

MICRO-X STRATEGY REFRESH

Adelaide, Australia, 7 August 2023: Micro-X Ltd (ASX:MX1) (**Micro-X** or the **Company**), a leader in cold cathode x-ray technology for health and security markets globally, is pleased to provide the Company's Strategy Refresh presentation.

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

– ENDS –

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

CONTACTS

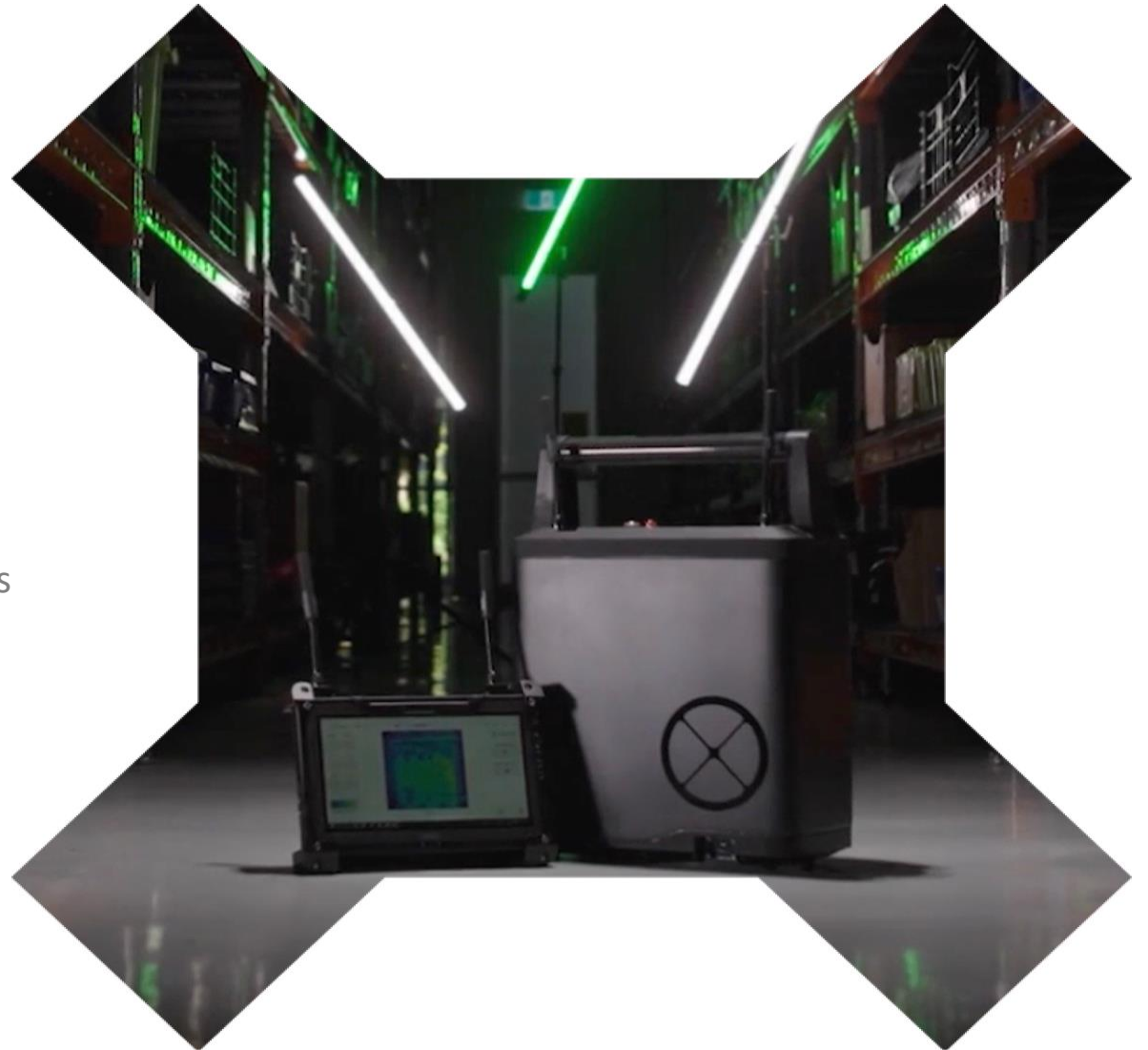
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STRATEGY REFRESH

Relentless pursuit of commercial outcomes

7 August 2023



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Creating revolutionary x-ray imaging to better lives

PEOPLE | TECHNOLOGY | COMMERCIALISATION

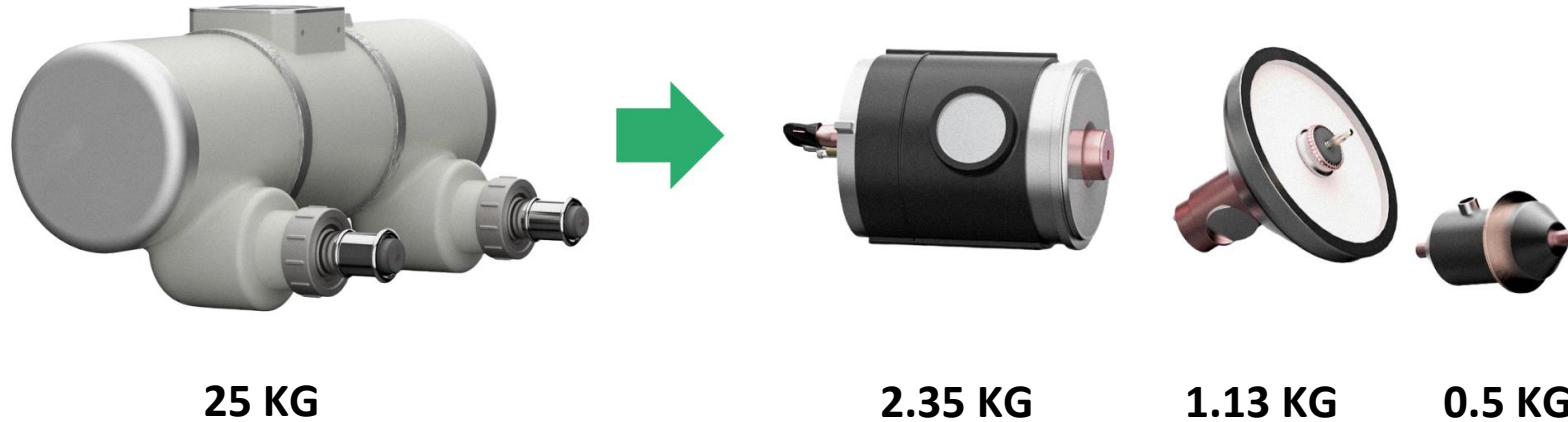


CNT TECHNOLOGY

Smaller, lighter, reliable

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Micro-X proprietary CNT technology uses a **carbon nanotube emitter** made of millions of nanotubes emitting **digitally controlled** electrons to generate **high quality x-ray images**



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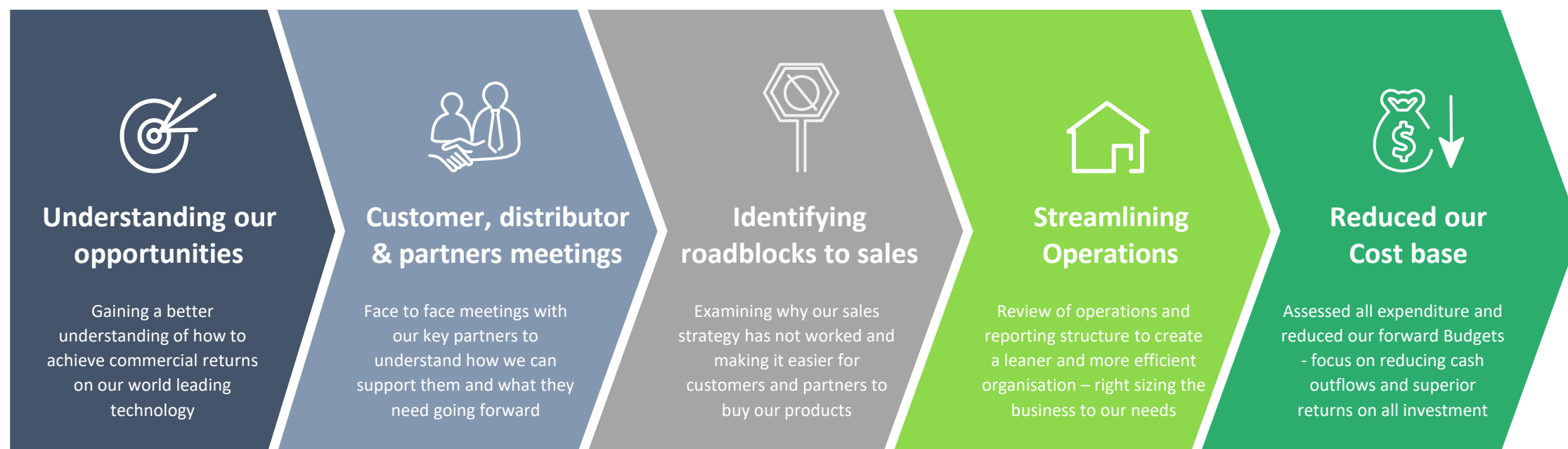
STRATEGIC REVIEW

Relentless pursuit of commercial outcomes

KEY ACTIVITIES – SHORT TERM

Pivoting to a commercial focus

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FINDINGS OF OPERATIONAL REVIEW

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World-class imaging technology

Unique capabilities in carbon nano tube x-ray technology - validated by major partners, US and Aust govt. Technology is a key differentiator and product enabler



Commercial leadership & culture

Require additional commercial leadership capabilities – ensure greater commercial focus, capabilities and accountability in every decision



Overheads & cost control

Overheads have grown too far ahead of revenue – cost cutting and tighter financial controls being established – ROI on all future resources for development and operational activities



Strong development capabilities

Engineering and software team are highly capable and have been repurposed for project delivery and success. However, technical challenges can be hard to predict and timelines needs to be better managed



Sales & marketing approach

Immediate need to improve sales and marketing activities across the board – sales targets and staff accountability, overhaul entire sales process and pipeline



Breakeven & cash outflows

Major development work is funded, but overall cash outflows need to be better managed. Pathway to breakeven and cash required being mapped. Future capex and commercial costs better managed by partnering



High quality manufacturing

Manufacturing is high quality but margins impacted by sub scale volume. Need to transition resources from Rover to Argus and optimise our supply chain efficiencies



Market entry strategy & pricing

Planning for effective market entry on Argus and future products not well defined. Pricing for new products must present a strong customer value proposition for disruptive technology



Four business units

Too early and too expensive to duplicate functions in four business lines - consolidation is a major opportunity for cost reduction and improved efficiency



PILLARS FOR FUTURE SUCCESS



World's first CNT x-ray technology

Internationally recognised x-ray technology platform is next generation and market leading – offers strong product advantages and new offerings



Proven development capabilities

World leading engineering, design and software team – track record of product innovation and managing development programmes with sophisticated external partners and providers



Quality manufacturing and delivery

Vertically integrated design and production facility in Adelaide with capacity for a range of x-ray tubes and generators - supported by exceptional quality systems – ISO, FDA, TGA

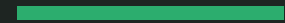


Partner ecosystem & Industry validation

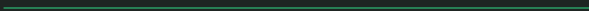
Strong and growing partner ecosystem provides strong validation – Varex Imaging, Fuji, US Dept of Homeland Security, Aust Stroke Alliance, SAAB, Aust Dept of Defence

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G R O W T H S T R A T E G Y



D e l i v e r i n g v a l u e w i t h u n i q u e t e c h n o l o g y



OUR STRATEGY

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Creating a profitable business with our world class technology

01

Commercial skills - Commercially driven

Greater commercial skills - prioritising commercial outcomes in all decision making. Building a business not just a technology

02

Sweat the asset - Leverage our technology

Created significant value in our current unique technology – actively exploring ways to monetise this investment

03

Target larger and less competitive markets

Focusing on products in larger markets with limited competition – greater upside and margin opportunities

06

Create recurring revenue streams

New sales model to pivot from CAPEX only products – software, upgrades, servicing

05

Commercialise through effective partnerships

Reduce risk and cost by leveraging existing infrastructure of partners - capturing large addressable markets in Checkpoints and Brain CT

04

De-risk the business - Reduce the cost base

Scaling costs to match commercial progress. Minimising unfunded development expenditure

PRODUCTS

Launching Argus - Mobile DR self sustaining

Argus commercial product – Go to Market planning

- Go to Market plan - engage customers and channel partners
- Customer trials - customer feedback - market awareness
- Commercial launch version to be refined
- Target early marquee sales

Mobile DR unit self-sustaining – 2nd generation complete

- Mobile x-ray without limits
- Cost base has been realigned
- Planned conversion of existing inventory into cash
- Sales strategy refined – effective support for Distribution channels

Streamline Operating units - costs & efficiencies

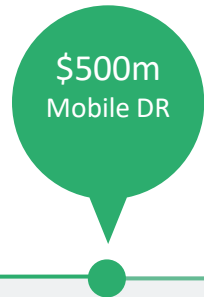
- Simpler reporting lines and structure – don't need four business units
- Manufacturing to better support operations – simplify supply chain
- OEM opportunities for Micro-X imaging chain



DEVELOPMENT PRIORITIES

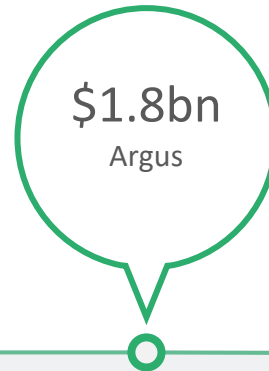
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Focusing on larger markets where Micro-X offers a unique product solution



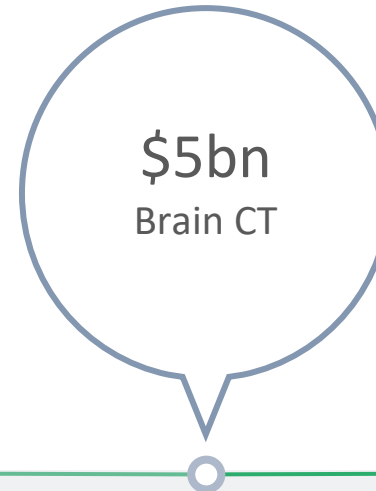
Radiology is our entry market
- proven technology

- Saturated market
- Highly competitive
- Rover range is medium priced



Argus camera is highly
differentiated - life saving

- Disruptive product
- Operated remotely - safe distance
- High user optionality



Brain CT - quantum leap
improving stroke diagnosis

- Brain CT solves a high unmet need
- Life saving, within the 'golden hour'
- Sales channel suits partnership



Checkpoint screening & Self-service station
- next generation security

- Game changing technology
- Moves people queues from 'check in' to commerce
- Sales channel requires partnership

PRODUCT DEVELOPMENT

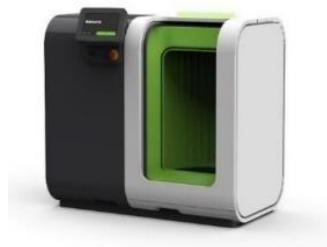
Maturing core technology for new applications

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Stroke CT



Checkpoints
& Baggage CT



Argus



Rover & Rover Plus



Technology
Research &
Feasibility

Preliminary
Design

Product &
Technology
Development

Verification &
Transfer to
Manufacturing

Revenue

SWEATING THE ASSETS

Unlocking more value from our breakthrough CNT Technology



Leading technology

Created proprietary NEX Technology, manufacturing & capabilities



Multiple applications

Enables a range x-ray tubes, power generators and software



Validated

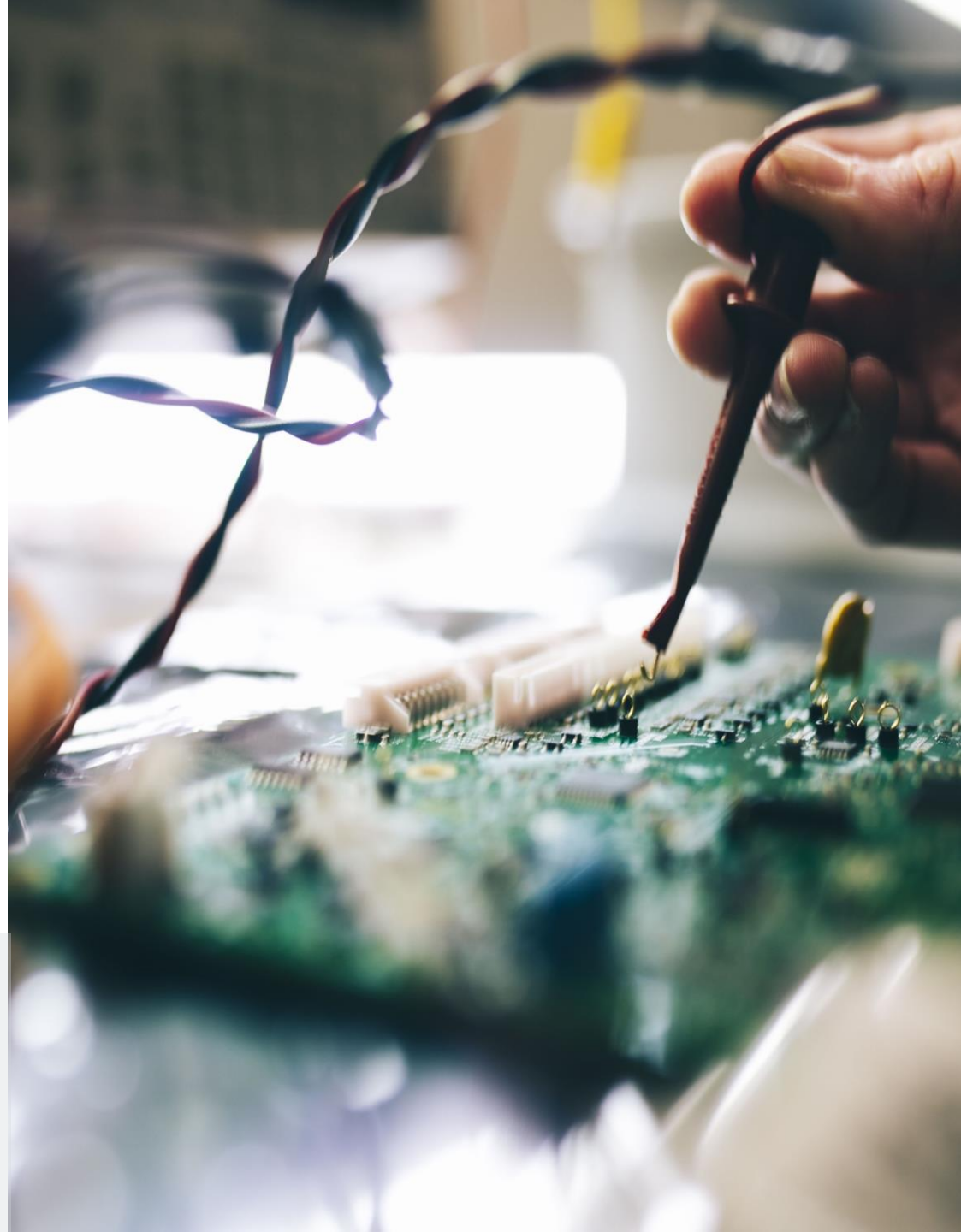
Third parties - Varex Imaging, US Homeland, Aust. Defence, FDA



Strategy

Licensing our Core technology

New revenue streams from licensing our core technology and selling imaging components for non-competing uses
– *The Intel inside* strategy



PEOPLE

A more commercially driven organisation



Kingsley Hall
Chief Executive Officer



Anthony Skeats
Chief Operating Officer



Brian Gonzales
CEO Americas &
Chief Scientific Officer



Commercial skills

New leadership with proven commercial expertise

- New Chief Revenue Officer and Business Development managers



Technical excellence

Maintain superior development capabilities

- Retaining current highly skilled team – continuing to innovate



Accountability

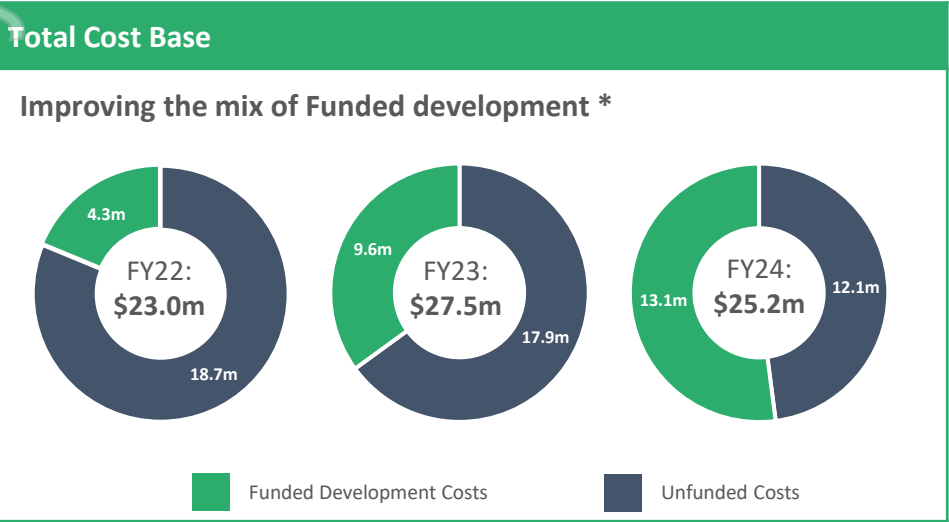
Fostering a high-performance culture

- KPIs and remuneration to measure and reward commercial success

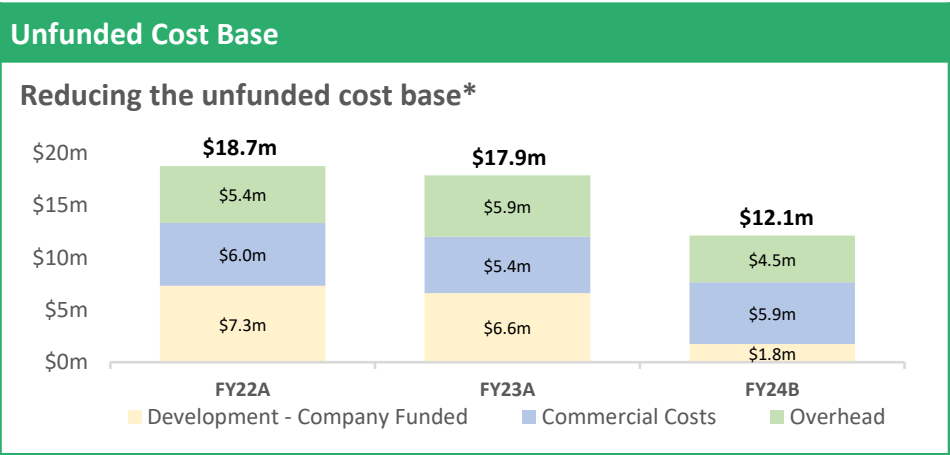


REDUCED & ALIGNED COST BASE

Reduction in unfunded activities and building new commercial partnerships



Reduced Unfunded Costs



In Progress
\$6.0m
Mobile DR inventory
- being realised into cash

Contracted
\$13.0m
FY24 Contracted Receipts
- DHS, ASA Projects, Varex **

Complete
\$12.5m
Argus & High-Power Generator
- limited ongoing development costs

Complete
\$2.0m
Cost base reduction
- Mobile DR & Overheads

* FY23 based on unaudited accounts. FY24 based on company budget

** Based on meeting project milestones under DHS, ASA and Varex agreements

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A NEW CHAPTER

B u i l d i n g a b u s i n e s s n o t j u s t a t e c h n o l o g y



SHORT TERM SCORE CARD

In the next 12 months Micro-X will

Commercial

- ❑ Recruit Chief Revenue Officer & Business Development capability
- ❑ Revised Go to Market strategy for Argus and Mobile DR
- ❑ Identify partnerships to assist commercialisation of Checkpoints and Brain CT

Products

- ❑ Argus commercial product completed and launched
- ❑ Majority of current Rover inventory sold
- ❑ Brain CT and Checkpoints milestones met

Operations

- ❑ Simplify the corporate structure and reporting lines
- ❑ Improve supply chain and transition manufacturing to Argus launch
- ❑ Maintain quality certifications, safety and compliance record

Capital

- ❑ ~\$13m project and other receipts - Checkpoints, CT, Varex agreements
- ❑ New decision matrix to eliminate investing for poor ROI
- ❑ Maintain lower overhead base plus ongoing Capital management

WRAP UP

Five key take aways

1

Pillars for success – world class Nano Electronic X-ray Technology and proven development capabilities underpin enormous future value

2

New commercial leadership and commercial focus
- high performance culture with increased accountability

3

Reduced our cost base and simplified our operating model
- reporting, supply chain, unfunded development

4

Revised product strategy to deliver stronger margin and cashflows
- Argus launch, realise Rover inventory, monetise technology

5

Future product and partnering strategy – focus on high margin products with limited competition and recurring revenue opportunities



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THANK YOU

