

MICRO-X

ACN 153 273 735 / ASX: MX1

FINANCIAL RESULTS & OPERATIONAL UPDATE

Financial Year ended 30 June 2024

Kingsley Hall
Chief Executive Officer
29 August 2024



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This FY2024 Results & Operational Update Presentation is approved by the Board of Micro-X Limited.



CREATING REVOLUTIONARY X-RAY IMAGING TO BETTER LIVES



OVERVIEW

MICRO-X

Growing commercial momentum from record product sales in FY2024 and Argus launched

1

Record product revenues – reduced inventory & improved gross margin

2

Argus first sale – demonstration units in field to build sales funnel

3

Airports –contract extension up to \$21M funds through to live airport testing
Miniature baggage scanner now delivered & being tested at DHS facility

4

Head CT – first images produced with Micro-X mini tube
Human imaging trials planned for this year in 3 Australian hospitals

5

Cash and contracted payments – fund the business and Argus launch into FY2026

THE FUTURE OF X-RAY

MICRO-X

Micro-X has created a world first technology platform that delivers transformative imaging solutions



Lighter



Cold cathode



Fast pulse



Smaller



Long life



Reliable and robust



Micro-X proprietary CNT technology

- Cold cathode emitter made of millions of nanotubes emits digitally controlled electrons
- generates high quality x-ray images

Nano Electronic X-ray (NEX) Technology tube increases portability and is more energy efficient.

Micro-X proprietary high-power generator delivers up to 160KvA enabling a wide range of applications.

FOUR INNOVATIVE APPLICATIONS

MICRO-X

Each product drives a different utilisation of Micro-X's world leading technology

Mobile Digital Radiology

Lightweight and ultra-mobile x-ray systems delivering high quality images in any treatment area – hospital, out of hospital & humanitarian uses



Argus X-ray Camera

World first high-definition bomb imaging without a separate detector – enables remote / stand-off use, keeping an operator away from the threat



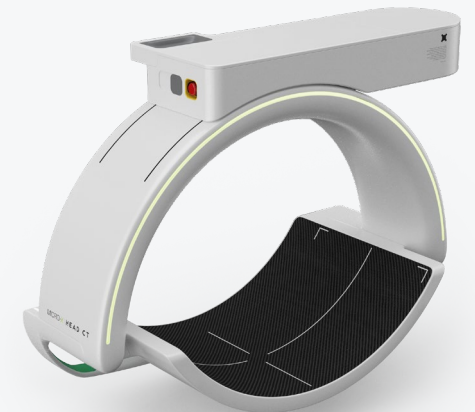
Checkpoints & Baggage Scanner

Baggage scanner for security checks in a range of environments
- Integrated airport checkpoint for passport, body and baggage scanning



Head CT

Mobile CT unit enabling out of hospital stroke diagnosis – delivering diagnostic quality images from the ambulance



MICRO-X

RESULTS & HIGHLIGHTS

Financial year ended 30 June 2024

KEY FINANCIALS - FY24

Growing commercial momentum driving tangible financial results

\$15.2M

Total Revenue¹

Revenue growth driven by record Mobile DR sales

↑ \$4.6m

Net Operating Cashflows¹

↑ **42%** Increased customer receipts and reduced payments supported by increased R&D receipt.

↑ 70%

Product Revenue¹

Record **\$6.4m** revenue from Mobile DR sales (FY23 \$3.8m)

↑ 106%

Product Gross Margin²

Higher value orders and stronger price points

1. Financial results based on Annual Report lodged with the ASX on 29 August 2024.
2. Net of one-off write down of obsolete stock relating to low powered variants.

OPERATIONAL ACHIEVEMENTS

New commercialisation strategies delivering milestones

MICRO-X



Defence & Govt Orders

Ukraine military assistance package
Units for Aust Defence Forces



First Argus Sale

First Argus sale – unit delivered to the UAE
for use in national security applications



\$21m DHS Contract Ext.

US Dept of Homeland Security for Airport
Check-in to live testing

CE Mark + EU Launch

Rover & Rover Plus receive CE Mark
– approved in key global markets

Chief Sales Officer

Scott Bryant joins leadership – responsible
for global sales and accelerating Argus launch

Baggage Scanner tested

First fully functional prototype installed at US
Dept of Homeland Security test laboratory

High Power Generator

Support Argus launch, expanded Rover and
Core Technology offerings

Argus Kit Developed

Expanded Argus kit offering enables both
backscatter and transmission X-ray

First Mini-Tube images

First images with Micro-X mini tube
reconstructed using MX proprietary software

REVENUE HIGHLIGHTS – FY2024

Revenue growth by strong product sales – offsetting lumpy project income

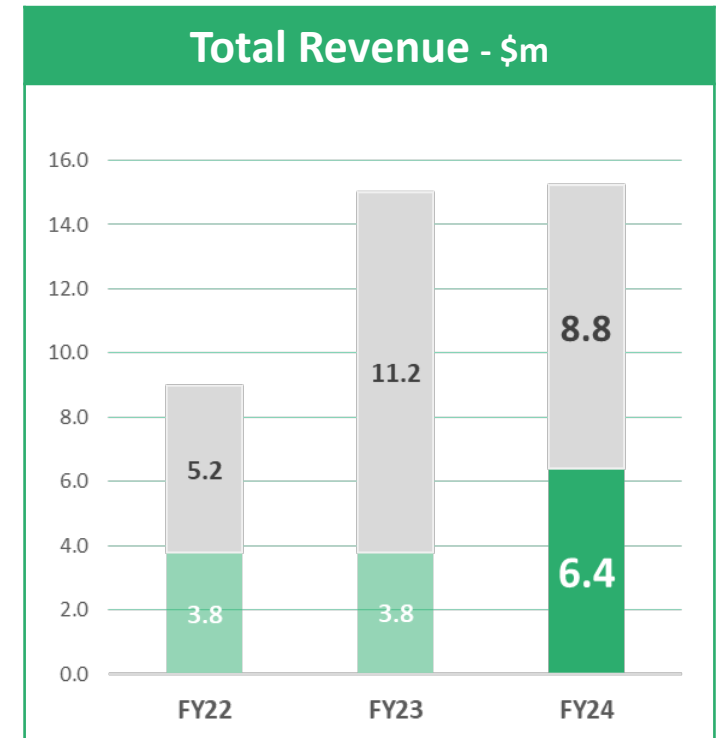
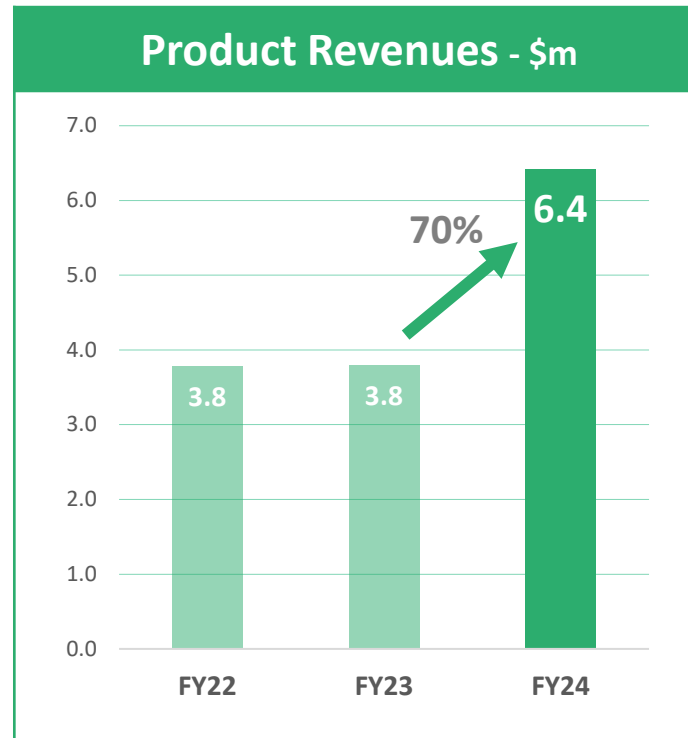
\$15.2m Total revenue

\$6.4m Product Revenue

- Australian Defence Forces
- Aust. Govt. for Ukraine Aid
- First EU sale of Micro-X Rover Plus

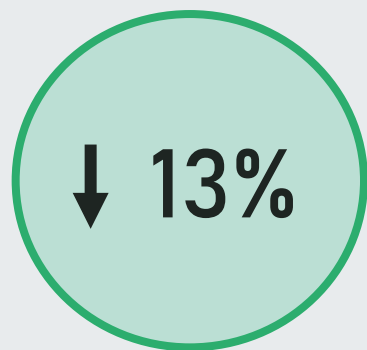
\$8.8m Project Revenue

- Funded development work on Checkpoints and Head CT products
- DHS - \$4.2m for Checkpoint + Baggage Scanner
- Varex - \$3.1m for technology transfer work
- ASA - \$1.0m for Head CT milestones
- Other - \$0.5m for Imaging chain development
- Delays in some Milestones – moved into FY25



REDUCED COST BASE

Refining a more commercial cost base



**Expenditure
Reduced¹**

Cash operating expenses \$23.1m² [FY23 \$26.6m]
by effectively deploying capital



**Unfunded
Development Costs^{1,3}**

↓ **43%** with completion of
Argus and Generator projects



**Mobile DR
Inventory Reduction¹**

Excess inventory converted to
cash - \$3.5M currently available

1. Financial results based on Annual Report lodged with the ASX on 29 August 2024
2. Total Expenses excluding cost of goods sold, non cash employee entitlements, depreciation and amortization.
3. Based on Research & Development calculations

BALANCE SHEET

>12 months funding runway following \$5.9m capital raising

\$12.7m

FY2025 Development contracted payments (FY24 \$8.5m)¹

→ Focus on self funding operations and funding opportunities for new development activities

→ Development costs on Checkpoints and Baggage Scanner projects funded by DHS contracts – subject to timing

→ Mobile DR is self sustaining based on current customer receipts and use of Inventory

→ All Head CT development funded by ASA payments until project ends – new costs to be partner funded

→ Other payments and R&D rebate fund corporate overheads

→ \$5.9m capital raised in Q4 FY2024 (before costs)

Balance Sheet

\$000

| | |
|--|---------------|
| Cash & Cash Equivalents ¹ | 3,228 |
| Trade and Other Receivables ² | 7,212 |
| Inventories | 5,379 |
| Right of Use asset & Property, Plant & Equipment | 6,877 |
| Other Assets | 4,199 |
| Total Assets | 26,895 |

| | |
|------|---|
| Debt | 0 |
|------|---|

1. \$0.7m cash received 2 July 2024 and \$2.5m Contracted payments moved from 4Q24 into FY25

FY25 – Sources of Funding

\$000

| | |
|---|---------------|
| Sales of Micro-X Rover & Argus units | In addition |
| R&D Rebate receipt by 31 Dec 2024 ² | 6,400 |
| Contracted Project payments ^{3,4} | 12,700 |
| Sources of Funding – excluding Rover & Argus sales | 19,100 |

2. Estimate R&D rebate is disclosed in 'Trade and Other Receivables' – relates to FY22 and FY24

3. \$2.7m of this amount is included within 'Other Assets'

4. DHS, ASA, Varex contracts subject to milestones – assumes DHS exercises optional funding

1. FY24 Development contract payments reported in 4C uploaded to ASX on 29 July 2024.
Subject to successful achievement of milestones under the ASA, DHS and Varex contracts

MICRO-X

DRIVING COMMERCIAL SUCCESS

Building a business not just a technology

OUR STRATEGY

MICRO-X

Creating a profitable business with our world class technology

01

Commercial skills - Commercially driven

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

02

Sweat the asset - Leverage our technology

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

03

Target larger and less competitive markets

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

06

Create recurring revenue streams

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

05

Commercialise through effective partnerships

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

04



De-risk the business - Reduce the cost base

Scaling costs to match commercial progress.
Minimising unfunded development expenditure

PARTNERING STRATEGY

De-risking market entry – focusing on Micro-X core skills as a tech innovator

Our Current Partners

| Development Partner | Development Partner | Licensing Partner |
|---|--|---|
|  |  |  |
| Checkpoints - \$28m funding | Head CT - \$8m funding | Multibeam Emitters - \$15m |
| POTENTIAL EXPANSION OF RELATIONSHIP | | |
| Future pre-orders if project successful | Clinical support partner | Potential manufacturer / supplier |

New Partners being Sought

Checkpoints

- > Implementation / Market access
 - Existing airport or security integrators
 - Ability to offer scale to implement/service
 - Manufacturing Partners for associated equip
 - Funding or co-investment

Head CT

- > Implementation / Market access
 - Existing medical imaging multi-national
 - Existing relationships with customer base
 - Manufacturing Partners for scale / service
 - Funding or co-investment

NEAR TERM PRIORITIES

Executing on tangible operational achievements to drive commercialisation

1

Driving the **Argus commercial launch** in global defence and security markets

- Customer demonstrations to build on first sale - grow a large and repeat customer base in 12 months

2

Executing **strategic partnerships for Checkpoints and Stroke imaging** products

- Ongoing engagement with potential partners who can provide optimal market access and funding

3

Continuing to **build Micro-X Rover sales and distributor channels – self funded**

- Sales of Micro-X Rover range in all major global markets underpinned by ongoing ability to utilise excess inventory for sales

4

Advancing a **prototype stroke imaging unit – building on the ASA contract**

- Following delivery of imaging prototypes in CY2024 - developing further prototypes under current commercial MOUs





5

Maintaining **momentum on Checkpoints & Baggage scanner work – DHS funded**

- Working alongside the Dept of Homeland Security to develop and test commercial units with contracted funding

REVENUE TIMELINE

Commercialising four revenue generating product lines by 2026

| Division | Sector | Products | Commercial Status | Revenue Timeline | | | | Next major milestone |
|--------------------|---------------------|--|---|--|--|--|-------------------------|--|
| | | | | 2023 | 2024 | 2025 | 2026 | |
| Mobile DR | Healthcare |  Rover / Rover Plus | \$6.4m Revenue – FY24 FDA and TGA 350+ units sold to date | First Sales in Europe Govt. & Defence sales | | | | Growing European presence |
| Argus X-Ray Camera | Security & Defence |  Argus | Customer trials Launched 2024 – first unit sold & delivered | Completing development – transfer to manufacturing | Building Sales | | | Additional sales Marquee organisations |
| Checkpoints | Security & Airports |  Checkpoint Portal Baggage Scanner | Design accepted Up to \$28m DHS contract through to live testing | Checkpoint Portal Up to A\$21m Contract Extension | Baggage Scanner – TSA lab testing Checkpoint Portal – TSA lab testing | Prototype sales Checkpoint Portal – Build 6 module lane | Live US Airport testing | First Checkpoint module Delivered to DHS for testing |
| Head CT | Healthcare |  Brain CT Scanner | Design Accepted \$8m MRFF funding to prototype delivery | Brain images using prototype test bench | Human Imaging trials | Regulatory submission | Regulatory approval | Head CT prototype Delivered to ASA for testing |

* Head CT commercialisation beyond 2024 is subject to funding

OUTLOOK FOR FY25

Key near-term operational objectives

Commercial products

Argus

> Commercial sales in security & defence

- Increase customer demonstrations with field units
- Drive adoption and expanded use case through sales to key security/police agencies
- Distribution agreements in key global markets

Mobile DR

> Sales growth in current and new markets

- Grow European presence and customers
- Expand direct sales of tubes & generators
- Continue to convert & manage inventory

Products In Development

Checkpoints

> Deliver prototypes to demonstrate capability

- Second Baggage Scanner prototype delivered
- First Checkpoint Portal prototype delivered
- Refinement of threat detection capabilities

Head CT

> Development to commence clinical trials

- CT Test bench developed and imaging approval
- Delivery of hospital prototypes
- Commence human imaging trials

Corporate & Financial

Corporate

> Build and manage resources

- Pursue partnership opportunities to support funding & market entry
- Continue to drive commercial capabilities & leverage technology
- Manage capital resources prudently

CORPORATE
& FINANCIALS



\$15.2m
FY24 Revenue



\$12.7m
Contracted project
payments – FY2025



\$6.4m
R&D Rebate est. Dec 2024

FINANCIALS & SHAREHOLDERS

Cash ~A\$3.2m (30 June 2024)

Revenue A\$15.2m (FY2024)

Institutions + Strategic Investors Perennial (12.2%), Varex (9.3%), Thorney (7.76%), Acorn (7.75%)

Board + Mgmt 2% + Mgmt Performance rights

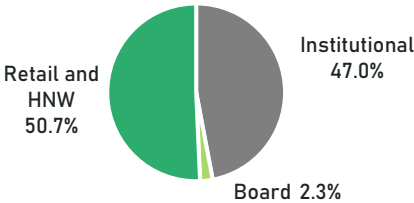
SHARE CAPITAL (27 August 2024)

Share price \$0.061 per share

Total shares on issue 581.6 million

Options (ex. 13.5c) 31.1 million
Performance rights 37.3 million

Market cap A\$35.5 million



EXPERIENCED LEADERSHIP

Commercially focused to accelerate growth



Kingsley Hall – Chief Executive
25+ years exp in senior operational and finance roles



David Knox – Non-Exec Chair
Chair Snowy Hydro, former CEO Santos



Anthony Skeats – COO
25+ years exp R&D, Program and Engineering management in high technology products



Brian Gonzales, PhD – CEO Americas
Recognised industry leader in x-ray physics, CNT technology and x-ray imaging



Ilona Meyer, Non-Exec
General Counsel Nuix, former Boehringer Ingelheim, ResMed, Medtronic



Patrick O'Brien, Non-Exec
Former Senior Exec. Macquarie Group, McKinsey and Minter Ellison



Jim McDowell, Non-Exec
Defence Deputy Sec, former CEO Nova, Former CEO of Dept Premier & Cabinet SA



Andrew Hartmann, Non-Exec
Senior VP Varex Imaging, former Phillips, Carestream and Siemens



Alexander Gosling, AM, Non-Exec
Founding Director Invetech and formerly of Capstone Partners

WRAP UP

Five key take aways

1

World-class Nano Electronic X-ray technology platform unlocks innovative X-ray applications for health, security and defence

2

Record FY24 Product revenues with stronger margins – ongoing development work also funded from strong Contracted Payments for FY25

3

Building Argus pipeline following first sale– demonstration units with customers – led by newly appointed Chief Sales Officer Scott Bryant

4

Airport development work funded with DHS \$28m contract – Baggage scanner prototype completed – Checkpoint Portal prototype targeted for CY2024

5

Head CT Scanner first successful images – imaging trials planned in CY2024 – development of the final test bench then approvals prior to delivering hospital units



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APPENDICES

Financial Statements



PROFIT & LOSS – FY2024

Key points

- Record Product Revenue achieved at a higher gross margin than FY23
- Product Gross Margin increased with higher value Govt. orders
- Project Revenue reduced due to the timing of milestone payments – significant project payments set to be received in Q1 FY25
- Total Expenses reduced by \$3.6m inclusive of \$2m annual overhead reduction from May 23
- Narrowing Statutory NPAT loss of (\$9.7m) down 12% from (\$10.8m).

| | Consolidated | | Change | |
|---|---------------------|---------------------|----------------|-------------|
| | 30-Jun-24 \$'000 | 30-Jun-23 \$'000 | \$'000 | % |
| Revenues | | | | |
| Product Revenue | 6,410 | 3,795 | 2,615 | 69% |
| Costs of Goods sold | (5,403) | (3,505) | (1,898) | 54% |
| Operating Revenues | 15,222 | 15,005 | 217 | 1% |
| Gross Margin | 1,007 | 290 | 717 | 247% |
| Product Gross Margin % | 15.7% | 7.6% | - | 106% |
| Project Revenue | 8,812 | 11,210 | (2,398) | -21% |
| Expenses | | | | |
| Employment expenses | 15,555 | 15,786 | (231) | -1% |
| Project development | 3,708 | 6,444 | (2,736) | -42% |
| Sales and Marketing | 937 | 1,378 | (441) | -32% |
| Corporate expenses | 430 | 331 | 99 | 30% |
| Other expenses | 2,465 | 2,614 | (149) | -6% |
| Total Expenses | 23,095 | 26,553 | (3,458) | -13% |
| Operating EBITDA | (13,276) | (15,053) | 1,777 | -12% |
| Non Operating Income & Costs | | | | |
| R&D Rebate | 6,373 | 6,647 | (274) | |
| Grant income and Other | 367 | 739 | (372) | -50% |
| Depreciation & Amortisation | (1,539) | (1,589) | 50 | -3% |
| Finance & Non-cash employee expense | (1,316) | (1,502) | 186 | -12% |
| One-Off Costs | (374) | - | (374) | N/a |
| Net Profit after Tax | (9,765) | (10,758) | 993 | -9% |

BALANCE SHEET – FY2024

Key points

- Cash & cash equivalents affected by timing of project payments – additional \$2.7m received or expected in Q1 FY2025 (shown in contract assets)
- Trade and Other Receivables includes an estimated \$6.4M R&D receivable relating to the FY24 year and an amendment from FY22
- Inventory converted to cashflow – consistent with strategy to better manage business requirements and reduce holding

| | Consolidated | |
|---|---------------|---------------|
| | 30-Jun-24 | 30-Jun-23 |
| | \$'000 | \$'000 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 3,228 | 5,223 |
| Trade and other receivables | 7,212 | 6,996 |
| Contract assets | 2,941 | 1,633 |
| Inventories | 5,379 | 7,338 |
| Other Assets | 1,138 | 1,247 |
| Total current assets | 19,898 | 22,437 |
| Non-current assets | | |
| Property, plant and equipment | 2,924 | 3,114 |
| Right-of-use assets and lease liabilities | 3,953 | 4,615 |
| Intangibles | 120 | 132 |
| Total non-current assets | 6,997 | 7,861 |
| Total assets | 26,895 | 30,298 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 6,530 | 5,584 |
| Contract liabilities | 255 | 855 |
| Lease liabilities | 692 | 726 |
| Provisions | 1,156 | 1,153 |
| Total current liabilities | 8,633 | 8,318 |
| Non-current liabilities | | |
| Lease liabilities | 3,298 | 3,977 |
| Provisions | 703 | 810 |
| Total non-current liabilities | 4,001 | 4,787 |
| Total liabilities | 12,634 | 13,105 |
| Net assets | 14,261 | 17,193 |
| Equity | | |
| Issued capital | 131,933 | 125,396 |
| Foreign currency translation reserve | 221 | 14 |
| Convertible notes | 65 | 65 |
| Share based payments reserve | 3,815 | 3,852 |
| Accumulated losses | (121,773) | -112,134 |
| Total equity | 14,261 | 17,193 |