a second successful year of profit growth in 2024, trading for H1 2025, followed the same pattern as H1 FY24, being characterised by slow sales. As previously reported, the overall result for the year is expected to be more significantly second half weighted than last year.

H1 2025 presented challenges with order intake significantly lower than the comparative period in 2024. The Board believes this unprecedented decrease was influenced by geopolitical events leading to uncertainty in key markets impacting release of budgets and the timing of our customers' investment decisions. In addition, it believes that this disruption to normal patterns of trading may continue in the short term.

The ongoing delays in the substantial defence contract secured in the previous financial year also affected performance. Revenue from this contract was originally expected to commence in H1 but has yet to start. The progress of this contract remains outside of our control, which is a source of uncertainty and frustration.

Despite these difficulties, the Company has:

- Actively engaged in extensive marketing activities, with attendance at exhibitions in the UK, USA, Middle East, South East Asia, and Europe, to promote its enhanced product portfolio. The focus has been on showcasing and demonstrating our latest product innovations to potential clients and partners.
- A number of important demonstrations co-ordinated by our business partners to several key end users have been undertaken.
- A significant post-period order of over £300k in Australasia was received for diplomatic security. This order demonstrates the strong market interest in our newer products and validates our product development strategy.
- Continued to develop a strong pipeline of future opportunities.

We continue to manage the ongoing reduction in industrial business, following our approach in FY24, with a focus on service and support revenue.

As highlighted in the H1 performance, the Company has also continued to maintain tight control over our overhead expenditure.

Outlook

The Company has a strong quote pipeline, and our products continue to be well promoted. Management is confident that this robust pipeline will deliver increased sales in the second half of the year.

However although the Board is confident of an improved second half, the outcome for the year is currently very uncertain as it is dependent on the timing of order receipts and their subsequent delivery. While the Board can still see a path to achieving market expectations for the year it is now looking increasingly unlikely. It can also see the possibility that the improvement in H2 will not be sufficient to deliver positive full year earnings.

The Board remains optimistic about the opportunity pipeline, which includes some significant prospects, and believes the Company is positioned strongly to capitalise when the delays to the large defence contract and other awards are resolved. In the meantime we will continue to exercise careful cost management while maintaining an active program to promote and demonstrate our broader product range.

I want to express my thanks to the team who have continued to show dedication and commitment in the face of this challenging period.

Vince Deery Chief Executive Officer

Vince Deery
Chief Executive Officer
Financial Results

Consolidated income statement For the six months ended 31 March 2025

	Note	Six months ended 31 March 2025 (Unaudited) £'000	Six months ended 31 March 2024 (Unaudited) £'000	Year ended 30 September 2024 (Audited) £'000
Revenue		350	1,061	2,861
Cost of sales		(145)	(492)	(1,349)
Gross profit		205	569	1,512
Gross profit %		59%	54%	53%
Operating expenses		(630)	(691)	(1,313)
Other operating income		-	-	3

Operating (loss)/profit		(425)	(122)	202
Finance income		5	5	11
Interest payable		(2)	(1)	(5)
(Loss)/profit before taxation		(422)	(120)	208
Taxation		-	-	(1)
(Loss)/profit for the period		(422)	(120)	207

		Pence	Pence	Pence
Earnings per share				
Basic (loss)/profit per share	[3]	(0.30)	(0.09)	0.15
Diluted (loss)/profit per share		(0.30)	(0.09)	0.15

Consolidated statement of changes in equity
For the six months ended 31 March 2025

		Six months ended 31 March 2025 (Unaudited) £'000	Six months ended 31 March 2024 (Unaudited) £'000	Year ended 30 September 2024 (Audited) £'000
	Note			
Opening equity shareholders' funds		1,719	1,512	1,512
(Loss)/profit attributable to equity shareholders		(422)	(120)	207
Closing equity shareholders' funds		1,297	1,392	1,719

Consolidated statement of financial position
As at 31 March 2025

	As at 31 March 2025 (Unaudited) £'000	As at 31 March 2024 (Unaudited) £'000	As at 30 September 2024 (Audited) £'000
Non-current assets			
Intangible and tangible assets	481	488	477
	481	488	477
Current assets			
Inventories	489	495	393
Trade and other receivables	302	514	911
Cash and cash equivalents	512	759	911
	1,303	1,768	2,215
Total assets	1,784	2,256	2,692
Current liabilities			
Trade and other payables	394	753	871
Non-current liabilities	93	111	102
Total liabilities	487	864	973
Net assets	1,297	1,392	1,719
Equity			
Share capital	1,368	1,368	1,368
Share premium account	8,333	8,333	8,333
Retained earnings	(8,404)	(8,309)	(7,982)
Equity shareholders' funds	1,297	1,392	1,719

Consolidated cash flow statement
For the six months ended 31 March 2025

	Six months ended 31 March 2025 (Unaudited) £'000	Six months ended 31 March 2024 (Unaudited) £'000	Year ended 30 September 2024 (Audited) £'000
Cash flows from operating activities			
Operating (loss)/profit	(424)	(119)	202
Adjustments for:			
Depreciation	1	6	7
Amortisation of intangibles	31	24	62
Amortisation of right of use asset	21	17	41
Impairment of inventories	23	(5)	(9)
(Increase)/decrease in inventories	(119)	(141)	(35)
Decrease/(increase) in trade and other receivables	605	82	(301)
(Decrease)/increase in trade and other payables	(451)	(6)	80
(Decrease)/increase in provision for warranty	(11)	(6)	(8)
Net cash (used in)/generated from operating activities	(324)	(148)	26
Corporation tax recovered	-	-	26

Net cash (outflow)/ inflow from operating activities	(324)	(148)	61
Cash flows from investing activities			
Interest received	5	5	1
Purchase of intangible assets	(57)	(37)	(74)
Purchase of property, plant and equipment	-	-	(1)
Net cash used in investing activities	(52)	(32)	(64)
Cash flows from financing activities			
Lease payments	(23)	(19)	(44)
Net cash used in financing activities	(23)	(19)	(44)
Net decrease in cash and cash equivalents	(399)	(199)	(47)
Cash and cash equivalents at beginning of period	911	958	958
Cash and cash equivalents at end of period	512	759	911

Notes to the unaudited interim financial statements
For the six months ended 31 March 2025

1 Basis of preparation

The interim financial statements, which are unaudited, have been prepared on the basis of the accounting policies expected to apply for the financial year to 30 September 2025 and in accordance with recognition and measurement principles of International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. The accounting policies applied in the preparation of these interim financial statements are consistent with those used in the financial statements for the year ended 30 September 2024.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 'Interim financial reporting'. Accordingly, whilst the interim statements have been prepared in accordance with IFRSs, they cannot be construed as being in full compliance with IFRSs.

The financial information for the year ended 30 September 2024 does not constitute the full statutory accounts for that period. The annual report and financial statements for the year ended 30 September 2024 have been filed with the Registrar of Companies. The independent auditor's report on the report and financial statements for the year ended 30 September 2024 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

2 Going concern

The interim financial information has been prepared on a going concern basis, which assumes that the Company will have adequate resources to continue in operational existence for the foreseeable future.

3 Earnings per share ('EPS')

Basic earnings per ordinary share is based on the loss on ordinary activities before taxation of £422k (H1 2024 loss £120k) and on 136,854,577 ordinary shares in issue throughout the period.

Diluted profit per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of dilutive potential ordinary shares, based on the share price at the end of the period. The Company's dilutive potential ordinary shares are shares issued under the Company's Enterprise Management Incentive ('EMI') scheme and options issued under the Company's Unapproved scheme.

^[1] Realisable over a twenty four month period.

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