

IMAGE SCAN HOLDINGS PLC

HIGHLIGHTS

Resilient Performance Against Global Uncertainty – Strong Second-Half Performance, Robust Margins, Strong Cash Position, Strengthened Order Book, and Optimistic Outlook

FINANCIAL HEADLINES

- Order intake £1.9m (2024: £6.6m)
- Sales £1.6m (2024: £2.9m)
- Gross profit margin 58% (2024:53%)
- Administrative expenses £1.2m (2024: £1.3m)
- Pre-tax loss £0.3m (2024: profit £0.2m)
- Year-end order book £4.67m (2024: £4.47m)
- Year-end cash balance £1.13m (2024: £0.91m)

BUSINESS ACTIVITY

The Group's core activity centres on the manufacturing of portable X-ray systems for security and counter-terrorism applications. Our primary end users are bomb technicians, within police and military response teams. These systems are often the first devices on the scene of a potential terrorist incident and are consequently designed to be rugged and reliable. Image Scan has been a strong player in the market for many years. Over the years the current range of products has been extended and improved since its initial introduction to the market, demonstrating our commitment to innovation and dedication to staying at the forefront of technological advancements. We take pride in delivering this portfolio of products to markets across the world through a strong and evolving network of international partners.

In addition to our security-focused offerings, Image Scan also manufactures industrial X-ray inspection systems. The prime market for these systems is in automotive emissions control where they play a vital role in the quality control inspection of catalytic converters and diesel particulate filters. The Group has an extensive installed base of many such machines, most of which are under long term service contracts which contribute significantly to our valuable recurring revenue stream.

BUSINESS MODEL

The cornerstone of the Group's business model revolves around the life cycle of X-ray inspection systems, encompassing development, manufacturing, sales, and ongoing support. This focus extends across both security and industrial applications, reflecting our commitment to delivering leading solutions to diverse markets.

Notably, a significant portion of the Group's business in both applications is conducted on cash-neutral trading terms, fostering financial stability and flexibility. Our business model emphasises adaptability and resilience, ensuring that we meet the evolving needs of our clients while maintaining a robust financial foundation.

Driving our business model's success are various sources of growth. Internally, we explore and develop new revenue streams, underlining our commitment to innovation and staying ahead of industry trends. Additionally, we forge strategic technical partnerships that enable us to extend the Group's reach into new applications and new geographical markets. This approach enables us to take advantage of technology developments, strengthening our position for sustainability and growth in a changing and competitive business environment.

CONTENTS

Introduction

Chairman's statement	4
----------------------	---

Strategic Report

CEO report	5
------------	---

CFO report	7
------------	---

Corporate Governance

Director's report	9
-------------------	---

Corporate governance report	16
-----------------------------	----

Audit Committee report	21
------------------------	----

Nomination Committee report	23
-----------------------------	----

Remuneration Committee report	24
-------------------------------	----

Directors' Remuneration report	25
--------------------------------	----

Financial Statements

Independent auditor's report	27
------------------------------	----

Consolidated statement of comprehensive income	36
--	----

Consolidated statement of financial position	37
--	----

Company statement of financial position	38
---	----

Consolidated and company statement of changes in equity	39
---	----

Consolidated cash flow statement	40
----------------------------------	----

Company cash flow statement	41
-----------------------------	----

Notes to the financial statements	42
-----------------------------------	----

Directors and Professional Advisors	61
-------------------------------------	----

Notice of meeting	62
-------------------	----

CHAIRMAN'S STATEMENT

Resilient Year with £1.13m Cash Position, Strengthened Order Book and Renewed Market Confidence

Introduction

For the year ended 30 September 2025 (the "Year"), the Group generated revenues of £1.6m (2024: £2.9m), and a loss before tax of £0.3m (2024: profit £0.2m). FY25 was a year of contrasts. The first half presented significant challenges, driven by global uncertainty surrounding the new U.S. administration and tariff policies. This hesitation rippled across markets, delaying government spending and procurement decisions worldwide. Despite these headwinds, the team demonstrated resilience and discipline, maintaining tight cost control and operational efficiency. Group cash balances closed at £1.13m (2024: £0.91m), reinforcing our financial strength.

The second half of the year marked a clear turnaround. Activity levels improved, profitability strengthened, and we closed the year with renewed momentum. Our commitment to innovation and market responsiveness remains steadfast, and we continue to invest in product development and strategic partnerships to secure long-term growth.

Tim Jackson

Chairman

01 December 2025

Outlook

With a strengthened order book, a healthy cash position of £1.13 million, and continued, focused investment in product development, we stand on a solid operational and financial foundation. The continuing success of our flagship ThreatScan® portable x-ray platform, coupled with encouraging post-year-end contract awards and a robust pipeline, strongly reinforces our confidence in our ability to deliver substantial growth and a much-improved performance in FY26.

Leveraging the collective expertise of our team, and with determination and agility, the Board remains confident in the Group's medium to long-term prospects. We are fully committed to capitalising on the significant operational momentum built in the latter part of the year, which is further reinforced by the subsequent substantial orders notified post year-end. Alongside this, we are actively pursuing focused strategic and organic initiatives that will underpin our future growth trajectory.

Strong Finish to a Challenging Year – Order Book Growth and Optimistic Outlook for FY26

I want to express my sincere gratitude to the entire team for their remarkable resilience and unwavering commitment during the past year. Their professionalism enabled us to successfully navigate a period of global uncertainty, culminating in a strong operational turnaround and significant uplift in profitability in the second half. Their flexibility and dedication to operational delivery were instrumental to the improved performance in H2.

This focus has created a solid platform for the future. Thank you to every member of the team for your dedication and support as we now look forward to building on this positive momentum and achieving substantial growth in FY26.

Business Review

FY25 began under the shadow of persistent global economic uncertainty. Concerns around U.S. trade policy and tariffs created hesitation among government organisations, which resulted in delayed procurement cycles across our key international markets. As an exporter, with around 90% of our products going overseas, this environment was particularly challenging, with delays evident across the Middle East, Southeast Asia, and Europe,

Throughout the difficult trading conditions in the first half of the year, the Group maintained strict cost discipline and organisational efficiency. Our strategy was focused on proactive engagement and sustaining competitiveness through ongoing product development. This decisive action resulted in a marked improvement in demand and profitability in the second half of the year.

Continued, focused investment ensured that our flagship ThreatScan® platform gained further traction, reinforcing our competitive position in international tenders and deliveries to over twenty territories.

We were pleased to announce two significant contract awards in August 25 which materially strengthened our order book. The first was for a new customer in North America for our industrial MDXi-400 system a notable achievement given the maturity of this market. The second was for our latest portable ThreatScan® system for an Eastern European military organisation. Additionally, we progressed deliveries of a double-digit quantity of ThreatScan® systems to a Southeast Asian customer. It must be noted, however, that supply chain lead times prevented the completion of key contracts, which limited overall revenue.

Our sales team maintained excellent market visibility through participation in key trade shows and Counter Explosive Ordnance conventions. These efforts generated new opportunities and supported robust performance in several geographies, with Europe and Asia delivering particularly strong results, and India returning to growth.

Our operational discipline is reflected in our strengthened financial position: our cash position improved significantly during the year, reaching £1.13m at year-end (FY24: £0.91m), a testament to disciplined financial management and active working capital control.

Industrial revenues provided stronger-than-anticipated results, as the strength of our recurring income from service and software contracts successfully mitigated the anticipated decline and structural changes in the catalyst-related business, underscoring the Group's adaptability.

We continue to seek clarity on the timing of a major UK defence contract. While progress has been significantly slower than expected, recent developments have been positive, though timelines remain dictated by government processes.

CEO REPORT (CONTINUED)

Our Purpose and Strategy

Image Scan seeks to enable our customers to be more effective by providing the best possible X-ray imaging systems and ongoing support.

The Group's strategy focuses on the organic growth of current activities by expansion of the product range, and its target territories. The Group seeks to operate in profitable, niche security segments for which it can offer differentiated products that it offers to the market at good margins.

In industrial screening, we will continue to mitigate the reduction in the catalyst market related to the internal combustion engine and its impact on the Group revenue particularly as related to new equipment sales.

While the Group continues to focus on expanding its product range to drive organic growth, it is also actively pursuing strategic growth opportunities.

The Group possesses extensive and valuable expertise in establishing and maintaining market routes, particularly in the field of security and Counter EO. It aims to enhance these channels by incorporating new, in-house-developed products or by identifying organisations that can provide innovative technologies or products associated with the industry, thereby enriching the Group's product portfolio. The process of identifying and analysing organisations offering products or services aligned with the Group has continued on from last year's initial activity.

Vince Deery

Chief Executive Officer

01 December 2025

Outlook

We enter FY26 with renewed confidence following a strong second-half performance and a significantly strengthened order book. Market activity levels remain high post-year end, reinforced by recent contract awards, providing a robust order book and a solid foundation for sustained success.

We also note that progress on the large UK defence contract has been slower than anticipated. While we are seeing recent positive developments, timelines remain dictated by the pace of government departments, and we continue to work closely with all stakeholders to advance this important opportunity.

Continued investment in product development, particularly the ThreatScan[®] platform, positions us well to maintain competitiveness and access new opportunities. We are committed to reinforcing our global channel network, prioritising engagement at trade shows and industry events, and actively exploring strategic alliances, and partnerships, to accelerate future success and enhance long-term shareholder value. While geopolitical uncertainties remain, the current momentum and high activity levels give us optimism for the year ahead.

CFO REPORT

Robust Margins with Tight Financial Controls –lead to growing Cash Reserves and a Strong Order Book Providing a Platform for Growth

Key Performance Indicators

	2025	2024	2023	2022	2021
Order intake	£1.9m	£6.6m	£2.9m	£2.2m	£2.8m
Turnover	£1.6m	£2.9m	£3.0m	£2.0m	£2.9m
Gross profit margin	58%	53%	48%	54%	53%
(Loss)/profit before tax	(£0.3m)	£0.2m	£0.1m	(£0.4m)	£0.2m
Cash balance	£1,131k	£911k	£958k	£690k	£1,186k
Inventory Balance	£374k	£393k	£349k	£629k	£393k

Financial Results

FY25 was a difficult year for Image Scan, delivering a pre-tax loss of £288k after two successive years of profit. The stronger second half performance indicate FY25 was an unusual year largely due the impact of global uncertainty leading to governments delaying spends. The improved closing bank balances along with the strong order book and underlying opportunity pipeline provides forward looking metrics which give confidence for FY26.

Financial Performance

For the year ended 30 September 2025, the Group generated revenues of £1.6m (2024: £2.9m), and a loss before tax of £0.3m (2024: profit £0.2m).

Sales were impacted both by the volume of booking and their timings which in turn impacted on our supplier's ability to deliver components and our ability to build systems within the financial year. This timing issue along with an uptick in order receipt in H2 strengthened the closing order book.

Gross margin increased to 58%, one of the highest gross margins on record. While an element of this improvement reflects the mix of products sold, the key drivers included enhanced sales pricing strategies, a favourable product mix, and effective cost management across the business in particular with suppliers.

For the second year, a small reduction in overheads was achieved, reflection our focus on cost control and this year there was a particular focus on reviewing annual contracts to ensure that they are delivering value for money.

The Group continue to invest in our product portfolio. This year that was a focus on delivering discernible improvements to the products launched in the previous year, leading to a lower charge to intangible assets in the year. R&D continues to be delivered by the team without external support due, as last year, to limited grant funding schemes being available.

As part of the review of spending, consideration was given to creative ways to deliver marketing at a reduced costs without impacting on our ability to reach existing and new customers. The increasing pipeline of opportunities suggest that these initiatives have delivered.

Improved Cash Balances

Our business model remains focused on maintaining cash neutrality, allowing us to manage working capital effectively and meet supplier obligations within agreed payment terms. We have set clear stock holding policies which balances the cost of holding components against the need to meet customer delivery deadlines. Despite the loss in the year, this model along with work on managing our costs has led to an increase in cash balances which puts us in a strong position to continue our strategic plans in FY26.

CFO REPORT (CONTINUED)

Financial risks

The Group's financial instruments during the year comprised trade and other receivables, cash balances and various other items, such as trade and other payables. The main purpose of these financial instruments is the financing of the Group's operations and development work. Following review, the Board decided not to enter into any derivative transactions in the year to manage currency or liquidity risk. The main risks arising from the Group's financial instruments are therefore considered to be currency risk, credit risk and liquidity risk.

RISK
<p>Currency risk</p> <p>The Group has a policy not to use hedging contracts. The Group is therefore exposed to exchange rate fluctuations on purchases and sales in foreign currency. Fluctuations in purchase price are managed by setting sales prices and, where possible, receipts of currency are matched against purchases in currency. The Board keeps this policy under review, considering the impact of individual significant contracts.</p>
<p>Credit risk</p> <p>The Group's principal financial assets are cash and trade receivables. The credit risk associated with cash is limited due to the Group's policy of using banks with a high credit rating assigned by an international credit rating agency. With respect to trade receivables, payment terms typically cash neutral, requiring a substantial deposit on placement of the order and a majority of the contract paid prior to shipment.</p>
<p>Liquidity risk</p> <p>The Group's policy is to manage liquidity risk by ensuring sufficient cash balances are in place to meet its commitments and to monitor risk on an ongoing basis by reviewing cash flow forecasting on a regular basis. The Group has positive cash balances and has therefore been able to meet its working capital requirements throughout the Year.</p>
<p>Impairment risks</p> <p>The Group regularly reviews the carrying value of the Group's assets and, where impairment triggers are identified, assesses the need to recognise impairments against the value of the Group.</p>

Summary

FY25 has been a challenging year but the continuing efforts by all the team has put us in a stronger position for the future. I would add my thanks to the whole team at Image Scan for their commitment and wholehearted support during this challenging time for the Group. And I am confident that their efforts will result in a stronger performance in FY26.

Sarah Atwell King

Chief Financial Officer

01 December 2025

DIRECTOR'S REPORT

The Directors present their annual report and the audited financial statements for the year ended 30 September 2025.

Directors

The Directors who served during the year and up to the date of this report were as follows:

T D Jackson
S Vadgama
V J Deery
S A Atwell King

Directors' Statement of Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Group and Company financial statements in accordance with UK adopted international accounting standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for AIM companies.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Strategic Report

The Group has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Strategic Report which would otherwise be required to be contained in the Directors' Report:

- financial risk management objectives;
- indication of exposure to currency risk, credit risk and liquidity risk; and
- likely future developments of the business.

DIRECTOR'S REPORT (CONTINUED)

Principal Risks and Uncertainties

Types of Risk

The Board considers risk in three broad categories; strategic risk as covered in the CEO report on pages 5 and 6, financial risks as set out in the CFO report on page 8 and operational risk which are set out in this report on page 11.

Risk Management Process

The Board recognise that there is a level of risk inherent in all commercial undertakings and there is a balance between risk and the reward. Informed decisions can only be made when there is an understanding of the risks associated with the decision and its impacts. The Group therefore runs a risk management process under which principle and emerging risks to the business are identified, actively monitored and as far as reasonably possible, mitigating controls are put in place.

Our process is designed to identify risks that could

- adversely impact the safety or security of the Group's employee, customers and assets
- have a material impact on the financial or operational performance of the Group
- impede the achievement of the Group's strategic objectives and financial targets
- adversely impact the Group's reputation or stakeholder expectations.

This is documented in the Risk Register which is periodically reviewed by the whole Board. The resources allocated to mitigating controls are allocated based on how that risk falls within the risk appetite set by the Board.

Our risk appetite (overall risk) and risk tolerance (individual risk) defines the level and type of risks which we are willing to take.

We define appetite for risk as

Zero	No toleration for risk e.g. compliance with regulations
Low	Accept a small level of risk and prioritise resources to mitigate this risk e.g. health and safety of our staff and products
Moderate	Accept a level of risk based on the likely benefits to the Group or where the cost of further migration outweighs those benefits e.g. levels of insurance cover and excesses
High	Accept risks where both the likelihood and the impact of failure are high due to the potential returns that the risk could bring e.g. investment in new product line

Operational risks

The Directors consider that the principal business risks and uncertainties of the Group are:

Risk	Mitigation
Shareholder concentration	
A single shareholder (Rise Step) holds 23% of the stock, meaning that this shareholder's support is likely required to pass a special resolution.	Communication with all significant shareholders.
Revenue pattern	
The order intake pattern is irregular in that either product or payment terms may vary for each contract. This creates challenges for supply chain management, resource scheduling and cash flow.	<p>The expansion of the product range and diversification of market should "flatten out" the pattern of order intake over time.</p> <p>Working capital is monitored through detailed cash flow forecasts each month by the Board and stock holding is reviewed at management meetings.</p> <p>The sales pipeline is reviewed by the management team, allowing supply chain issues to be identified in advance and managed with our key suppliers where possible.</p>
Competitive market	
The portable X-ray market is competitive with multiple players and competing technologies.	Programme of continuous innovation and focussed marketing to ensure product differentiation and diversification. Early engagement with partners and customers to ensure the benefits of the Group's technologies are recognised in procurement decisions.
Market Changes	
The decline in the combustion engine will impact our industrial equipment sales.	Ensure industrial aftersales revenue is maintained whilst reduction in equipment sales is mitigated by increased activity in the security sector.
Supply chain	
The balance of the cost of holding stock on the shelf against delivering to the customer in a timely cost-effective manner.	The Group has a stock holding policy which is regularly reviewed against the sales forecast. Strong relationships are maintained with key suppliers to understand their pricing and delivery constraints. The Group looks to build resilience in its supply chain where possible.

DIRECTOR'S REPORT (CONTINUED)

Corporate Governance

In the year the Group complied with the Quoted Companies Alliance Corporate Governance Code 2023 (the "QCA Code") as the basis of the Group's governance framework. The Corporate Governance statement can be found on page 16 of the Corporate Governance report.

Environmental, Social and Governance Report ("ESG")

Image Scan recognises the importance of adopting a strong environmental, social and governance framework, and this informs our business objectives and is influential in serving the needs of all our key stakeholders. Board papers over the year cover a range of topics which ensure that ESG is embedded in all that we do. While we are confident in the robust procedures we have in place across the business, we continue to look for improvements and where possible adopt best practice.

Environmental

The Board is committed to reducing our environmental impact and establishing sustainable practices where possible. Our reviews in the year identified the following

Progress to Net zero – we are a low energy consumer. Our electricity contract is with a supplier who uses renewable sources and consumption is monitored on a monthly basis. We recognise that our building is not energy efficient and continue to seek cost effective ways to improve this. To date this has included a new boiler, improvements to the roofing and sensor lighting.

Travel – the location of our customers necessitates business travel by air but careful planning and combining visits enables us to make effective use of our time and energy consumption. Where possible, we are able to offer remote demonstration and support which reduces the need for travel.

Shipping – both the inward shipping of components and outward shipping of equipment makes heavy use of airfreight, necessitated by our customer requirements and our current approach to holding low volumes of stock. There is a delicate balance between the investment in stock holding and our ability to deliver to customer deadlines.

Recycling – recycling and limited use of physical paper records are well established across our business for a number of years.

Social

The Board recognise that our staff are the key to our success in delivering high quality products which meet our customer's needs and deadlines. We also recognise that maintaining good relationships with our key suppliers enables us to respond to customer requirements effectively.

Staff – we have a loyal team and staff turnover is low. We have regular staff briefings and policy refreshers at which staff are encouraged to input and brief their colleagues.

Suppliers – we have a policy of paying our suppliers promptly to agreed terms. We seek to identify and build relationships with key members of staff at our suppliers and arrange site visits. We use supplier questionnaires which both helps to feed into our understanding of our suppliers and supports our ISO9001:2015 compliance.

In the year, the Board considered and put in place an Anti-slavery and human trafficking policy and is working with its suppliers to ensure that this is embedded into our supply chain.

Governance

The Board recognises that as an AIM listed company our shareholders expect high standards of corporate governance to be in place. And as part of migrating to the revised Quoted Companies Alliance Corporate Governance Code 2023, we have reviewed our practices and processes and disclosures and uses this as an opportunity to make appropriate updates. And this is documented in our Corporate Governance arrangements on pages 16 to 20.

s172 Stakeholder Engagement Impact Statement

The following disclosure describes how the Directors have acted to promote the success of the Group for the benefit of its members as a whole, with regard to the factors set out in section 172(1)(a) to (f) of the Companies Act.

When performing their duties under the Act, they have considered the long-term consequences of decisions, matters affecting the Group's employees and other stakeholder relationships, and the need to act fairly between members of the Company.

Furthermore, the Directors have recognised that while companies are run for the benefit of their shareholders as a body, the long-term success of a business is dependent on maintaining relationships with all significant stakeholders. The Board continuously reviews relationships that support the generation and preservation of value in the Company, including those with employees, suppliers, customers and distribution partners, and the Company's shareholders.

How the Group engages with its key stakeholders

Stakeholder	Examples of engagement
Employees	<ul style="list-style-type: none"> Comprehensive induction plan for new joiners Annual employee review process Promote engagement through regular Group-wide staff briefings Recognition scheme rewarding individual staff for contributions to the Group
Suppliers	<ul style="list-style-type: none"> Comprehensive and ongoing assessment of significant suppliers Share manufacturing forecasts with key suppliers Regular engagement with key suppliers to discuss performance
Customers and distribution partners	<ul style="list-style-type: none"> Regular communications of product and pricing information Comprehensive support and training for partners Field support services, including 24-hour helpline offered for all products Periodic customer and partner satisfaction surveys Targeted marketing campaigns to support partner sales campaigns Exhibition and industry forums
Shareholders	<ul style="list-style-type: none"> Biannual reporting of results Detailed presentation at the Annual General meeting Important developments reported through RNS releases Visits by individual shareholders to the Company premises

Shareholdings

At the date of this report, the number of issued shares were 136,854,577 and the following substantial shareholdings have been notified to the Company:

	%	Ordinary shares of 1 penny each
Rise Step International Development Ltd	22.56	30,873,331
D Allenby	8.25	11,287,305
True Tide plc	7.40	10,121,694
C Cozens	4.03	5,510,500
Director shareholdings		
T D Jackson	0.28	378,300
S Vadgama	0.04	61,353
V J Deery	0.36	486,923
S A Atwell King	0.35	477,985

DIRECTOR'S REPORT (CONTINUED)

Share Price Performance

The highest and lowest share prices during the Year were 3.55 pence and 1.25 pence per share respectively. The closing mid-market price was 1.4 pence per share.

Dividends

The Directors do not recommend the payment of a dividend.

Research and Development

Research and development expenditure was focused on developing the portable X-ray inspection system as set out in the CEO Report on pages 5 and 6. Costs in the year of £167,739 (2024: £140,699) were charged to the statement of comprehensive income with £42,878 (2024: £74,642) capitalised.

Company Number

03062983 (England and Wales).

Going Concern

The Directors have assessed the going concern position of the Group and the Company. Further details of Group strategy and trading are set out in the CEO's Report on pages 5 to 6.

Based on the Group's Board approved trading and cash flow forecasts, for 2026 and 2027, which anticipates a return to profitable trading, the Directors have concluded that it remains appropriate to adopt the going concern basis in preparing the Financial Statements. The Directors have reached this conclusion after consideration of the Group's cash flows and related assumptions and in accordance with the Guidance published by the UK Financial Reporting Council.

In making their assessment the Directors have considered the following:

- The Group's performance in 2025 and the outlook for performance in 2026.
- The Group's financial resources at the time of signing this report which, combined with the committed order book and reasonable assumptions about future renewals of the support contracts, support the ability to absorb a significant reduction in product revenues, both compared with the budgets and forecasts and prior years, without exhausting the cash resources.
- The expansion of the Group's product range to meet the needs of customers.
- The Group's financial plans and commitments, including product development, supply chain and other non-variable/non-discretionary costs.
- The principal risks associated with the business, including geo-political risks.

The Directors concluded that the key risk is the unpredictability of demand from customers. Based on current trading, including orders received and order enquiry levels, a reverse stress test has been carried out to model the reduction in revenue that could be absorbed. This indicates that a reduction of c.93% of forecast bookings for the revenue for the year to 30 September 2026, whilst considered extremely unlikely, could be absorbed before available cash resources would be exhausted within the next 12 months.

The Directors have also reviewed the supply chain and the inflationary pressures on components. The Directors are satisfied that sufficient mitigating actions have been put in place, as has been demonstrated in 2025, including alternative sources of supply, should there be any disruption with existing supply chain arrangements.

The Directors recognise the current global market conditions and the current economic turmoil in the UK mean that there is potential for continued volatility and so uncertainty over future activities and cash flows. However, having regard to the factors considered above and the current available cash resources, these are not considered to give rise to a material uncertainty.

On this basis the Directors consider that it is appropriate to prepare the financial statements on the going concern basis.

Statement as to Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post Balance Sheet Events

There were no significant post balance sheet events since the Year end that would affect the Group's results.

Auditors

The auditors, Dains Audit Limited will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the Board

Vincent Deery

Chief Executive Officer

01 December 2025

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board recognise that high standards of corporate governance underpin our continuing success and as a Board we acknowledge our responsibility in leading this process. To this end, the Board has adopted the Quoted Companies Alliance Corporate Governance Code 2023 (the “QCA Code”) as the basis of the Group’s governance framework. We have reviewed our policies and processes to ensure that they reflect the complexities of our business and, whilst acknowledging our size, are also capable of adding value as the business grows.

Whilst the Company is guided by the provisions of the QCA Code, in respect of my independence as Chairman, the Board gives regard to the overall effectiveness and independence of the contribution made by Directors to the Board and does not consider a Director’s tenure and participation in the Company’s share option Schemes in isolation to determine this independence.

Within Image Scan, we promote a culture of good governance in dealing with all key stakeholders: our employees, our customers, our suppliers and our shareholders. This section of the annual report alongside the disclosure on our website describes our corporate governance structures and processes and how they have been applied throughout the Year.

Tim Jackson

Chairman, Image Scan Holdings plc

CORPORATE GOVERNANCE STATEMENT

The Board ensures that the Company maintains proper standards of corporate governance and that the principles of best practice, as set out in the QCA Code 2023, are followed so far as is practicable and appropriate to the size and nature of the Group and the constitution of the Board. Set out below is a summary of how the Group is applying the key requirements of the Code and an explanation of where it has chosen not to fully comply.

Principle 1 - Establish a purpose, strategy and business model which promote long-term value for shareholders

The purpose, strategy and business model of the Group are set out in the Strategic Report on pages 5 to 8. These are reviewed and approved by the Board on a periodic basis.

The Executive Directors are responsible for implementing the strategy and managing the business at an operational level and report to the Board on a monthly basis.

Principle 2 - Promote a corporate culture that is based on ethical values and behaviours

The Board established the culture of the business by the setting of values and seeks to set an example which is consistent with the vision and objectives of the Group. Our key values are

- **Driven by customer needs** - focussing on the needs of our customers and being a valued, long-term, trusted partner
- **Innovative** - in everything that we do, with a focus on commercial success and raising the bar

These values flow down through a set of specific initiatives, designed to deliver strategic objectives. These initiatives are driven personally by the Chief Executive and progress is reported to the Board and discussed with employees at periodic briefings.

The Board reserves for itself a range of key decisions such as strategy, acquisitions, significant contracts and internal controls, to ensure it retains proper direction and control of the Group, whilst delegating authority to individual Directors who are responsible for the executive management of the business.

Principle 3 - Seek to understand and meet shareholder needs and expectations

The Board recognises that Image Scan communicates with its shareholders principally through its website and the Annual Report. The Chief Executive Officer and Chairman makes themselves available to major shareholders on request and periodically attends meetings with shareholders.

The main areas of discussion in the year are share price and trading and how the strategic direction will deliver improvements in the long term. While environmental considerations are recognised as part of the long-term delivery of strong performance, given the Group's low carbon impact, this is not an area of focus for our investors.

Principle 4 - Take into account wider stakeholder interests including social and environmental responsibilities, and their implications for long-term success

Key stakeholders identified by the Board are set out on page 13 in the s172 Stakeholder Engagement Impact Statement of the Director's Report and the social and environmental responsibilities on page 12 of the ESG Report.

The Group considers feedback received from key stakeholders, when making decision making or making amendments to working arrangements and operational plans of the Group and where such amendments are consistent with the Group's longer-term strategy. The Chief Executive takes responsibility for driving this work.

Through the various procedures and systems it operates, the Group ensures full compliance with health and safety and environmental legislation relevant to its activities as well as maintain quality certification ISO9001:2015. Recognising the impact of cybercrime, the Group is also certified for Cyber Essentials.

Principle 5 - Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

Details of the principal risks and how they are mitigated, are set out in the Directors report on page 11.

As set out in the Risk Management process on page 10 of the Director's report, the Board has a systematic approach to risk management, setting out both the appetite and tolerance to risk as well as identifying key areas of risk, designing suitable controls to manage the risk and identifying where assurance can be obtained about the effectiveness of those controls.

Given the size of the Group, these controls rely to a high degree on the professional competence of the team, including the Executive Directors and the Board receives periodic reports from and meets with management to review these controls. The review of the effectiveness of the controls is delegated to the Audit Committee as set on pages 21 and 22. The Audit Committee also considers the independence of external auditors approving any work carried out by Dains Audit Ltd outside of the statutory audit.

Principle 6 - Maintain the Board as a well-functioning, balanced team led by the Chair

The Board of Image Scan is comprised of the Chairman, one further Non-Executive Director and two Executive Directors. The skills and experience of the Board are set out in their biographical details on the Investor Relations website <http://www.ish.co.uk/investor-relations/board-of-directors>. The combined experience and knowledge of each of the Directors gives them the ability to constructively challenge the strategy and to scrutinise performance.

Whilst the Company is guided by the provisions of the Code in respect of the independence of directors, it gives regard to the overall effectiveness and independence of the contribution made by directors to the Board in considering their independence and does not consider a director's period of service in isolation to determine this independence. The Board acknowledge that Mr Jackson, who joined the Board on 22 September 2014, has served for longer than the recommended nine year period and participates in the Company's share option scheme. This is the only performance related pay that a non-executive director receives.

CORPORATE GOVERNANCE STATEMENT

(CONTINUED)

The Board's role is to establish the strategic objectives and policies; oversee all aspects of the Group's finances and operations; continuously review performance and controls; manage risk; decide on key business transactions and manage the interests of stakeholder groups. The internal formal Board evaluation process considers whether the board contains the right mixture of experience, skills and capabilities to deliver its strategic objectives.

All Board members are fully aware of their fiduciary duty under company law and seek at all times to act in the best interests of the Group as a whole. Each director has signed up to a code of Conduct which commits to them to the highest standards of behaviour.

At every AGM, one-third of the Directors must retire by rotation. While the Code recommends that all directors stand for re-election each year, the size of the Board means that directors typically stand for re-election every other year.

The Company does not have a director designated as the Senior Independent Director. In light of the size of the Board, the Board does not consider it necessary to appoint a Senior Independent Director at this stage but will nevertheless keep this under review as part of the Board's evaluation of Board effectiveness.

Attendance at Board and its Committee meetings

The following meetings were held during the Year.

	Number of Meetings	Attendance			
		T Jackson	S Vadgama	V Deery	S Atwell King
Board	12	12*	12	12	12
Audit Committee	2	2*	2	-	-
Remuneration Committee	3	3	3*	-	-
Nomination Committee	1	1*	1		

* Indicates the Chair of the committee

The terms of reference of each committee restrict the membership of the committees to Non-Executive Directors but that at least one Executive Director will be in attendance at each committee meeting.

The terms of reference of the Audit Committee stipulate that three meetings per year should be held, however, given the size of the board, some of the Audit Committee business was conducted at the full Board, including review of the Risk Management system and Internal Controls.

Principle 7 - Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The skills and experience of the Board are set out in their biographical details on the Investor Relations website <http://www.ish.co.uk/investor-relations/board-of-directors>. The Board also has access to external advisors where necessary although none was sought in the year.

The structure of the Board is subject to regular review to ensure that it is appropriate for the Group. The Directors' varied backgrounds and experience give Image Scan a good mix of the knowledge and expertise necessary to manage the business effectively.

The Board has twelve scheduled meetings a year, but meets more frequently if required, and, together with the Audit, Remuneration and Nominations Committees, deals with all important aspects of the Group's affairs.

The Board receives timely information in a form and of a quality appropriate to enable it to discharge its duties. All Board Committees have their own terms of reference, which are available from the Company Secretary.

Audit Committee

The Audit Committee comprises Tim Jackson, who acts as the Chairman, and Sunil Vadgama. Tim Jackson is considered to have recent and relevant financial and legal knowledge and experience.

The Audit Committee has three scheduled meetings per year.

The Audit Committee report can be found on pages 21 and 22.

Remuneration Committee

The Remuneration Committee comprises Sunil Vadgama who acts as Chairman and Tim Jackson.

The Remuneration Committee normally meets at least once a year.

The Remuneration Committee report can be found on page 24.

Nominations Committee

The Nominations Committee comprises of Tim Jackson, who acts as the Chairman and Sunil Vadgama.

The Nominations Committee normally meets at least once a year.

The Nomination Committee report can be found on page 23.

Principle 8 - Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board undertakes an annual evaluation under a formal, self-evaluation process. This process has led to a number of actions, including alternative sources of information that the Board receives, and the Board defined initiatives which are reviewed regularly at Board meetings. The process focuses closely on objectives and targets for improving performance. As part of the review of the governance arrangements, this self-evaluation review was considered and updated.

No externally facilitated review has been undertaken, nor do the Board consider that the costs of such a review would be a cost effective way to evaluate Board performance.

Principle 9 - Establish a remuneration policy which is supportive of long-term value creation and the Group's purpose, strategy and culture.

The Directors remuneration policy is set out in the Director's Remuneration Report on page 25.

Principle 10 - Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

As well as the Annual General Meeting of the Company which gives the directors the opportunity to report to shareholders on current and proposed operations and enables the shareholders to express their views of the Group's business activities, the Board makes itself available on request to shareholders and potential investors, and any such discussion is considered at the following Board meeting.

CORPORATE GOVERNANCE STATEMENT

(CONTINUED)

Communication policy

The Group formally communicates with its staff in a number of ways including annual appraisals and periodic staff briefings but given the size of the organisation most feedback from the team is received in an informal manner. Business partners and customers have a dedicated member of the sales team who periodically report to the Board about the requirements of our customers. Key suppliers' relationships are managed by members of the management team and where possible site visits are organised.

s172 STAKEHOLDER ENGAGEMENT IMPACT STATEMENT

This statement can be found on page 13 as part of the Directors' report.

Principal decisions linked to our strategy and the stakeholders impacted

Decision	Considerations	Stakeholders impacted
Setting annual financial budget, Updates of forecasts with reviews of market expectations	Budget is set giving consideration to global economic factors, market requirements, government spending trends and the impact the introduction of new products. Supply chain and inflationary pressures were also taken into consideration. Detailed consideration is given to trading performance and pipeline opportunities against plans throughout the year and how the investment in marketing and product development is performing.	Shareholders, employees
New product investments	As part of its investment in future sales, internal development of key products continued, leading to the introduction of enhancements for our portable X-ray product. A number of other opportunities both for internal development and external partnership were evaluated, including return on investments and when their introduction would fit with our product offering.	Shareholders, customers
Supply chain issues	The Board is provided with reports on key suppliers and decisions made regarding holding supplies of key components to protect customer delivery times. They also receive reports on stock levels.	Customers, suppliers

SHARE DEALING CODE

The Company has adopted a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (including relating to the restrictions on dealings during close periods in accordance with MAR and with Rule 21 of the AIM Rules for Companies) and the Company takes all reasonable steps to ensure compliance with the share dealing code by the Directors and any relevant employees.

ANTI-BRIBERY POLICY

The Group believes that it has robust policies and procedures for combating bribery and corruption which are periodically reviewed.

AUDIT COMMITTEE REPORT

Membership and attendance

	Director	Attendance
Chairman	Tim Jackson	1
Member	Sunil Vadgama	1

Roles and responsibilities

The Audit Committee has responsibility for:

- the Group's financial reporting.
- narrative reporting and ensuring that the financial performance of the Group is properly monitored and reported on;
- governance arrangements
- whistleblowing arrangements.
- internal financial controls – identifying and commissioning specific internal control reviews.
- appointment of external auditors and their independence; and
- the external audit process – meeting the external auditors and reviewing any reports from them regarding the accounting and internal control systems.

It also oversees:

- the Group's Risk Management process
- developments in relevant legislation and regulation;
- the Group's system of internal controls and cyber security arrangements; and
- the assurance of the internal controls' effectiveness.

Activities during the Year

During the Year, the following matters were considered by the committee:

Financial statements and reports

- reviewed the annual report and accounts, and received reports from the external auditor;
- reviewed the disclosures made in the annual report and accounts;
- appointed Dains Audit Limited as auditors for the financial year ended September 2025 and appointed Macintyre Hudson as the tax accountants.
- reviewed management representation letters, going concern reviews and significant areas of accounting estimates and judgements, including warranty provisions, stock valuation and impairment;
- reviewed the evidence supporting revenue recognition and debtor recoverability of both customers and intercompany debt; and
- reported to the Board on the appropriateness of accounting policies and practices.

Risk management

- considered the Group's risk appetite and tolerance
- considered the Group's risk register, which identified, evaluated and set out mitigation of risks,
- reviewed the principal risks and uncertainties disclosed in the annual report and accounts.
- considered the cyber security arrangements in place and the renewal of Cyber Essentials in the Year.
- requested a review of the impact of AI on all areas of the Group
- considered how assurance could be given that these measures were suitable.

AUDIT COMMITTEE REPORT

(CONTINUED)

External audit and non-audit work

- reviewed the relationship with the external auditor, Dains Audit Ltd, including its independence, objectivity and effectiveness and based on that review, recommended to the Board its reappointment at the forthcoming Annual General Meeting;
- reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditor;
- agreed the terms of engagement and fees to be paid to the external auditor; and
- reviewed any non-audit fees incurred as part of determining independence during the Year.

Internal controls and assurance

The following key elements comprise the internal control environment, which has been designed to identify, evaluate and manage, rather than eliminate, the risks faced by the Group in seeking to achieve its business objectives and ensure accurate and timely reporting of financial data for the Company and the Group:

- an appropriate organisational structure with clear lines of responsibility;
- an experienced and qualified finance function, which regularly assesses the risks facing the Group;
- an annual strategic and business planning process;
- a system of control procedures and delegated authorities; and
- a robust financial control, budgeting and rolling forecast system, which includes regular monitoring, variance analysis and key performance indicator reviews;

The Group is not of a sufficient size to maintain an internal audit function and the committee obtains assurance from the Board review of controls, and observations from external parties, such as statutory auditors, while recognising that this does not form part of their contracted work.

Tim Jackson

Chairman of the Audit Committee

01 December 2025

NOMINATION COMMITTEE REPORT

Membership and attendance

	Director	Attendance
Chairman	Tim Jackson	1
Member	Sunil Vadgama	1

Roles and responsibilities

The Nomination Committee has responsibility for:

- assessing whether the size, structure and composition of the Board (including its skills, knowledge, experience, independence and diversity, including gender diversity) continue to meet the Group's business and strategic needs;
- examining succession planning; and
- identifying and nominating, for approval by the Board, candidates to fill Board vacancies as and when they arise, together with leading the process for such appointments.

Activities during the Year

In the year the following matters were considered and decisions reached by the committee

- The composition and make up of the Board was suitable to deliver the strategic objectives of the Group.
- The length of the service of the Chairman and its impact on his independence and concluded that it had no impact; and
- There was no immediate actions required for succession plans at the present time.

A skills matrix has been developed, identifying the experience and skills needed by the Image Scan Board and the skillset of each Board member assessed against this. No significant gaps were identified.

Tim Jackson

Chairman of the Nomination Committee

01 December 2025

REMUNERATION COMMITTEE REPORT

Membership and attendance

	Director	Attendance
Chairman	Sunil Vadgama	1
Member	Tim Jackson	1

Roles and responsibilities

The role of the Committee is to recommend to the Board a strategy and framework for remuneration for Executive Directors and the senior management team to attract and retain leaders who are focused and incentivised to deliver the Group's strategic business priorities, within a remuneration framework which is aligned with the interests of our shareholders and thus designed to promote the long-term success of the Group.

The Committee's main responsibilities are:

- establishing and maintaining formal and transparent procedures for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors, and monitoring and reporting on them;
- determining the remuneration, including pension arrangements, of the Executive Directors; and
- approving annual long-term incentive arrangements together with their targets and levels of awards.

Activities during the Year

Matters considered and decisions reached by the Committee during the Year included:

- reviewed and approved the remuneration policy for 2024/2025;
- reviewed and approved the parameters of the Annual Performance related Bonus Plan for the Group;
- managed the Company's share option schemes
- reviewed and approved a change in the CFO hours going forward
- reviewed and approved Executive Directors salaries for 2024/25
- reviewed and approved a temporary change in remuneration for the Board; and
- reviewed performance measures for 2024/2025 for the Executive Directors

Details of the Directors' remuneration are found in the Directors' remuneration report as set out on page 25.

Sunil Vadgama

Chairman of the Remuneration Committee

01 December 2025

DIRECTORS' REMUNERATION REPORT

The Directors present the Directors' remuneration report for the year ended 30 September 2025. This report has not been prepared in accordance with the Directors' report regulations because, as an AIM listed company, Image Scan Holdings plc does not fall within the scope of these regulations.

Remuneration policy

The Remuneration Committee has devised a remuneration policy, as set out below, to ensure that Executive Directors and staff are suitably motivated and appropriately rewarded in line with companies of a similar size and nature. The Board is responsible for setting the remuneration of the Non-executive Directors, which comprises fees for their services in connection with Board and Board Committee meetings. The Non-executive Directors are not eligible to join the Company's pension scheme but may be awarded shares under the Company's Unapproved Share Option Scheme.

The shareholders will be given the opportunity to question the Chairman of the committee, Sunil Vadgama, on any aspect of the Company's remuneration policy and an advisory vote on the remuneration policy will be put at the Annual General Meeting.

Basic salary, benefits and pension

Basic salaries, the benefits and the pension contributions for the Executive Directors and staff are reviewed annually by the Remuneration Committee. The salaries paid to Executive Directors reflect the lower end of the salary scale compared to other public companies in similar situations. Salary increases are based on performance and are made only when the Company's profitability allows while recognising the need to motivate and retain key members of the team. Benefits include car allowance, medical and life cover which are based on market rates at the time of renewal. Pension contributions are based on a percentage of salary.

Non-executive director fees

Non-executive director fees are set annually and paid monthly, with no performance-related pay to ensure independence.

Annual performance related bonus plan

The Group has a performance related bonus plan against annual profit for the Executive Directors and employees of the Group, in recognition of the contribution of the team to delivering annual profit as part of the long-term strategy. The plan is based on a percentage of basic salary and that percentage is determined with reference to actual and budget profit. The bonus plan is determined at the start of the budget year and paid after Remuneration Committee approval and completion of the statutory audit. Non-executive Directors do not participate in the plan.

Directors' emoluments

Information about directors' emoluments in the year are as follows:

Directors	Basic salary £	Fees £	Benefits £	Bonus £	Pension contributions £	Total emoluments	
						2025 £	2024 £
Executive							
V J Deery	118,942	-	1,406	-	11,905	132,253	142,190
S A Atwell King	86,064	-	-	-	7,986	94,050	113,074
Non-executive							
T D Jackson	-	17,852	-	-	-	17,852	20,087
S Vadgama	-	6,360	133	-	-	6,493	7,219
Total 2025	205,006	24,212	1,539	-	19,891	250,648	282,570
Total 2024	227,955	27,039	1,455	5,049	21,072	282,570	

DIRECTORS' REMUNERATION REPORT

(CONTINUED)

Share option schemes

The Remuneration Committee is responsible for awarding options over ordinary shares to Executive Directors and key personnel under the Company's Enterprise Management Incentive Share Option (EMI) scheme and to Non-executive Directors under the Unapproved scheme. These schemes potentially offer long term incentives to Directors and key personnel and when issued are put to a shareholder vote.

The Remuneration Committee believes that the potential for share ownership and participation in the growing value of the Company increases the commitment and loyalty of Directors and staff.

The following existing options have been granted:

Holder	Image Scan share option scheme	Number	Exercise price	Date of grant	Vesting period	Expire
V J Deery	EMI	1,000,000	2.25p	22/12/2015	3 years	22/12/2025
T D Jackson	Unapproved Scheme	200,000	2.25p	22/12/2015	3 years	22/12/2025
S A Atwell King	EMI	300,000	2.25p	22/12/2015	3 years	22/12/2025
V J Deery	EMI	440,000	6.25p	04/07/2017	3 years	04/07/2027
T D Jackson	Unapproved Scheme	50,000	6.25p	04/07/2017	3 years	04/07/2027
S A Atwell King	EMI	200,000	6.25p	04/07/2017	3 years	04/07/2027

Service contracts

Directors have service contracts, which are governed by the following policies, and will also be applied to any future board appointment:

- the notice period required by either the Company or an executive Director to terminate their contract is six months;
- the notice period required by either the Company or a non-executive Director to terminate their contract is three months; and
- in the event of termination for unsatisfactory performance (if necessary, decided by an independent tribunal) or for any reasons of misconduct, no compensation is payable.

Sunil Vadgama

Chairman of the Remuneration Committee

01 December 2025

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF IMAGE SCAN HOLDINGS PLC

Opinion on the financial statements

We have audited the financial statements of Image Scan Holdings Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2025 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

As part of designing our audit approach, we obtained an understanding of the Group and its environment, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to the Group audit, we assessed the audit significance of each reporting unit in the Group by reference to both its financial significance and other indicators of audit risk, such as complexity of operations and the degree of estimation and judgement in the financial results.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF IMAGE SCAN HOLDINGS PLC

The Group financial statements are a consolidation of three reporting units, comprising the Group's parent company, one trading subsidiary (3DX-Ray Limited) and a dormant subsidiary (Image Scan Limited).

The Group audit team performed full scope audits of the complete financial information of Image Scan Holdings Plc, 3DX-Ray Limited and Image Scan Limited, which are considered to be the Group's significant components and which accounted for 100% of the Group's total revenue and assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our scope addressed this matter
<p>Intangible assets carrying value</p> <p>The Group has intangible assets with a carrying value of £310k which largely represents capitalised product development expenditure. The Group's accounting policy for development expenditure is disclosed in note 2.</p> <p>In accordance with accounting standards development expenditure shall only be capitalised when certain criteria can be demonstrated. The application of this policy involves management judgment and estimates including, but not limited to, the assessment of product technical feasibility and financial viability and therefore we have determined intangible assets carrying value as a key audit matter.</p>	<p>We have tested the judgements made by management in undertaking the decision to capitalise certain product development expenditure which included, but is not limited to, identifying the products and assessing the reasonableness of the return on investment (ROI).</p> <p>We compared actual sales information to that used in the ROI forecasts to assess viability and challenged the robustness of the key assumptions including those around unit volumes, discount rates used and pricing.</p> <p>We performed our own sensitivity analysis on managements review for potential impairment of capitalised product development expenditure. We engaged with an internal valuation expert about the appropriateness of the discount rate used.</p> <p>We reviewed the disclosure prepared by the Directors set out in note 2 to ensure we considered it to be appropriate.</p> <p>Key observations:</p> <p>Nothing has come to our attention to suggest that the carrying values of intangible assets is not appropriate.</p>

Key audit matters	How our scope addressed this matter
<p>Revenue recognition</p> <p>The Group's accounting policy for revenue recognition is disclosed in note 2. The application of this policy requires judgement by management in interpreting the terms of sales contracts and determining the point at which contractual obligations are satisfied and control transfers to the customer.</p> <p>In addition, there is a rebuttable presumption that revenue recognition gives rise to a risk of material misstatement and therefore we have determined revenue recognition as a key audit matter.</p>	<p>We have assessed the Group's revenue accounting policy as disclosed in note 2 to the financial statements to ensure revenue is recognised at the point when the satisfaction of performance obligations is fulfilled and control is transferred to the customer.</p> <p>We challenged any significant judgements, such as interpreting the terms of sales contracts and the point at which control is transferred to the customer and corroborated this through the inspection of supporting documentation.</p> <p>We have documented and evaluated the revenue processes within the Group to ensure that the capture of revenue data is accurate and within the correct accounting period, including ensuring that where invoices were raised in advance of performance obligations that appropriate amounts has been deferred and shown as contract liabilities, with costs of production recognised within inventory.</p> <p>We have specifically tested the completeness of revenue, tracing a sample of customer orders from delivery note to invoice.</p> <p>We reviewed the disclosure prepared by the Directors set out in note 2 to ensure we considered it to be appropriate.</p> <p>Key observations:</p> <p>Nothing has come to our attention to suggest that revenue is not recognised appropriately.</p>

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF IMAGE SCAN HOLDINGS PLC

Key audit matters	How our scope addressed this matter
<p>Recoverability of intercompany balances (Parent company only)</p> <p>The parent company has balances owing from its subsidiaries with a gross carrying value of £10.4m. The company's accounting policy for amounts recoverable from group companies is disclosed in note 2.</p> <p>Given the reported losses, both historic and current, there is a risk that balances due from group companies may not be fully recoverable at the amounts stated.</p> <p>Based on the significance of judgements in this area we have determined recoverability of intercompany balances to be a key audit matter.</p>	<p>We have tested management's assessment of the carrying value of intercompany balances.</p> <p>We have reviewed the financial positions of the individual companies to assess whether they can make the repayments due.</p> <p>We have reviewed the expected credit loss calculations prepared by management which are based on discounted cash flow forecasts for the trading subsidiaries. This included challenging the key estimates and judgements including assumptions concerning revenue and cashflow, together with the discount rate used</p> <p>We performed our own sensitivity analysis on managements expected credit loss calculations. We also engaged our internal valuation expert to confirm the appropriateness of the discount rate used.</p> <p>We reviewed the disclosure prepared by the directors set out in note 2 to ensure we considered it to be appropriate.</p> <p>Key observations:</p> <p>Nothing has come to our attention to suggest that the carrying value of amounts owed from subsidiary undertakings is materially misstated.</p>
<p>Going concern</p> <p>Details of the Directors' going concern assessment are disclosed in note 2.</p> <p>The Board has formed a judgement that it is appropriate to prepare the financial statements on a going concern basis based on an evaluation of the inherent risks faced, including the potential impact on the Group of the wider current economic uncertainties and geo-political events. There is a risk that the Group may have insufficient financial resources in order to successfully secure and fulfil orders for new equipment and continue to renew existing after sales contracts with existing customers in the forecast period.</p>	<p>We have tested the judgements made by management in assessing the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting.</p> <p>We critically assessed management's trading and cash flow budgets and forecasts, which cover the period to 30 September 2027. This included challenging the key estimates and judgements and the evidence underpinning them. In doing so, we specifically considered the principal trading and cash flow assumptions. Our challenge of the revenue assumptions included consideration of customer enquiries, current order levels and all other relevant information from customers available up to the date of issuance of our report.</p>

Key audit matters	How our scope addressed this matter
<p>Based on the significance of the judgements in this area we have determined going concern to be a key audit matter.</p>	<p>We tested the various scenarios and sensitivities performed by management in respect of the key assumptions underpinning the budgets and forecasts and challenged the sensitivities to ensure they reflected all reasonably foreseeable events and circumstances.</p> <p>We reviewed the reverse stress-testing performed by management and considered the headroom between the budgets and forecasts and the reverse stress-test assumptions, together with considering the likelihood that unforeseen events and circumstances might occur resulting in the reverse stress test becoming a reality.</p> <p>We reviewed the disclosure prepared by the Directors set out in note 2 to ensure we considered it to be appropriate.</p> <p>Key observations:</p> <p>We have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.</p>

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

To evaluate the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting, we completed the following audit procedures:

- obtained an understanding of the relevant controls relating to the Group's budgeting and forecasting process;
- challenged the key assumptions underpinning the Group's forecasts; and
- assessed the appropriateness of the Group's disclosure concerning the adoption of the going concern basis of accounting.

The Directors' forecasts demonstrate that the Group can continue to trade for a period of at least 12 months from the date of approval of the financial statements.

We have reviewed the disclosures prepared by the Directors set out in note 2 and consider them to be appropriate.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF IMAGE SCAN HOLDINGS PLC

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We apply the concept of materiality, both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	Materiality: £32,000 (2024: £57,000). Performance Materiality: £27,000 (2024: £48,000).	Materiality: £32,000 (2024: £30,000). Performance Materiality: £27,000 (2024: £25,000).
How we determined it	Based on 2% (2024: 2%) of Group revenue	Based on 2% (2024: 2%) of company assets
Rationale for benchmark applied	We believe that revenue is the primary measure used by shareholders in assessing the performance of the Group. Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Having considered the control environment, we have set performance materiality at 85% (2024: 85%) of materiality.	We believe that gross asset value is the primary measure used by shareholders in assessing the performance of the company. Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Having considered the control environment, we have set performance materiality at 85% (2024: 85%) of materiality.

For each component in the scope of our Group audit, we allocated a materiality not greater than our overall Group materiality. The range of materiality allocated across components was between £32,000 and £17,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £2,000 (2024 - £3,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT

(CONTINUED)

TO THE SHAREHOLDERS OF IMAGE SCAN HOLDINGS PLC

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 9, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the financial reporting legislation, Companies Act 2006, the AIM listing rules, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Hargate FCA (Senior Statutory Auditor)

For and on behalf of Dains Audit Limited,

Statutory Auditor

Chartered Accountants

Birmingham

01 December 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £	2024 £
REVENUE	3	1,617,718	2,860,776
Cost of sales		(671,393)	(1,348,975)
Gross profit		946,325	1,511,801
Administrative expenses		(1,238,253)	(1,313,730)
Other operating income	4	-	3,474
OPERATING (LOSS)/PROFIT	5	(291,928)	201,545
Finance income	7	7,888	10,736
Interest payable and similar charges	12	(3,984)	(4,514)
(LOSS)/PROFIT BEFORE TAXATION		(288,024)	207,767
Taxation	8	-	(756)
(LOSS)/PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY OWNERS OF THE PARENT COMPANY		(288,024)	207,011
		Pence	Pence
Earnings per share	9		
Basic		(0.21)	0.15
Diluted		(0.21)	0.15

There was no other comprehensive income for 2025 (2024: £nil).

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

	Note	2025 £	2024 £
NON-CURRENT ASSETS			
Intangible assets	10	309,733	333,249
Property, plant and equipment	11	-	-
Right of use asset	12	79,893	143,873
		389,626	477,122
CURRENT ASSETS			
Inventories	14	374,176	392,643
Trade and other receivables	15	422,164	910,775
Cash and cash equivalents	16	1,130,955	911,468
		1,927,295	2,214,886
TOTAL ASSETS		2,316,921	2,692,008
CURRENT LIABILITIES			
Trade and other payables	17	776,852	792,167
Lease liability	12	48,467	53,158
Warranty provision	18	15,522	25,473
		840,841	870,798
NON-CURRENT LIABILITIES			
Lease liability	12	45,392	102,498
		45,392	102,498
NET ASSETS		1,430,688	1,718,712
EQUITY			
Share capital	19	1,368,546	1,368,546
Share premium account		8,332,910	8,332,910
Profit and loss account		(8,270,768)	(7,982,744)
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS		1,430,688	1,718,712

These financial statements were approved and authorised for issue by the Board of Directors on 1st December 2025.

Signed on behalf of the Board of Directors

Vincent Deery
CHIEF EXECUTIVE OFFICER
Company Number 03062983

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

	Note	2025 £	2024 £
NON-CURRENT ASSETS			
Investments in Group undertakings	13	21,377	21,377
CURRENT ASSETS			
Trade and other receivables	15	1,681,610	1,519,647
Cash and cash equivalents	16	6,058	1,432
		1,687,668	1,521,079
TOTAL ASSETS		1,709,045	1,542,456
CURRENT LIABILITIES			
Trade and other payables	17	71,928	59,175
NET ASSETS		1,637,117	1,483,281
EQUITY			
Share capital	19	1,368,546	1,368,546
Share premium account		8,332,910	8,332,910
Profit and loss account		(8,064,339)	(8,218,175)
TOTAL EQUITY		1,637,117	1,483,281

As permitted by s408 of the Companies Act 2006, a separate income statement for the Company has not been included. The profit for the financial year dealt with in the financial statements of the Company was £153,836 (2024: profit of £64,120).

These financial statements were approved and authorised for issue by the Board of Directors on 1st December 2025.

Signed on behalf of the Board of Directors

Vincent Deery
CHIEF EXECUTIVE OFFICER
 Company Number 03062983

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2025

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
CONSOLIDATED				
As at 1 October 2023	1,368,546	8,332,910	(8,189,755)	1,511,701
Profit for the year and total comprehensive income for the year	-	-	207,011	207,011
As at 30 September 2024	1,368,546	8,332,910	(7,982,744)	1,718,712
Loss for the year and total comprehensive income for the year	-	-	(288,024)	(288,024)
As at 30 September 2025	1,368,546	8,332,910	(8270,768)	1,430,688

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
COMPANY				
As at 1 October 2023	1,368,546	8,332,910	(8,282,295)	1,419,161
Profit for the year and total comprehensive income for the year	-	-	64,120	64,120
As at 30 September 2024	1,368,546	8,332,910	(8,218,175)	1,483,281
Profit for the year and total comprehensive income for the year	-	-	153,836	153,836
As at 30 September 2025	1,368,546	8,332,910	(8,064,339)	1,637,117

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating (loss)/profit		(291,928)	201,545
Adjustments for:			
Amortisation of intangible assets	10	66,394	62,350
Depreciation	11	-	7,199
Amortisation of right of use asset	12	45,584	40,524
Research and development expenditure credit	8	-	(3,474)
Increase/(decrease) in impairment of inventories	14	31,838	(9,280)
Increase in inventories	14	(13,371)	(34,610)
Decrease/(increase) in trade and other receivables	15	488,611	(300,627)
Decrease/(increase) in trade and other payables	17	(15,315)	79,712
Decrease in warranty provisions	18	(9,951)	(8,385)
Cash generated from operating activities		301,862	34,954
Corporation tax received	8	-	26,440
Net cash flows generated from operating activities		301,862	61,394
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	7	7,888	10,736
Purchase of intangibles	10	(42,878)	(74,642)
Purchase of property, plant and equipment	11	-	(600)
Net cash used in investing activities		(34,990)	(64,506)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments (capital and interest)	12	(47,385)	(43,885)
Net cash used in financing activities		(47,385)	(43,885)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS		219,487	(46,997)
Cash and cash equivalents at beginning of year		911,468	958,465
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	1,130,955	911,468

The accompanying notes form an integral part of these financial statements.

COMPANY CASH FLOW STATEMENT

YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £	2024 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit		153,836	64,120
Adjustments for:			
Increase in intercompany receivables	15	(162,659)	(89,961)
Decrease in trade and other receivables	15	696	10,668
Increase in trade and other payables	17	12,753	7,650
Net cash generated/(used) in operating activities		4,626	(7,523)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		1,432	8,955
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	6,058	1,432

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2025

1. General Information

Image Scan Holdings plc is a public limited company, limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in the Officers and Professional Advisers section. The nature of the Group's operations and its principal activities are set out in the CEO's Report on pages 5 and 6 and in the revenue note in the financial statements on page 43.

These financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates.

2. Significant Accounting Policies

Basis of preparation

These consolidated and single entity financial statements have been prepared in accordance with UK adopted international accounting standards and the International Financial Reporting Interpretation Committee ('IFRIC') interpretations. The financial statements have been prepared under the historical cost convention.

Going concern

The Directors have assessed the going concern position of the Group and the Company. Further details of Group strategy and trading are set out in the CEO's Report on pages 5 and 6.

Based on the Group's Board approved trading and cash flow forecasts, for 2026 and 2027, which anticipates a return to profitable trading, the Directors have concluded that it remains appropriate to adopt the going concern basis in preparing the Financial Statements. The Directors have reached this conclusion after consideration of the Group's cash flows and related assumptions and in accordance with the Guidance published by the UK Financial Reporting Council.

In making their assessment the Directors have considered the following:

- The Group's performance in 2025.
- The outlook for performance in 2026.
- The Group's financial resources at the time of signing this report which, combined with the committed order book and reasonable assumptions about future renewals of the support contracts, support the ability to absorb a significant reduction in product revenues, both compared with the budgets and forecasts and prior years, without exhausting the cash resources.
- The expansion of the Group's product range to meet the needs of customers.
- The Group's financial plans and commitments, including product development, supply chain and other non-variable/non-discretionary costs.
- The principal risks associated with the business, including geo-political risks.

The Directors concluded that the key risk is the unpredictability of demand from customers. Based on current trading, including orders received and order enquiry levels, a reverse stress test has been carried out to model the reduction in revenue that could be absorbed. This indicates that a reduction of c.93% of forecast bookings for the revenue for the year to 30 September 2026, whilst considered extremely unlikely, could be absorbed before available cash resources would be exhausted within the next 12 months.

The Directors have also reviewed the supply chain and the inflationary pressures on components. The Directors are satisfied that sufficient mitigating actions have been put in place, as has been demonstrated in 2025, including alternative sources of supply, should there be any disruption with existing supply chain arrangements.

The Directors recognise the current global market conditions and the current economic turmoil in the UK mean that there is potential for continued volatility and so uncertainty over future activities and cash flows. However, having regard to the factors considered above and the current available cash resources, these are not considered to give rise to a material uncertainty.

On this basis the Directors consider that it is appropriate to prepare the financial statements on the going concern basis.

New accounting standards, amendments, and interpretations

There were no new standards, amendments, or interpretations which the Group consider to be applicable to these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (and its subsidiaries) made up to 30 September each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity and has the ability to use its power to affect its returns so as to obtain benefits from its activities.

Revenue recognition

Revenue recognition is determined by reference to the performance obligations as set out in individual customer contracts. The selling price for each performance obligation is based upon the relative standalone selling price, excluding value-added taxes and discounts allowed. The Board have categorised performance obligations as follows;

Software licenses – Point in time – where a contract gives the customer a right to use a perpetual software license, revenue is recognised when the license key is issued to the customer. This is the point at which the customer has a right to use the software.

Product Manufacturing – Point in Time – revenue is recognised at the point at which control is transferred to the customer which is determined by the specific terms of the contract. This is typically on an ex-work basis or where the contract stipulates that control will pass to the customer on delivery, revenue is recognised based on the relevant Incoterms. Where delivery is arranged for the customer, revenue will be recognised either when confirmation of delivery is received from the courier or five working days after collection from site.

Delivery – Point in Time – if there is an element of delivery revenue which is unbundled from the total contract, this is recognised separately from the product revenue. This revenue is recognised separately if the contract stipulates that control will pass to a customer on an ex-works basis but the customer has requested that the company arranges delivery rather than the customer taking responsibility for that delivery. Where this occurs, this proportion of revenue is not recognised until delivery of the product has been made.

Installation and commissioning – Point in Time – this is determined to be a distinct agreed-upon contractual task separate from the manufacture of the product or delivery of the item. Revenue is recognised at the point at which installation has been completed and Site Acceptance Testing (SAT) is issued. This point is when control passes.

Support – Over Time – support contracts are raised separately to the manufacture of products, delivery, installation and commissioning. Support is recognised evenly over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance, as the Group performs it.

Extended warranty – Over Time – it is customary for the Group to provide a warranty of twelve months to customers, and this is accounted for in line with IAS 37 Provisions, Contingent Liability and Contingent Assets. An extended warranty of greater than 12 months is sometimes requested by a customer which provides the customer with a service in addition to the assurance that the product complies with agreed-upon customary specifications. This additional warranty is deemed to be a distinct performance obligation, is typically a parts only obligation, and revenue is recognised over the duration of the extended warranty if it is material.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

2. Significant Accounting Policies (Continued)

Grants

Grants of a revenue nature are recognised as Other Operating Income with the statement of comprehensive income in the same period as the related payment.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

R&D tax credits are accounted for in the period to which they relate in order to match receipt of tax credits with the related expenditure.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Intangible assets

Acquired software

Acquired software, inclusive of lifetime licenses, are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs are amortised over the estimated useful lives of each asset.

Business software	-	three years
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Internally generated assets

Internally generated intangible assets (development costs) are capitalised if it can be demonstrated that

- it is technically feasible to develop the product and for it to be sold; and
- adequate resources are available to complete the development; and
- there is an intention to complete and sell the product; and
- the Group is able to sell the product; and
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods that the Group expects to benefit from selling the product produced. The amortisation expense is included within administrative costs in the consolidated statement of comprehensive income.

Development costs	-	six years
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Development costs not satisfying the criteria and expenditure on the research phase of the internal projects are recognised in the consolidated statement of comprehensive income as incurred.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is charged to the income statement on a straight-line basis over the expected useful life of each asset as follows:

Computer equipment	-	three years
Demonstration equipment	-	three years
Plant and equipment	-	three years

Assets under construction are not depreciated until brought into use.

Right of use assets and lease liabilities

The lease liability is initially measured at the present value of the future lease payments discounted at the interest rate implicit in the lease or, if that cannot be readily determined, at the Group's incremental borrowing rate on commencement of the lease. On initial recognition, the carrying value of the lease includes variable lease payments that depend on an index or rate. The lease term includes any option to terminate held by the Group, where it is reasonably certain this option will not be exercised. The lease liability is re-measured for modifications to lease payments due to changes in an index or rate. When the lease liability is re-measured, an equivalent adjustment is made to the right of use asset.

A right of use asset comprises the initial measurement of the corresponding lease liability and is subsequently measured at cost less accumulated depreciation. Right of use assets are depreciated over the shorter of the lease term and the estimated useful economic life.

Pension costs

The Group operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions are charged against profits as they arise.

Impairment of non-financial assets

Individual non-financial assets or, if the cash flows cannot be attributed to individual assets, the cash-generating unit, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Investments

The investments in subsidiary undertakings are stated at cost. Provisions are made if, in the opinion of the Directors, there has been impairment in value.

Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are calculated as the cost of materials and direct labour costs incurred. Net realisable value is based on the estimated selling price less further costs of disposal.

Research and development costs

Expenditure on research costs is charged to the income statement in the period in which they were incurred.

Where expenditure on development does not meet the criteria to be capitalised, as set out in the policy on internally generated intangible assets, it is written off in the period that it is incurred.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are accounted for in arriving at the operating result. Monetary assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the balance sheet date.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares, both ordinary and deferred;
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issues; and
- "Retained earnings" include all current and prior year results, as disclosed in the consolidated statement of comprehensive income, plus the equity component of share options issued.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

2. Significant Accounting Policies (Continued)

Share-based payments

The Company issues equity settled share options to certain employees. Equity settled share options are measured at fair value at the date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. Where the employee that holds the option is employed by a subsidiary, the charge is reflected in that subsidiary's financial statements. The level of vesting is reviewed annually, and the charge is adjusted to reflect actual and estimated levels of vesting.

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options. The estimate of the fair value is measured based on the Black-Scholes option pricing model. This model takes into account the following variables: exercise price, share price at date of grant, expected term, expected share price volatility, risk-free interest rate and expected dividend yield. Expected volatility is estimated by considering historic average share price volatility.

Financial instruments

Financial assets and liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group's financial instruments comprise cash, trade receivables and trade and other payables.

Trade receivables

Trade receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses. Impairment losses against trade receivables carried at amortised cost are recognised by reference to any expected credit losses against those assets. The simplified approach for calculating any impairment of financial assets has been used.

Cash and cash equivalents

The Group manages short-term liquidity through the holding of cash and highly liquid interest-bearing deposits. Only deposits that are readily convertible into cash with maturities of three months or less from inception, with no penalty of lost interest, are shown as cash or cash equivalents.

Trade payables

Trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in the finance cost in the statement of comprehensive income.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Amounts recoverable from group companies

The Company has amounts receivable from other Group companies which are measured at amortised cost less impairment losses. The Directors assess periodically whether there has been a significant increase in credit risk. Where there has been a significant increase in credit risk, lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probabilities weighted outcomes. If at the reporting date, the credit risk has not increased significantly, impairment losses are calculated based on a 12 month expected credit loss model.

Accounting judgements and key sources of estimation uncertainty

As stated above, the preparation of financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Key estimates and judgements

(a) Revenue recognition on contracts.

The Group enters into sales with customers with contractual terms specific to each contract, including stage payments, and revenue is recognised in accordance with the accounting policy set out on page 43. In applying the accounting policy, the Board must determine that all the relevant criteria are met in accordance with the Group's accounting policy in order to recognise revenue. This requires detailed review of the contractual terms and an understanding of the performance obligations in place with each specific customer. At the year end, there is £448k (2024: £278k) of contract liabilities in relation to payments in advance that will be recognised when the contract terms are met.

(b) Impairment of amounts recoverable from subsidiary company

The Company acts as a holding company for its trading subsidiary and provides funding in the way of an intercompany loan as disclosed in note 15. The Board must determine if there has been a significant increase in credit risk on the intercompany loan to establish the impairment model applied. The Board has continued to use the results of the subsidiary compared to budget and expectations, along with forward-looking information such as forecasts to inform the assessment, concluding that there was a reversal of impairment required of £125,000 (2024: £nil) to be recognised in these financial statements.

(c) Capitalisation of development costs

Part of the Group's strategic aim is organic growth through expansion of the product range and investment is made in research and development to further this aim. As set out in the accounting policy on page 45, developments costs are recognised as an intangible asset once the criteria for capitalisation is met under IAS 38. In the year £42,878 (2024: £74,642) of costs met the criteria of capitalisation. Judgement is required in assessing the achievement of the criteria, the recoverable amount, including the future economic benefits expected to be generated by the asset, and its useful economic life. The Board reviews these judgements periodically to assess if there are any indicators of impairment.

(d) Impairment of inventory

As disclosed in note 14, an impairment has been made against the carrying value of components, accessories and demonstration inventory. The nature of the inventory requires an assessment of the future sales, the condition of demonstration inventory when returned and residual value should the items not be saleable.

Due to the nature of the inventory, changes in the basis of the estimates for the condition of inventory or residual values applied could have a significant impact on the impairment provided. If the provision were to increase / decrease by 10% the impact on the Group would be £26k (2024: £23k).

(e) Trade receivables

As disclosed in note 15, Trade receivables are initially recognised at invoiced value. Where specific amounts remain outstanding or disputed beyond their agreed settlement date management, having reviewed all commercial documentation, proof of delivery and considered the credit risk of the customer, apply judgement as to the likelihood of the future settlement. This judgement will be influenced by the passage of time, the documentation available and previous experience of collection of past due invoices with that customer and the Group's customer base in general.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

3. Revenue

The Group has only one business segment, being the continuing development and sale of advanced X-ray imaging techniques and products.

The Group has disaggregated revenue in the following tables which is intended to define how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic data. This is reviewed by the Board as the Chief Operating Decision Maker.

Information about our product range can be found within the business model set out on inside cover of this report.

All revenue is derived from operations in the United Kingdom.

	2025 £	2024 £
Group revenue by destination		
UK	230,556	285,137
Europe, the Middle East and Africa	482,903	1,661,964
Asia, Indian Subcontinent	751,322	735,699
America	152,937	177,976
	1,617,718	2,860,776

	2025 £	2024 £
Group revenue by type		
Original equipment	1,060,719	2,244,713
After sales	556,999	616,063
	1,617,718	2,860,776

	2025 £	2024 £
Group revenue by timing of transfer of goods		
Point in time (determined by contract)	1,267,403	2,522,189
Over time	350,315	338,587
	1,617,718	2,860,776

The gross profit was £946,325 (2024: £1,511,801) and the trade is primarily B2B.

	2025 £	2024 £
Top Three Customers by Value		
First	316,953	450,200
Second	270,338	426,679
Third	253,000	303,825
	840,291	1,180,704
Percentage of sales	52%	41%

	2025 £	2024 £
Contract assets		
At 1 October 2024	148,200	52,428
Transfers from contract assets to trade receivables	(148,200)	(52,428)
Excess of revenue recognised over invoiced amounts	23,068	148,200
At 30 September 2025	23,068	148,200

Contract assets are shown in note 15.

	2025 £	2024 £
Contract liabilities		
At 1 October 2024	278,144	366,783
Contract liabilities recognised as revenue in the year	(156,513)	(170,642)
Deposits received in advance of performance obligations	326,472	82,003
At 30 September 2025	448,103	278,144

Contract liabilities are shown in note 17.

4. Other Operating Income

	2025 £	2024 £
Research and development expenditure credit	-	3,474
	-	3,474

5. Operating (Loss)/Profit

	2025 £	2024 £
Operating (loss)/profit is stated after charging the following:		
Depreciation of property, plant and equipment	-	7,199
Amortisation of right of use asset	45,584	40,524
Amortisation of intangible assets	66,394	62,350
Auditors' remuneration		
Audit – Subsidiary	31,200	29,400
Audit – Company	13,300	12,600
Research and development costs expensed	167,739	140,699
Cost of inventories recognised as an expense (included in cost of sales)	459,549	995,430
Foreign exchange losses	14,156	7,621

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

6. Staff Costs

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Total employment costs				
Wages and salaries	803,208	962,986	230,757	261,499
Social security costs	95,850	102,084	31,408	35,696
Pension costs	41,695	45,722	19,891	21,071
	940,753	1,110,792	282,056	318,266
Directors' emoluments				
Management remuneration	206,412	234,192	206,412	234,192
Fees as Directors	24,345	27,306	24,345	27,306
Pension contributions	19,891	21,072	19,891	21,072
	250,648	282,570	250,648	282,570

The amounts paid in respect of the highest paid Director are as follows:

Emoluments	132,252	142,190	132,252	142,190
	Number	Number	Number	Number

Average number of persons employed (including Directors)

Accounts and administration	1	1	-	-
Technical	10	12	-	-
Directors	4	4	4	4
	15	17	4	4

Number of Directors accruing benefits under:

Defined contribution pension scheme	2	2	2	2
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Directors' remuneration is detailed within the Directors' Remuneration Report set out on pages 25 to 26.

Related party transactions are disclosed in note 20.

7. Finance Income

	2025	2024
	£	£
Deposit interest	7,888	10,736

8. Tax on Profit

a) Analysis of (charge)/credit in the year

	2025 £	2024 £
Current tax		
Current tax on (loss)/profit for the year	-	(756)
Total tax (charge)/credit	-	(756)

The reasons for the difference between the actual tax credit for the year and the standard rate of corporation tax in the UK applied to results for the year are as follows:

b) Reconciliation of tax charge/(credit)

	2025 £	2024 £
(Loss)/profit before tax	(288,024)	207,011
Tax on profit at 25%	(72,006)	51,753
Movement in unprovided deferred tax	71,641	(33,299)
Enhanced R&D relief	-	(19,580)
Permanent timing differences	365	715
R&D expenditure credits	-	906
Other	-	261
Actual tax charge/(credit) for the year (note 8a)	-	756

c) Deferred Tax Asset

The net deferred tax assets have not been recognised as, with the continued availability of enhanced deductions for R&D expenditure, together with the uncertainty around the timing of future taxable trading profits, the directors do not believe it is probable that these assets will be recovered in the foreseeable future. The unrecognised deferred tax assets, calculated at 25%, are as follows.

	2025 £	2024 £
Deferred tax asset	1,395,321	1,323,680
	1,395,321	1,323,680

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

9. Earnings Per Share

	2025 £	2024 £
(Loss)/profit for the year	(288,024)	207,011
Weighted average number of ordinary shares in issue	136,854,577	136,854,577
Number of diluted shares	136,854,577	136,854,577
Basic (loss)/profit per share	(0.21p)	0.15p
Diluted (loss)/profit per share	(0.21p)	0.15p

The diluted earnings 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. 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. Where the Company is reporting losses, the impact of share options is considered anti-dilutive. Where the Company is reporting profits, share options could potentially dilute basic earnings per share in the future but are only included in the calculation of diluted earnings per share when the exercise price of the share options is below the average share price in the year.

10. Intangible Assets

The Group's intangible assets comprises of software and licences relating to business and accounting systems and assets created from capitalising development expenditure under IAS38.

Group	Business Software £	Development Costs £	Total £
Cost			
At 1 October 2023	61,115	393,131	454,246
Additions	-	74,642	74,642
At 30 September 2024	61,115	467,773	528,888
Additions	-	42,878	42,878
At 30 September 2025	61,115	510,651	571,766
Amortisation			
At 1 October 2023	58,695	74,594	133,289
Provided during the year	1,761	60,589	62,350
At 30 September 2024	60,456	135,183	195,639
Provided during the year	659	65,735	66,394
At 30 September 2025	61,115	200,918	262,033
Net book value			
At 30 September 2025	-	309,733	309,733
At 30 September 2024	659	332,590	333,249
At 30 September 2023	2,420	318,537	320,957

11. Property, Plant and Equipment

Group	Computer equipment £	Demonstration equipment £	Plant and equipment £	Total £
Cost				
At 1 October 2023	128,893	76,044	118,765	323,702
Additions	-	-	600	600
Disposals	(40,149)	(76,044)	(16,658)	(132,851)
At 30 September 2024	88,744	-	102,707	191,451
Disposals	(37,028)	-	(15,250)	(52,278)
At 30 September 2025	51,716	-	87,457	139,173
Depreciation				
At 1 October 2023	125,071	76,044	115,988	317,103
Provided during the year	3,822	-	3,377	7,199
Disposals	(40,149)	(76,044)	(16,658)	(132,851)
At 30 September 2024	88,744	-	102,707	191,451
Provided during the year	-	-	-	-
Disposals	(37,028)	-	(15,250)	(52,278)
At 30 September 2025	51,716	-	87,457	139,173
Net book value at 30 September 2025	-	-	-	-
Net book value at 30 September 2024	-	-	-	-
Net book value at 30 September 2023	3,822	-	2,777	6,599

12. Leases

	2025 £	2024 £
Right of use asset – Group Property		
At 1 October 2024	143,873	153,678
(Reduction)/additions	(18,396)	30,719
Amortisation	(45,584)	(40,524)
At 30 September 2025	79,893	143,873
Lease liability – Group Property		
At 1 October 2024	155,656	164,308
(Reduction)/additions	(18,396)	30,719
Interest charged	3,984	4,514
Lease payments (capital and interest)	(47,385)	(43,885)
At 30 September 2025	93,859	155,656

The maturity of the lease payments is as follows:

	Within one year £	Within 1 – 2 years £	Within 2 – 5 years £	Total £
Lease liability	48,467	45,392	-	93,859

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

13. Investments

	2025 £	2024 £
Subsidiary undertakings – Company		
Cost	51,001	51,001
Capital contribution to subsidiary undertakings	21,376	21,376
Impairment	(51,000)	(51,000)
Balance at 30 September	21,377	21,377

The impairment provision relates solely to Image Scan Limited.

The subsidiary undertakings of Image Scan Holdings plc, all of which principally trade and are registered in England, are as follows:

Company	Principal activities	Country of incorporation and operations	Ordinary share capital	Investment shares at cost 2025 £	Investment shares at cost 2024 £
Image Scan Limited	Dormant company	England	100%	51,000	51,000
3DX-Ray Limited	Exploitation of advanced imaging technology	England	100%	1	1

The registered office of all subsidiary undertakings is 16-18 Hayhill Industrial Estate, Sileby Road, Barrow-Upon-Soar, Leicestershire, LE12 8LD.

14. Inventories

	Group		Company	
	2025 £	2024 £	2025 £	2024 £
Raw materials	200,100	202,217	-	-
Work in progress	43,329	27,043	-	-
Finished goods	130,747	163,383	-	-
	374,176	392,643	-	-

There are no significant differences between the replacement costs and the inventories values shown above.

During the year, the provision against demonstration equipment and other stock was increased by £35,365 (2024: decreased by £9,280) in the Group accounts.

15. Trade and Other Receivables

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Trade receivables	274,142	592,797	-	-
Accrued income on contracts	23,068	148,200	-	-
Other receivables and prepayments	124,757	138,843	30,171	30,829
VAT recoverable	197	30,935	3,340	3,378
Amounts due from subsidiary undertakings	-	-	1,648,099	1,485,440
	422,164	910,775	1,681,610	1,519,647

Trade receivables and contract assets are grouped based on similar credit risk and ageing.

At 30 September 2025, the lifetime expected credit loss provision, excluding the specific debt referred to above and using the simplified approach for trade receivables and contract assets is as follows:

	Group	Not yet due	Up to 3 months	3 to 6 months	Over 6 months
Expected loss rate		0.00%	0.10%	0.10%	0.10%
Gross carrying amount	274,142	73,682	192,960	0	7,500
Loss provision	201	-	193	-	8

The loss provision is considered immaterial and therefore has not been recognised. All gross carrying amounts relate to customers with no default history.

At 30 September 2025, the lifetime expected credit loss provision for amounts due for group undertakings is as follows:

Company	2025	2024
	£	£
Amounts recoverable from Group undertakings	10,388,945	10,351,286
Expected credit loss brought forward	(8,865,846)	(8,865,846)
Reduction in impairment in financial year	125,000	-
Expected credit loss carried forward	(8,740,846)	(8,865,846)
At 30 September 2025	1,648,099	1,485,440

The details regarding the intercompany debtor can be found in Transactions with Related Parties in note 20. In assessing the recoverable amount from Group undertakings, a number of scenarios have been considered. These range from subsidiary undertakings performing in line with and below forecast.

The amounts due from the subsidiary undertakings are due on demand.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

16. Cash and Cash Equivalents

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Cash and cash equivalents	1,130,955	911,468	6,058	1,432

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value. Cash at bank earns interest at floating rates based on daily bank deposit rates.

17. Trade and Other Payables

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Amounts falling due within one year				
Trade payables	253,319	396,645	19,375	5,355
Contract liabilities	448,103	278,144	-	-
Other tax and social security	18,606	25,814	-	-
Accruals	56,824	91,564	52,553	53,820
	776,852	792,167	71,928	59,175

At 30 September 2025 accruals included pension contributions payable amounting to £nil (2024: £nil).

In line with IFRS 15, a practical expedient has been applied to the closing contract liabilities where the remaining performance obligations are due to be satisfied within the next 12 months. These amount to £436,516 (2024: £263,520) at 30 September 2025.

Sales of extended warranties held as contract liabilities amount to £17,751 (2024: £23,140). The analysis of when the remaining performance obligations will be satisfied is as follows:

	Within one year	Within 1 – 2 years	Within 2 – 5 years	Total
	£	£	£	£
Extended warranties	6,164	8,111	3,476	17,751

18. Provisions for Liabilities and Charges

	2025 £	2024 £
Group warranty provision		
At 1 October 2024	25,473	33,858
Provision in year	13,414	28,760
Utilised in the year	(6,369)	(4,566)
Released during the year	(16,996)	(32,579)
At 30 September 2025	15,522	25,473

A warranty provision is recognised in respect of labour and material costs estimated to arise on products sold during the last financial year. It is expected that most of these costs will be incurred in the next financial year.

19. Share Capital

	2025 £	2024 £
Authorised		
200,000,000 ordinary shares of 1 pence each	2,000,000	2,000,000
Called up, allotted and fully paid		
136,854,577 (2024: 136,854,577) ordinary shares of 1 pence each	1,368,546	1,368,546

During the year, the company made an issue of nil (2024: nil) ordinary shares.

The following share options are outstanding at 30 September 2025:

Image Scan Share Option Scheme	Date of issue	Quantity	Exercise price	Fair value	Vesting period	Expiry date
Enterprise Management Incentive	22/12/2015	1,950,000	2.25p	8,692	3 years	22/12/2025
Unapproved Scheme	22/12/2015	200,000	2.25p	891	3 years	22/12/2025
Enterprise Management Incentive	04/07/2017	820,000	6.25p	3,655	3 years	04/07/2027
Unapproved Scheme	04/07/2017	50,000	6.25p	550	3 years	04/07/2027

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

19. Share Capital (Continued)

Share option movement

Details of movements in the number of share options and the weighted average exercise price ("WAEP") during the year are as follows:

	2025 £	WAEP	2024 £	WAEP
At 1 October 2024	3,310,000	3.41	5,560,000	3.02
Options lapsed in year	(200,000)	2.25	(1,200,000)	2.00
Options lapsed in year	(90,000)	6.25	(200,000)	2.25
Options lapsed in year	-	-	(400,000)	2.50
Options lapsed in year	-	-	(400,000)	3.375
Options lapsed in year	-	-	(50,000)	6.25
At 30 September 2025	3,020,000	3.40	3,310,000	3.41

The weighted average remaining contractual life of share options outstanding at the year end was 0.2 years (2024: 0.55 years).

Options have been valued using the following inputs to the Black-Scholes model:

Expected volatility (based on closing prices in the year prior to issue)	50%
Expected life	3.5 years
Risk-free rate	2.2%
Expected dividends	Zero

20. Transactions with Related Parties

During the year, Image Scan Holdings plc provided management services to the value of £438,634 (2024: £556,965) to its subsidiary company 3DX-Ray Limited.

At the year end the Company was owed the following amounts by subsidiary companies against which an impairment provision of £8,740,846 (2024: £8,865,846) is held:

	2025 £	2024 £
3DX-Ray Limited	9,501,729	9,464,069
Image Scan Limited	887,217	887,217

Aerosino Technology LLC is considered to be a related party as it is related to Rise Step International Limited, which is itself a substantial shareholder of the Company. Aerosino Corporation Inc provided goods to the value of £4,013 (2024: £4,276). An amount of £3,069 (2024: £nil) is due to Aerosino Corporation Inc at the year end.

SK Electronic Solutions Ltd is considered to be a related party by virtue of Sunil Vadgama having a material interest in and being a director of the Company. SK Electronics Ltd provided consultancy services to the value of £1,980 (2024: £777).

The Directors have the authority and responsibility for planning, directing and controlling the activities of the Group (and the Company), and they are therefore the key management personnel. Their remuneration for the year was £250,648 (2024: £282,570).

21. Financial Instruments

The principal financial assets of the Group are bank balances, trade and other receivables. The main purpose of these financial instruments is to generate sufficient working capital for the Group to continue its operations. The Group's principal financial liabilities are trade and other payables. Given the short-term nature of these assets and liabilities the carrying value is considered to be an approximation to fair value.

Financial instruments by category

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Financial assets				
Cash and cash equivalents	1,130,955	911,468	6,058	1,432
Trade and other receivables	316,784	767,774	1,648,099	1,485,440
Accrued income on contracts	23,068	148,200	-	-
	1,470,807	1,827,442	1,654,157	1,486,872

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Financial liabilities				
Trade and other payables	310,109	488,209	71,928	59,175
Lease liability	93,859	155,656	-	-
	1,003,968	643,865	71,928	59,175

Credit risk

The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the balance sheet date, as summarised below. All classes relate to financial assets classified as loans and receivables.

The credit risk is primarily attributable to trade receivables. The Group's policy is to operate contracts on a cash positive basis. Payment terms typically require a substantial deposit on placement of the order and a majority of the invoice paid prior to shipment as set out in the CFO Report on page 8.

The Company's exposure to credit risk is primarily limited to amounts due from subsidiary undertakings. The Company's policy is to review annually the trading prospects of the subsidiary compared to the carrying value of the net intercompany balance. Whilst there has been no significant changes in the credit risk associated with this, it is considered to be stage 3 credit impaired as defined by IFRS 9 Financial Instruments. As such the lifetime expected credit loss has been recognised.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2025

21. Financial Instruments (Continued)

Liquidity risk

The Group's and Company's funding strategy is to generate sufficient working capital to settle liabilities as they fall due. There is no external debt. Liquidity risk is managed through cash flow forecasting to ensure working capital requirements are identified promptly.

The Group's financial liabilities have contractual maturities as follows:

	2025	2024
	£	£
Financial liability profile		
Due in less than one month	134,072	408,703
Due between one and three months	166,258	73,106
Due between three months and one year	58,246	59,558
Due after one year	45,392	102,498
	403,968	643,865

Currency profile

At 30 September 2025 trade and other receivables included US\$25,690 (2024: US\$13,553) and amounts payable included US\$83,076 Euro €nil (2024: US\$223,117 and EUR €25,350). All other financial assets and liabilities are denominated in Sterling.

Currency risk is not considered to be significant for the Group.

Capital management

The Group's policy is to maintain a strong capital base in order to safeguard the future development of the business. The Group finances its operations through retained earnings, share capital and the management of working capital.

DIRECTORS AND PROFESSIONAL ADVISORS

Directors

Timothy Jackson

Chairman

Sunil Vadgama

Non-Executive Director

Vincent Deery

Chief Executive Officer

Sarah Atwell King

Chief Financial Officer

Company Secretary

Sarah Atwell King

Registered Office

16-18 Hayhill Industrial Estate
Sibleby Road
Barrow-upon-Soar
Leicestershire LE12 8LD

Company Number

03062983

Nominated Adviser & Broker

Zeus Capital Ltd

125 Old Broad Street,
London,
EC2N 1AR

Principal Bankers

Royal Bank of Scotland plc

Solicitors

Browne Jacobson

44 Castle Gate
Nottingham NG1 7BJ

Registrars

Neville Registrars Ltd

Neville House
18 Laurel Lane
Halesowen B63 3DA

Auditors

Dains Audit Limited

2 Chamberlain Square
Paradise Circus
Birmingham
B3 3AX

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the shareholders will be held at 1.30 p.m. on Wednesday 25 February 2026 at the registered offices of the Company at 16-18 Hayhill Industrial Estate, Barrow upon Soar Leicestershire, LE12 8LD for the purpose of considering and, if thought fit, passing the following resolutions as to Resolutions 1–6 as Ordinary Resolutions and Resolution 7 as Special Resolution.

Ordinary resolutions

1. To receive and adopt the financial statements for the year ended 30 September 2025 together with the reports of the Directors (including the strategic report) and auditors thereon.
2. To receive and adopt (advisory) the remuneration policy contained within the annual report for the year ended 30 September 2025.
3. To re-elect as a Director T D Jackson.
4. To re-elect as a Director S Vadgama.
5. To re-appoint Dains Audit Limited as auditors and to authorise the Directors to fix their remuneration.
6. That, in accordance with Section 551 of the Companies Act 2006 (the 'Act'), the Directors be hereby generally and unconditionally authorised to allot new ordinary shares or grant rights to subscribe for or to convert any securities into new ordinary shares ('Rights'), up to an aggregate nominal amount of £136,855 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this Resolution (whichever is earlier) save that the Directors may, before the expiry of such period, make an offer or agreement which would or might require new ordinary shares to be allotted or Rights to be granted after the expiry of such period, and the Directors of the Company may allot new ordinary shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

Special resolution

7. That subject to, and conditional upon, the passing of Resolution 6 above, the Directors be and are generally empowered (in substitution for all subsisting authorities to the extent unused) in accordance with Section 570 of the Act to allot equity securities (within the meaning of Section 560 of the Act) pursuant to the authority conferred upon them by resolution 6 for cash as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
 - a. in connection with an offer of such securities by way of a Rights Issue; and
 - b. otherwise than pursuant to Resolution 7a above, up to an aggregate nominal amount of £136,855,and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this Resolution (whichever is earlier) save that the Directors may, before the expiry of such period, make an offer or agreement which would or might require new ordinary shares to be allotted or Rights to be granted after the expiry of such period, and the Directors of the Company may allot new ordinary shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired.

By order of the Board

Sarah Atwell King

Company Secretary

Notes:

1. Voting will be by poll only and therefore the Board encourages all members to return their form of proxy in advance of the meeting.
2. Members can attend the Annual General Meeting virtually by registering their details with the Company Secretary in advance of the meeting at CoSec@ish.co.uk. This platform allows members to observe the meeting and to submit questions.
3. To facilitate entry to the meeting, shareholders are requested to notify the Company Secretary in advance of the meeting CoSec@ish.co.uk and provide suitable evidence of their identity on attendance. Persons who are not shareholders of the Company (or their appointed proxy) will not be admitted to the AGM unless prior arrangements have been made with the Company Secretary.
4. We ask all those present at the AGM to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.
5. In the eventuality, that Government restrictions prohibit the attendance of the meeting by members, an amendment to the details of this Notice will be notified by means of a Regulatory News Service Announcement.
6. A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote on his or her behalf.
7. A proxy need not be a member of the Company.
8. Completion and return of a form of proxy does not preclude a member from attending and voting at the meeting in person should he or she so wish.
9. A form of proxy is available on the Company's website, www.ish.co.uk, or by request from the Company Secretary and to be valid must be completed and returned so as to reach the Registrar of the Company, Neville Registrars Ltd, Neville House, Steelpark Road, Halesowen B62 8HD, together with a letter or power of attorney or other written authority, if any, under which it is signed or a notarially certified or office copy of such power (written authority) not less than 48 hours (excluding non-working days) before the time fixed for holding the meeting or any adjournment thereof.
10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Neville Registrars Limited ID is 7RA11.
11. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, members who hold shares in uncertificated form must be entered on the Company's register of members at 1.30 p.m. on 23 February 2026 in order to be entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at such time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.
12. 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.

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IMAGE SCAN HOLDINGS PLC

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