

# APPENDIX 4E

## Micro-X Limited Appendix 4E Preliminary final report

### 1. Company details

Name of entity:	Micro-X Limited
ABN:	21 153 273 735
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

### 2. Results for announcement to the market

				\$'000
Revenues from ordinary activities	up	1%	to	15,222
Loss from ordinary activities after tax attributable to the owners of Micro-X Limited	down	9%	to	(9,765)
Loss for the year attributable to the owners of Micro-X Limited	down	9%	to	(9,765)

#### Dividends

There were no dividends paid, recommended or declared during the current financial period.

#### Comments

The loss for the Group after providing for income tax amounted to \$9,765,000 (30 June 2023: \$10,754,000).

Refer to the Director's Report in the 2024 Annual Report for additional information in the results during the Financial Year.

### 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.44	3.33

The Group has treated the Right of Use asset as an intangible asset when calculating the Net tangible assets per ordinary security.

### 4. Control gained over entities

Not applicable.

### 5. Loss of control over entities

Not applicable.

### 6. Dividends

#### Current period

There were no dividends paid, recommended or declared during the current financial period.

#### Previous period

There were no dividends paid, recommended or declared during the previous financial period.



# APPENDIX 4E CONT'D

Micro-X Limited  
Appendix 4E  
Preliminary final report

## 7. Dividend reinvestment plans

Not applicable.

---

## 8. Details of associates and joint venture entities

Not applicable.

---

## 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

All foreign entities are applying IFRS for reporting purposes.

---

## 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unqualified opinion inclusive of an emphasis of matter regarding Going Concern has been issued.

---

## 11. Attachments

*Details of attachments (if any):*

The Annual Financial Report of Micro-X Limited for the year ended 30 June 2024 is attached.

---

## 12. Signed

David Knox

Signed \_\_\_\_\_

Date: 28 August 2024

David Knox  
Non-Executive Chair

For personal use only

MICRO-X

For personal use only

# BEYOND BOUNDARIES

ANNUAL REPORT 2024

For personal use only

## ABOUT MICRO-X

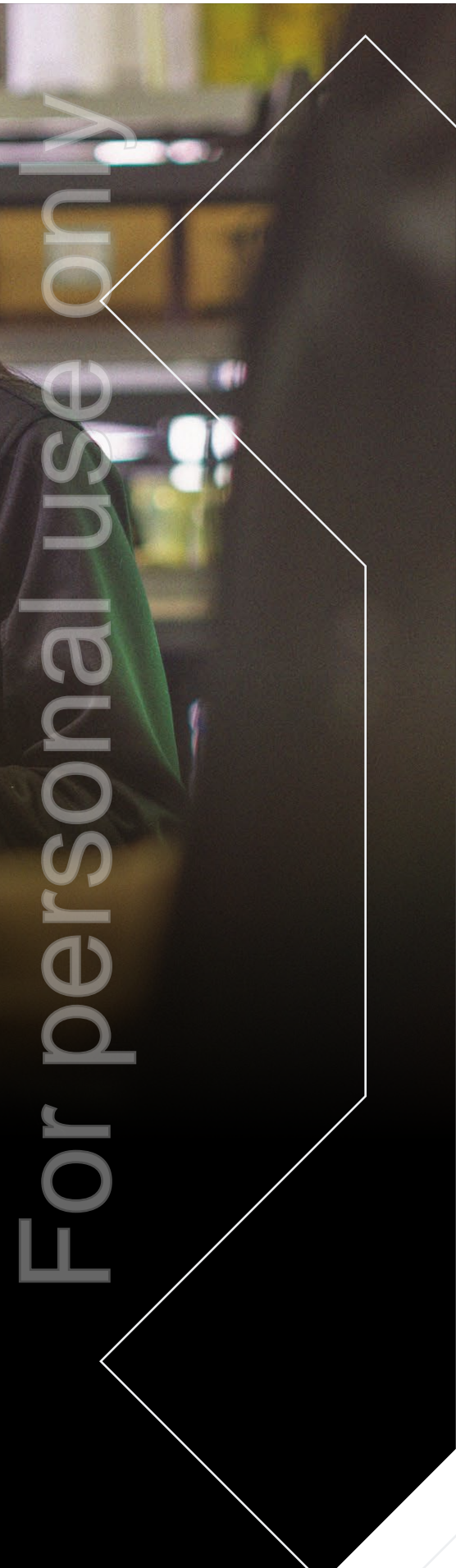
Micro-X Limited (ASX:MX1) is a hi-tech company that develops and commercialises innovative products for global health and security markets. We create revolutionary X-ray imaging to better lives.

Our world-leading Nano Electronic X-ray (NEX) Technology forms the core of a common platform for all our products, delivering quality digital imaging through proprietary high-voltage X-ray tubes and high-voltage generators.

With a vertically integrated design and production facility in Adelaide, Australia and a strong technical and commercial team based in Seattle, USA, we are focused on delivering exceptional innovative products to underpin our commercial growth.

## CONTENTS

- 02 2024 Achievements
- 04 Global Imaging Solutions
- 06 Chair's Letter
- 08 CEO's Report
- 10 Security X-ray
- 12 Medical X-ray
- 14 Security CT
- 16 Medical CT
- 18 Sustainability
- 20 Financial Report



For personal use only

✦

# MICRO-X CREATES REVOLUTIONARY X-RAY IMAGING TO BETTER LIVES

We create new solutions for industries, transcending limitations of size, weight, power and dose. The Micro-X technology platform provides world-leading high-voltage X-ray capability, tackling new frontiers in science.

Our products are designed to address the problems of today and drive positive change for a better tomorrow. We are challenging every existing barrier of traditional X-ray imaging, pioneering innovative digital X-ray solutions that solve challenges for industries across the world.



# 2024 ACHIEVEMENTS

2 x Good  
Design  
Award  
**GOLD  
WINNER**



## ARGUS

Commercial launch  
First Argus sale  
Customer demonstrations  
and major industry events

## MOBILE DR

First military sale –  
delivery to ADF  
\$1.5m Australian  
Government purchase  
for Ukraine  
CE Mark certification



Record  
Annual Sales  
**\$6.4M**

For personal use only

For personal use only

# CHECKPOINTS

Baggage scanner prototype delivery to US Dept. of Homeland Security

Contract development of automated threat detection

Visit from US Department of Homeland Security Under Secretary to Tonsley

## US\$14M

contract extension through to airport testing



## FIRST IMAGES

taken on test bench

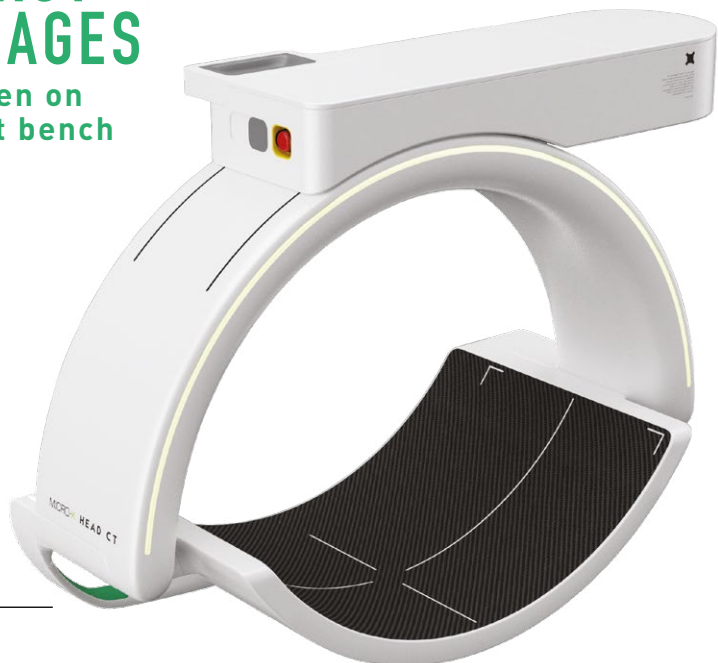
# HEAD CT

First mini tubes produced

High-voltage electronic switching completed

World-first reconstruction software under development

First images taken with mini tube



# GLOBAL IMAGING SOLUTIONS

MICRO-X HAS  
CREATED A WORLD  
FIRST TECHNOLOGY  
PLATFORM THAT  
CAN BE APPLIED  
ACROSS INDUSTRIES,  
DELIVERING UNIQUE  
IMAGING SOLUTIONS





### CUSTOMISABLE NEX TECHNOLOGY PLATFORM

Since creating our proprietary Nano Electronic X-ray (NEX) Technology, Micro-X has continued to build value through ongoing development of the technology platform used across our products.

Over the past 12 months, we have continued to refine manufacturing techniques and materials for our small high-voltage generators. The generators, used with high-voltage connectors and NEX tubes, provide Micro-X with a capability unlike any other.

**We have continued our strategic focus on realising further value in our technology platform by selling customised imaging chains and componentry to third parties.**

This year, Micro-X has made a significant leap forward in the development of a mini tube for use in computed tomography (CT). Combined with new in-house designed and manufactured switching electronics, we have created new and scalable CT imaging chains for fast pulsing X-ray generation using multiple sources. Our CT imaging chains enable both our Head CT and Baggage CT Scanner products, with the ability to expand into other CT applications including full body CT. The new multi-view CT imaging chains build upon the NEX Technology used in Mobile DR and Argus X-ray Camera.

We have continued our strategic focus on realising further value in our technology platform by selling customised imaging chains and componentry to third parties. This includes the development of multi-source cold cathode X-ray tubes with industry leader Varex Imaging, as well as componentry development contracts with global OEM partners.



### WORLD-FIRST AI IMAGING SOLUTIONS

This year saw Micro-X awarded a contract extension by the US Department of Homeland Security for the development of automated threat recognition, which will deliver new and improved methods of detecting suspicious items at airport security checkpoints.

In partnership with Johns Hopkins University, Micro-X is developing world-first deep learning models for multi-tube CT imaging. This adaptive deep scatter correction facilitates the use of cone beam CT with a world-first curved detector panel by reducing image noise.

Micro-X is also developing convolutional neural networks, a class of deep learning models that use three-dimensional data for image classification and object recognition, to increase CT image quality in reconstruction.

For personal use only



# CHAIR'S LETTER



**WE CONTINUE TO PUSH  
BEYOND BOUNDARIES  
IN OUR AMBITION TO  
BE A WORLD LEADER  
IN DISRUPTIVE  
X-RAY TECHNOLOGY**

---

## Dear Shareholders,

The past year has been transformative for our company, marked by significant achievements and the overcoming of several challenges. This was the first year of our new leadership team of Kingsley Hall as Chief Executive Officer, Brian Gonzales as CEO Americas and Chief Scientist, and Anthony Skeats as Chief Operating Officer. This team has streamlined our organisation and set clear accountabilities for product delivery and efficient operations.

Our second product to market, the Argus X-ray Camera, was launched this year, with the first sale to a customer in the UAE. Argus brings a new backscatter capability to defence and security markets. With governments as a primary customer, we are discovering that the path to sales takes longer than we anticipated. We are also seeing that global emerging threats are prompting rapid evolution in warfare. The team is listening to market feedback and responding.

As with all high-technology products, progress can be challenging, especially in scale up, and this year was no exception. However, our team has risen to the challenge, and we closed the year with these technical hurdles behind us and Argus units now being built for customer demonstrations around the world. This is also testament to our problem-solving ability, which is vital as we continue to bring groundbreaking products to market.

This year we obtained CE Mark for our Rover products to be sold in Europe under the new European Medical Device Regulations, taking 18 months, which was significantly longer than anticipated. This delayed our sales pipeline of potential customers and distributors in Europe and other countries that recognise the CE Mark, which we are now building for the coming year. As consumer spending normalises post COVID-19, we are seeing renewed global interest in Rover Plus, from both customers and distributors. We are seeking out and being competitive in these opportunities.

# A\$21M

## Checkpoints contract extension

Our standards and capabilities are well known across the imaging industry and on the back of this we were very pleased to host the Department of Homeland Security (DHS) Under Secretary for Science and Technology, Dr Dimitri Kusnezov, at our Tonsley facility for a first-hand view. His visit underscored the US Government's interest and support for the baggage scanner and airport self-screening checkpoint we are developing, and followed the contract extension for up to US\$14 million (A\$21 million) we signed with the DHS in July 2023.

Our leadership and board are driven by our purpose of creating revolutionary X-ray imaging to better lives. Our goal is to revolutionise the world of imaging, through our NEX Technology, by creating customer-centric products designed to both save lives and improve the experiences of users. The Rover's use on the battlefield in Ukraine and in the locker rooms of major sporting teams exemplifies the real-world impact of our technology.

Looking ahead, we see the Head CT as opening the door to a substantial market in pre-hospital stroke imaging. Beyond this, our successful development of medical CT provides a platform for future hospital CT systems. We are confident that no other company possesses the solid-state nano X-ray technology or know-how required to achieve this.

In April, we completed a capital raise which was essential for our continued growth and innovation. The positive outcome is a testament to the confidence our investors have in our vision and capabilities. We thank not only our major institutional investors and Varex



for their support, but also the many other existing shareholders that participated. We know our supportive shareholder base is instrumental to achievement of our ambitious plans.

As a Board, we are committed to board renewal and diversity. I would like to express our deepest gratitude to Alexander Gosling ahead of his planned retirement from the Board at the end of the year.

**“Our goal is to revolutionise the world of imaging, through our NEX Technology.”**

We are immensely grateful for his service and will strive to engage the correct mix of skills needed to help drive our future commercial endeavours.

As we close this year, we look forward to the future with optimism and determination. Thank you for your continued support and trust in Micro-X. Together, we will continue to push beyond boundaries to create revolutionary imaging to better lives and deliver value for our shareholders.

*David Knox*

**David Knox**  
Chair



# CEO'S REPORT



**IT IS MY PLEASURE  
TO PRESENT THE  
CEO'S REPORT FOR  
THE FINANCIAL YEAR  
ENDING 2024.**

This year we have focused on our strategy of driving growth through commercial execution, which revolves around increasing our commercial expertise and focus, leveraging further value in our technology, and exploring partnership opportunities to capture large addressable markets. It has been a busy and productive period for Micro-X, highlighted by the launch of the Argus X-ray Camera, European regulatory approval for Rover products, a 70 per cent increase in Rover sales, and the achievement of key milestones in our two funded development programmes for Head CT and Checkpoints.

## **OUR COMMERCIAL FOCUS**

As is true of any technology development company, we have encountered challenges. Our highly experienced team has risen to these technical challenges at every turn, diligently working towards effective solutions.

This year saw the commercial launch of Argus, an extremely powerful backscatter imaging device for security and defence. While we have made our first Argus sale, our overall commercial traction for Argus was initially delayed by scale up technical issues which are now behind us. The Improvised Explosive Device threat landscape continues to evolve and in response we have expanded the capabilities to other applications in security and defence, such as contraband detection, to best meet the changing customer needs. We are building more Argus units for interested customers to trial and our successful capital raise in May will fund that and our other planned commercialisation initiatives.

The appointment of Chief Sales Officer Scott Bryant, who is highly experienced in defence and medical sales, marked another step towards deepening the capability of our sales function. Under Scott's leadership, we have built out a comprehensive plan to expand our sales capabilities to deliver results for our Rover Mobile DR and Argus products.

In 2024, we also achieved our highest-ever sales from our Mobile DR range, totalling \$6.4 million, a 70 per cent increase from 2023. This included our first deliveries to the Australian Government for the Defence Force's deployable hospitals and humanitarian aid for Ukraine.

We have received positive feedback from health workers on the ground in Ukraine, praising the reliability and usefulness of our Rover units in saving lives.

### HIGHLIGHTING THE VALUE OF OUR TECHNOLOGY

Over the past year, we have also executed our refreshed strategy to leverage the value of our innovations. This has included our proprietary high-voltage imaging chain used across our product range and our world-leading development and manufacturing capabilities. We are committed to finding additional opportunities to monetise our technology and capabilities by selling and licensing our unique imaging chains, high-voltage generators and development capabilities. Already, we have global companies buying this technology for their non-competing applications and we believe there is even greater opportunity ahead.

Throughout the year our partnership with Varex Imaging for the licensing and manufacture of multi-beam X-ray tubes also proceeded well. As our team worked to transfer our multi beam emitter capabilities – not used in any of our product range – we met further development milestones throughout the year at Varex's facility in Salt Lake City, USA. This partnership underscores our commitment to unlock the value in our technology.

### STRONG PARTNERSHIPS

Our funded development programs progressed significantly in 2024. We delivered our first Baggage CT Scanner prototype under the Checkpoints programme to the US Department of Homeland Security, which is performing well in their internal test labs and the work is being expanded to include automated threat detection. The development of the Head CT is on track to commence hospital trials this calendar year. We have strong customer partnerships with the DHS and the Australian Stroke Alliance that are supporting these programmes.

Our technology partnership with Monash University Health Collab for both the Head CT and Checkpoints projects has provided valuable insights into the design of both products. Leveraging the expertise of Monash's design team, we have ensured that each product can prioritise user

**“We finished 2024 with record product sales and our second product in market, the Argus X-ray Camera.”**

experience. Monash hosted an impressive Melbourne technology showcase for the investment community and featured Micro-X products in their Melbourne Design Week exhibition. Additionally, we held another successful technology showcase event in Sydney.

Over the past year, we have also been advancing potential strategic partnerships for scaling and funding the commercialisation of our products. By selecting world-leading partners, our strategy will allow us to accelerate our path to market and ultimately get products into customers' hands sooner.

### BEYOND BOUNDARIES

This year, we have further developed our company brand to better communicate our ambition to become global leaders in imaging. By continuing to push 'Beyond Boundaries' we are working to build global commercial success by creating the next generation of X-ray and CT imaging, and improving the lives of people across the world. We believe this work will increase global recognition of our company and our world-leading technology, for the benefit of all shareholders.

I want to extend my warmest thanks to our shareholders, customers, partners and staff for their unwavering support and trust in Micro-X. This year has been marked by a number of achievements and significant milestones, and I am proud of the progress we have made together.

Thank you for being a part of our journey. I look forward to 2025 being a year of further improvement, growth and success.

*Kingsley Hall*

**Kingsley Hall**  
Chief Executive Officer



For personal use only

OPERATIONAL REVIEW

# SECURITY X-RAY

WORLD-FIRST TECHNOLOGY  
TRANSFORMING STAND-OFF IMAGING

## COMMERCIAL PRIORITIES

Increase sales

Build global awareness  
and demand

Explore adjacent  
security markets



ARGUS IS DESIGNED  
TO SIMPLIFY WORKFLOWS,  
GO BEYOND CURRENT  
TECHNOLOGICAL LIMITATIONS  
AND QUICKLY PROVIDE THE  
INFORMATION REQUIRED  
TO MAKE A DECISION.



For personal use only

For personal use only

**The Argus X-ray Camera combines the power of Micro-X's NEX Technology with wide-area scattered projection (WASP) backscatter to deliver a new capability for defence and security.**

WASP backscatter X-ray allows Argus to capture wide-area images while stationary, requiring no separate imaging detector to be placed behind the target. It allows imaging through metal, wood and plastic to locate the presence of energetic materials that may constitute a security threat.

Argus' design and unique capabilities continue to be internationally recognised, with the receipt of two Gold Good Design Awards, in addition to the iF Design Award received in 2023.

This year saw the release of Argus X-ray Camera prototypes for customer field demonstrations in parallel with the final stages of development and safety compliance certification testing.

Micro-X has now delivered the first Argus sale to a UAE customer, with further opportunities progressing through the sales pipeline.

Argus is now being exhibited through major international and local events and one-on-one demonstrations with defence, security and law enforcement agencies. Feedback from these demonstrations has identified an opportunity for Micro-X to market an end-to-end solution, through the integration of a complete kit that includes a ruggedised transmission panel.

The kit will provide customers with a complete X-ray solution, allowing rapid multi-object threat location identification and critical information to help position a transmission image for threat interrogation and removal planning. This significantly lowers time over target for operators, improving safety and reducing time from threat identification to threat elimination.



OPERATIONAL REVIEW

# MEDICAL X-RAY

MICRO-X'S X-RAY SOLUTIONS  
FOR HEALTHCARE OFFER FULL  
PERFORMANCE IN A MOBILE SYSTEM



## COMMERCIAL PRIORITIES

Continue record sales trajectory

Grow use in elite sports


Convert inventory into cashflow



For personal use only






  
**X-RAY THAT SUPPORTS  
 HEALTHCARE WORKERS  
 TO PROVIDE OPTIMAL CARE  
 AND TREATMENT WITH  
 MINIMAL DISRUPTION  
 TO PATIENTS, FAMILIES  
 AND STAFF.**

**The Rover and Rover Plus Mobile DR systems offer fully integrated mobile digital X-ray for patient bedside imaging in hospitals, private practices, home care, military and temporary medical facilities. Being highly mobile allows healthcare professionals to X-ray patients in any patient treatment area, and deliver fast, diagnostic quality images at the point of care.**

Our X-ray devices are used in more than 35 countries. At around 100 kilograms, they deliver unmatched manoeuvrability without the need for a heavy, complex motor. On the move, the small footprint and unique arm design provides for 180-degree vision, with featherlight drive making it simple to navigate tight spaces.

As we continue to build sales, we are seeing growth in new markets outside of hospitals such as the sports industry, with elite sporting teams choosing the Rover to assist with rapid player diagnosis at the sporting arena or stadium. Micro-X has a network of distributors and brand ambassadors who are building sales momentum into this market.

2024 marked the delivery of the first Rover devices to the Australian Government. These will be used in deployable hospitals to support the work of the Australian Defence Force's medical teams. Micro-X was also one of four Australian companies chosen by the Australian Government to provide humanitarian support for Ukraine, delivering a fleet of Rovers for use by the Ukrainian Government. These Rovers join more than a dozen Rovers already in use in Ukraine, purchased by non-government humanitarian aid organisations.

The Rover and Rover Plus attained CE Mark this financial year, paving the way for the delivery of the first European Rover sale under the new European MDR legislation. The Rover and Rover Plus are now available commercially in key global markets, having FDA, CE Mark and TGA certifications.



## OPERATIONAL REVIEW

# SECURITY CT

USING OUR PATENTED NEX TECHNOLOGY, MICRO-X IS DEVELOPING NEXT GENERATION SECURITY CT THAT IS SCALABLE WITH ADVANCED THREAT DETECTION



## COMMERCIAL PRIORITIES

Complete automated threat detection software

Deliver Checkpoint prototype

Commercial partnership opportunities for market entry

**Micro-X is developing the next generation of airport passenger security checkpoints, through two contracts worth up to US\$19 million (A\$28 million) from the US Department of Homeland Security.**

One of two contracts involves the development of a Baggage CT Scanner that scans a passenger's carry-on luggage using next-generation CT technology that is fast, accurate and reliable. Micro-X's NEX Technology forms the heart of the Baggage CT Scanner solution, with multiple electronically controlled X-ray tubes facilitating fast and high quality imaging.

The first Baggage CT prototype unit was delivered to the US Government in 2024 and is currently undergoing testing in a DHS Transportation Security Laboratory. A second prototype is on track for delivery in the coming months.



WITH THE MICRO-X BAGGAGE CT SCANNER AT ITS HEART, WE ARE CREATING A NEW AIRPORT SECURITY SOLUTION THAT IS FAST, SAFE AND SIMPLE.

In 2024 the contract with DHS was extended to include explosive detection. This extension, valued at US\$0.6 million (A\$0.9 million), is for development of automated threat detection. This technology uses CT data to inform future threat detection, giving Micro-X security scanners advanced threat detection capabilities to enable automated passenger screening which is key to the self-screening checkpoint of the future.

The modular design of the Baggage CT Scanner also allows for future applications for law enforcement and security teams to quickly and efficiently secure sites that have a large throughput.

### **FASTER, SAFER, SCALABLE AIRPORT PASSENGER CHECKPOINTS**

The Baggage CT Scanner is the core component of a second contract funded by the Department of Homeland Security to develop the next generation of passenger self-screening at US airports.

Micro-X is the prime contractor for this project, bringing together the Baggage CT with millimetre wave body scanning technology to improve passenger screening experience, while also increasing passenger screening speed and improving operator efficiency. Importantly, the Baggage CT allows for a re-design and removal of the current conveyor belt configuration, providing an opportunity for scalable modular checkpoints that are focused on delivering a positive passenger experience.

The first Checkpoint module is due for delivery to DHS in calendar year 2024 for testing in a DHS laboratory.

Micro-X is working to secure strategic partners to provide funded scale up implementation and fast track market access to bring the Baggage CT and Passenger Checkpoint to airports globally.



✦

BY SHORTENING THE TIME  
TO TREATMENT, MICRO-X AIMS  
TO CHANGE THE TRAJECTORY  
OF ONE OF THE LEADING CAUSES  
OF DEATH, GLOBALLY.

OPERATIONAL REVIEW

# MEDICAL CT

BREAKTHROUGH TECHNOLOGY  
BRINGING MOBILE STROKE  
DIAGNOSIS TO THE PATIENT

For personal use only



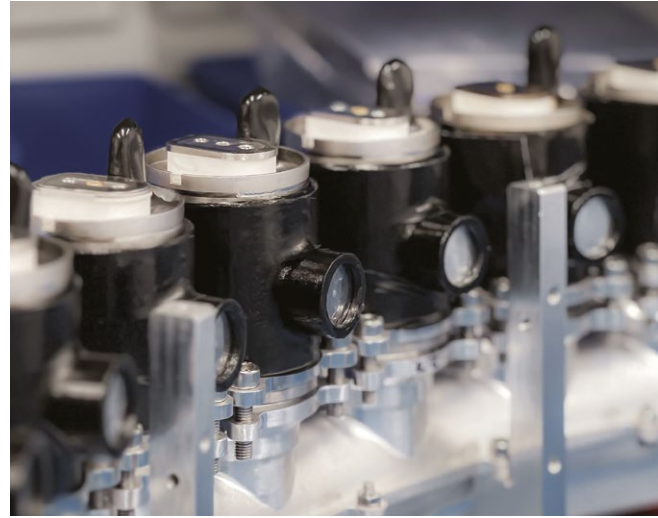
For personal use only

**When a person has a stroke, the clock starts counting down, with every minute past the ‘Golden Hour’ to diagnosis and treatment significantly affecting survival rates and long-term outcomes.**

Micro-X is reimagining possibilities for stroke diagnosis, combining our patented NEX Technology with precise switching electronics and specially designed imaging software to create a truly mobile solution. This project has been awarded \$8 million in funding through the Australian Government’s Medical Research Future Fund (MRFF), as a technical partner of the Australian Stroke Alliance (ASA).

The Micro-X Head CT is designed to fit in a standard ambulance or retrieval aircraft. By giving health professionals the ability to precisely determine the presence and type of stroke before reaching hospital, the Head CT creates a faster path to treatment with the likelihood of much better patient outcomes.

The past year has marked significant development of the Head CT, with the delivery of the mini X-ray tube – the core of the device’s capability. Using multiple X-ray tubes to form an array, the Micro-X CT moves away from conventional large rotating gantries, making the device small enough to take to the patient.



## COMMERCIAL PRIORITIES

**Hospital human imaging trials**

**Road and ambulance trials**

**Progressing commercial partnership opportunities**

Over the past 12 months, high-voltage switching electronics were developed to quickly and accurately control the operation of the X-ray tube array, along with accompanying world-first reconstruction software.

The next steps for the development of Head CT will involve human clinical trials in Australian hospitals planned for calendar year 2024, followed by air and road retrieval trials, subject to funding. These activities will inform an application to regulators for device registration.

Micro-X is continuing discussions on additional partnership opportunities to accelerate commercialisation of the Head CT and fund the development of future opportunities in building Micro-X medical CT capability.



only  
personal use

# SUSTAINABILITY



## DIVERSITY & INCLUSION

**27%** female employees  
**16%** female Board  
**27%** female leadership



MICRO-X IS COMMITTED TO GOING BEYOND BOUNDARIES TO DELIVER INNOVATIVE IMAGING, PROMOTE GLOBAL GOOD HEALTH AND CREATE A SAFER, MORE SUSTAINABLE FUTURE.

 **18 nationalities** represented

 **Diversity & Inclusion** Policy in place

 **Joined Veterans'** Employment Commitment

 **Joined Autism SA** Autism Friendly Charter

or personal use only

## SAFETY

**Zero**  
lost time  
injury cases  
since 2020


**Zero**  
fatalities  
or serious  
injuries  
since Micro-X  
founded

## GOVERNANCE

 Updated  
anti-corruption  
and bribery  
policies

 Passed  
US FDA  
compliance  
audit

## ENVIRONMENTAL

 **Continuous waste  
reduction program**  
– Removal of use and  
disposal of acetone  
in potting process  
– Initiated testing for  
recycling of solvent used  
in component cleaning

 **Continued development  
of sustainability  
framework**

 **Zero environmental  
incidents**

## COMMUNITY

 **School and  
University STEM  
program**  
including site tours,  
robotics competitions,  
science events  
and career expos

 **Hosted Indigenous  
student visits**

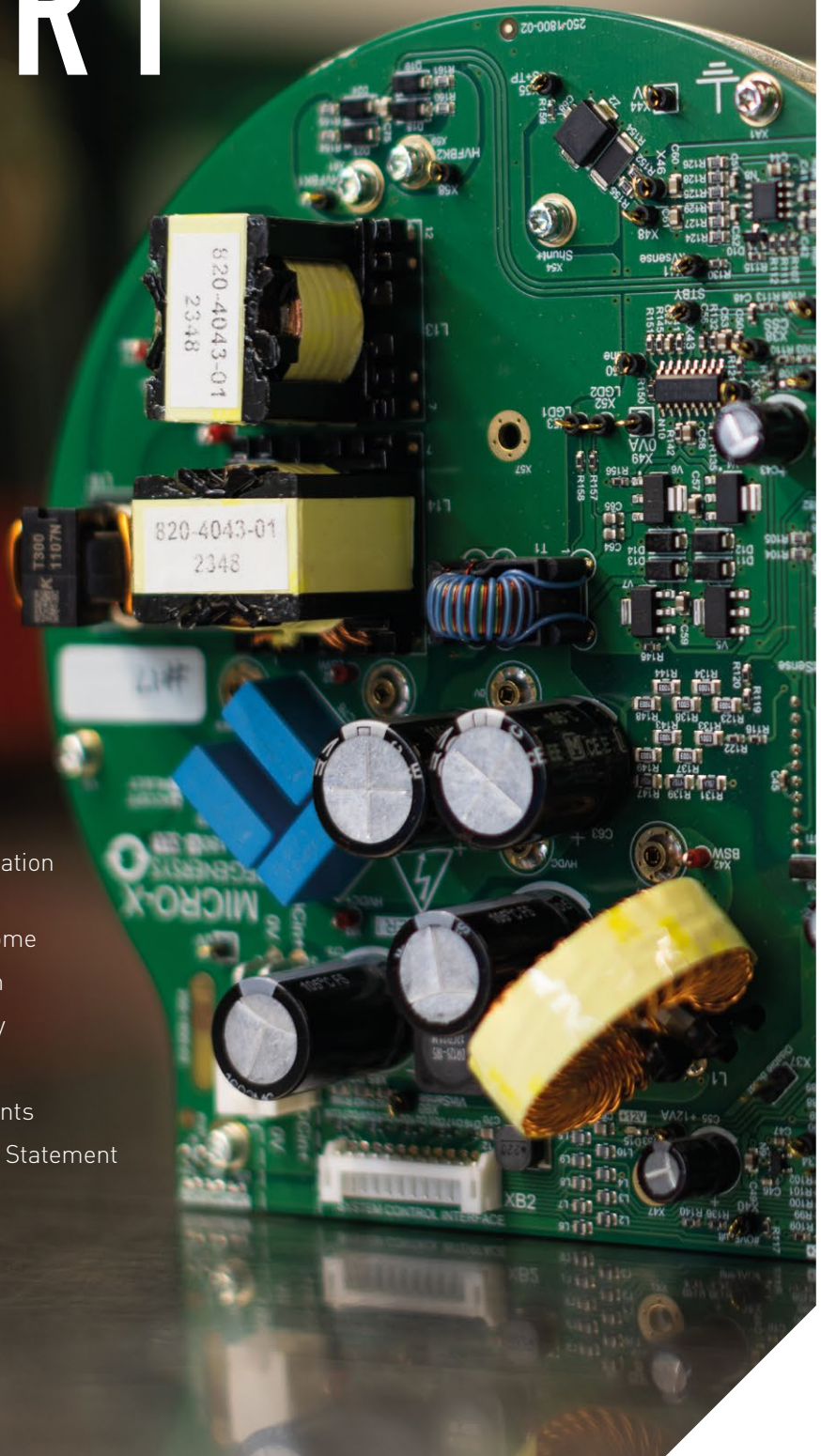
 **Australian Stroke  
Alliance Darak  
cultural awareness  
training**



# FINANCIAL REPORT

## CONTENTS

- 21 Directors' Report
- 39 Auditor's Independence Declaration
- 40 Statement of Profit or Loss and Other Comprehensive Income
- 41 Statement of Financial Position
- 42 Statement of Changes in Equity
- 44 Statement of Cash Flows
- 45 Notes to the Financial Statements
- 68 Consolidated Entity Disclosure Statement
- 69 Directors' Declaration
- 70 Independent Auditor's Report
- 74 Shareholder Information
- 77 Corporate Directory



For personal use only



# DIRECTORS' REPORT

## Micro-X Limited Directors' report For the year ended 30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Micro-X Limited (referred to hereafter as Micro-X, the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

### Directors

The names of the Directors in office at any time during or since the end of the year are:

David Knox (Non-Executive Chair)  
Alexander Gosling (Non-Executive Director)  
Patrick O'Brien (Non-Executive Director)  
James McDowell (Non-Executive Director)  
Ilona Meyer (Non-Executive Director)  
Andrew Hartmann (Non-Executive Director)  
Peter Rowland (Non-Executive Director) - Resigned 30 November 2023

Directors have been in office since the start of the Financial Year to the date of this report unless otherwise stated.

### Principal activities

Micro-X's principal activities are focused on the design, development, manufacturing and commercialisation of products for the global healthcare and security markets utilising Micro-X's proprietary cold cathode X-ray technology.

No significant changes in the nature of these activities occurred during the year.

### Dividends

There were no dividends paid, recommended or declared during the current or previous Financial Year.

### Operating and Financial Review

The loss for the Group after providing for income tax amounted to \$9,765,000 (30 June 2023: \$10,754,000).



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

Micro-X Limited and its wholly owned subsidiaries (**Micro-X** or the **Group**) continued to focus its activities in the financial year ended 30 June 2024 (the **Financial Year**) on the design and development, manufacturing and sale of carbon nanotube-based X-ray products, including core X-ray tube and high-voltage generator components, for the global healthcare, defence and security markets.

During the first full financial year led by Chief Executive Officer, Kingsley Hall, Micro-X has implemented its refreshed strategic plan, transitioning Micro-X to a commercially driven and economically led business and leveraging the value of its high-tech X-ray products. This commercial emphasis has seen Micro-X deliver a record \$7.0M of receipts in the Financial Year from its Mobile DR range for medical and healthcare applications (up 80% on 30 June 2023: \$3.9M), as well as the launch and first commercial sale of its second product, the Argus X-ray Camera for global security and defence applications. Operating costs have been realigned and reduced and the unfunded product development in prior financial years has also been reduced, particularly with two further contract extensions with the U.S. Department of Homeland Security, worth up to a combined \$21.9M over three years.

Overall, the Group increased product and service revenues for the Financial Year to \$15.2M (2023: \$15.0M), while also reducing the net loss for the Group to \$9.8M or \$6.9M excluding non-cash employee entitlements, depreciation and amortisation. The balance sheet was strengthened in May 2024 to fund key Argus and partnering activities, with \$5.9M raised across a placement and well supported share purchase plan, and there is an additional estimated \$6.4M R&D cash rebate due to be received later in 2024.

Moving into the 2025 financial year, there is \$12.7M of development contract payments in place for receipt by June 2025, subject to successful achievement of milestones. In addition, cash generated from sales of Rover and Argus will benefit from reducing the existing investment in inventory of \$3.5M and \$1.8M respectively. These commercial sales activities will be led by Scott Bryant, who joined the leadership team as Chief Sales Officer in April 2024, bringing a depth of sale and commercial experience across the military and security markets.

The Company's progress with its current two commercial product offerings, as well as its two additional high value development opportunities is detailed below.

### Commercialisation

#### Argus X-Ray Camera

The focus for the Financial Year was to complete the final steps to commercially launch the Argus X-ray Camera for the global security and defence markets, which was successfully achieved with the first commercial order shipped in July 2024.

During the Financial Year, the Micro-X engineering team completed the design and technical validation to enable delivery of the product. On the back of this, Micro-X took its first Argus order in March 2024 which was subsequently delivered to the customer in the UAE in early July 2024. The delivery of this unit, as well as manufacturing scale up of the Argus required a minor componentry issue to be addressed, which has been resolved with no change to the cost of manufacture. Since early July 2024, full production has resumed to build a rotatable pool of Argus units kitted with a ruggedised transmission panel for customer demonstrations and trials. These trial units are now being scheduled for demonstrations to potential customers in the US and across the globe, broadening the pipeline.

Following feedback from demonstrations with customers, an opportunity was identified to expand the value proposition by marketing Argus as a complete X-ray capability kit, with the inclusion of a ruggedised transmission panel. This addition is highly complementary, with the kit capable of providing high-resolution X-ray images to be taken once the threat location and orientation of the suspect device has been quickly identified using Argus backscatter imaging on a robot. An Argus kit including a ruggedised transmission panel has already been demonstrated in June at the International Association of Bomb Technicians and Investigators International In-Service Training in Las Vegas. Further demonstrations with bomb squads, police and Sheriff's departments and other major bomb disposal events are planned in the coming quarter.

The continued commercial roll out of Argus remains Micro-X's highest priority and the strategy to equip the sales team with a pool of rotatable trial units for customer demonstrations and expand the use-case of Argus through the optionality of the complete Argus kit, is intended to drive uptake of this highly disruptive technology.

#### Mobile DR Products

This Financial Year, Micro-X achieved a record \$6.4M of sales (2023: \$3.8M) from its range of mobile digital X-ray products. These sales included two major orders, including the first delivery of Rovers to the Australian Defence Forces, under an order for their deployable hospital programme, and a further order of Rover units by the Australian Government as part of a humanitarian aid package to the Ukraine government. These large government and defence orders highlight the quality of the Micro-X product offering, the capabilities of the Rover units and the ability to meet strict delivery requirements. Importantly,

# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

Micro-X applied a number of these sales to reducing Mobile DR inventory by approximately \$2.5M as part of its focus on converting inventory into cash and implementing a more regimented approach to managing inventory.

This year, the Rover and Rover Plus received their CE mark certification under the European Medical Device Regulation or MDR. This has enabled the Rover and Rover Plus to be sold commercially in Europe and other countries that recognise CE marking. The timing of this CE Marking was impacted by delays, however the Rover and Rover Plus now hold regulatory approvals in key markets including the United States. Since achieving the CE mark certification a number of European distributors have been appointed with the first sale in the UK achieved during the Financial Year.

In addition to supporting its current distributors, Micro-X continues to target attractive niche markets such as elite sports as it aims to increase the value realised by its Mobile DR product. During the Financial Year, Rover was demonstrated to a number of professional sporting teams in the United States to be used in stadiums, playing arenas and training venue with several teams now negotiating quotes.

Recognising the strong industry interest in carbon nanotube X-ray technology, Micro-X has designed and delivered a number of X-ray imaging chains to companies and organisations who are looking to leverage Micro-X's leading technology in their own range of non-competitive products. Micro-X has delivered its first imaging chains under an ongoing supply agreement for a customer to utilise in their own systems. During the financial year, Micro-X increased its Mobile DR revenues relating to the design and sale of imaging chains to \$0.5M (2023: \$0.1M) and has \$0.4M open purchase orders in hand to be delivered as at 30 June 2024.

Moving forward, Micro-X will seek to build on its record Mobile DR sales in the Financial Year, driven by stronger distributor sales, opportunities in defence and government tendering, as well as deeper penetration into the professional sporting market.

### **Funded Development Products**

#### **Checkpoints**

During the Financial Year, Micro-X made substantial progress under its CT Baggage scanner contract with the U.S. Department of Homeland Security (**DHS**), completing and delivering the first of two CT baggage scanner prototypes which has been installed at a DHS test laboratory in the US. As part of the testing of the baggage scanner prototype, the Micro-X team is collecting data and developing algorithms in the Micro-X baggage scanner automatic threat detection system which seeks to reduce false alarms and better identify contraband and weapons in the baggage checking process. This work is being completed under a US\$0.6M (A\$0.9M) extension to the CT Baggage scanner contract with the DHS, awarded in November 2023.

Also this financial Year, the Company commenced work under the extension of the Passenger Self Screening Checkpoint contract with the DHS. The contract extension, with contracted receipts worth up to US\$14.0M (\$21.0M), will fund the delivery of a prototype of the self-service portal which will complete testing in specialist TSA laboratories and then in a US airport with real world testing within three years. This extension followed an initial contract with DHS to design a Checkpoint, which was successfully completed. The structure of this contract extension now provides for ongoing accounting of services performed and monthly payments to Micro-X, allowing close matching of costs and revenues for this development work and assisting to further de-risk the business.

The work on the next stage of the Checkpoint has already made extensive progress and the first key milestone is on track with Micro-X, Inc. expecting to deliver the first self-screening module to the DHS later in calendar year 2024.

Across all work in Checkpoints for the Financial Year, the Group recognised \$4.2M in revenues from services provided to the DHS.

#### **Medical CT**

Micro-X progressed its development of the Head CT unit for Stroke diagnosis during the Financial Year, under its \$8.0M development contract with the Australian Stroke Alliance (**ASA**). Micro-X successfully captured the first images using the proprietary Micro-X NEX technology mini tube, which is a further iteration on the Micro-X technology platform. These mini-tubes, similar in size to two golf balls, represent a quantum advance in X-ray technology in terms of small scale and capability, and will provide the platform for a number of future X-ray applications.

Micro-X successfully completed the significant milestone under its ASA contract relating to the Independent Design review of the Head CT scanner and software. As part of this, the mini tube was used to X-ray an anthropomorphic phantom skull, the successful result of which triggered completion of the final stage of ASA milestone 5 worth \$2.1M.

The Head CT team is now working on the next ASA milestone which is a test bench that houses an array of mini-tubes on a



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

high voltage switching array, capable of imaging phantoms using Micro-X's head CT image reconstruction software. The delivery of this further key milestone will satisfy a key requirement to submit an application for ethics approval before human imaging trials commence as planned later in calendar year 2024.

Importantly, the Micro-X Head CT uses conventional medical diagnosis with CT imaging, that is adopted by doctors and radiologists globally. This is expected to expedite the regulatory approval process for the Micro-X Head CT by simply extending existing imaging techniques to an ambulance or point of care setting.

During the Financial Year, Micro-X recognised \$1.0M in revenues from services provided to the ASA.

### Corporate Activities

During the Financial Year, Micro-X worked closely with its strategic partner, Varex Imaging, the largest OEM manufacturer of X-ray tubes globally, under its technology transfer development agreement. This work saw the achievement of a number of milestones and the Group recorded \$3.1M in contract engineering services provided to Varex Imaging. This relationship was further strengthened with Varex Imaging supporting the capital raising in April 2024, with a further investment.

The strategy to work with industry partners was also expanded during the Financial Year, with the goal to identify strategic partners to work alongside Micro-X to assist with commercialisation and market entry of the two late stage development projects in Checkpoints and the Head CT. The objective is to position Micro-X as a technology leader, supported by a strategic partner who can provide market access, scale up infrastructure and funding.

In April 2024, Micro-X strengthened its balance sheet when it completed a \$4.0M Placement and launched a \$1.0M Share Purchase Plan (SPP) to raise a target of \$5.0M. The SPP closed in May 2024, raising \$1.9M to bring the total raised to \$5.9M. The placement included strong support from existing substantial financial shareholders. The SPP and Placement also included participation from Micro-X Directors of \$0.2M. An Extraordinary General Meeting took place on 29 May 2024, where shareholders approved and ratified a number of aspects of the Placement and SPP.

### Environment, Social and Corporate Governance

Micro-X is developing a Sustainability Framework in line with internationally agreed standards to measure and report on its performance across a range of initiatives which will include;

- Environmental footprint and waste management;
- Social impact through internal policies and external engagement with target groups; and
- Governance reporting as overseen by the Audit and Risk Committee of the Board of Directors.

### Governance

Micro-X has active governance programmes, policies and procedures across all of its activities, as overseen by the Audit and Risk Committee of the Board of Directors.

During the Financial Year, the Micro-X Rover and Rover Plus systems were granted CE marking to enable sales into the European Union and also successfully passed its first FDA audit. As such, the Mobile DR range of products are regulated as Class II medical devices by the US FDA, the European Medical Device Regulation and the Australian TGA.

Micro-X is certified to ISO 13485 and ISO 9001 and undergoes regular annual surveillance audits to ensure ongoing compliance.

Micro-X has a range of measures in place to ensure its technology and programmes which are used in defence and security applications remain compliant and are protected from access, theft or destruction by unauthorised persons. Security clearances are maintained by a number of personnel including those involved in development work for the DHS programmes. IT auditing and cyber security measures are in place and were actively managed during the Financial Year.

### Financial Overview

During the Financial Year, the Group achieved increased revenues from ordinary activities of \$15.222M (2023: \$15.005M) from the sale of its products and contracted project income, and total incomes of \$21.962M (2023: \$22.395M), comprised of the following:

# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

- Revenues for the sale of Mobile DR products and associated components of \$6.410M (2023: \$3.795M) which is up 70% from the prior corresponding period;
- Engineering services income of \$8.812M (30 June 2023: \$11.210M). This income included:
  - \$0.989M revenue from the Australian Stroke Alliance for development of the Head CT;
  - \$4.235M revenue from US Department of Homeland Security for the Airport Checkpoint Development program; and
  - \$3.092M revenue from Varex Imaging Corporation under the Technology Licence Agreement.
- Other income of \$6.740M, including \$6.373M in relation to the R&D tax rebate of which \$0.584M relates to an amendment to the Company's FY22 R&D tax rebate lodgement.

In addition to its engineering services income, the Group invoiced, received and processed approximately \$1.845M on behalf of its sub-contractors under a relationship which the Company has determined to be an Agent relationship. This balance has been applied against the Company's expenses rather than the Company's revenues. More information can be found at note 2 of the Financial Statements.

The Group reported a net loss for the Financial Year, after providing for income tax, of \$9.765M (2023: \$10.754M loss). The decrease in net loss was a result of the Operational Review across all aspects of the business and the goals of the Strategic Refresh released in August 2023, with the key focus to create an economically led business utilising the Micro-X world class technology. Some of the key initiatives that have driven the improved net loss position are:

- Increased commercial focus - increased revenues from product sales of 70% and an increase in gross product margin of \$0.633M, up from \$0.290M in the prior year;
- De-risking the business and reducing the cost base - reduction in operating expenses by \$1.422M to \$31.727M in 30 June 2024, compared to \$33.149M in 30 June 2023; and
- Further leveraging the technology for commercial benefit - revenues related to the design and development of core technology to \$0.496M (2023: \$0.142M). As at 30 June 2024, Micro-X has \$0.386M in open purchase orders for design and delivery of imaging chains, which upon delivery, will be included as revenue for the Financial Year.

This net loss for the Financial Year resulted from:

- \$5.777M in cost of sale of goods;
- \$3.708M expenditure on research and development activity, related to the Argus X-ray Camera, the Miniaturised CT Baggage Scanner and Head CT Scanner;
- \$16.623M spent on employee, consulting and director costs. This represented a \$0.396M decrease on the prior period, but also drove an additional \$2.761M in direct contract funding when compared to the prior year; and
- \$1.068M in non-cash, equity compensation included within Employee and Director expenses in relation to the Company's Employee Gift Plan and Employee Equity Plan, which comprises an STI and LTI component, subject to achievement of hurdles.

### Financial Position

Net assets of the Group decreased by \$2.932M from \$17.193M at 30 June 2023 to \$14.261M at 30 June 2024.

Cash on hand and at the bank decreased to \$3.228M at 30 June 2024 (\$5.223M at 30 June 2023). As reported in the June 2024 Appendix 4C & Quarterly Activities Statement, \$0.649M cash was received on 2 July 2024 for services provided during the Financial Year, and a further \$2.036M of contracted cash payments due in June 2024 are now expected in the September 2024 quarter.

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the Financial Year.

### Matters subsequent to the end of the Financial Year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### Likely developments and expected results of operations

The Group's main focus moving forward will be the continued commercialisation of its technology platform, notably:



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

- Sale of Mobile DR units through existing distributors and other targeted markets;
- Delivering rotatable pool of Argus X-ray Cameras to potential customers and successful commercial launch through building customer engagement;
- Delivery of final prototypes and formal completion of the Miniaturised CT Baggage Scanner contract and progress development under extended contract with the DHS including delivery of the first Checkpoint prototypes;
- Delivery of the Head CT Scanner prototypes and delivery of prototypes for mobile stroke imaging under the ASA contract; and
- Identification and execution of strategic partnerships delivering market access and funding.

### Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### Information on directors

Name:	David Knox
Title:	Non-Executive Chair
Qualifications:	BSc (Hons) Mechanical Engineering, MBA, FIE Aust, FTSE, GAICD
Experience and expertise:	David is a highly experienced and respected business leader with senior leadership, engineering and public markets expertise gained in multi-national, domestic and Commonwealth companies. David was Managing Director & Chief Executive Officer of Australian Naval Infrastructure, a Government Business Enterprise responsible for the delivery of naval infrastructure required to support the Commonwealth's continuous shipbuilding programme, including the Osborne South Shipyard. David was previously Managing Director & Chief Executive Officer of Santos from March 2008 through until his retirement in December 2015. David Knox is currently Chair of Snowy Hydro Limited and The Australian Centre for Social Innovation (TACSI). David is also a board member of the Royal Institution of Australia (RIAUS). David Knox is originally from Edinburgh, Scotland and has a BSc (Hons) in Mechanical Engineering (Edinburgh) and an MBA (Strathclyde). He is a Fellow of the Australian Institute of Mechanical Engineering and the Australian Academy of Technological Sciences and Engineering.
Other current directorships:	Nil
Former directorships (last 3 years):	Redflow Ltd (ASX:RFX) - March 2017 to February 2023
Special responsibilities:	Chair of Board, and Member of Audit and Risk Committee and People and Remuneration Committee
Interests in shares:	1,468,211 fully paid ordinary shares
Interests in options:	105,263
Interests in rights:	92,593

Name:	Dr. Alexander Gosling AM
Title:	Non-Executive Director
Qualifications:	MA (Hons), DEng, MAICD, FTSE
Experience and expertise:	Alexander has been working in the field of process and product development and related research and development for 50 years. He was a founding director of Invetech and was part of the management team that led Invetech to a public listing (as Vision Systems) and then to its acquisition by Danaher Corp for \$800M. He currently works in the area of technology commercialisation, advising universities, mentoring start-ups and sitting on the Boards of early-stage companies. Alexander is an engineer, with an Honours degree from Cambridge University. He is a Fellow of the Academy of Technology and Engineering, a Fellow of the Institute of Engineers Australia and a Governor of the Warren Centre for Advanced Engineering. He was awarded an Honorary Doctorate in Engineering from Swinburne University and made a Member of The Order of Australia for services to engineering. He is a Member of the Australian Institute of Company Directors.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of People and Remuneration Committee
Interests in shares:	795,308 fully paid ordinary shares
Interests in options:	131,578
Interests in rights:	60,186

For personal use only

# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

**Name:** Patrick O'Brien  
**Title:** Non-Executive Director  
**Qualifications:** LLB, B.Com, Grad Dip Applied Finance, MBA, GAICD  
**Experience and expertise:** Patrick is Managing Director of Patrick O'Brien & Associates and a non-executive director of The Water & Carbon Group and C.E. Bartlett. He also chairs or is a board member of a number of not for profit organisations and foundations. Patrick has over 35 years business experience in Australia, the UK, Europe, Asia and the US including as a Senior Managing Director with Macquarie Group where he led teams in corporate finance (Melbourne 1996-2005) and private equity (London 2005-2009). In this latter role Patrick was responsible for Macquarie's controlling stakes in, and chaired, large unlisted groups European Directories and National Grid Wireless. Prior to Macquarie, Patrick was a strategy consultant with McKinsey & Company and a lawyer with Minter Ellison.

**Other current directorships:** Nil  
**Former directorships (last 3 years):** Nil  
**Special responsibilities:** Member of Audit and Risk Committee  
**Interests in shares:** 8,859,020 fully paid ordinary shares  
**Interests in options:** 526,316  
**Interests in rights:** 60,186

**Name:** James McDowell  
**Title:** Non-Executive Director  
**Qualifications:** LL.B (Hons) D.Univ (honoris causa)  
**Experience and expertise:** Jim is Deputy Secretary, Naval Shipbuilding and Sustainment - Australian Department of Defence and prior to this role was Chief Executive of Nova Systems. Jim has more than 30 years of experience in international defence and aerospace sectors and has lived and worked in the UK, the USA, Korea, Singapore, Hong Kong and Australia. Jim joined BAE Systems in 1996 and his last executive appointment with the Group was as Chief Executive Officer of their A\$5 billion annual turnover business operations in Saudi Arabia. Prior to this he was Chief Executive Officer of BAE Systems Australia for 10 years. Based in Adelaide, he drove a major expansion program as the Group grew to become Australia's largest defence business. Prior to his time at BAE Systems Jim worked for 18 years at aerospace Group Bombardier Shorts in legal, commercial and marketing positions, making a major contribution to that Group's growth into the USA. In 2014, Jim was appointed by the Australian Federal Government to the team to conduct the First Principles Review of the Australian Department of Defence. The Team's 'One Defence' recommendations included transformational changes to structure, governance arrangements, accountabilities, processes and systems of Defence. From 2018 to 2020 Jim was Chief Executive of South Australia's Department of Premier and Cabinet.

**Other current directorships:** Nil  
**Former directorships (last 3 years):** Nil  
**Special responsibilities:** Member of People and Remuneration Committee  
**Interests in shares:** 880,180 fully paid ordinary shares  
**Interests in options:** 78,947  
**Interests in rights:** 60,186



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

Name: Ilona Meyer  
 Title: Non-Executive Director  
 Qualifications: LLB and LLM (QUT), GradDipLegPrac (ANU), GIA (Cert), GAICD, AMIIA  
 Experience and expertise: Ilona has over 25 years experience as a senior executive in healthcare, agriculture and emerging technologies focusing on innovation and growth. Ilona is General Counsel and Company Secretary for Nuix Limited and prior to this role has held multiple executive roles with private and public companies, including ASX-listed companies and high-growth start-ups, leading business transformation initiatives, managing multiple stakeholders, influencing industry bodies, as well as navigating high profile litigation and regulatory disputes. Prior to commencing her current role at Nuix, Ilona was General Counsel and Head of Legal & Compliance of the Boehringer Ingelheim Group for the Australian and New Zealand division. She has previously held senior legal and compliance roles at ResMed Limited, Ruralco Holdings Limited, Medtronic and 3M Australia.

Other current directorships: Nil  
 Former directorships (last 3 years): Nil  
 Special responsibilities: Chair of Audit and Risk Committee  
 Interests in shares: 210,818 fully paid ordinary shares  
 Interests in options: 52,631  
 Interests in rights: 127,877

Name: Andrew Hartmann  
 Title: Non-Executive Director  
 Qualifications: Master of Business Administration and qualifications in Accounting and Electrical Engineering  
 Experience and expertise: Andrew is the Senior Vice President and GM Imaging Solutions at Varex Imaging Corporation and has worked overseas and in global senior roles for more than 30 years. Andrew has significant business expertise in the field of medical imaging devices with extensive experience working in global roles with a focus on sales, marketing and business operations. Over his career he has been responsible for building brand, market share and bottom-line gains through cost saving and efficiency improvements. Andrew has held senior global management roles at Phillips, Carestream and Siemens, after working in Australia that included building brands across the Asia Pacific region, the United States and Europe.

Other current directorships: Nil  
 Former directorships (last 3 years): Nil  
 Special responsibilities: Nil  
 Interests in shares: Nil  
 Interests in rights: Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretary

Kingsley Hall holds a Bachelor of Economics from Flinders University. Kingsley has over 25 years of experience in commercial and operational roles with a diverse background across both private and public companies, private equity, media, tourism and education. His experience includes early-stage commercialisation of companies and senior operational and sales leadership roles. Kingsley previously held the position of Chief Financial Officer and was promoted to the role of Chief Executive Officer on 1 May 2023 for Micro-X and the Group.

For personal use only



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		People and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Patrick O'Brien	10	10	-	-	6	6
Peter Rowland	4	4	-	-	-	-
Alexander Gosling	9	10	2	2	-	-
David Knox	10	10	2	2	6	6
James McDowell	7	10	2	2	-	-
Ilona Meyer	10	10	-	-	5	6
Andrew Hartmann	10	10	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

### Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') aims to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness to attract, motivate and retain key talent;
- Performance linkage and alignment of executive compensation and corporate objectives;
- Transparency and reasonableness; and
- Alignment to, and acceptability by, shareholders.

The Group has a People and Remuneration Committee which is responsible for determining and reviewing remuneration arrangements for directors, executives and all staff. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel and accordingly the People and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Company.

The remuneration framework which has been adopted, is designed to align executive reward to shareholders' interests by:

- Having commercial focus as a core component of plan design;
- Focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- Attracting and retaining high calibre executives.

Additionally, the remuneration framework should seek to align and incentivise executives' interests by:

- Rewarding capability and experience;
- Reflecting competitive reward for contribution to growth in shareholder wealth; and
- Providing a clear structure for earning rewards.



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate.

### *Non-executive director remuneration*

Fees and payments to non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the People and Remuneration Committee. The People and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-Executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate maximum non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held 19 November 2021, where the shareholders approved the Company's aggregate maximum Non Executive Directors' remuneration of \$700,000 per annum.

### *Executive remuneration*

The Company aims to reward executives based on their responsibility and performance, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has five components:

- Base pay and non-monetary benefits;
- Short-term performance incentives, or STI;
- Long-term performance incentives, or LTI;
- Share-based payments; and
- Other remuneration such as superannuation, annual and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the People and Remuneration Committee based on individual and Company performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

Shareholders re-approved at the November 2023 AGM the Micro-X Limited Employee Incentive Plan, the key objectives of which are to:

- assist in the attraction and retention of high quality employees;
- link the reward of key employees with the achievement of strategic goals and the long term performance of the Company; and
- align the financial interest of all participants of the Plan with those of Shareholders.

Executives may be invited to participate in the Company's Employee Equity Plan, where performance rights may be earned subject to the achievement of short term objectives (Short Term Incentives or STI) and/or subject to the achievement of longer term objectives (Long Term Incentives or LTI).

### *Company performance and link to remuneration*

Remuneration of key management personnel is currently directly linked to the performance of the Company via the STI and LTI awards available to Executives invited to participate in the Employee Equity Plan.

For personal use only

# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

### Short Term Incentives

STI award achievement is assessed on a Balanced Scorecard approach, where Executive performance is measured against five key criteria, with weighting attached to each of criteria's outcomes. For the year ended 30 June 2024 the five criteria against which Executive performance was assessed were:

Criteria	% of Total STI
Commercial Activities	25%
Financial Performance	25%
Project and Development Activities	25%
Quality and Safety	10%
Culture and Compliance	15%
	100%

### Long Term Incentives

There are two types of LTI awards made:

- LTI Service Rights; and
- LTI Performance Rights.

LTI Service Rights vest after three years of continuous service with the Company from the date of the grant.

For the initial tranche of Service Rights granted in December 2020, this three year period was split into 3 twelve-month anniversaries. The final anniversary of this tranche was assessed on November 2023. Subsequent tranches have a three year vesting period as detailed above.

LTI Performance Rights vest upon the achievement of certain Total Shareholder Return (TSR) targets over a three year vesting period. The relevant TSR target is a 10% Compound Annual Growth Rate, for the LTI performance rights to vest at 50%. If the TSR result met is a 20% Compound Annual Growth Rate then participants will be issued 100% of the relevant performance rights.

The initial tranche of Performance Rights granted in December 2020 was split into 3 twelve-month periods. The final period of this tranche was assessed on November 2023. Subsequent tranches have a three year vesting period.

### Use of remuneration consultants

The Group retained the services of an independent, expert, remuneration consultant in February 2020 who provided advice on the structure of the equity compensation framework, including quantum and the recommended hurdles.

### Details of remuneration

#### Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Company consisted of the following directors and management of the Group:

- David Knox (Non-Executive Chair)
- Alexander Gosling (Non-Executive Director)
- Patrick O'Brien (Non-Executive Director)
- James McDowell (Non-Executive Director)
- Ilona Meyer (Non-Executive Director)
- Andrew Hartmann (Non-Executive Director)
- Kingsley Hall (Chief Executive Officer)
- Anthony Skeats (Chief Operating Officer)
- Brian Gonzales (CEO Americas & Chief Scientific Officer)
- Peter Rowland (Non-Executive Director) - Resigned 30 November 2023



# DIRECTORS' REPORT CONT'D

Micro-X Limited  
Directors' report  
For the year ended 30 June 2024

	Short-term benefits		Post-employment benefits	Long-term benefits <sup>1</sup>	Share-based payments - Rights <sup>2</sup>	Total
	Cash salary and fees	Non-monetary <sup>3</sup>	Super-annuation	Annual and Long Service leave	Equity-settled	
2024	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
D Knox	-	90,909	10,000	-	2,538	103,447
A Gosling	59,091	-	6,500	-	1,650	67,241
P O'Brien	65,591	-	-	-	1,650	67,241
J McDowell	49,193	16,398	-	-	1,650	67,241
I Meyer	59,091	-	6,500	-	2,592	68,183
A Hartmann <sup>4</sup>	-	-	-	-	-	-
P Rowland <sup>5</sup>	38,089	-	-	-	-	38,089
<i>Chief Executive Officer:</i>						
K Hall	370,500	-	27,500	15,777	160,029	573,806
<i>Other Key Management Personnel:</i>						
B Gonzales <sup>6</sup>	313,988	-	18,943	(3,845)	124,700	453,786
A Skeats	332,500	-	27,500	(3,999)	143,960	499,961
	<u>1,288,043</u>	<u>107,307</u>	<u>96,943</u>	<u>7,933</u>	<u>438,769</u>	<u>1,938,995</u>

1 Movement in provisions, does not have cash implication.

2 The share based payments above relate to the amortisation of the fair value of the grant of rights made to the KMP during the year and do not necessarily reflect the cash value that may be realised upon vesting and exercising of the rights.

3 As approved at the 2023 Annual General Meeting, Mr Knox and Mr McDowell were issued shares in lieu of cash Director fees.

4 Mr Hartmann was appointed to the Board on 15 December 2022 as a representative of Varex Imaging Corporation. As part of the agreement, Mr Hartmann is not paid a fee.

5 Mr Rowland resigned as Non-Executive Director during the 2024 Financial Year.

6 Mr Gonzales is employed by Micro-X Inc the Company's wholly owned US subsidiary and is based in Seattle. Remuneration and compulsory benefits have been translated from U.S. dollars to Australian dollars for the purpose of this Remuneration Report.

Subsequent to year end, the Board reviewed the achievement of the Executives' Short Term Incentive for the year ended 30 June 2024 and determined that the Short Term Incentive should be awarded at 50%.

Long Term Performance Rights achievement has been assumed at 50%, consistent with target, however the third tranche of the 2020 Long Term Performance rights which were assessed in November 2023 were cancelled due to performance criteria not being met.

Long Term Service Rights achievement has been assumed at 100%.

These levels of achievement are reflected in the share based payments amortisation in the table above.

# DIRECTORS' REPORT CONT'D

Micro-X Limited  
Directors' report  
For the year ended 30 June 2024

	Short-term benefits		Post-employment benefits		Long-term benefits <sup>1</sup>	Share-based payments - Rights <sup>2</sup>	Total
	Cash salary	Non-	Super-	Retirement	Annual and Long Service leave	Equity-settled	
	and fees	monetary <sup>3</sup>	annuation				
2023	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
D Knox	-	90,909	9,545	-	-	2,538	102,992
A Gosling	59,091	-	6,204	-	-	1,650	66,945
P O'Brien	65,295	-	-	-	-	1,650	66,945
J McDowell	-	63,744	1,551	-	-	1,650	66,945
I Meyer	59,091	-	6,204	-	-	1,274	66,569
A Hartmann <sup>4</sup>	-	-	-	-	-	-	-
P Rowland <sup>5 &amp; 8</sup>	353,264	-	29,799	274,751	-	157,044	814,858
<i>Chief Executive Officer:</i>							
K Hall <sup>6</sup>	324,433	-	27,696	-	36,100	131,442	519,671
<i>Other Key Management Personnel:</i>							
B Gonzales <sup>7</sup>	284,707	-	11,386	-	678	118,940	415,711
A Skeats	316,761	-	27,327	-	14,729	131,322	490,139
	<u>1,462,642</u>	<u>154,653</u>	<u>119,712</u>	<u>274,751</u>	<u>51,507</u>	<u>547,510</u>	<u>2,610,775</u>

1 Movement in provisions, does not have cash implication.

2 The share based payments above relate to the amortisation of the fair value of the grant of rights made to the KMP during the year and do not necessarily reflect the cash value that may be realised upon vesting and exercising of the rights.

3 As approved at the 2022 Annual General Meeting, Mr Knox and Mr McDowell were issued shares in lieu of cash Director fees.

4 Mr Hartmann was appointed to the Board on 15 December 2022 as a representative of Varex Imaging Corporation. As part of the agreement, Mr Hartmann is not paid a fee.

5 Mr Rowland was previously as Executive Director until he was appointed as a Non-Executive Director on 1 May 2023. Post Employment benefits - Retirement relate to contractual Payment in Lieu of Notice (\$119,833), Annual Leave (\$92,005) and Long Service Leave (\$62,913).

6 Mr Hall was previously the Chief Financial Officer and commenced as Chief Executive Officer on 1 May 2023.

7 Mr Gonzales is employed by Micro-X Inc the Company's wholly owned US subsidiary and is based in Seattle. Remuneration and compulsory benefits have been translated from U.S. dollars to Australian dollars for the purpose of this Remuneration Report.

8 Mr Rowland resigned as Non-Executive Director during the 2024 Financial Year.

Subsequent to year end, the Board reviewed the achievement of the Executives' Short Term Incentive for the year ended 30 June 2023 and determined that the Short Term Incentive should be awarded at 65%.

Long Term Performance Rights achievement has been assumed at 50%, consistent with target, however the second tranche of the 2020 Long Term Performance rights which were assessed in November 2022 were cancelled due to performance criteria not being met.

Long Term Service Rights achievement has been assumed at 100%.

These levels of achievement are reflected in the share based payments amortisation in the table above.



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors:</i>						
D Knox	98%	98%	-	-	2%	2%
A Gosling	98%	98%	-	-	2%	2%
P O'Brien	98%	98%	-	-	2%	2%
J McDowell	98%	98%	-	-	2%	2%
I Meyer	96%	98%	-	-	4%	2%
A Hartmann <sup>1</sup>	-	-	-	-	-	-
P Rowland	100%	81%	-	10%	-	9%
<i>Chief Executive Officer:</i>						
K Hall <sup>2</sup>	71%	75%	13%	13%	16%	12%
<i>Other Key Management Personnel:</i>						
B Gonzales	72%	71%	12%	15%	16%	14%
A Skeats	71%	73%	12%	14%	17%	13%

1 P Rowland resigned as the Non-Executive Director during the 2024 Financial Year.

2 K Hall was previously in the role of Chief Financial Officer and commenced as the Chief Executive Officer on 1 May 2023.

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Kingsley Hall  
 Title: Chief Executive Officer  
 Agreement commenced: 1 May 2023  
 Term of agreement: No fixed term. Micro-X or Mr Hall may terminate the employment contract at any time provided that either party gives 6 months' notice.  
 Details: Annual salary is \$398,000 per annum inclusive of employer superannuation contributions (subject to annual review).

Name: Brian Gonzales  
 Title: Chief Scientific Officer, CEO of Micro-X Inc.  
 Agreement commenced: 1 May 2023  
 Term of agreement: No fixed term. Micro-X or Mr Gonzales may terminate the employment contract at any time provided that either party gives 4 weeks' notice.  
 Details: Annual salary is US\$225,000 per annum plus compulsory benefits (subject to annual review).

Name: Anthony Skeats  
 Title: Chief Operating Officer  
 Agreement commenced: 1 May 2023  
 Term of agreement: No fixed term. Micro-X or Mr Skeats may terminate the employment contract at any time provided that either party gives 2 months' notice.  
 Details: Annual salary is \$360,000 per annum inclusive of employer superannuation contributions (subject to annual review).

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

# DIRECTORS' REPORT CONT'D

**Micro-X Limited**  
**Directors' report**  
**For the year ended 30 June 2024**

**Share-based compensation**

*Issue of securities*

Details of Performance Rights, Shares and Options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

*Issue of Performance Rights*

The following table illustrates the movement of and closing balance of rights held by KMP during the Financial Year:

	Held at 1 July 2023	Granted as Remuneration	Exercised or Lapsed	Held at 30 June 2024	Average Fair Value per Right at Grant Date
<i>Non-Executive Directors:</i>					
D Knox	92,593	-	-	92,593	\$0.152
A Gosling	60,186	-	-	60,186	\$0.152
P O'Brien	60,186	-	-	60,186	\$0.152
J McDowell	60,186	-	-	60,186	\$0.152
I Meyer	127,877	-	-	127,877	\$0.081
	-	-	-	-	
K Hall	3,808,490	2,838,508	(509,861)	6,137,137	\$0.169
A Skeats	3,732,944	2,413,306	(509,033)	5,637,217	\$0.170
B Gonzales	2,280,381	2,096,738	(1,081,554)	3,295,565	\$0.122
	<u>10,222,843</u>	<u>7,348,552</u>	<u>(2,100,448)</u>	<u>15,470,947</u>	

P Rowland was not a KMP as at 30 June 2024 reducing the opening balance of rights held.

*Issue of Performance Rights*

The terms and conditions of each performance right affecting remuneration in the current or a future reporting period are as follows:



# DIRECTORS' REPORT CONT'D

Micro-X Limited  
Directors' report  
For the year ended 30 June 2024

Grant Date	Vesting and exercise date	Expiry date	Performance Criteria	Value per right at grant date	Performance achieved	% Vested
23 December 2020	31 August 2021	23 December 2035	Short term performance	\$0.370	85% of target	85%
23 December 2020	30 November 2021	23 December 2035	Long term performance	\$0.219	200% of target	100%
23 December 2020	30 November 2022	23 December 2035	Long term performance	\$0.231	0% of target	0%
23 December 2020	30 November 2023	23 December 2035	Long term performance	\$0.243	0% of target	0%
23 December 2020	30 November 2021	23 December 2035	Long term service	\$0.370	100%	100%
23 December 2020	30 November 2022	23 December 2035	Long term service	\$0.370	100%	100%
23 December 2020	30 November 2023	23 December 2035	Long term service	\$0.370	100%	100%
30 September 2021	31 August 2022	30 September 2036	Short term performance	\$0.330	75% of target	75%
30 September 2021	30 September 2024	30 September 2036	Long term performance	\$0.199	To be determined	N/A
30 September 2021	30 September 2024	30 September 2036	Long term service	\$0.330	To be determined	N/A
22 December 2021	21 December 2024	21 December 2036	Long term performance	\$0.152	To be determined	N/A
12 December 2022	12 December 2025	12 December 2037	Long term service	\$0.125	To be determined	N/A
3 January 2023	31 August 2023	3 January 2038	Short term performance	\$0.145	65% of target	65%
3 January 2023	3 January 2026	3 January 2038	Long term performance	\$0.081	To be determined	N/A
3 January 2023	3 January 2026	3 January 2038	Long term performance	\$0.081	To be determined	N/A
9 January 2023	31 August 2023	9 January 2038	Short term performance	\$0.140	65% of target	65%
1 November 2023	31 October 2026	1 November 2038	Long term performance	\$0.074	To be determined	N/A
3 January 2024	31 August 2024	3 January 2039	Short term performance	\$0.105	50% of target	50%
3 January 2024	2 January 2027	3 January 2039	Long term service	\$0.140	To be determined	N/A

## Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the Company held during the Financial Year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Conversions/ Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
D Knox	713,651	544,034	210,526	-	1,468,211
A Gosling	532,151	-	263,157	-	795,308
P O'Brien	7,806,388	-	1,052,632	-	8,859,020
J McDowell	521,216	201,070	157,894	-	880,180
I Meyer	105,555	-	105,263	-	210,818
B Gonzales	645,153	-	448,571	-	1,093,724
	10,324,114	745,104	2,238,043	-	13,307,261



# DIRECTORS' REPORT CONT'D

## Micro-X Limited Directors' report For the year ended 30 June 2024

P Rowland was not a KMP as at 30 June 2024 reducing the opening balance of rights held.

### Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Acquired during the year	Converted	Balance the end of the year
<i>Options over ordinary shares</i>				
D Knox	-	105,263	-	105,263
A Gosling	-	131,573	-	131,573
P O'Brien	-	526,316	-	526,316
J McDowell	-	78,947	-	78,947
I Meyer	-	52,631	-	52,631
	-	894,730	-	894,730

***This concludes the remuneration report, which has been audited.***

### Shares issued on the exercise of options

There were no ordinary shares of Micro-X Limited issued during the period between 30 June 2024 and up to the date of this report on the exercise of rights granted.

### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the Financial Year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor

The Company has not, during or since the end of the Financial Year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the Financial Year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the Financial Year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the Financial Year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.



# DIRECTORS' REPORT CONT'D

**Micro-X Limited**  
**Directors' report**  
**For the year ended 30 June 2024**

**Officers of the Company who are former partners BDO Audit Pty Ltd**  
There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

**Rounding of amounts**  
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Auditor's independence declaration**  
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Auditor**  
BDO Audit Pty Ltd continues in office in accordance with section 327B of the *Corporation Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

David Knox

---

David Knox  
Non-Executive Chair

28 August 2024

# AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
www.bdo.com.au

BDO Centre  
Level 7, 420 King William Street  
Adelaide SA 5000  
GPO Box 2018 Adelaide SA 5001  
Australia

## DECLARATION OF INDEPENDENCE BY ANDREW TICKLE TO THE DIRECTORS OF MICRO-X LIMITED

As lead auditor of Micro-X Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Micro-X Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over a light blue horizontal line.

Andrew Tickle  
Director

**BDO Audit Pty Ltd**

Adelaide, 28 August 2024



# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Micro-X Limited  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2024

	Note	Consolidated	
		2024 \$'000	2023 \$'000
<b>Total Revenue</b>	5	15,222	15,005
Other Income	6	6,740	7,390
<b>Expenses</b>			
Change in inventory/raw materials and consumables		(5,777)	(3,505)
Employee and director expenses		(16,623)	(17,019)
Selling and Distribution expenses		(937)	(1,378)
Office and administrative expenses		(762)	(769)
Corporate expenses		(430)	(331)
Quality and regulatory expenses		(93)	(269)
Project development expenses		(3,708)	(6,444)
Depreciation and amortisation expense		(1,539)	(1,589)
Other expenses		(1,610)	(1,576)
Finance expenses		(248)	(269)
Total expenses		<u>(31,727)</u>	<u>(33,149)</u>
<b>Loss before income tax expense</b>		(9,765)	(10,754)
Income tax expense	7	-	-
<b>Loss after income tax expense for the year attributable to the owners of Micro-X Limited</b>		(9,765)	(10,754)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		207	(4)
Other comprehensive income for the year, net of tax		207	(4)
<b>Total comprehensive income for the year attributable to the owners of Micro-X Limited</b>		<u>(9,558)</u>	<u>(10,758)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	32	(1.85)	(2.17)
Diluted earnings per share	32	(1.85)	(2.17)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

# STATEMENT OF FINANCIAL POSITION

**Micro-X Limited**  
**Statement of financial position**  
**As at 30 June 2024**

	Note	Consolidated 2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		3,228	5,223
Trade and other receivables	8	7,212	6,996
Contract assets	9	2,941	1,633
Inventories	10	5,379	7,338
Other Assets	11	1,138	1,247
Total current assets		<u>19,898</u>	<u>22,437</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	2,924	3,114
Right-of-use assets and lease liabilities	13	3,953	4,615
Intangibles	14	120	132
Total non-current assets		<u>6,997</u>	<u>7,861</u>
<b>Total assets</b>		<u>26,895</u>	<u>30,298</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	6,530	5,584
Contract liabilities	16	255	855
Lease liabilities	13	692	726
Provisions	17	1,156	1,153
Total current liabilities		<u>8,633</u>	<u>8,318</u>
<b>Non-current liabilities</b>			
Lease liabilities	13	3,298	3,977
Provisions	18	703	810
Total non-current liabilities		<u>4,001</u>	<u>4,787</u>
<b>Total liabilities</b>		<u>12,634</u>	<u>13,105</u>
<b>Net assets</b>		<u>14,261</u>	<u>17,193</u>
<b>Equity</b>			
Issued capital	19	131,933	125,396
Foreign currency translation reserve	20	221	14
Convertible notes		65	65
Share based payments reserve	21	3,815	3,852
Accumulated losses		<u>(121,773)</u>	<u>(112,134)</u>
<b>Total equity</b>		<u>14,261</u>	<u>17,193</u>

The above statement of financial position should be read in conjunction with the accompanying notes



# STATEMENT OF CHANGES IN EQUITY

Micro-X Limited  
Statement of changes in equity  
For the year ended 30 June 2024

Consolidated	Issued capital \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Convertible notes \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2022	117,529	3,057	18	65	(101,380)	19,289
Loss after income tax expense for the year	-	-	-	-	(10,754)	(10,754)
Other comprehensive income for the year, net of tax	-	-	(4)	-	-	(4)
Total comprehensive income for the year	-	-	(4)	-	(10,754)	(10,758)
Issue of shares - Placement	7,455	-	-	-	-	7,455
Capital raising costs	(105)	-	-	-	-	(105)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of rights under Employee Equity Plan (note 21)	-	1,155	-	-	-	1,155
Exercise of rights under Employee Equity Plan (note 19)	360	(360)	-	-	-	-
Issue of shares in lieu of Cash Payments (note 19)	80	-	-	-	-	80
Issue of shares under Employee Gift Plan (note 19)	77	-	-	-	-	77
Balance at 30 June 2023	<u>125,396</u>	<u>3,852</u>	<u>14</u>	<u>65</u>	<u>(112,134)</u>	<u>17,193</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

## STATEMENT OF CHANGES IN EQUITY CONT'D

Micro-X Limited  
Statement of changes in equity  
For the year ended 30 June 2024

Consolidated	Issued capital \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Convertible notes \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	125,396	3,852	14	65	(112,134)	17,193
Loss after income tax expense for the year	-	-	-	-	(9,765)	(9,765)
Other comprehensive income for the year, net of tax	-	-	207	-	-	207
Total comprehensive income for the year	-	-	207	-	(9,765)	(9,558)
Issue of shares - Placement	4,000	-	-	-	-	4,000
Issue shares - Share Purchase Plan	1,917	-	-	-	-	1,917
Capital raising costs	(448)	-	-	-	-	(448)
Conversion of options attached to Share Purchase Plan shares	4	-	-	-	-	4
<i>Transactions with owners in their capacity as owners:</i>						
Issue of rights under Employee Equity Plan (note 21)	-	990	-	-	-	990
Expiry of rights under Employee Equity Plan (note 19)	-	(126)	-	-	126	-
Exercise of rights under Employee Equity Plan (note 19)	901	(901)	-	-	-	-
Issue of shares in lieu of Cash Payments (note 19)	85	-	-	-	-	85
Issue of shares under Employee Gift Plan (note 19)	78	-	-	-	-	78
Balance at 30 June 2024	131,933	3,815	221	65	(121,773)	14,261

The above statement of changes in equity should be read in conjunction with the accompanying notes



# STATEMENT OF CASH FLOWS

Micro-X Limited  
Statement of cash flows  
For the year ended 30 June 2024

	Note	Consolidated	
		2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		6,990	3,894
Payments to suppliers		(27,932)	(30,029)
Interest received		41	1
R&D incentive tax refunds		6,232	3,885
Grant funding received		432	494
Receipts in relation to the ASA MRFF Program		1,608	3,268
Receipts in relation to the DHS Checkpoint Program		4,868	3,227
Receipts in relation to Varex Technology Transfer		1,558	4,518
Interest and other finance costs paid		(2)	-
Lease interest payments		(230)	(251)
Net cash used in operating activities	31	(6,435)	(10,993)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(369)	(779)
Net cash used in investing activities		(369)	(779)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		5,921	7,455
Payments for capital raising costs		(396)	(105)
Repayment of Lease liabilities		(716)	(658)
Net cash from financing activities		4,809	6,692
Net decrease in cash and cash equivalents		(1,995)	(5,080)
Cash and cash equivalents at the beginning of the Financial Year		5,223	10,303
Cash and cash equivalents at the end of the Financial Year		<u>3,228</u>	<u>5,223</u>

The above statement of cash flows should be read in conjunction with the accompanying notes



# NOTES TO THE FINANCIAL STATEMENTS

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 1. General information**

The financial statements cover Micro-X Limited as a Group consisting of Micro-X Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Micro-X Limited's functional and presentation currency.

**Registered office**

A14, 6 MAB Eastern Promenade  
 Tonsley  
 SA 5042

**Principal place of business**

A14, 6 MAB Eastern Promenade  
 Tonsley  
 SA 5042

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2024.

**Note 2. Material accounting policy information**

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these standards did not result in significant changes to the Group's accounting policies and had no material impact to the Group's financial statements, except as disclosed below.

*AASB 2021-2 Amendments to Australian Accounting Standards - Disclosures of Accounting Policies and Definition of Accounting Estimates*

The amendment took effect from 1 January 2023, requiring entities to disclose only material accounting policy information rather than all significant accounting policies. The amendment also provides guidance on which accounting policy information is expected to be material. Management adopted the amendment for the first time this financial year, assessing the material accounting policies to the user and removing accounting policies that were standardised information or information that only duplicates or summarises the requirements of the Standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 2. Material accounting policy information (continued)**

**Going Concern**

The Group incurred a net loss after tax for the Financial Year ended 30 June 2024 of \$9.8M (2023: \$10.8M) and had net cash outflows from operating activities of \$6.4M (2023: \$11.0M). The Group had net assets for the Financial Year ended 30 June 2024 of \$14.3M (2023: \$17.2M).

The directors believe that the Group will be able to continue as a going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the assumption that the Group is a going concern for the following reasons:

- The Group has \$12.7M of contracted receipts for development work due to be received in FY2025, subject to satisfaction of milestones, under the contracts with the Australian Stroke Alliance for the CT Brain scanner, U.S. Department of Homeland Security for the Miniature baggage scanner and Airport Self Service Portal and Varex Imaging Corporation;
- The Group expects to continue to convert the majority of its Rover inventory to positive cashflow with further cash benefit to be realised for reducing inventory holding;
- The Group is due to receive an approximate \$6.4M cash receipt in relation to R&D tax incentive in the coming months;
- The operating loss for the year ended 30 June 2024 included investment in completing the development of the Argus X-ray Camera;
- The Group completed a cost reduction initiative to better manage cash resources moving forward with \$2.0M of annual savings and identified a further \$0.7M savings in the current financial year;
- The Group will continue to explore additional partnership opportunities to fund and co-fund development, and the Group has a successful track record of securing partnerships; and
- The Group is an ASX-listed entity, it has the ability to seek to raise additional funds.

The Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recognised in the financial report as at 30 June 2024.

Accordingly, this financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities as might be necessary should the Group not continue as a going concern.

Notwithstanding the above, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

**Revenue and Other Income**

**Revenue recognition – Agent versus Principal determination**

Micro-X utilises sub-contractors as part of delivering its engineering contract services. For certain sub-contractors, the Group has used its judgement to assess its relationship considering the nature of the contractual terms, assess control of the services and responsibility of parties involved. Where the Group has determined that it acts an agent for all or part of a contract, the Group offsets its contract engineering revenue and relevant project costs.

The Group recognises revenue as follows:

*Sale of goods*

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally when delivery is organised. The normal credit term is 30 days upon delivery.

*Warranty obligations*

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for as warranty provisions. Refer to the accounting policy on warranty provisions at note 3.

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## Micro-X Limited Notes to the financial statements For the year ended 30 June 2024

### Note 2. Material accounting policy information (continued)

#### *Engineering Contract Services*

The Group recognises revenue from Engineering Contract Services over time.

For fixed-price contracts, such as with the Australian Stroke Alliance and Varex Imaging Corporation, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours. The Group uses an input method in measuring progress of the consulting services because there is a direct relationship between the Group's effort (i.e. based on the labour hours and project expenses incurred) and the transfer of service to the customer.

For time and materials contracts, such as the Department of Homeland Security, revenue is recognised based on the actual service provided to the end of the reporting period based on the actual hours worked and actual material expenditure incurred during the period.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

When payment for services performed is not due until completion of a relevant project milestone, a contract asset is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed to date.

#### *Government subsidies and Grants*

Subsidies from the government such as R&D tax incentive rebate, AMGF and MMF Grants are recognised as other income at their fair value where there is reasonable assurance that the grant will be received, the Company will comply with attached conditions and the incentive is readily measurable.

In relation to R&D, as the estimate is reliably measurable, the R&D tax incentive is measured on an accruals basis. Grant funds paid during the year are also being treated on an accruals basis.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### **Trade and other receivables**

Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

#### **Contract assets**

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

#### **Inventories**

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on an average cost basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

#### **Property, plant and equipment**

Fixed assets (leasehold improvements, plant & equipment, furniture & fittings and computer equipment) are stated at historical cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	10 years
Plant and equipment	3-7 years
Fixtures and fittings	3-7 years
Computer equipment	3-7 years



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

## **Note 2. Material accounting policy information (continued)**

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

### **Right-of-use assets**

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets.

### **Intangible assets**

Intangible assets acquired separately are initially recognised at cost.

#### *Intellectual property*

Significant costs associated with intellectual property are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

#### *Patents and trademarks*

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

### **Trade and other payables**

The amounts are unsecured and are usually paid within 30 days of recognition.

### **Contract liabilities**

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### **Employee benefits**

#### *Share-based payments*

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, rights, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Monte-Carlo pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 2. Material accounting policy information (continued)**

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Foreign Currency Translation**

Functional and presentation currency:

The financial statements are presented in Australian dollars, which is Micro-X Ltd's functional and presentation currency.

**Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next Financial Year are discussed below.

*Share-based payment transactions (Note 21)*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Monte-Carlo model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Estimation of useful lives of assets*

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Income tax*

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax and audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Lease term*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

*Research and development (R&D) tax incentive*

The Group is entitled to claim R&D tax incentives in Australia. The R&D tax incentive is calculated using the estimated R&D expenditure multiplied by a 43.5% refundable tax offset. The Group accounts for this incentive as other income within the Statement of Profit or Loss and Other Comprehensive Income.

*Warranty provision*

The Group provides warranties for general repairs of defects that existed at the time of sale, as required by law. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

**Note 4. Operating segments**

The Group has operations in Australia and the United States (Micro-X Inc) and the UK (Micro-X UK Operation Limited).

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

*Operating segment information*

For management purposes, the Group has been split into geographical segments. Micro-X UK Operations Limited has been aggregated into the Parent Company.

	<b>Micro-X Limited Australia \$'000</b>	<b>Micro-X Inc United States \$'000</b>	<b>Total</b>
Revenue			
Sales to external customers	9,638	5,584	15,222
Other revenue	6,747	(7)	6,740
Total revenue	<u>16,385</u>	<u>5,577</u>	<u>21,962</u>
Expenses			
Depreciation and amortisation	(1,300)	(239)	(1,539)
Finance costs	(226)	(22)	(248)
Other expenses	(24,122)	(5,818)	(29,940)
Total expenses	<u>(25,648)</u>	<u>(6,079)</u>	<u>(31,727)</u>
Loss before income tax expense	<u>(9,263)</u>	<u>(502)</u>	<u>(9,765)</u>

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 4. Operating segments (continued)**

	<b>Micro-X Limited Australia \$'000</b>	<b>Micro-X Inc United States \$'000</b>	<b>Total</b>
Total assets	23,727	3,129	26,856
Total Liabilities	(5,502)	(7,093)	(12,595)
Net Assets	<u>18,225</u>	<u>(3,964)</u>	<u>14,261</u>

*Major customers*

During the Financial Year ended 30 June 2024 approximately \$4.2M being 48% of engineering contract services (2023: \$3.4M being 23%) was derived from services to the U.S Department of Homeland Security (DHS). An additional \$3.1M being 35% (2023: \$4.5M being 30%) from engineering contract services was derived from an agreement in September 2022 with Varex Imaging Corporation for an exclusive global license enabling them to use Micro-X's NEX technology in the field of multi-beam X-ray tubes.

A further \$1M being 11% of engineering contract services (2023: \$3.3M being 21%) was relating to services to the Australian Stroke Alliance (ASA).

**Note 5. Revenue**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of Goods	6,410	3,795
Engineering contract services	<u>8,812</u>	<u>11,210</u>
Revenue	<u>15,222</u>	<u>15,005</u>



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 5. Revenue (continued)**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Major product lines</i>		
Micro-X Rover	5,346	2,812
DRX Revolution Nano	743	238
Spare Parts	321	745
Engineering Contract Services	8,812	11,210
	<u>15,222</u>	<u>15,005</u>
<i>Geographical regions</i>		
United States	9,463	10,772
Asia-Pacific	4,324	4,012
Europe & EMEA	1,435	221
	<u>15,222</u>	<u>15,005</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	6,410	3,795
Services transferred over time	8,812	11,210
	<u>15,222</u>	<u>15,005</u>

**Note 6. Other Income**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Interest Received	40	1
Research & Development Tax Incentive Refund	6,373	6,647
Net (Loss)/Gain on Disposal of Asset	(7)	67
Other Government Grants	334	675
	<u>6,740</u>	<u>7,390</u>



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 7. Income tax**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(9,765)	(10,754)
Tax at the statutory tax rate of 25%	(2,441)	(2,689)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	267	308
R&D tax incentive income	(1,594)	(1,662)
Feedstock adjustment	29	65
R&D expenditure	3,327	3,582
Loss conversion of convertible notes	-	23
Other-assessable income	111	30
	(301)	(343)
Current year tax losses not recognised	505	666
Current year temporary differences not recognised	(204)	(323)
Income tax expense	<u>-</u>	<u>-</u>

The Group has tax losses that arose of \$39.3M (2023: \$38.1M) that are available indefinitely for offsetting against future taxable profits of the companies in which the tax losses arose.

Deferred tax assets have not been recognised in respect of these losses as the Group has been loss-making for some time, and there is no evidence of recoverability in the near future.

**Note 8. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade receivables	781	698
R&D tax incentive receivable	6,373	6,232
Other receivables	20	20
	<u>7,174</u>	<u>6,950</u>
GST receivable	38	46
	<u>7,212</u>	<u>6,996</u>

**Note 9. Current assets - contract assets**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract assets	<u>2,941</u>	<u>1,633</u>



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

Micro-X Limited  
Notes to the financial statements  
For the year ended 30 June 2024

## Note 10. Current assets - inventories

	Consolidated	
	2024 \$'000	2023 \$'000
Raw materials	5,212	5,973
Finished goods	167	1,365
	<u>5,379</u>	<u>7,338</u>

## Note 11. Current assets - Other Assets

	Consolidated	
	2024 \$'000	2023 \$'000
Prepayments and deposits	1,138	1,247

## Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	2024 \$'000	2023 \$'000
Leasehold improvements - at cost	1,765	1,757
Less: Accumulated depreciation	(912)	(723)
	<u>853</u>	<u>1,034</u>
Plant and equipment - at cost	3,915	3,092
Less: Accumulated depreciation	(2,169)	(1,698)
	<u>1,746</u>	<u>1,394</u>
Fixtures and fittings - at cost	252	232
Less: Accumulated depreciation	(137)	(105)
	<u>115</u>	<u>127</u>
Computer equipment - at cost	685	652
Less: Accumulated depreciation	(481)	(399)
	<u>204</u>	<u>253</u>
Work in progress - at cost	6	306
Total property, plant and equipment	<u>2,924</u>	<u>3,114</u>

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 12. Non-current assets - property, plant and equipment (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous Financial Year are set out below:

<b>Consolidated</b>	<b>Leasehold improvements \$'000</b>	<b>Plant &amp; equipment \$'000</b>	<b>Fixtures &amp; fittings \$'000</b>	<b>Computer Equipment \$'000</b>	<b>Work in Progress \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2022	1,214	1,251	142	284	190	3,081
Additions/Exchange rate movements	9	555	14	137	306	1,021
Transfers in/(out)	-	149	-	-	(149)	-
Disposals	-	(23)	-	-	(41)	(64)
Depreciation expense	(189)	(538)	(29)	(168)	-	(924)
Balance at 30 June 2023	1,034	1,394	127	253	306	3,114
Additions/Exchange rate movements	8	491	20	50	58	627
Transfers in/(out)	-	358	-	-	(358)	-
Disposals	-	-	-	(9)	-	(9)
Depreciation expense	(189)	(497)	(32)	(90)	-	(808)
Balance at 30 June 2024	<u>853</u>	<u>1,746</u>	<u>115</u>	<u>204</u>	<u>6</u>	<u>2,924</u>

**Note 13. Non-current assets - Right-of-use assets and lease liabilities**

The Group leases land and buildings for its offices and production facilities under agreements of between 5 to 10 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases machinery under agreements of between 1 to 5 years.

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Right-of-use	6,577	6,489
Less: Accumulated depreciation	(2,624)	(1,874)
	<u>3,953</u>	<u>4,615</u>
	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
As at 1 July 2023	4,615	5,308
Modification to Lease Agreement	-	30
Additions/Exchange rate movements	68	-
Depreciation	(730)	(723)
As at 30 June 2024	<u>3,953</u>	<u>4,615</u>

Set out below are the carrying amounts of lease liabilities (disclosed as current and non-current lease liabilities) and the movements during the period:



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

Micro-X Limited  
Notes to the financial statements  
For the year ended 30 June 2024

## Note 13. Non-current assets - Right-of-use assets and lease liabilities (continued)

	Consolidated	
	2024 \$'000	2023 \$'000
As at 1 July 2023	4,703	5,314
Additions/Exchange rate movements	2	21
Modification of lease terms	-	30
Accretion of interest	231	251
Payments	(946)	(913)
As at 30 June 2024	<u>3,990</u>	<u>4,703</u>
Current	692	726
Non-Current	<u>3,298</u>	<u>3,977</u>
	<u>3,990</u>	<u>4,703</u>

Factors considered in determining the life of lease liabilities is discussed at note 3.

The following are the amounts recognised in profit & loss:

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Depreciation expense - Right of use assets	730	723
Interest expense - lease liability	<u>230</u>	<u>250</u>
	<u>960</u>	<u>973</u>

## Note 14. Non-current assets - intangibles

	Consolidated	
	2024 \$'000	2023 \$'000
Intellectual property - at cost	<u>35</u>	<u>47</u>
Patents and trademarks - at amortised value	<u>85</u>	<u>85</u>
	<u>120</u>	<u>132</u>

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous Financial Year are set out below:

Consolidated	Capitalised development costs \$'000	Patents & Trademarks \$'000	Total \$'000
Balance at 1 July 2022	59	85	144
Amortisation expense	<u>(12)</u>	<u>-</u>	<u>(12)</u>
Balance at 30 June 2023	47	85	132
Amortisation expense	<u>(12)</u>	<u>-</u>	<u>(12)</u>
Balance at 30 June 2024	<u>35</u>	<u>85</u>	<u>120</u>

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 15. Current liabilities - trade and other payables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	2,545	2,482
Other payables and accrued expenses	3,985	3,102
	<u>6,530</u>	<u>5,584</u>

**Note 16. Current liabilities - contract liabilities**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Government Grant funding in advance (AMGF & MMF)	255	355
Contract Liabilities	-	500
	<u>255</u>	<u>855</u>

*Reconciliation*

Reconciliation of the written down values at the beginning and end of the current and previous Financial Year are set out below:

Opening balance	855	459
Transfer to revenue	(600)	(104)
Payments received in advance	-	500
	<u>255</u>	<u>855</u>

*Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$12.0M as at 30 June 2024 (\$5.5M as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Within 6 months	4,018	2,800
6 to 12 months	2,594	2,118
12 to 18 months	4,237	561
18 to 24 months	1,043	-
Over 24 months	100	-
	<u>11,992</u>	<u>5,479</u>

The above revenues have been adjusted for the impact of the Agent versus Principal determination which is detailed in note 2.

**Note 17. Current liabilities - provisions**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Employee Entitlements	<u>1,156</u>	<u>1,153</u>



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

Micro-X Limited  
Notes to the financial statements  
For the year ended 30 June 2024

## Note 18. Non-current liabilities - provisions

	Consolidated	
	2024 \$'000	2023 \$'000
Long service leave	122	173
Lease make good	505	505
Warranties	76	132
	<u>703</u>	<u>810</u>

### *Lease make good*

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

### *Warranties*

The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

### *Movements in provisions*

Movements in each class of provision during the current Financial Year, other than employee benefits, are set out below:

	Lease make good \$'000	Warranties \$'000
<b>Consolidated - 2024</b>		
Carrying amount at the start of the year	505	132
Additional provisions recognised	-	67
Amounts used	-	(14)
Unused amounts reversed	-	(109)
	<u>505</u>	<u>76</u>

## Note 19. Equity - Issued capital

	2024	Consolidated		2023
	Shares	2023 Shares	2024 \$'000	\$'000
Ordinary shares - fully paid	<u>581,603,759</u>	<u>514,365,432</u>	<u>131,933</u>	<u>125,396</u>

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 19. Equity - Issued capital (continued)**

*Movements in ordinary share capital*

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2022	461,454,266		117,529
Exercise of Rights under Employee Equity Plan	29 Jul 2022	35,589	\$0.370	13
Exercise of Rights under Employee Equity Plan	29 Jul 2022	15,136	\$0.330	5
Issue of shares in lieu of cash payments for Directors Fees	21 Sep 2022	196,783	\$0.138	27
Issues of shares - Placement	23 Sep 2022	23,780,000	\$0.147	3,496
Exercise of Rights under Employee Equity Plan	19 Oct 2022	27,778	\$0.330	9
Exercise of Rights under Employee Equity Plan	28 Oct 2022	83,965	\$0.370	31
Exercise of Rights under Employee Equity Plan	28 Oct 2022	36,995	\$0.330	12
Issue of shares in lieu of cash payments for Directors Fees	16 Nov 2022	174,863	\$0.150	26
Issue of Shares under Employee Gift Plan	13 Dec 2022	565,188	\$0.138	78
Issues of Shares - Placement	15 Dec 2022	26,929,000	\$0.147	3,959
Capital Raising Costs	15 Dec 2022	-	\$0.000	(105)
Exercise of Rights under Employee Equity Plan	21 Dec 2022	245,687	\$0.370	91
Exercise of Rights under Employee Equity Plan	21 Dec 2022	353,080	\$0.330	117
Issue of shares in lieu of cash payments for Directors Fees	1 Mar 2023	204,782	\$0.120	25
Exercise of Rights under Employee Equity Plan	1 Mar 2023	112,388	\$0.370	42
Exercise of Rights under Employee Equity Plan	1 Mar 2023	98,782	\$0.219	22
Exercise of Rights under Employee Equity Plan	25 May 2023	51,150	\$0.370	19
Balance	30 June 2023	514,365,432		125,396
Issue of Shares in lieu of cash payments for Directors Fees	7 July 2023	475,494	\$0.115	54
Exercise of Rights under Employee Equity Plan	7 July 2023	1,010,982	\$0.370	374
Exercise of Rights under Employee Equity Plan	7 July 2023	380,518	\$0.330	126
Exercise of Rights under Employee Equity Plan	7 July 2023	192,568	\$0.219	42
Exercise of Rights under Employee Equity Plan	6 Oct 2023	1,038,905	\$0.145	151
Exercise of Rights under Employee Equity Plan	6 Oct 2023	33,785	\$0.330	11
Exercise of Rights under Employee Equity Plan	6 Oct 2023	9,357	\$0.370	3
Issue of shares under Employee Gift Plan	1 Nov 2023	557,076	\$0.140	78
Exercise of Rights under Employee Equity Plan	18 Jan 2024	660,629	\$0.140	93
Exercise of Rights under Employee Equity Plan	18 Jan 2024	95,626	\$0.370	35
Issue of Shares - Placement	22 Apr 2024	41,052,631	\$0.095	3,900
Capital Raising Costs	22 Apr 2024	-	\$0.000	(448)
Issue of Shares - Placement	30 May 2024	1,052,632	\$0.095	100
Issue Shares - Share Purchase Plan	30 May 2024	20,184,088	\$0.095	1,917
Exercise of Rights under Employee Equity Plan	26 Jun 2024	163,962	\$0.370	61
Exercise of Rights under Employee Equity Plan	26 Jun 2024	34,149	\$0.145	5
Exercise of Options under Share Purchase Plan	28 Jun 2024	26,315	\$0.135	4
Issue of Shares in lieu of cash payments for Directors Fees	28 Jun 2024	269,610	\$0.120	31
Balance	30 June 2024	<u>581,603,759</u>		<u>131,933</u>

**Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

Micro-X Limited  
Notes to the financial statements  
For the year ended 30 June 2024

## Note 19. Equity - Issued capital (continued)

### Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

## Note 20. Equity - Foreign currency translation reserve

	Consolidated	
	2024 \$'000	2023 \$'000
Exchange differences on translating foreign operations	221	14

## Note 21. Equity - Share based payments reserve

	Consolidated	
	2024 \$'000	2023 \$'000
Share-based payments reserve	3,815	3,852

Micro-X issued service rights to all staff and service rights and performance rights, inclusive of short term incentives (STI) and long term incentives (LTI) to Leadership and a subset of other staff under its Employee Equity Plan on 31 October 2023 and 3 January 2024. The rights hold various service and performance conditions which vest over 3 years.

The following assumptions have been used:

### Valuation Inputs & Conclusions

Description	LTI Service Rights	STI Performance Rights	LTI Performance Rights
Valuation Date	31 Oct 2023	3 Jan 2024	3 Jan 2024
Number of instruments issued	6,898,527	6,577,410	5,223,476
Spot Price	\$0.14	\$0.105	\$0.074
Exercise Price	Nil	Nil	Nil
Life (Years)	3	1	3
Volatility*	85%	85%	85%
Dividend Yield	0.00%	0.00%	0.00%
Risk Free Rate	4%	4%	4%
Assessed Value	\$0.140	\$0.105	\$0.074

\*Based on historical volatility of Micro-X shares and comparable companies.

The fair value of the rights expensed for the year ended 30 June 2024 was \$1.0M.

Set out below are the movements of rights held by Non-Executive Directors and Key Management Personnel during the Financial Year.

	Held at 1 July 2023	Granted as Remuneration	Exercised or Expired	Held at 30 June 2024	Average Fair Value per Right at Grant Date
Rights issued under Employee Equity Plan	10,222,843	7,348,552	(2,100,488)	15,470,947	0.158

P Rowland was not a KMP as at 30 June 2024 hence decreasing the opening balance of rights held.



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 21. Equity - Share based payments reserve (continued)**

The following table illustrates the number and weighted average fair value (WAFV) at grant date of, and movement in, rights held by all participants during the Financial Year:

	2024 Number	2024 WAFV	2023 Number	2023 WAFV
Outstanding at 1 July 2023	30,584,965	\$0.202	15,669,148	\$0.308
Granted during the Financial Year	18,699,413	\$0.109	19,485,197	\$0.124
Exercised during the Financial Year	(3,620,481)	\$0.250	(1,060,550)	\$0.340
Expired during the Financial year	(8,330,347)	\$0.166	(3,508,830)	\$0.286
Outstanding at 30 June 2024	37,333,550	\$0.159	30,584,965	\$0.202

The potential number of shares on conversion of performance rights is 37,333,550 which is made up of 7,641,918 vested performance rights on which all relevant performance criteria have been met and 29,691,632 unvested rights upon which require further performance criteria to be met before they become convertible.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and the directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current and previous Financial Year are set out below:

Consolidated	Share-based payment reserve \$'000	Total \$'000
Balance at 1 July 2022	3,057	3,057
Share rights expense <sup>1</sup>	1,155	1,155
Share right equity movement <sup>2</sup>	(360)	(360)
Balance at 30 June 2023	3,852	3,852
Share rights expense <sup>1</sup>	864	864
Share right equity movement <sup>2</sup>	(901)	(901)
Balance at 30 June 2024	<u>3,815</u>	<u>3,815</u>

1 Employee Equity Plan - amortisation expense of rights granted

2 Value of rights/ options transferred to retained earnings on exercise or when lapsed due to expiry.

**Note 22. Equity - dividends**

There were no dividends paid, recommended or declared during the current or previous Financial Year.

**Note 23. Financial instruments**

**Financial risk management objectives**

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

## **Note 23. Financial instruments (continued)**

Unless otherwise stated, there have been no changes from the previous reporting period in the Company's exposures to risks related to financial instruments, or how those risks arise.

### **Market risk**

#### *Foreign currency risk*

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD).

#### *Price risk*

The Group is not exposed to any significant price risk.

#### *Interest rate risk*

The Company's exposure to the risk of changes in market interest rates relates primarily to the company's cash deposits with floating interest rates. These financial assets with variable rates expose the Company to interest rate risk.

All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

In regard to its interest rate risk, the Company continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

At the balance date the Company had the following financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

Cash at bank of \$3.2M (2023: \$5.2M). The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/- \$32,000 (2023: +/- \$52,000). The sensitivity of 1% is based on reasonable, possible changes, over a Financial Year, using the observed range of actual historical short-term deposit rate movements and management's expectation of future movements.

#### **Credit risk**

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Credit risk arises from cash and cash equivalents and outstanding trade and other receivables.

The cash balances are held in financial institutions with high ratings and the trade and other receivables relate to amounts receivable from a substantial trade debtor with a strong credit standing.

The Company has assessed that there is minimal risk that the cash and trade and other receivables balances are impaired.

#### **Liquidity risk**

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Trade payables are generally payable on 30-day terms.

For personal use only

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 23. Financial instruments (continued)**

*Remaining contractual maturities*

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Consolidated - 2024</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	2,545	-	-	-	2,545
<i>Interest-bearing - fixed rate</i>						
Lease liability	5.00%	692	643	1,741	914	3,990
Total non-derivatives		3,237	643	1,741	914	6,535

	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Consolidated - 2023</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	2,482	-	-	-	2,482
<i>Interest-bearing - fixed rate</i>						
Lease liability	5.00%	725	698	1,750	1,530	4,703
Total non-derivatives		3,207	698	1,750	1,530	7,185

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

**Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 24. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	Consolidated	
	2024	2023
	\$	\$
Short-term employee benefits	1,395,350	1,617,295
Post-employment benefits	104,876	445,970
Share-based payments	438,769	547,510
	<u>1,938,995</u>	<u>2,610,775</u>

Consistent with the prior year. Key Management Personnel were granted rights under the Employee Equity Plan on 31 October 2023 and 3 January 2024.

The Share-based payments above relate to the amortisation of the fair value of the grant of rights made to the KMP during the year and do not necessarily reflect the cash value that may be realised upon vesting and exercising of the rights.



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 25. Remuneration of auditors**

During the Financial Year the following fees were paid or payable for services provided by BDO, the auditor of the Company:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services</i>		
BDO - audit or review of the financial statements	98,430	65,000
Grant Thornton - audit or review of the financial statements up to 31 December 2022	-	35,690
	<u>98,430</u>	<u>100,690</u>
<i>Other services - BDO</i>		
Tax and Transfer Pricing	27,850	30,494
R&D Tax Incentive	20,555	13,379
Other	15,688	3,075
	<u>64,093</u>	<u>46,948</u>
	<u><u>162,523</u></u>	<u><u>147,638</u></u>

**Note 26. Contingent liabilities**

The Company has no contingent liabilities as at 30 June 2024.

**Note 27. Related party transactions**

*Subsidiaries*

Interests in subsidiaries are set out in note 29.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

*Transactions with related parties*

Details and terms and conditions of other transactions with KMP and their related parties:

During the Financial Year, purchases totalling \$92,085 at market prices have been made by the Company for marketing services provided by companies of which Anthony Skeat's wife is a director.

*Receivable from and payable to related parties*

Noted as at reporting date, a \$130,886 payable to Patrick O'Brien is included within trade payables for director fees invoiced at 30 June 2024.

There were no other trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 28. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	Parent	
	2024 \$'000	2023 \$'000
Loss after income tax	(8,497)	(6,779)
Total comprehensive income	(8,497)	(6,779)

*Statement of financial position*

	Parent	
	2024 \$'000	2023 \$'000
Total current assets	18,419	20,563
Total assets	24,955	27,822
Total current liabilities	4,776	5,633
Total liabilities	5,486	6,450
Equity		
Issued capital	131,933	125,396
Foreign currency translation reserve	228	260
Convertible notes	65	65
Share-based payments reserve	3,815	3,852
Accumulated losses	(116,572)	(108,201)
	<u>19,469</u>	<u>21,372</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2024.

*Contingent liabilities*

The parent entity has no contingent liabilities as at 2024.

*Capital commitments - Property, plant and equipment*

The parent entity has no capital commitments for property, plant and equipment as at 2024.

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the accounting policy relating to investment in subsidiaries which are carried at cost in the parent accounts but would be applied at fair value for any Group accounting.



# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

**Note 29. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
Micro-X Incorporated	USA	100%	100%
Micro-X UK Operations Limited	United Kingdom	100%	100%

**Note 30. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 31. Reconciliation of loss after income tax to net cash used in operating activities**

	Consolidated	
	2024 \$'000	2023 \$'000
Loss after income tax expense for the year	(9,765)	(10,754)
Adjustments for:		
Depreciation and amortisation	1,551	1,601
Share-based payments	1,068	1,233
Non-cash finance costs	(22)	(4)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,489)	(3,543)
Increase in trade and other payables	1,010	1,493
Increase/(decrease) in employee benefits	(111)	107
(Increase)/decrease in inventories	1,923	(1,521)
(Increase)/decrease in unearned income	(600)	395
Net cash used in operating activities	<u>(6,435)</u>	<u>(10,993)</u>

**Note 32. Earnings per share**

	Consolidated	
	2024 \$'000	2023 \$'000
Loss after income tax attributable to the owners of Micro-X Limited	<u>(9,765)</u>	<u>(10,754)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.85)	(2.17)
Diluted earnings per share	(1.85)	(2.17)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>527,175,081</u>	<u>495,599,038</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>527,175,081</u>	<u>495,599,038</u>

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Micro-X Limited**  
**Notes to the financial statements**  
**For the year ended 30 June 2024**

## **Note 32. Earnings per share (continued)**

The weighted average number of shares does not include the potential number of ordinary shares upon take-up of rights and the conversion of the mandatorily convertible notes.

The potential number of shares on conversion of the April 2018 mandatorily convertible notes which are unconverted is 162,500 ordinary shares based on conversion prices of \$0.40 (Ceiling Cap).

The potential number of shares on conversion of performance rights is 37,333,550 which is made up of 7,641,918 vested performance rights on which all relevant performance criteria have been met and 29,691,632 unvested rights upon which require further performance criteria to be met before they become convertible.

The potential number of options on conversion is 31,118,256 which were attached to the shares issued under the placement and share purchase plan. Options holders may convert at any time up until 30 May 2026.

Basic EPS is calculated by dividing the loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. It is noted that diluted EPS cannot be calculated on the loss for the year and accordingly the diluted EPS equals the basic EPS.



# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

**Micro-X Limited**  
**Consolidated Entity Disclosure Statement**  
**For the year ended 30 June 2024**

**Basis of Preparation**

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

**Determination of Tax Residency**

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

**Australian tax residency**

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

**Foreign tax residency**

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Micro-X Limited	Body Corporate	Australia	-	Australia
Micro-X Incorporated	Body Corporate	USA	100.00%	USA
Micro-X UK Operations Limited	Body Corporate	United Kingdom	100.00%	Australia <sup>1</sup>

<sup>1</sup>Micro-X UK Operations Limited is classified as an Australian tax resident under the Income Tax Assessment Act 1997 'ITAA 1997', but is a tax resident of the United Kingdom under the laws of Country the United Kingdom.



# DIRECTORS' DECLARATION

**Micro-X Limited**  
**Directors' declaration**  
**For the year ended 30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the Financial Year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

*David Knox*

---

David Knox  
Non-Executive Chair

28 August 2024



# INDEPENDENT AUDITOR'S REPORT



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
www.bdo.com.au

BDO Centre  
Level 7, 420 King William Street  
Adelaide SA 5000  
GPO Box 2018 Adelaide SA 5001  
Australia

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICRO-X LIMITED

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Micro-X Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

# INDEPENDENT AUDITOR'S REPORT CONT'D



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Recognition and measurement of engineering contract services revenue

Key audit matter	How the matter was addressed in our audit
<p>Refer to Note 5 of the financial report and Note 2 for the accounting policy.</p> <p>For the year ended 30 June 2024 the Group recognised \$8.812m (2023: \$11.210m) of engineering contract services revenue</p> <p>Revenue recognition and measurement of engineering contract services was identified as a key audit matter due to the significance of revenue to the financial report and the judgment exercised by management in the determining the timing and amount of revenue to be recognised</p>	<p>Our procedures included but were not limited to;</p> <ul style="list-style-type: none"> <li>Developing an understanding of each contract and ensuring the revenue recognised was in accordance with AASB 15</li> <li>Evaluating the accuracy of management's assessment associated with the stage of completion for individual contracts by testing the accuracy of assumptions in relation to services performed to date against the expected total services to be provided under the contracts</li> </ul>

### Research and Development (R&D) Tax Incentive

Key audit matter	How the matter was addressed in our audit
<p>Refer to Note 6 and 8 of the financial report and Note 2 for the accounting policy.</p> <p>For the year ended 30 June 2024 the Group recognised a \$6.373m (2023: \$6.232m) of R&amp;D Tax Incentive receivable.</p> <p>The R&amp;D Tax Incentive was identified as a key audit matter because of the extent of judgment involved in considering the recognition of the other income and receivable as at the reporting date and the complexities involved in the computation.</p>	<p>Our procedures included but were not limited to;</p> <ul style="list-style-type: none"> <li>Obtaining and analysing the evidence provided by the Group to support the carrying value of the R&amp;D Tax Incentive receivable.</li> <li>Discussing and analysing management's assessment of the recoverability of the R&amp;D Tax Incentive receivable with reference to tax legislation, discussions with internal specialists, and management's historical accuracy in estimating these claims in prior periods.</li> </ul>



For personal use only

# INDEPENDENT AUDITOR'S REPORT CONT'D



## Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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.

## Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group 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 to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

# INDEPENDENT AUDITOR'S REPORT CONT'D



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 20 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Micro-X Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over the BDO logo.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle', is written over the BDO Audit Pty Ltd text.

Andrew Tickle  
Director

Adelaide, 28 August 2024

For personal use only



# SHAREHOLDER INFORMATION

For the year ended 30 June 2024

The shareholder information set out below was applicable as at 16 August 2024.

The total number of shareholders is 3,883 and there are 581,603,759 ordinary fully paid shares on issue.

## UNQUOTED EQUITY SECURITIES – OPTIONS

There are a further 31,118,256 unlisted options over fully paid ordinary shares held by 248 option holders. These options have an exercise price of \$0.135 per share and an expiry date of 30 May 2026. These options were issued on 30 May 2024 to participants in the Company's Placement and the Company's share purchase plan, including certain directors of the Company for whom shareholder approval was obtained for the issue of their options.

## UNQUOTED EQUITY SECURITIES – PERFORMANCE RIGHTS & SERVICE RIGHTS

There are a further 37,333,550 unquoted performance rights over fully paid ordinary shares issued under the Employee Equity Plan, which are held by 86 participants. During the year ended 30 June 2024 the following grants of performance rights were made:

GRANT DATE	EXERCISE PRICE	NUMBER OF HOLDERS	NUMBER ON ISSUE	NUMBER OF RESTRICTED SECURITIES	RELEASE DATE (IF APPLICABLE)
31 October 2023 – Employees <sup>1</sup>	\$0.000	83	6,898,527	–	–
3 January 2024 – Employees <sup>1</sup>	\$0.000	21	11,800,886	–	–

1. As part of the Employee Equity Plan including both short term incentives and long term incentives for employees, a total of 18,699,413 rights (including performance rights and service rights) were issued on 31 October 2023 and 3 January 2024. The rights hold various service and performance conditions which will be assessed and potentially vest for the respective holders on 31 August 2024 (short term performance incentives) and 2 January 2027 (long term performance and service incentives).

As at 16 August 2024 there were 37,333,550 unquoted rights over fully paid ordinary shares issued which are held by 86 participants, when taking into account for previous grants of performance rights, as well as conversion and expiry of 11,950,826 performance rights during the Financial Year.

## UNQUOTED EQUITY SECURITIES – CONVERTIBLE NOTES

There are 650 unlisted convertible notes of face value \$100 per Note as follows:

CONVERTIBLE NOTES MATURITY DATE	NOTE CONVERSION PRICE	NUMBER OF HOLDERS	NUMBER ON ISSUE	NUMBER OF RESTRICTED SECURITIES	RELEASE DATE (IF APPLICABLE)
Perpetuity	\$0.400	3	650	–	–

# SHAREHOLDER INFORMATION CONT'D

## DISTRIBUTION OF SECURITIES

Analysis of number of equitable security holders by size of holding:

	ORDINARY SHARES		OPTIONS OVER ORDINARY SHARES	
	Number of Holders	% of Total Shares Issued	Number of Holders	% of Total Shares Issued
1 to 1,000	84	-	-	-
1,001 to 5,000	867	0.46	-	-
5,001 to 10,000	623	0.86	1	0.03
10,001 to 100,000	1,726	11.30	188	16.98
100,001 and over	583	87.38	59	82.99
	3,883	100.00	248	100.00
<b>Holding less than a marketable parcel</b>	<b>1,238</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are 1,238 holders (with a total of 4,540,524 shares) holding less than a marketable parcel.

## EQUITY SECURITY HOLDERS

### TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the twenty largest security holders of equity securities are listed below:

	ORDINARY SHARES	
	Number Held	% of Total Shares Issued
HSBC Custody Nominees (Australia) Limited	74,652,164	12.84
Varex Imaging Corporation	54,130,053	9.31
UBS Nominees Pty Ltd	45,053,092	7.75
Citicorp Nominees Pty Ltd	40,218,556	6.92
BNP Paribas Nominees Pty Ltd (DRP)	17,973,718	3.09
JP Morgan Nominees Australia Pty Ltd	16,143,660	2.78
Mr Peter Robin Rowland	14,194,697	2.44
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	13,176,047	2.27
TLFTC Pty Ltd (The Lonsdale Fund A/C)	6,957,233	1.20
Charli Jordan Pty Ltd (Molloy Settlement A/C)	5,115,789	0.88
Mr Lennie Franklin David	4,966,867	0.85
Harman Nominees Pty Ltd (Harmanis Investment A/C)	4,816,556	0.83
Bronte Investments Pty Ltd (McMahon Superannuation A/C)	4,600,279	0.79
Meddiscope Pty Ltd (Podesta Family A/C)	3,244,565	0.56
Gowing Bros Limited	3,068,647	0.53
Dr Russell Kay Hancock	3,000,000	0.52
Anglesea Investments Pty Ltd (Damien O'Brien Family A/C)	2,766,379	0.48
Vaben Pty Ltd (The Vaben Superannuation A/C)	2,765,931	0.48
Mr Aditya Agarwal	2,656,164	0.46
Antipodean Nominees Pty Ltd (Antipodean Family A/C)	2,484,026	0.43
	<b>321,984,423</b>	<b>55.41</b>



## SHAREHOLDER INFORMATION CONT'D

Substantial holders in the Company, as disclosed to the Company, are set out below:

	<b>ORDINARY SHARES</b>	
	Number Held	% of Total Shares Issued
Perennial Value Management Limited	71,143,733	12.23
Varex Imaging Corporation	54,130,053	9.31
TIGA Trading Pty Ltd and Thorney Technologies Limited	45,152,777	7.76
Acorn Capital Limited	45,097,950	7.75

### VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

#### ORDINARY SHARES

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

#### SHARES SUBJECT TO ESCROW (RESTRICTED SECURITIES)

Voting rights relating to shares subject to escrow are the same as for ordinary shares except that, during a breach of the ASX Listing Rules relating to Shares which are Restricted Securities, or a breach of a restriction agreement, the holder of the relevant Restricted Securities is not entitled to any voting rights in respect of those Restricted Securities.

#### PERFORMANCE RIGHTS, SERVICE RIGHTS, OPTIONS AND CONVERTIBLE NOTES

Performance Rights, Service Rights, Options and Convertible Notes do not have voting rights attached.

There are no other classes of equity securities.

For personal use only



# CORPORATE DIRECTORY

## DIRECTORS

David Knox (Non-Executive Chair)  
Alexander Gosling (Non-Executive Director)  
Patrick O'Brien (Non-Executive Director)  
James McDowell (Non-Executive Director)  
Ilona Meyer (Non-Executive Director)  
Andrew Hartmann (Non-Executive Director)

## COMPANY SECRETARY

Kingsley Hall

## REGISTERED OFFICE

A14, 6 MAB Eastern Promenade  
Tonsley  
SA 5042

## PRINCIPAL PLACE OF BUSINESS

A14, 6 MAB Eastern Promenade  
Tonsley  
SA 5042

## SHARE REGISTER

**Computershare Investors Services Pty Ltd**  
Yarra Falls, 452 Johnston Street  
Abbotsford, VIC 3067

Phone: 1300 555 159 (within Australia)  
Phone: +61 3 8320 4062 (outside Australia)

## AUDITOR

**BDO Audit Pty Ltd**  
Level 7, 420 King William Street  
Adelaide, SA 5000

Phone: +61 8 8324 6000

## STOCK EXCHANGE LISTING

Micro-X Ltd shares are listed on the Australian Securities Exchange (ASX code: MX1)

## WEBSITE

[www.micro-x.com](http://www.micro-x.com)



For personal use only

For personal use only

**MICRO-X**



[MICRO-X.COM](https://micro-x.com)