

DHS CONTRACT EXTENSIONS AWARDED – AIRPORT CHECKPOINT AND CT BAGGAGE SCANNER

US\$0.44m order of additional Miniature CT Baggage Scanner by DHS – total of two DHS Contracts now US\$4.5m

Adelaide, Australia, 26th September 2022: Australian hi-tech company Micro-X Ltd (ASX:MX1) (**Micro-X** or the **Company**) is pleased to announce that its US subsidiary, Micro-X, Inc. has been awarded an extension on its development contract with the US Department of Homeland Security (**DHS**) Science and Technology Directorate for the Miniature Baggage Scanner (the **DHS Scanner Contract**) and that DHS has exercised the existing contractual option to continue the Passenger Self-Screening Checkpoint design into a detailed prototype design phase.

Key Points

- **DHS contract extension to add a second Micro-X prototype Miniature CT Baggage Scanner**
- **Delivery of an additional prototype in early 2023 for additional US\$0.44 million contract payment on top of the existing US\$1.57 million contract.**
- **Second functioning prototype used by DHS to accelerate testing and data collection of Baggage Scanner**
- **Data collection will provide key input in development of automated detection algorithms.**
- **DHS formally exercises option for second phase of Self-Screening Checkpoint design - US\$1.18 million to Micro-X Inc. for work to be delivered over 8 months starting September 30, 2022**

Micro-X, Inc. has this week signed a contract extension with the US Department of Homeland Security (**DHS**), Science and Technology Directorate as part of its miniaturised Computed Tomography (**CT**) baggage scanner development work. This extension for an additional US\$0.44 million is for the delivery of a second functioning prototype in early 2023, while the DHS is undertaking testing of the first prototype. The additional prototype brings the combined total of two DHS contracts for Miniature Baggage Scanners and a Passenger Self-Screening Checkpoint to US\$4.5m.

The two Miniature Baggage Scanner prototypes will be constructed to the same standard, with each being tested for their ability to detect a potential threat, in a series of tests occurring in US government laboratories. The exercise of this contract extension of an additional prototype followed the most recent of the regular project meetings between Micro-X management and key technical and operational representatives of the DHS. It is intended that two prototypes will enable faster and more thorough testing of the unique and disruptive Micro-X design.

In July 2022, Micro-X, Inc. and DHS formally executed the optional second phase of the Passenger Self-Screening Checkpoint contract, for work which includes the detailed design of a prototype self-screening module. The original Self-Screening contract for US\$2.5 million was divided into an initial funded one-year concept design phase valued at US\$1.31 million and second optional unfunded phase of US\$1.18 million for an additional 8 months. DHS has now committed to funding the second phase. In this phase, Micro-X will continue to work with its existing subcontractors including Monash University, Elenium Automation, and Voxel Radar and will continue to work closely with DHS Transportation Security Administration (**TSA**) stakeholders.

The second phase was conditional on Micro-X developing a realistic and achievable design concept, and the demonstration of sufficient advancement and capability of the key enabling technologies, being the miniaturized baggage scanner and the real-time mm-wave scanner. Micro-X's initial concept design was accepted by DHS in June 2022 and Micro-X has since been demonstrating and refining this concept with a series of full-size mock-ups to demonstrate the workflow and useability of the design.

Dr Brian Gonzales, Micro-X Inc. CEO & General Manager of the Checkpoints Business Unit, commented:

"The close working relationship we have built with the DHS is testament to our technological advances and focus on the passenger and the operators' checkpoint screening. We are very pleased with DHS adding a second prototype and exercising the option to design a prototype self-screening module. This is a strong indication of the success of the projects to-date, and it is our goal to continue building on this success toward our vision of building a passenger focussed checkpoint, based on our unique x-ray technology."

This ASX Announcement is authorised by the Board of Micro-X.

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About Micro-X

Micro-X Limited (the **Company**) is an ASX listed hi-tech company developing and commercialising a range of innovative products for global health and security markets, based on proprietary cold cathode, carbon nanotube (CNT) emitter technology. The electronic control of emitters with this technology enables x-ray products with significant reduction in size, weight and power requirements, enabling greater mobility and ease of use in existing x-ray markets and a range of new and unique security and defence applications. Micro-X has a fully vertically integrated design and production facility in Adelaide, Australia. A growing technical and commercial team based in Seattle is rapidly expanding Micro-X's US business.

Micro-X's product portfolio is built in four, high margin, product lines in health and security. The first commercial mobile digital radiology products are currently sold for diagnostic imaging in global healthcare, military and veterinary applications. An X-ray Camera for security imaging of Improvised Explosive Devices is in advanced development. The US Department of Homeland Security has selected Micro-X to design a next-generation Airport Checkpoint Portal with self-service x-ray. A miniature brain CT imager for pre-hospital stroke diagnosis in ambulances, is being developed with funding from the Australian Government's Medical Research Future Fund.

For more information visit: www.micro-x.com

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