

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK or, if not, another appropriately authorized independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser, transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred part of your holding, please consult the stockbroker, bank or other agent through whom the sale or transfer was effected. However, these documents should not be forwarded or sent in, into or from the United States, Canada, Australia, New Zealand, Japan, the Republic of Ireland or the Republic of South Africa or any other state or jurisdiction in which release, publication or distribution would be unlawful and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. If you have sold only part of your holding of Ordinary Shares you should retain this document and the accompanying Form of Proxy.

Applications will be made to the London Stock Exchange for the Placing Shares and the Subscription Shares to be admitted to trading on AIM. No application has been made or is currently intended to be made for the Placing Shares or the Subscription Shares to be admitted to trading or dealt in on any other exchange. It is expected that admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Firm Placing Shares on or around 19 August 2014 and, subject to, *inter alia*, the passing of the Resolutions at the General Meeting, admission to AIM will become effective in respect of, and that dealings on AIM will commence in, the Conditional Placing Shares and the Subscription Shares on or around 9 September 2014.

IMAGE SCAN HOLDINGS PLC

(Incorporated and registered in England and Wales with registered number 03062983)

Firm Placing of 1,850,000 new Ordinary Shares and Conditional Placing and Subscription of a further 34,400,000 new Ordinary Shares

**at 2 pence per Ordinary Share
and**

Notice of General Meeting

Nominated Adviser and Broker

Cantor Fitzgerald Europe

This document should be read in its entirety. Your attention is drawn to the letter from the Chairman of Image Scan Holdings Plc set out on pages 9 to 14 of this document, which contains your Board's unanimous recommendation to vote in favour of the Resolutions set out in the notice of General Meeting referred to below.

Notice of a General Meeting of Image Scan Holdings Plc, to be held at the offices of Cantor Fitzgerald Europe at One Churchill Place, Canary Wharf, London E14 5RB at 10.00 a.m. on 8 September 2014, is set out at the end of this document. Whether or not you intend to attend the General Meeting, Shareholders are requested to complete and return the accompanying Form of Proxy as soon as possible and, in any event, so as to be received by the Company's registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA as soon as possible and in any event not later than 10.00 a.m. on 6 September 2014. The completion and return of the Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they subsequently wish to do so.

This document does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Existing Ordinary Shares and/or any Subscription Shares or Placing Shares of the Company, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied upon in connection with, any contract therefor. This document is not a prospectus and is not an admission document drawn up in accordance with the AIM Rules.

The Existing Ordinary Shares, Subscription Shares and the Placing Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States, nor do the Existing Ordinary Shares and/or the Placing Shares and/or the Subscription Shares qualify for

distribution under any of the relevant securities laws of Australia, Canada, Japan or the Republic of Ireland, nor has any prospectus in relation to the Existing Ordinary Shares and/or the Placing Shares and/or the Subscription Shares been lodged with or registered by the Australian Securities and Investments Commission, the Japanese Ministry of Finance or the Irish Financial Regulator. Accordingly, subject to certain exceptions, the Existing Ordinary Shares, the Subscription Shares and the Placing Shares may not be, directly or indirectly, offered, sold, taken up, delivered or transferred in or into or within the United States, Australia, Canada, Japan or the Republic of Ireland or any other jurisdiction where to do so might constitute a violation of local securities laws or regulations. Any failure to comply with such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any person who is subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release publication or distribution, directly or indirectly, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of Ireland, the Republic of South Africa or any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Cantor Fitzgerald Europe, which is authorised and regulated by the Financial Conduct Authority, is acting as the Company's nominated adviser and broker in connection with the Placings, the Subscription and Admission and will not be offering advice and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any matter, transaction or arrangement referred to herein. The responsibilities of Cantor Fitzgerald Europe as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director, Shareholder or any other person in respect of his, her or its decision to acquire any Existing Ordinary Shares, Subscription Shares or Placing Shares in reliance on any part of this document or otherwise. Cantor Fitzgerald Europe is not making any representation or warranty, express or implied, as to the contents of this document.

This document contains (or may contain) certain forward-looking statements with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition and performance and which involve a number of risks and uncertainties. The Company cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "predict" or other words of similar meaning. Examples of forward-looking statements include, amongst others, statements regarding or which make assumptions in respect of the planned use of the proceeds for the Placings, the Group's liquidity position, the future performance of the Group, future foreign exchange rates, interest rates and currency controls, the future political and fiscal regimes in the overseas markets in which the Group operates, the Group's future financial position, plans and objectives for future operations and any other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals, and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgement at the date of this document and are not intended to give any assurance as to future results. Except as required by the FCA, the London Stock Exchange, the AIM Rules or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Copies of this document

Copies of this document will be available free of charge during normal business hours on weekdays (excluding Saturday, Sunday and public holidays) from the date of this document until 23 September 2014 from the Company's registered office. Copies are also available for download from the Company's website at www.ish.co.uk

CONTENTS

	<i>Page</i>
Expected Timetable of Principal Events	4
Placing Statistics	5
Definitions	6
Letter from the Chairman of Image Scan Holdings Plc	9
Notice of General Meeting	15

EXPECTED TIMETABLE

Publication of this document	14 August 2014
Admission and commencement of dealings on AIM of the Firm Placing Shares	8.00 a.m. on 19 August 2014
Crediting of CREST accounts with Firm Placing Shares	As soon as possible after 8.00 a.m. on 19 August 2014
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 6 September 2014
General Meeting	10.00 a.m. on 8 September 2014
Admission and commencement of dealings on AIM of the Conditional Placing Shares and Subscription Shares	8.00 a.m. on 9 September 2014
Crediting of CREST accounts with Conditional Placing Shares	As soon as possible after 8.00 a.m. on 9 September 2014
Despatch of definitive share certificates in respect of Conditional Placing Shares to be issued in certified form	By 23 September 2014

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.
3. Admission and dealings in the Conditional Placing Shares and the Subscription Shares are conditional on the passing of the Resolutions at the General Meeting.
4. If you have any questions relating to the action you should take in relation to the General Meeting, please telephone the Shareholder Helpline on 0121 585 1131 (for callers calling from the UK, calls to this number are charged your network providers standard rate, calls from overseas or via mobile telephones may cost considerably more). Lines are open 9.00 a.m. to 5.00 p.m., Monday to Friday. Please note that for legal reasons this helpline will only be able to provide practical information and will not provide advice on the merits of the business of the General Meeting or give any financial or taxation advice. For financial and taxation advice you will need to consult an independent adviser.

PLACING STATISTICS

Number of Existing Ordinary Shares	78,354,577
Placing Price	2.0 pence
Aggregate number of Firm Placing Shares	1,850,000
Aggregate number of Conditional Placing Shares	32,500,000
Aggregate number of Subscription Shares	1,900,000
Number of Ordinary Shares in issue immediately following completion of the Firm Placing	80,204,577
Firm Placing Shares as a percentage of the Enlarged Share Capital	2.31 per cent.
Number of Ordinary Shares in issue immediately following completion of the Placings and Subscription	114,604,577
Placing Shares and Subscription Shares as a percentage of the Enlarged Share Capital	31.63 per cent.
Estimated gross proceeds of the Placings and Subscription receivable by the Company	£725,000
ISIN Code	GB0031410581
SEDOL Code	3141058

DEFINITIONS

In this document, the following words and expressions shall, except where the context requires otherwise, have the following meanings:

“Act”	the Companies Act 2006 as amended from time to time;
“Admission”	First Admission and/or Second Admission, as the context may require;
“Articles”	the articles of association of the Company adopted by special resolution on 28 April 1998;
“AIM”	AIM, a market operated by London Stock Exchange;
“AIM Rules”	the ‘AIM Rules for Companies’ published by London Stock Exchange for AIM Companies, governing the admission to and operation of AIM, as amended from time to time;
“Board” or “Directors”	the directors of the Company at the date of this document, all of whose names are set out on page 9 of this document;
“Cantor Fitzgerald Europe”	Cantor Fitzgerald Europe, the Company’s nominated adviser and broker;
“certificated” or “in certificated form”	a share or other security not held in uncertificated form (i.e. not in CREST);
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
“Circular”	this document;
“Company” or “Image Scan”	Image Scan Holdings plc;
“Conditional Placing”	the conditional placing of the Conditional Placing Shares pursuant to the Placing Agreement;
“Conditional Placing Shares”	32,500,000 new Ordinary Shares, to be allotted and issued pursuant to the Conditional Placing subject to, amongst other things, the passing of the Resolutions at the General Meeting and Second Admission;
“CREST”	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time;
“Enlarged Share Capital”	the number of Ordinary Shares in issue assuming completion of the Placings and the Subscription;
“Euroclear”	Euroclear UK & Ireland Limited;
“Existing Ordinary Shares”	the Ordinary Shares in issue as at the date of this document;
“FCA”	the Financial Conduct Authority of the United Kingdom;

“Firm Placing”	the placing of the Firm Placing Shares pursuant to the Placing Agreement;
“Firm Placing Shares”	1,850,000 new Ordinary Shares, placed firm pursuant to the Firm Placing with investors and to be issued on or around 19 August 2014;
“First Admission”	the effective admission of the Firm Placing Shares to trading on AIM pursuant to the AIM Rules;
“Form of Proxy”	the form of proxy which accompanies this document for use by Shareholders in connection with the General Meeting;
“General Meeting”	the general meeting of the Company convened for 10.00 a.m. on 8 September 2014, notice of which is set out at the end of this document, or any adjournment of such meeting;
“Group”	the Company and its subsidiaries;
“London Stock Exchange”	London Stock Exchange plc;
“Notice of General Meeting”	the notice of General Meeting which is set out at the end of this document;
“Optionholders”	means the holders of options to subscribe for Ordinary Shares;
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company;
“Placings”	the placing by Cantor Fitzgerald Europe, as agent for the Company, of the Firm Placing Shares and the Conditional Placing Shares, in each case at the Placing Price and on the terms and conditions set out in the Placing Agreement, further details of which are set out in section 6 of the letter from the Chairman of the Company contained in this document;
“Placing Agreement”	the agreement dated 14 August 2014 between the Company and Cantor Fitzgerald Europe in relation to the Placings, further details of which are set out in section 6 of the letter from the Chairman of the Company contained in this document;
“Placing Price”	2 pence per new Ordinary Share;
“Placing Shares”	the Firm Placing Shares and the Conditional Placing Shares;
“R&D”	research and development;
“Resolutions”	the resolutions set out in the notice of General Meeting at the end of this document;
“Second Admission”	the effective admission of the Conditional Placing Shares and the Subscription Shares to trading on AIM pursuant to the AIM Rules;
“Shareholders”	persons who are registered holders of Ordinary Shares from time to time;
“Subscribers”	means certain of the directors and other officers of the Company;
“Subscription”	means the conditional subscription for the Subscription Shares;

“Subscription Shares”	1,900,000 new Ordinary Shares to be allotted and issued to the Subscribers subject to amongst other things, the passing of the Resolutions of the General Meeting and Second Admission;
“uncertificated” or “uncertificated form”	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland; and
“£”	Sterling, the lawful currency of the United Kingdom.

LETTER FROM THE CHAIRMAN

IMAGE SCAN HOLDINGS PLC

(Incorporated and registered in England and Wales with registered number 03062983)

Directors:

William R Mawer (*Chairman and Chief Executive Officer*)
Vince Deery (*Sales and marketing Director*)
Richard Leaver (*Non-Executive Director*)

Registered and Head Office:

16 & 18 Hayhill Industrial Estate
Sileby Road
Barrow-upon-Soar
Loughborough
Leicestershire
LE12 8LD

14 August 2014

To Shareholders and, for information purposes only, to participants in the Company's share option schemes

Dear Shareholder,

**Firm Placing of 1,850,000 new Ordinary Shares
and Conditional Placing and Subscription of a further 34,400,000 new Ordinary Shares
at 2 pence per Ordinary Share
Notice of General Meeting**

1. Introduction

The Company has announced today that it proposes to raise £725,000 (before expenses) by way of a placing by Cantor Fitzgerald Europe, as agent for the Company, of 34,350,000 new Ordinary Shares, in aggregate, at a price of 2 pence per new Ordinary Share to existing and new institutional investors and by way of a subscription of 1,900,000 new Ordinary Shares, in aggregate, at a price of 2 pence per new Ordinary Share to certain Directors and officers of the Company. Of the new Ordinary Shares proposed to be issued, 1,850,000 of such shares will be issued under existing Shareholder authorities (such shares being the Firm Placing Shares), and the issue of 32,500,000 of such shares (such shares being the Conditional Placing Shares) and the issue price of 1,900,000 such shares (with such shares being the Subscription Shares) will be conditional on the passing of the Resolutions.

I am writing to set out the background to and reasons for the Placings and Subscriptions and to give you notice of the General Meeting of the Company to be held at 10.00 a.m. on 8 September 2014, formal notice of which is set out at the end of this document. The General Meeting is being called for the purpose of proposing the Resolutions which will enable the Conditional Placing and the Subscription to be completed. In addition, as the General Meeting is the first general meeting since being appointed, ordinary resolutions will be put to Shareholders for the purpose of the re-appointment of William Mawer and Dr Richard Leaver to the Board.

The Firm Placing is conditional, *inter alia*, on First Admission and the Placing Agreement not being terminated in accordance with its terms prior to First Admission. It is expected that the Firm Placing Shares will be issued and admitted to trading on AIM on or around 19 August 2014.

The Conditional Placing and the Subscription are conditional, *inter alia*, on the passing by Shareholders of the Resolutions at the General Meeting which will give the Directors the required authority to allot shares and to disapply statutory pre-emption rights in respect of the allotment of the Conditional Placing Shares and the Subscription Shares. Subject to all relevant conditions being satisfied (or, if applicable, waived), it is expected that the Conditional Placing Shares and the Subscription Shares will be issued and admitted to trading on AIM on or around 9 September 2014.

2. Use of proceeds

The Directors are seeking to invest in product development to upgrade the existing product range, to expand the product portfolio and to grow the sales team. The Directors have considered whether funding is required at this time and consider the Placings and the Subscription to be in the best interests of the Company. This investment will enable the Company to accelerate its internal R&D activity with respect to the development of the product platform from which the Company can grow sales within its existing markets and open up new sales opportunities.

The Placings and the Subscription are not a rights issue or open offer and the Placing Shares and Subscription Shares will not be offered generally to Shareholders on a pre-emptive basis. The Directors believe that the additional cost and delay involved in a rights issue or open offer would not be in the best interests of the Company in the circumstances and, accordingly, the Board considers that it is in the best interests of the Company and Shareholders as a whole for the funds to be raised through the Placings and the Subscription.

3. New management team

Since the Annual General Meeting of the Company on 3 March 2014 there have been a number of changes at Board level giving rise to an almost completely new management team. Having worked with the Company as a consultant since December 2013, I was appointed to the Board as Chairman and Chief Executive Officer on 11 April 2014, alongside Dr Richard Leaver as a Non-Executive Director.

My background is from within the X-ray industry having worked for 13 years with London-listed Smiths Group plc. For most of that time I held senior executive positions in Smiths Detection, leading international provider of security X-ray technology. My experience lies in product development and strategic planning, areas that I believe are critical to supporting the development plans and driving forward the sales and marketing strategy of the Company.

Dr Leaver brings over 30 years of public and private company related operational, technology innovation/commercialisation and finance experience mainly within the defence and security sector as well as international consultancy and investment within technology industries. Formerly holding senior roles with BAE Systems plc and, subsequently, Cambridge-based The Sagentia Group plc, Dr Leaver was latterly four years as Chief Executive of Blue Star Capital plc (AIM: BLU), specialising in defence and security investments.

Our other Board members include Vince Deery, our Sales Director, who joined the Company in 2008, and Sarah Atwell King, our Company Secretary and Financial Controller, who has over 12 years experience as Finance Director of a £15 million turnover private leisure company.

4. Share options

The Directors believe that the Company's success is highly dependent on the quality and loyalty of its Directors and employees. The Directors consider that to assist in the recruitment, retention and motivation of high quality staff, as necessary, the Company must have an effective remuneration strategy and that an important part of this remuneration strategy is the ability to award equity incentives and, in particular, share options.

The Company therefore intends subject to the passing of the Resolutions to grant options over a total of 3,650,000 Ordinary Shares. All such options will be issued under an Enterprise Management Incentive scheme to be adopted by the Board prior to the General Meeting of which 1,000,000 will be awarded to Vince Deery and 1,000,000 will be awarded to William Mawer. These options will be granted following the Placings subject to the passing of the Resolutions at an exercise price equal to the Placing Price and will be subject to a three year vesting period.

The Directors intend that the total number of shares subject to options will not exceed 10 per cent. of the issued share capital of the Company from time to time.

5. Strategy Update

Since 2009 the Company has adopted a strategy of moving away from being an R&D and custom solutions provider into a more commercial and customer focused organisation through the development of standard products. However, over the last three years, a substantial part of the R&D team has been overcommitted to a long-standing nuclear contract which has impeded the ongoing development of our core product range and allowed for only a small element of new product development during that period.

Over the last six months R&D resources have been freed up and the focus has moved back to core product development. The opportunities for investment fall into the following areas:

Portable X-ray systems

In recent years both growth and robust margins have been achieved despite a limited and ageing product range. The routes to market for these products remain effective.

A program to upgrade the existing FlatScan portable range is underway. This will include a thinner detector panel, a new X-ray generator designed to meet the our specification and enhanced software giving clear user benefits. Both panel offerings are due to emerge shortly.

In addition to the security applications, the Company has identified industrial opportunities and intend to apply some of the funds raised into the recruitment of a dedicated sales resource to exploit this industrial market.

Conveyor X-ray systems

Although the Company's share of the conveyor X-ray market has been small, the market remains attractive. The market is split into two distinct tiers:

Tier 1 is regulated and comprises primarily airport security.

Tier 2 is unregulated and encompasses, for example, building and customs.

The current Image Scan conveyor product range is outdated and too expensive for either tier. The Company has the opportunity to develop a new range of conveyor X-ray machines to meet the requirements of the Tier 2 market with a technology partner targeting superior image quality at a competitive cost. Negotiations are already underway and these would be marketed through the existing security routes to market.

The Company intends to expand its sales team to include an additional security regional sales manager.

6. Details of the placing

The Company is proposing to raise £687,000 (before expenses) by way of a placing of 34,350,000 new Ordinary Shares at the Placing Price. The Firm Placing Shares will represent approximately 2.31 per cent. of the Enlarged Share Capital and the Placing Shares (comprising the Firm Placing Shares and the Conditional Placing Shares) will represent approximately 31.63 per cent. of the Enlarged Share Capital. Following Admission of the Firm Placing Shares, the Company will have 80,204,577 Ordinary Shares in issue and following Admission of the Conditional Placing Shares and the Subscription Shares this number will further increase to 114,604,577 Ordinary Shares in issue. These figures may be used by Shareholders, from Admission of the Firm Placing Shares, the Conditional Placing Shares and the Subscription Shares respectively, as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Rules and Transparency Rules.

The Placing Price represents a discount of 15.8 per cent. to the Closing Price of 2.375 pence per Ordinary Share on 13 August 2014, being the last dealing day prior to the date of this document.

In connection with the Placings, the Company has entered into the Placing Agreement pursuant to which Cantor Fitzgerald Europe, as agent for the Company, has agreed, in accordance with the terms of the Placing Agreement, to use its reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placings are not being underwritten.

The Placing Agreement contains customary warranties given by the Company to Cantor Fitzgerald Europe with respect to the Company's business and customary indemnities given by the Company to Cantor Fitzgerald Europe in respect of liabilities arising out of or in connection with the Placings. Cantor Fitzgerald Europe are entitled to terminate the Placing Agreement in certain circumstances prior to First Admission and/or Second Admission, including circumstances where any of the warranties are found not to be true or accurate or were misleading and which in any such case is material, or on the occurrence of certain force majeure events. For the avoidance of doubt, termination rights under the Placing Agreement cannot be exercised in respect of the Firm Placing after Admission of the Firm Placing Shares.

The Firm Placing will utilise the existing Shareholder authorities put in place at the general meeting of the Company on 11 April 2014 to allot on a non pre-emptive basis 1,850,000 Placing Shares (raising gross proceeds of £37,000 at the Placing Price). Therefore, the Firm Placing is not conditional on the Resolutions being passed at the General Meeting. However, the Firm Placing is conditional, *inter alia*, on:

- the conditions in the Placing Agreement relating to the Firm Placing being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission of the Firm Placing Shares; and
- Admission of the Firm Placing Shares becoming effective by no later than 8.00 a.m. on 19 August 2014 (or such later time and/or date as the Company and Cantor Fitzgerald Europe may agree, but in any event not later than 8.00 a.m. on 29 August 2014). Admission of the Firm Placing Shares is expected to occur before the holding of the General Meeting.

The Conditional Placing (raising gross proceeds of £650,000 at the Placing Price) and the Subscription (raising proceeds of £38,000 at the Placing Price) is conditional, *inter alia*, on:

- completion of the Firm Placing;
- the passing of the Resolutions;
- the conditions in the Placing Agreement relating to the Conditional Placing and Subscription being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Second Admission; and
- Admission of the Conditional Placing and Subscription Shares becoming effective by no later than 8.00 a.m. on 9 September 2014 (or such later time and/or date as the Company and Cantor Fitzgerald Europe may agree, but in any event not later than 8.00 a.m. on 19 September 2014).

The new Ordinary Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after Admission of the Firm Placing Shares, the Conditional Placing Shares and the Subscription Shares, respectively, and will otherwise rank on Admission *pari passu* in all respects with the Existing Ordinary Shares. The Placing Shares and Subscription Shares are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

7. Subscription Shares

The Directors and other officers of the Company are subscribing for an aggregate of 1,900,000 new Ordinary Shares at the same subscription price as the Placings. This subscription is split as follows:

	<i>Existing Number of Ordinary Shares</i>	<i>Existing % of issued Share capital</i>	<i>Number of Subscription Shares to be acquired</i>	<i>Number of Ordinary Shares following Second Admission</i>	<i>% of issued share capital on Second Admission</i>
William Mawer	2,086,645	2.66	1,250,000	3,336,645	2.91
Richard Leaver	0	0	500,000	500,000	0.44
Vince Deery	8,077	0.01	75,000	83,077	0.07
Other management	–	–	75,000	75,000	0.07

8. Irrevocable undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions from all of the Directors who collectively hold 2,094,722 Ordinary Shares representing approximately 2.7 per cent. of the Company's existing issued Ordinary Shares.

9. General meeting

Set out at the end of this document is a notice convening a General Meeting of the Company to be held at the offices of Cantor Fitzgerald Europe, One Churchill Place, Canary Wharf, London E14 5RB at 10.00 a.m. on 8 September 2014.

At the general meeting of the Company on 11 April 2014, Shareholders passed resolutions in order to (i) grant the Directors authority to allot equity securities up to a maximum nominal value of £76,267, and (ii) disapply statutory pre-emption rights to allow the allotment by the Directors of equity securities for cash up to an aggregate nominal value of £76,267 without the requirement for such equity securities to be first offered to existing Shareholders. The placing of the Firm Placing Shares, together with other relevant prior allotments, renders the second of these authorities insufficient to allow the placing of the Conditional Placing Shares and Subscription for Subscription Shares to proceed without further Shareholder approval. Accordingly, the placing of the Conditional Placing Shares is conditional on the passing by the Shareholders of the Resolutions.

The purpose of the General Meeting is to authorise the Directors to allot the Conditional Placing Shares and Subscription Shares, without reference to statutory pre-emption rights, in order to allow the Conditional Placing and the Subscription to proceed. In addition, in order to give the Company a degree of flexibility to raise further cash at short notice that may be required to take advantage of strategic opportunities that create Shareholder value, the Company is proposing that the Shareholders pass resolutions authorising the Directors to allot further shares up to a maximum nominal amount of £114,604.58 (being equivalent to 11,460,458 new Ordinary Shares representing approximately 10 per cent. of the Enlarged Share Capital). As the General Meeting is the first general meeting since being appointed, ordinary resolutions will be also be put to Shareholders for the purpose of the re-appointment of William Mawer and Dr Richard Leaver to the Board.

Shareholders will be asked to consider and, if thought fit, to pass the following resolutions:

Resolution 1

an Ordinary Resolution, conditional on the passing of Resolution 7, to authorise the Directors to allot (in connection with the Conditional Placing and the Subscription) shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to a maximum nominal amount of £344,000 (being equivalent to 34,400,000 new Ordinary Shares);

Resolution 2

an Ordinary Resolution, to authorise the Directors (in addition to the power conferred by Resolution 1) to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to a maximum nominal amount of £114,604.58 (being equivalent to 11,460,458 new Ordinary Shares representing approximately 10 per cent. of the Enlarged Share Capital);

Resolution 3

an Ordinary Resolution to re-elect Mr William Mawer who will retire in accordance with the Company's Articles of Association and seeks re-election as Director;

Resolution 4

an Ordinary Resolution to re-elect Dr Richard Leaver who will retire in accordance with the Company's Articles of Association and seeks re-election as Director;

Resolution 5

a Special Resolution, conditional on the passing of Resolution 1, to grant the Directors power to allot equity securities in connection with the Conditional Placing for cash pursuant to section 570 and section 573 of the Act as if section 561 (1) of the Act did not apply to such allotment provided that this power shall be limited to the allotment of equity securities for cash to any person or persons of equity securities up to an aggregate nominal amount of £344,000 (being equivalent to £34,400,000 new Ordinary Shares);

Resolution 6

a Special Resolution, in addition to the authority conferred by Resolution 5 above and conditional on the passing of Resolution 2, to grant the Directors power to allot equity securities for cash pursuant to section 570 and section 573 of the Act as if section 561 (1) of the Act did not apply to such allotment provided that this power shall be limited to the allotment of equity securities for cash to any person or persons of equity securities up to an aggregate nominal amount of £114,604.58 (being equivalent to 11,460,458 new Ordinary Shares representing approximately 10 per cent. of the Enlarged Share Capital).

Resolution 7

a Special Resolution to increase the Company's authorised share capital from £1,000,000 to £2,000,000, by the creation of 100,000,000 Ordinary Shares of 1 pence each.

In relation to the authority of the Directors to allot the Conditional Placing Shares and the Subscription Shares, the terms of Resolution 1 provides that the authority and power of the Directors is limited to the allotment of the Conditional Placing Shares and the Subscription Shares and that such authority and power of the Directors expires immediately following Second Admission.

In relation to the authority of the Directors to allot equity securities for cash without reference to statutory pre-emption rights (which will include a sale of Ordinary Shares if, immediately before the same, the Ordinary Shares were held by the Company as treasury shares), the terms of the Resolutions provide that such number of Ordinary Shares may be allotted with a maximum aggregate nominal value equal to £114,604.58 which represents approximately ten per cent. of the Enlarged Share Capital.

10. Admission, settlement and CREST

Applications will be made to the London Stock Exchange for the admission of the Firm Placing Shares and the Conditional Placing Shares and the Subscription Shares, respectively, to trading on AIM. It is expected that Admission in respect of the Firm Placing Shares will become effective on or around 19 August 2014 and that dealings in the Firm Placing Shares and the Subscription Shares will commence at that time, and that Admission in respect of the Conditional Placing Shares and the Subscription Shares will become effective on or around 9 September 2014 and that dealings in the Conditional Placing Shares and the Subscription Shares will commence at that time.

The Company's articles of association permit the Company to issue shares in uncertificated form. CREST is a computerised paperless share transfer and settlement system which allows shares and other securities to be held in electronic rather than paper form. The Ordinary Shares are already admitted to CREST and therefore the Placing Shares and Subscription Shares will also be eligible for settlement in CREST. CREST is a voluntary system and Shareholders who wish to retain certificates will be able to do so upon request. The Placing Shares due to uncertificated holders are expected to be delivered in CREST on 19 August 2014 in respect of the Firm Placing Shares and 9 September 2014 in respect of the Conditional Placing Shares.

11. Action to be taken by Shareholders in respect of the general meeting

Shareholders will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not Shareholders propose to attend the General Meeting in person, it is important that Shareholders complete and sign the enclosed Form of Proxy in accordance with the instructions printed thereon and return it to the Company's Registrars, Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, as soon as possible and, in any event, so as to be received not later than 10.00 a.m. on 6 September 2014. The completion and return of a Form of Proxy will enable a Shareholder to vote at the General Meeting without having to be present in person but will not preclude a Shareholder from attending the General Meeting and voting in person if he or she so wishes. If a Shareholder has appointed

a proxy and attends the General Meeting in person, his or her proxy appointment will automatically terminate and his or her vote in person will stand in its place.

12. Recommendation

The Board considers that the passing of the Resolutions is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their own beneficial holdings of 2,094,722 Ordinary Shares representing approximately 2.7 per cent. of the Company's Existing Ordinary Shares.

Yours faithfully

William R Mawer
Executive Chairman

IMAGE SCAN HOLDINGS PLC

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a **GENERAL MEETING** of Image Scan Holdings Plc (“the Company”) will be held at the offices of Cantor Fitzgerald Europe, One Churchill Place, Canary Wharf, London E14 5RB at 10.00 a.m. on 8 September 2014 for the purpose of considering and, if thought fit, passing the following resolutions, of which Resolutions 1 to 4 will be proposed as ordinary resolutions, and Resolutions 5 to 7 will be proposed as special resolutions.

RESOLUTIONS

Ordinary Resolutions

1. THAT, subject to the passing of Resolution 7, pursuant to and in accordance with section 551 of the Companies Act 2006 (the “Act”) the directors of the Company be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“**Rights**”) up to a maximum nominal amount of £344,000 in connection with the Conditional Placing and Subscription as described in the circular to the shareholders of the Company dated 14 August 2014 of which this notice forms part (the “**Circular**”), such authority to apply until immediately following Second Admission (as defined in the Circular) (unless previously revoked or varied by the Company in a general meeting), save that the Company may prior to the expiry of such period make any offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the directors of the Company shall be entitled to allot shares and to grant Rights pursuant to any such offer or agreement as if this authority had not expired. The authority given pursuant to this Resolution 1 is in addition to the authority previously conferred upon the directors of the Company for the purposes of section 551 of the Act at the general meeting of the Company on 11 April 2014.
2. THAT in addition to the authority conferred by Resolution 1 above, the directors of the Company be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Act to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“**Additional Rights**”) up to a maximum nominal amount of £114,604.58, provided that this authority shall expire at the end of the next Annual General Meeting of the Company to be held after the date of the passing of this resolution save that the Company may prior to the expiry of such period make any offer or agreement which would or might require shares to be allotted or Additional Rights to be granted after such expiry and the directors of the Company shall be entitled to allot shares and to grant Additional Rights pursuant to any such offer or agreement as if this authority had not expired.

The authority given pursuant to this Resolution 2 is in substitution for the authority previously conferred upon the directors of the Company for the purposes of section 551 of the Act at the general meeting of the Company on 11 April 2014, without prejudice to any allotments made pursuant to the terms of such authorities.

3. THAT William R Mawer is re-elected to the directors of the Company, having retired in accordance with the Company’s Articles of Association.
4. THAT Dr Richard Leaver is re-elected to the directors of the Company, having retired in accordance with the Company’s Articles of Association.

Special Resolutions

5. THAT, subject to the passing of Resolution 1, and in substitution for all existing authorities, the directors of the Company be empowered pursuant to Section 570 and 573 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by Resolution 1 above as if Section 561(1) of the Act did not apply to any such allotment. The power shall be limited to the allotment of equity securities in connection with the Conditional Placing and Subscription (as defined in the Circular) for cash up to the aggregate nominal amount of £344,000 (being approximately 43.90 per

cent. of the Company's issued share capital as shown by the latest published annual financial statements of the Company) and shall apply until immediately following Second Admission (as defined in the Circular) (unless previously revoked or varied by the Company in a general meeting), save that the directors of the Company be entitled to make at any time prior to the expiry of the power hereby conferred any offer or agreement which would or might require securities to be allotted after expiry. The power given pursuant to this Resolution 5 is in addition to the power previously conferred upon the directors of the Company for the purposes of section 570 of the Act at the general meeting of the Company on 11 April 2014.

6. THAT, in addition to the authority conferred by Resolution 5 above, the directors of the Company be empowered pursuant to Section 570 and 573 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by Resolution 2 above as if Section 561(1) of the Act did not apply to any such allotment. The power shall be limited to the allotment of equity securities for cash up to the aggregate nominal amount of £114,604.58 (being 10 per cent. of the Company's enlarged issued share capital as shown by the latest published annual financial statements of the Company together with such number of shares as is equal to the maximum number of shares capable of being issued pursuant to the authorities conferred by Resolutions 1 and 2 above) and shall expire on the date which is fifteen months after the date on which this resolution is passed or, if earlier, at the conclusion of the next Annual General Meeting of the Company, save that the directors of the Company be entitled to make at any time prior to the expiry of the power hereby conferred any offer or agreement which would or might require securities to be allotted after expiry.

The power given pursuant to this Resolution 6 is in substitution for the power previously conferred upon the directors of the Company for the purposes of section 570 of the Act at the general meeting of the Company on 11 April 2014, without prejudice to any allotments made pursuant to the terms of such authorities.

7. THAT the authorised share capital of the Company be and is increased from £1,000,000 to £2,000,000 by the creation of 100,000,000 Ordinary Shares of 1 pence each in the capital of the Company ranking *pari passu* in all respects with the existing Ordinary Shares of 1 pence each in capital of the Company and the articles of association of the Company be amended accordingly.

Registered Office:

16 & 18 Hayhill Industrial Estate
Sileby Road
Barrow-upon-Soar
Loughborough
Leicestershire
LE12 8LD

By order of the Board

Sarah Atwell King
Company Secretary

Dated: 14 August 2014

Notes:

1. Entitlement to attend and vote

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company specifies that only those holders of ordinary shares of 1p each in the capital of the Company registered in the Company's register of members at:

1.1. 8.00 a.m. on 6 September 2014; or

1.2. if this meeting is adjourned, at 8.00 a.m. two working days prior to the adjourned meeting;

shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares of 1p each in the capital of the Company registered in their name at that time.

Subsequent changes to entries in the register of members as at 8.00 a.m. on 6 September 2014 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

2. Appointment of proxies

2.1 If you are a member of the Company at the time set out in paragraph 1.1 or 1.2 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting (whether on a show of hands or on a poll) and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to your proxy form.

2.2 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.

2.3 The notes to the proxy form explain how to direct your proxy to vote on the Resolutions or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- 2.3.1 completed and signed;
- 2.3.2 sent or delivered to Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA (the "Registrars");
- and
- 2.3.3 received by Neville Registrars no later than 10.00 a.m. on 6 September 2014.
- 2.4 In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
- 2.5 A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box on your proxy form. If you sign and return your proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- 2.6 To direct your proxy how to vote on the Resolutions mark the appropriate box on your proxy form with an 'X'. To abstain from voting on the Resolutions, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
- 2.7 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).
- 2.8 Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.
- 2.9 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 2.10 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

3. Attending in person

The sending of a completed form of proxy to the Company's Registrars will not preclude members from attending and voting at the meeting, or any adjournment thereof, in person, should they so wish.

