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MICRO-X ANNOUNCES $6.0M CAPITAL RAISING

Additional $2.4m Strategic Investment from Billion Prima at premium to Capital Raising

Adelaide, Australia, 6 February 2025: Australian hi-tech company Micro-X Ltd (ASX:MX1) (Micro-X or the Company), a leader in cold cathode x-ray technology for health and security markets globally, is pleased to announce that it is undertaking a placement to sophisticated and professional investors (the Placement) and a 1 for 10 entitlement offer (the Entitlement Offer) each at 7.0 cents per share (the Offer Price), to raise approximately $6.0m (the Capital Raising). This Capital Raising is in addition to the strategic investment of $2.4m at 9.0 cents per share by Billion Prima (the Strategic Placement) announced earlier today.

Key Points

- **$6.0m Capital Raising to fund the new strategic focus on medical imaging and the Micro-X range of mobile X-ray and CT products, through to cashflow stability, comprising**
  - **Placement of approximately $2.0 million at 7.0 cents per share to Professional and Sophisticated investors under the Company's placement capacity ("Institutional Placement")**
  - **1 for 10 accelerated non-renounceable pro rata entitlement offer to existing eligible shareholders at 7.0 cents per share, to raise up to approximately $4.0 million ("Entitlement Offer")**
- **Offer Price for the Placement and Entitlement Offer of 7.0 cents per share is a 10.3% discount to the close on 30 January 2025, 14.1% discount to the 15-day VWAP, and 13.9% discount to the 30-day VWAP**
- **All Directors and Key Management are participating in the Capital Raising, with commitments for $0.28m, subject to shareholder approval**
- **Additional $2.4m investment by Billion Prima at 9.0 cents per share, as part of their $5.6m strategic partnership in security for baggage and parcel screening technology in South-East Asia**
- **On completion of the Capital Raising and Strategic Placement, Micro-X will have $10.35m pro forma cash at 31 December 2024**
- **Micro-X is pursuing multiple near term upside opportunities including**
  - **An ongoing evaluation of Rover Plus by a major US hospital and group purchasing organisation**
  - **Monetising its security technology through additional partnerships in discussion**

Strategy reset and Capital raising to bridge to cashflow stability

Micro-X has launched a $6.0m Capital Raising, through the Placement and Entitlement Offer, to fund the business through to a cashflow stable position, in line with its revised strategy and focus on medical imaging, as announced on 31 January 2025. This narrowed focus is intended to facilitate better execution on tangible commercial outcomes, all underpinned by the Micro-X revolutionary CNT X-ray technology. In order to achieve and resource this focus on medical imaging, the Company's current security applications will be monetised via strategic partnerships with third parties.

The first strategic partnership which will deliver $5.6m to Micro-X has been entered into with Billion Prima, a Malaysian based developer and manufacturer of specialised screening products for baggage, parcels and freight cargo. As part of this partnership, Billion Prima will acquire approximately 4.4% of the Company's shares, prior to the Capital Raising, for an investment of $2.4m at 9.0 cents per share. This premium to both the last closing price and also the share price of the Capital Raising, reflects the value of the Micro-X technology and the partnership. Micro-X is also in advanced discussions with several other parties regarding partnering and monetisation initiatives for its Security applications.

The Company's focus on medical imaging is underpinned by its recently announced ARPA-H development contract, which provides up to $25m in non-dilutive funding over the next five years to enable the Company to develop a lightweight, ruggedised Full Body medical CT device. This contract will build upon the Company's proprietary NEX Technology platform and leverage the development of the Head CT.

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The funds raised in the Capital Raising will be used by Micro-X for:

- Medical Imaging commercial activities, product support and manufacturing
- Head CT capex, productisation, regulatory approval and launch
- Working capital and costs of the Capital Raising

Morgans Corporate Limited and Hawkesbury Partners Pty Limited are acting as Joint Lead Managers.

Capital raise details

Placement

The Placement will be conducted under Micro-X's available issue capacity under ASX Listing Rule 7.1 and is expected to raise A$2.0 million in gross proceeds.

Micro-X has received confirmations from several existing substantial shareholders that they intend to invest in the Placement. All Directors and Key Management have also confirmed their intention to invest approximately $0.3m in the Placement, with participation by Directors subject to shareholder approval. The Placement is not underwritten.

The New Shares under the Placement are expected to be issued on Tuesday, 18 February 2025.

Entitlement Offer

The Entitlement Offer comprises both the Institutional Entitlement Offer and the Retail Entitlement Offer. All holders of Shares in Australia and New Zealand (Eligible Shareholders) will have the opportunity to apply for 1 new Share for every 10 Shares they hold as at the Record Date (being 7:00pm (Sydney time) on Monday, 10 February 2025.

All Shares issued to Eligible Shareholders under the Entitlement Offer will be issued at the Offer Price. The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Eligible Shareholders who do not take up their full entitlement will not receive any payment and their interest in Micro-X may be diluted. The Entitlement Offer is not underwritten.

Institutional Entitlement Offer

The Institutional Entitlement Offer is being conducted on Thursday, 6 February 2025 and Friday, 7 February 2025. Certain institutional, professional, and sophisticated investors who are holders of Micro-X's Shares (Eligible Institutional Shareholders) may receive an offer to participate in the Institutional Entitlement Offer provided they are not an Ineligible Institutional Shareholders (as defined below).

Under the Institutional Entitlement Offer, Eligible Institutional Shareholders can choose to take up all, part or none of their entitlement. Any New Shares not allocated to Eligible Institutional Shareholders may be placed in accordance with the terms of the Joint Lead Manager agreement between Micro-X and the Joint Lead Managers (the JLM Agreement) within three months after the close of the Entitlement Offer.

Ineligible Institutional Shareholders are registered holders of Micro-X Shares as at the Record Date and who are institutional or professional investors with a registered address outside of Australia and New Zealand, or whom the Joint Lead Managers and Micro-X otherwise determine will be an Ineligible Institutional Securityholder for the purpose of the Institutional Entitlement Offer and who is not an Eligible Retail Securityholder (defined below).

Retail Entitlement Offer

Eligible retail Shareholders with a registered address in Australia or New Zealand as at the Record Date (Eligible Retail Shareholders) have the opportunity to take up their entitlement for Shares at the Offer Price, on the terms

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and conditions that will be set out in the Retail Offer Booklet to be sent to Eligible Retail Shareholders on Thursday, 13 February 2025. The Retail Entitlement Offer is anticipated to close on Friday, 28 February 2025.

Eligible Retail Shareholders can choose to take up all, part, or none of their entitlements. Furthermore, the Retail Entitlement Offer will include a 'top-up' Facility under which Eligible Retail Shareholders who take up their entitlement in full may also apply for additional New Shares representing up to 400% of their entitlement (**Top-Up Facility**). There is no guarantee that applicants under the Top-Up Facility will receive all or any of the additional New Shares for which they apply. New Shares allocated under the Top-Up Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. Any shortfall from the Retail Entitlement Offer may be placed within three months in accordance with the terms of the JLM Agreement.

New Shares under the Retail Entitlement Offer are expected to be issued on Thursday, 6 March 2025. Micro-X will, upon issue of the Shares under the Retail Entitlement Offer, seek quotation of the Shares on ASX. Please note that Retail Shareholders with a registered address outside Australia or New Zealand on the Record Date are ineligible to participate in the Retail Entitlement Offer. Shareholders who are on the register on the Record Date will be notified by Micro-X if they are ineligible to participate in the Entitlement Offer. Eligible Retail Shareholders will receive a Retail Offer Booklet which will provide further details of how to participate in the Retail Entitlement Offer.

Key dates for Entitlement Offer[1,2]

Event	Date
Announcement of Capital Raising and Entitlement offer to ASX	Thursday, 6 February 2025
Announcement of completion of Placement and Institutional Entitlement Offer and recommence trading	Monday, 10 February 2025
Record date for Retail Entitlement Offer	7.00pm, Monday, 10 February 2025
Retail Entitlement Offer documentation despatched and Retail Entitlement Offer opening date	Thursday, 13 February 2025
Settlement of Shares issued under the Placement and Institutional Entitlement Offer	Monday, 17 February 2025
Allotment of Shares issued under the Placement and Institutional Entitlement Offer	Tuesday, 18 February 2025
Retail Entitlement Offer close date	5.00pm, Friday, 28 February 2025
Settlement of Retail Entitlement Offer	Tuesday, 4 March 2025
Announcement of Results of Retail Entitlement Offer	before 9:00am, Thursday, 6 March 2025
Allotment of Shares under the Retail Entitlement Offer	before 12:00pm Thursday, 6 March 2025
Normal Trading of Retail Entitlement Offer Shares	Friday, 7 March 2025

1. The Lead Managers and the Company reserve the right to vary these dates.
2. All times are Australian Eastern Daylight Time unless otherwise indicated

Micro-X shares will remain suspended from trading, pending completion and announcement of the results of the Placement and the Institutional Entitlement Offer.

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

– ENDS –

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MICRO-X

About Micro-X

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

Micro-X's product portfolio spans a number of high margin, product applications in health and security. The first mobile digital radiology products are currently sold for diagnostic imaging in global healthcare, military and veterinary applications. The US Department of Homeland Security has contracted Micro-X to design a next-generation Airport security checkpoint. A miniature brain CT imager for pre-hospital stroke diagnosis in ambulances, is being developed with funding from the Australian Government's Medical Research Future Fund. In November 2024, US Government agency ARPA-H contracted Micro-X to develop a full-body CT.

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

Contacts

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MICRO-X

STRATEGIC PLACEMENT, COMMERCIALISATION AGREEMENT AND CAPITAL RAISING

Strategy reset to focus on medical imaging, commercial sales & funded development



Kingsley Hall
Chief Executive Officer

6 February 2025

EXECUTIVE SUMMARY

MICRO-X

Strategic refocus	• Micro-X has undertaken a strategic reset for FY25 to become a medical imaging focused company • Narrowing the focus of Micro-X will help drive execution with a focus on tangible outcomes • As a result, Micro-X is discontinuing Argus operations which is expected to contribute a material cost reduction • Micro-X's patented NEX Technology platform is smaller than current technology offering access to a range of new applications
Monetising checkpoints and security	• Micro-X is focused on realising value created within its Security applications • There are currently two baggage scanner prototypes which are supporting TSA testing with a checkpoint module on track to be delivered to the DHS in early 2025. Key validation work completed as part of a $29m contract between DHS and Micro-X
Head CT	• Micro-X's NEX Technology offers major advantages over traditional CT • The global CT market has revenues of US$7.4 billion with over 375 million CT images scanned annually • The Micro-X platform offers a simpler, cost effective, small and portable system relative to current technology in the market

Strategic investment from Billion Prima	• Micro-X has executed its first security partnership with Billion Prima Sdn Bhd (**Billion Prima**), a developer and manufacturer of hi-tech baggage, parcel and cargo scanning solutions in Malaysia.
	• The Billion Prima partnership will deliver Micro-X a total of A$5.6m over approximately 12 months, structured as:
	  • an upfront equity investment of A$2.4 million at 9 cents per share (representing a 15% to last close) (the **Strategic Placement**); and,
	  • A$3.2m agreement to fund commercialisation of a new portable baggage and parcel scanner.

Capital raising details	• Capital raising of approximately A$6.0 million via the issue of approximately 86.9 million New Securities at A$0.07 per New Security comprising:
	  • Placement: of approximately $2.0 million to Professional and Sophisticated investors (**Placement**) under the Company's existing placement capacity under ASX Listing Rule 7.1.
	  • Accelerated Non-Renounceable Entitlement Offer: a 1 for 10 pro-rata entitlement offer of approximately $4.0 million (**Entitlement Offer**) to eligible shareholders.
	• The Entitlement Offer is non-underwritten. The Company reserves the right to accept oversubscriptions under the Placement and to place the shortfall in the Entitlement Offer and eligible shareholders will be entitled to bid for additional Shares above their entitlements.
	• Following completion of the Placement, the Entitlement Offer and the Strategic Placement, Micro-X will have approximately 697.3 million Shares on issue and an additional 87.3 million unlisted securities being performance rights, options and notes.

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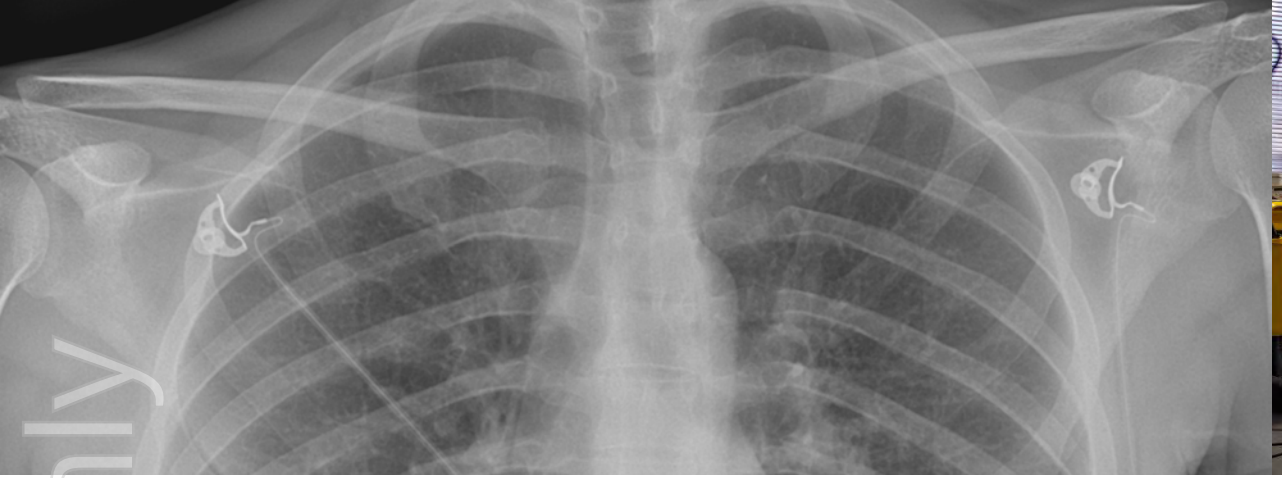



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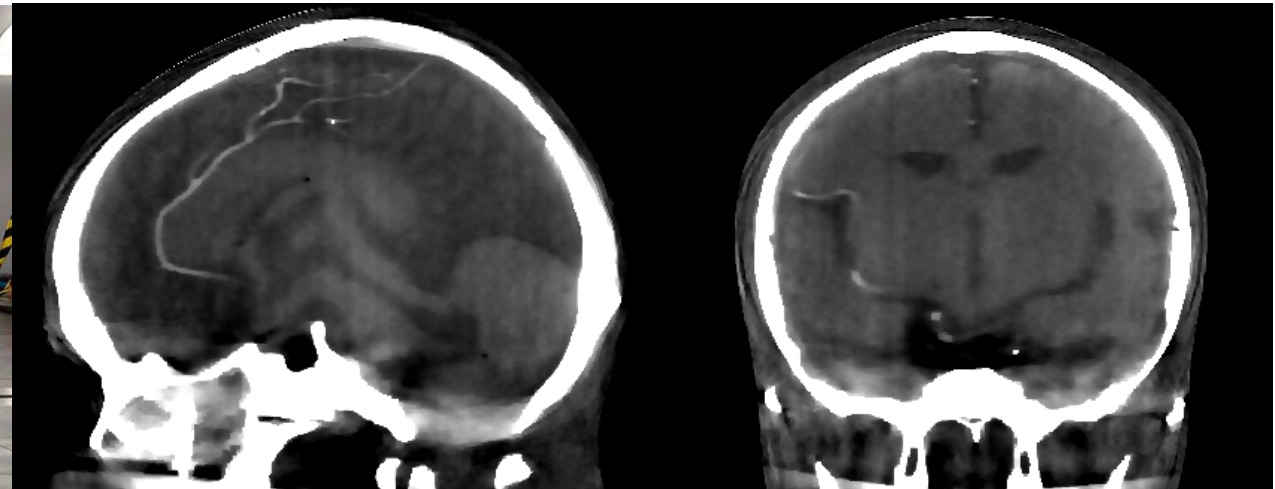
CREATING REVOLUTIONARY X-RAY IMAGING TO BETTER LIVES

Curious I Collaborative I Determined





WORLD FIRST IMAGING TECHNOLOGY

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



2kg 1kg 0.5kg

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.

Micro-X proprietary software drives CT image reconstruction.

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EXPERIENCED LEADERSHIP

Commercially focused to accelerate growth



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



Patrick O'Brien – Chair
Former Senior MD Macquarie Group, McKinsey and Minter Ellison



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



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



Jim McDowell, Non-Exec
Deputy Sec. Naval Shipbuilding and Sustainment Group, former CEO of BAE Systems Saudi Arabia and Australia

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MICRO-X

FIRST SECURITY PARTNERSHIP - $5.6M

$2.4M Equity investment at 15% premium to last traded price

$3.2M Commercialise technology in SE Asia

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FIRST PARTNERSHIP DEAL IN SECURITY FOR SE ASIA

MICRO-X

$5.6m deal with Billion Prima - Specialist cargo and baggage scanner provider

Strategy - $5.6m for monetising baggage scanner in SE ASIA with long term opportunity for supply of X-ray tubes and generators

- → **$2.4m equity subscription and $3.2m development agreement**
- → Billion Prima are a **specialist in baggage and cargo scanning technology in Malaysia**
- → Micro-X will work with Billion Prima to commercialise and **launch their NEX technology baggage scanner in 2026**
- → Partnership provides Micro-X with **$5.6m in cash - $3.35m now – balance across 2025**[1]
- → Opportunity for **long term revenue from sale by Micro-X** of CNT X-ray tubes and generators
- → Micro-X retains right to sell the unit outside SE Asia and to license technology to third parties in other regions

$2.4m Equity investment at **9c** per share – **15% premium to last close**[2]

- → Subscription for 26.67m shares at 9c for $2.4m (approximately US$1.5m)
- → 4.4% holding in Micro-X – becomes 3.8% holding on completion of $6.0m Placement & ANREO
- → 12 month escrow on all shares – no transfer except to wholly owned subsidiaries / affiliates

Aligns with strategy to secure partnerships for market entry & funding

- → **Monetises** the baggage scanner development
- → Targeting **additional security partnerships** in **other regions and security applications**

BILLION PRIMA

Revolutionising the scanner industry by deploying the safest and fastest solutions - driven by AI

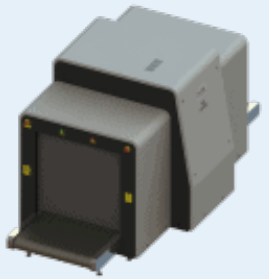
Founded in 2007 - based in Johor, Malysia

R&D and Manufacturing - 80 staff

Multiple certifications - ISO QMS 9001 2026

Offering - Baggage /Parcel Scanners, Vehicle Scanners, Radiation Detection Equipment

Key Markets - Security inspection at borders, ports, airports, prisons and critical infrastructure



ISO 9001 2015 CERTIFIED

1. Payments for the balance of monies due under the Development Agreement are due on achieving milestones, the dates of which can vary. The launch of the Billion Prima scanner with Micro-X CNT X-ray tubes and generators is estimated for early 2026 but this date may vary based on the development timeline and any regulatory approvals.
2. Billion Prima investment at 9 cents is a 15% premium to the last traded price on 30 January 2025

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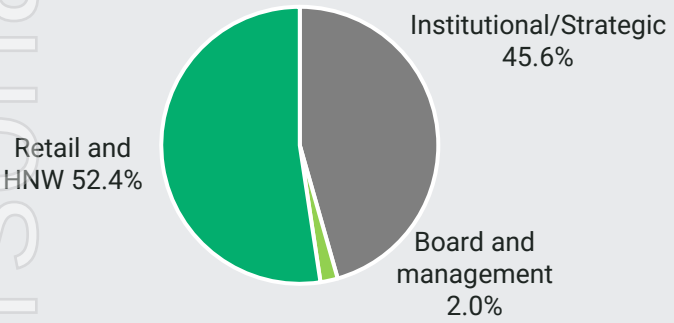
CORPORATE & FINANCIALS

$15.2m
FY24 Revenue

$6.4m
R&D Rebate received Dec-24



FINANCIALS & SHAREHOLDERS	
Cash	~$2.4m (31 Dec 2024) [Prior to Capital Raising]
Revenue	$15.2m (FY2024) ($6.4m product revenue ↑70%)
Institutions & Strategic Investors	Perennial (12.2%), Varex (9.3%), Thorney (7.8%), Acorn (7.8%), *Billion Prima (3.8% post-Offer)**
Board & Mgmt	2.0% excl Mgmt Performance rights

SHARE CAPITAL (30 January 2025)	
Share price	$0.078 per share
Total shares on issue	583.7 million
Options (ex. 13.5c) Performance rights	31.1 million 55.6 million
Market cap	$45.5 million

* Assumes the $6.0m Capital Raising at 7 cents

MICRO-X

2025 STRATEGY RESET

Building a business not just a technology

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FY25 STRATEGY RESET – MEDICAL FOCUSED

Narrowing our focus to drive execution with a focus on tangible outcomes

1 | **Focus on Medical Imaging** – Medical CT is the future of Micro-X

2 | **Monetise Security Division** – execute on ongoing partnering negotiations

3 | **Discontinuing Argus Operations** – material cost reduction

4 | **Build Rover Plus Sales** – major hospital evaluation underway

5 | **Build Commercial Partnerships for Medical CT –** in addition to ARPA-H

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FOCUS ON MEDICAL IMAGING

MICRO-X

Smaller and smarter X-ray and CT enabled through Micro-X's patented NEX technology platform

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Medical

MOBILE DIGITAL RADIOLOGY

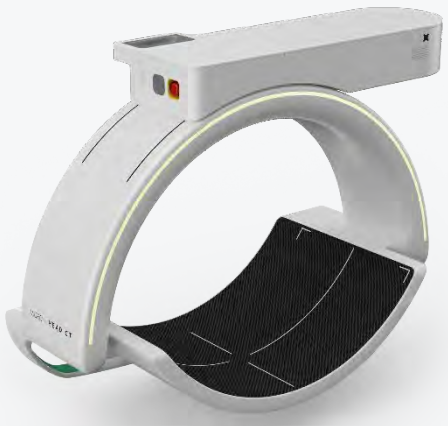
Lightweight and ultra-mobile x-ray systems delivering high quality images in any treatment area – hospital, out of hospital & humanitarian uses



MEDICAL CT

Head CT – mobile out of hospital stroke/TBI/other diagnosis

Full Body CT – bringing health care to the patient



Security

CHECKPOINTS & BAGGAGE CT SCANNER

Baggage CT scanner for security checks in a range of environments - integrated airport Checkpoint for passport, body and baggage scanning



MONETISING OUR CHECKPOINTS & SECURITY BUSINESS

Realising value from our fully funded development work with the US Department of Homeland Security



Two Baggage Scanner prototypes – supporting TSA testing

→ Remainder of contract focused on developing deep learning algorithms to enhance the identification and detection of threats

Checkpoint module on track - delivered to DHS in early 2025

→ Key validation work completed as part **of total $29m contract between DHS and Micro-X**

→ Currently building full Checkpoint module in Micro-X's Seattle facility

Strategy – Partnerships to monetise technology now to help fund focus on Medical Imaging

Value created in Security CT will help fund focus on Medical CT commercialisation

→ DHS & TSA Airport Checkpoint and Baggage Scanner development to continue – funded by DHS

→ First Security Partnership secured with Billion Prima

→ Negotiating further partnerships to take IP and technology to market, including:

- Selling the imaging chain for the baggage scanner
- Selling complete baggage scanner design to other parties to manufacture and distribute
- Selling the self-screening checkpoint to other parties to manufacture and distribute

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ARGUS – DISCONTINUING OPERATIONS

Realigning our focus to higher value opportunities

MICRO-X

Review of Current Position

- Argus was first launched commercially in March 2024
- Extensive customer demonstrations undertaken globally – interest not sufficient to generate meaningful sales
- Argus was further enhanced with the Pexray transmission capability in late 2024 – generated stronger engagement



Current reality of Argus

- Customer need has changed since product inception with no active EOD threats in most of the world
- Slow sales ramp up & difficulty disrupting currently available technology
- Micro-X does not believe Argus, in its current form, represents a viable commercial opportunity

Streamlined Security Division – Argus discontinued

- **Argus will no longer be actively marketed with no further investment into product**
- Micro-X will continue to seek opportunities to commercialise the imaging chain and the transmission kit
- Realigned approach will generate material costs savings – cost savings of $0.7m per annum*

* Following one off costs

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COMPUTED TOMOGRAPHY - CT

MICRO-X

Concentrating efforts on high value medical CT markets where Micro-X has a key advantage

The Micro-X CT Advantage

- → CT imaging is state-of-the art in high-resolution diagnostic imaging
- → Micro-X NEX technology enables the delivery of a smaller, lighter, simpler, cheaper, more robust, and lower dose CT scanner

Validation of Micro-X NEX CT Advantages

- ✓ **Micro-X awarded $62M** in government development contracts based on Micro-X NEX CT
- ✓ **World leading researchers** have partnered with Micro-X to develop NEX CT - Johns Hopkins, MIT, Harvard, Monash
- ✓ Varex (NASDAQ.VREX) strategic partnership is focused on CT using multibeam NEX CT - $15m funding

Micro-X high-level CT Strategy

- → Medical and security CT have very different market dynamics, **Medical CT** will be the focus:
  1. Two funded Medical CT developments underway - *Head CT and ARPA-H Full Body CT*
  2. Rapidly growing market, with growth limited by accessibility of CT rather than end-customer need
  3. Micro-X has experience achieving FDA (US) certification and is growing a brand and sales presence in medical imaging

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ADVANTAGES OF MICRO-X CT

Micro-X NEX technology offers major advantages over traditional CT

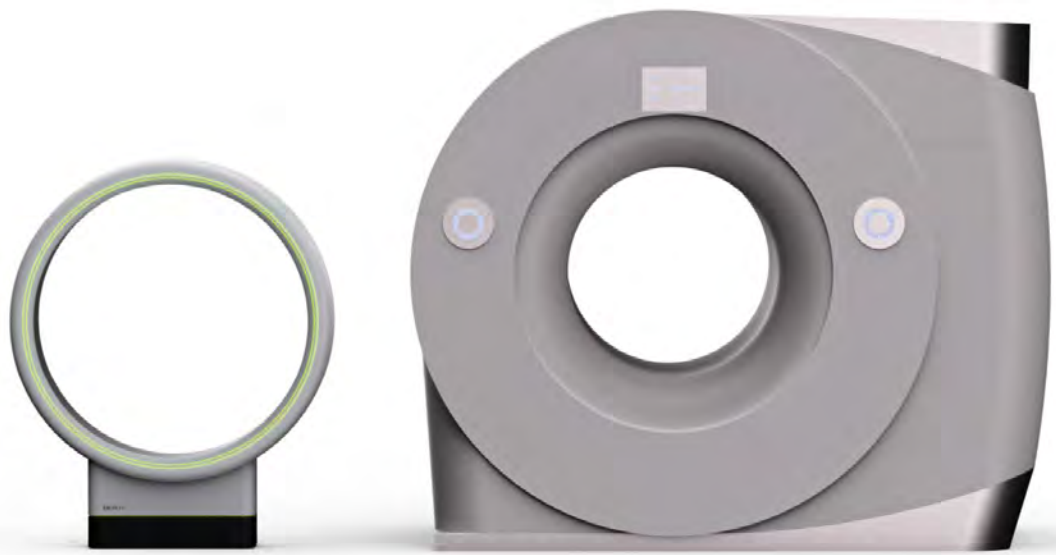
US$7.4 billion global market with **over 375 million** CT images annually[1,2]

SIMPLER SYSTEM

No rotating slip ring
No oil cooling
Simple CNT tubes

SMALL & PORTABLE

Smaller & lighter system is both portable and suits remote locations



COST EFFECTIVE

More cost effective system to build and install
Cheaper to maintain & operate

PATIENT BENEFITS

Lower X-ray dosage
More comfortable process
More accessible & available

[1]Research and Markets, Computed Tomography (CT) Scanners Market - Technologies, Applications and End-Users, Nov 2024
[2]Collective Minds, Number of CT Scans Per Year Worldwide: Overview of global Computer Tomography utilization, Nov 2024

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DELIVERED WORLD FIRST 3D HEAD CT IMAGES

Preparing hospital systems for human clinical trials in 2025 to support approval for stroke detection

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Saving lives with stroke diagnosis in any ambulance

- → Mobile – 70kg unit suitable for all road and air ambulances
- → Accurate – 8 second scan for 3D imaging down to 2ml bleed
- → Enabler – Life saving response time
- → Economical – improved patient outcomes reduces burden on healthcare system

$8m funding pathway to imaging trials

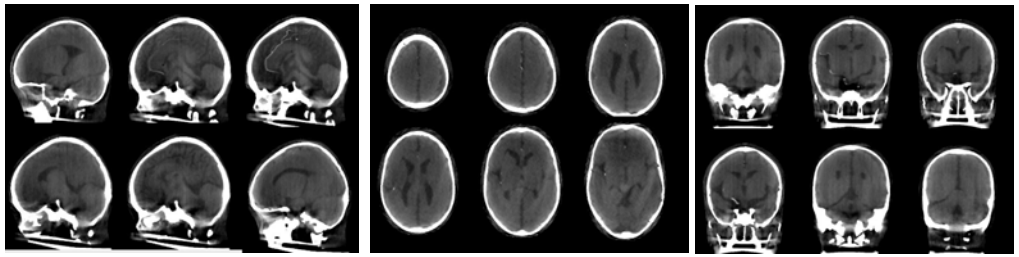
- → A$8m partnership with the Australian Stroke Alliance
- → Johns Hopkins Hospital and Fujifilm technical partners

Successful 3D CT images - diagnostic milestone

- → **3 x Human imaging trials in Australian hospitals planned Q2 2025**
- → **Planning for Ambulance fitment trial in 2025**

Co-chair of the Australian Stroke Alliance, Professor Geoffrey Donnan AO:

"The strength of this technology is its lightweight portable structure, which will make it ideal for use in prehospital settings, particularly in remote locations".

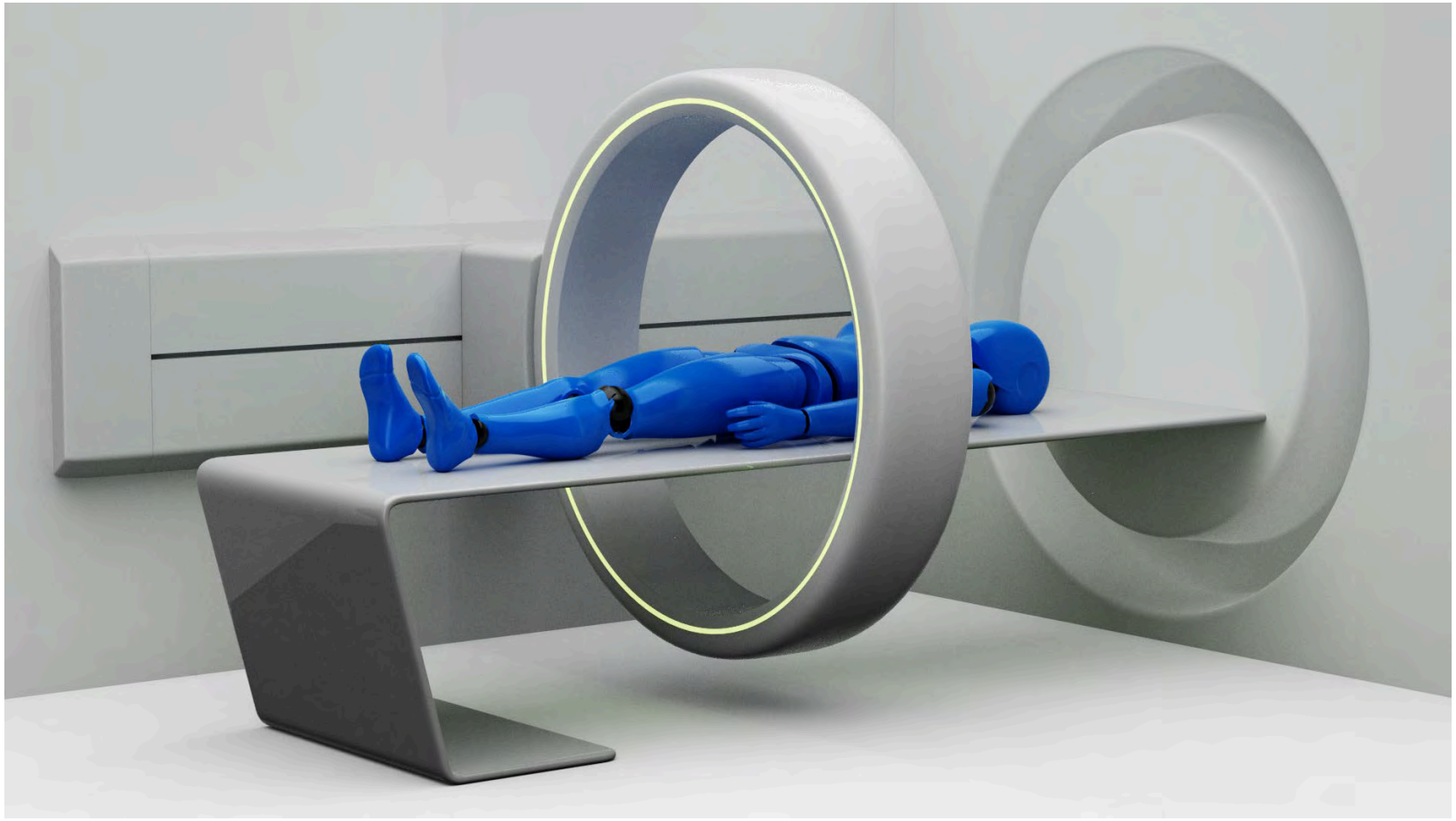


Above: Head CT images showing the skull and soft tissue structure of the brain of an anthropomorphic head phantom



MICRO-X FULL BODY CT SOLUTION

Extension of current Micro-X NEX technology to bring CT scanning to the patient



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UP TO $25M NON-DILUTIVE FUNDING CONTRACT*

Fully funds the development of Micro-X proprietary, portable, Full Body CT scanner

MICRO-X

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Micro-X Inc. has signed a $25m development funding contract

- → Funding to design and deliver a lightweight, rugged, and portable CT scanner for integration into a “hospital on wheels” vehicle
- → Up to $25M for a total of 5 years, through to FDA 510k certification and vehicle integration and testing in rural US
- → Initial funding of $12.5M for first 2 years

$25m
non-dilutive funding

US Advanced Research Projects Agency for Health (ARPA-H)

- → US Government agency with US$1.5B budget
- → Advancing high-potential, high-impact biomedical and health research
- → ARPA-H awardees are developing entirely new ways to tackle the hardest challenges in health

Staged work program with all intellectual property retained

- → Builds on the core technology platform developed through the Head CT and Baggage CT projects
- → Regular contracted payments to Micro-X Inc. have commenced

100%
funded development

* Micro-X Inc. contract with ARPA-H is a two year $12.5M contract and an option for a further three year $12.5M contract extension

BUILDING ROVER PLUS SALES

Targeting larger opportunities and establishing Medical CT sales channels

Focus on Rover Plus sales to grow profitability & Medical CT sales channels

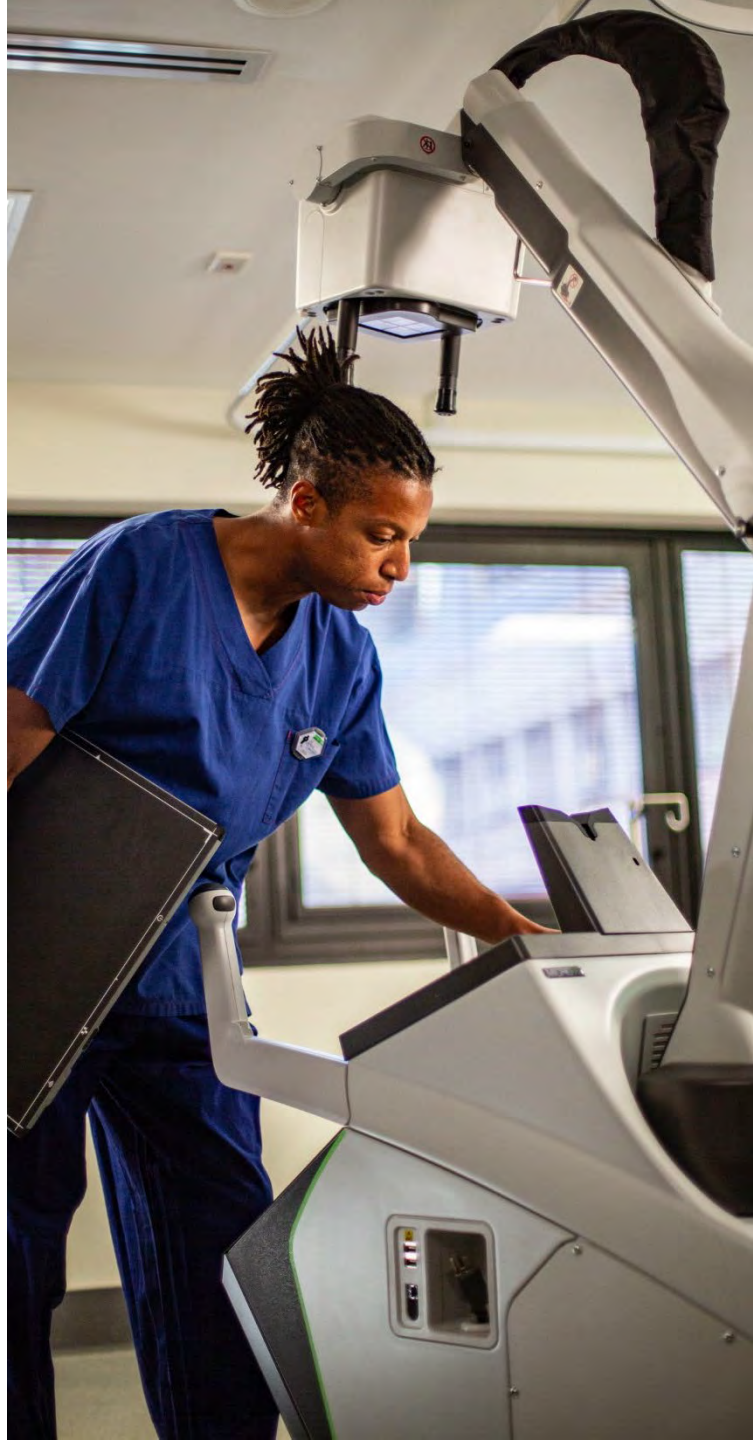
- → Rover Plus is no longer limited in technique range, it is one of the lowest cost high power mobile X-Ray carts in market, easy to use, reliable and excellent image quality with lower dose
- → New Sales team is creating a widening funnel of opportunities to sell Rover
- → Direct selling is more profitable - manufacturing is mature
- → Margin improvement is achievable with minimal investment once demand increases

Diversifying through imaging chain sales & new opportunities

- → Sale of core Micro-X imaging technology to non-competing companies
- → Supply agreement entered with DMS Imaging from France – launched “Onyx product”
- → Varex multi-beam tubes powered by Micro-X high voltage generators
- → Customer research has identified a strong demand for an even more portable system for home care imaging

Trial underway with major US Hospital Operator & Group Purchasing Organisation

- → Final stage evaluation underway – multiple units in trial
- → Outcome expected 1H 2025



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MEDICAL CT PARTNERSHIPS

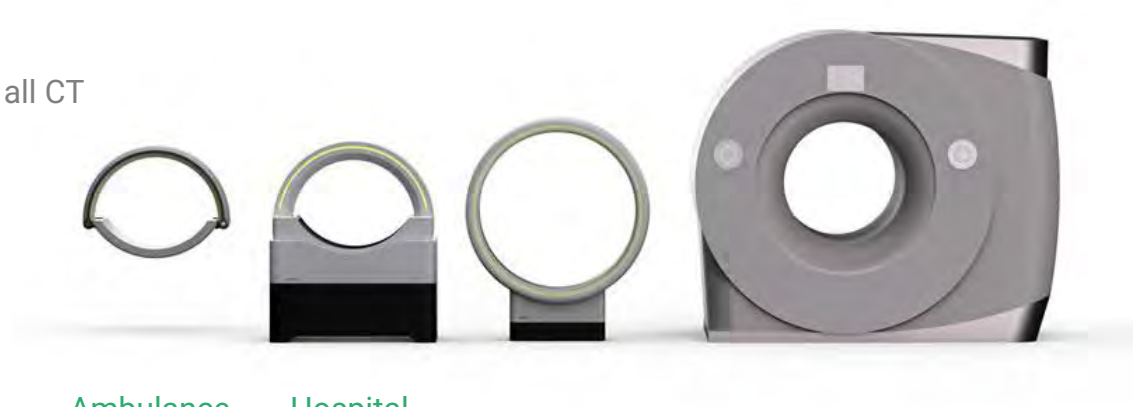
A number of global CT leaders are in discussion to partner or commercialise the Head CT product

Head CT offers a new category in Point of Care Stroke imaging

- A new market in road and air ambulances with a strong clinical need
- Head imaging for bleeds in ER and ICU is an established need driving more than half of all CT scan requests
- Head CT also offers opportunity for TBI screening, given the very low dose procedure

Multiple potential future funded development products

- Low dose lung screening
- Contrast enhanced Breast CT



Ambulance Head CT | Hospital Head CT | Full Body CT | **Conventional CT**

Active partnership discussions over the last three years

- **Discussions with multiple global leaders in CT** are poised for commercialisation pending human imaging trials in 2025
- A range of concepts including OEM supply, branded or non-branded distribution, imaging chain commercialisation, licensing design for manufacture and/or software licensing

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OBJECTIVES & MILESTONES 2025

Key near-term operational objectives

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Commercial products

Mobile DR

> Execute near term Rover Plus hospital tender

- → Compete & win **large tendering opportunities**
- → **Grow European presence** and customers
- → **Expand direct sales** of tubes & generators

Argus

> Discontinue operations – remove costs

- → **Material costs savings** of $0.7m per annum*
- → **Seeking to commercialise** or partner the Argus imaging chain, software and kit

Products In Development

Head CT & Full Body CT

> Commence Head CT imaging trials

- → Delivery of **hospital prototypes**
- → Commence **human imaging trials**
- → **Commence design of full body CT system**

Security & Checkpoints

> Partner out to monetise technology short term

- → **Execute** optimal Partner deals – to provide short term cashflow & long term revenues
- → Deliver **first Checkpoints module**
- → **Extended Baggage Scanner work** with DHS

Corporate & Financial

Corporate

> Carefully manage financial resources

- → **Argus cost savings**
- → **Monetise security development**
- → Continue to drive commercial capabilities & **leverage technology**
- → **Manage capital** resources prudently

* Following one off costs

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CAPITAL RAISING

Funding strategy reset in medical imaging

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RATIONALE FOR FUNDING

Focus on Medical Imaging provides the best opportunity to maximise value of Micro-X

Strategic focus

→ Focusing on leveraging core-technology and funded development in Medical Imaging

Technology platform has matured and is de-risked

→ Core technology platforms: four unique CT X-ray tubes, two high-powered generators, and advanced in-house CT image reconstruction software

Significant development and commercialisation funding secured

→ Total $23m funded development received in past 5 years

→ Up to **$39m contracted looking forward[1] plus A$3.2m from Billion Prima** (from February 25)

Closing in on large funding and revenue opportunities

→ Strategic partnership for Airports application - multiple late-stage discussions to monetise technology

→ Final stage of Rover product trial with significant US hospital operator and buying group

Note: (1) DHS and ARPA-H funding subject to contract extensions

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KEY TERMS OF CAPITAL RAISISNG

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Transaction Overview	Micro-X is undertaking a capital raising of approximately A$6.0 million via the issue of approximately 86.9 million New Securities (representing approximately 14.9% of existing Securities on issue), comprising of: • a Placement of approximately $2.0 million to Professional and Sophisticated investors (**Institutional Placement**) under the Company's existing placement capacity in accordance with ASX Listing Rule 7.1. • a 1 for 10 pro-rata entitlement offer of approximately $4.0 million (**Entitlement Offer**) to eligible shareholders. The Entitlement Offer is non-renounceable and entitlements will not be tradeable on the ASX or be otherwise transferable. Eligible shareholders who do not take up their full entitlement will not receive any payment or value in respect of entitlements they do not take up and their percentage equity interest in MX1 will be diluted. The Entitlement Offer has two components: • An institutional entitlement offer, where offers have been made to certain eligible institutional Shareholders to apply for their pro-rata entitlement (**Institutional Entitlement Offer**); and • A retail offer, where offers will be made to certain eligible retail Shareholders to apply for their pro-rata entitlement (**Retail Entitlement Offer**) The Entitlement Offer is non-underwritten. The Company reserves the right to accept oversubscriptions under the Placement and to place the shortfall in the Entitlement Offer and eligible shareholders will be entitled to bid for additional Shares above their entitlements. The Company has entered a $5.6m strategic partnership with Billion Prima Sdn Bhd (**Billion Prima**) , including subscription for 26.67m shares at 9 cents per share, in accordance with the Company's placement capacity (**Strategic Placement**). Those shares are expected to be allotted on or about 12 February 2025, but will not entitle Billion Prima to be an eligible shareholder under the Entitlement Offer. Following completion of the Placement, the Entitlement Offer and the Strategic Placement, Micro-X will have approximately 697.3 million Shares on issue and an additional 87.3 million unlisted securities being performance rights, options and notes.
Pricing	Fixed price of A$0.07 per New Share representing a discount of: • 10.3% to the last close of A$0.078 • 15.1% discount to the 5-day VWAP of A$0.0825 • 14.8% discount to the 10-day VWAP of A$0.0822
Approvals	Placement Shares shall be issued in accordance with the Company's capacity under ASX Listing Rule 7.1.
Board & Management Participation	All directors and key management personnel will participate in the capital raising for a combined total of $0.3 million. Director participation is subject to shareholder approval, as required.
Ranking	New Securities issued under the Placement and the Entitlement Offer and will rank pari passu with existing Securities from their date of issue.
Joint Lead Managers	Morgans Corporate Limited (**Morgans**) and Hawkesbury Partners Pty Limited (**Hawkesbury Partners**) are Joint Lead Managers to the Offer. Morgans are acting as Settlement Agent.

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KEY TERMS OF CAPITAL RAISING

MICRO-X

Timetable

Event	Date
Trading halt	Pre-Market Friday, 31 January 2025
Announcement of offer (including release of ASX announcement, Appendix 3B cleansing notice and investor presentation)	Thursday, 6 February 2025
Bids due for the Placement and Shortfall of the Institutional Entitlement Offer	5.00pm Thursday, 6 February 2025
Complete Institutional Offer (Placement and Institutional Entitlement Offer) bookbuild	Thursday, 6 February 2025
Confirmation / CARD form due	9.00am Friday, 7 February 2025
Announcement of completion of Placement and Institutional Entitlement Offer and recommence trading	Monday, 10 February 2025
Record date for Entitlement Offer	7.00pm Monday, 10 February 2025
Retail Entitlement Offer documentation despatched and Retail Entitlement Offer opening date	Thursday, 13 February 2025
Settlement of Shares issued under the Placement and Institutional Entitlement Offer	Monday, 17 February 2025
Allotment of Shares issued under the Placement and Institutional Entitlement Offer (Appendix 2A must be lodged prior to midday)	Tuesday, 18 February 2025
Retail Offer close date (5.00pm AEDT)	Friday, 28 February 2025
Settlement of Retail Entitlement Offer	Tuesday, 4 March 2025
Announcement of Results of Retail Entitlement Offer	before 9:00am, Thursday, 6 March 2025
Allotment of Shares under the Retail Entitlement Offer	before 12:00pm Thursday, 6 March 2025
Normal Trading of Retail Entitlement Offer Shares	Friday, 7 March 2025

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USE OF FUNDS & CASH POSITION

Funding the business through FY2026

MICRO-X

Use of Funds – Placement & ANREO - $6.0m

	$000
Medical Imaging - commercial activities, product support & manufacturing	2,150
Head CT – Capex, Productisation, regulatory approval and launch	1,500
Working capital	1,900
Costs of the Offer	450
Total	**6,000**

* These amounts are estimates and the Company reserves the right to vary these allocations

Pro forma Cash

	$000
Cash at 31 December 2024	**2,400**
Billion Prima – strategic investment – February 2025*	**2,400**
Placement and ANREO	6,000
Costs of the Offer	(450)
Pro forma cash at 31 December 2024	**10,350**
Debt – R&D loan	(1,500)
Inventory for Sale – 31 December 2024	4,300

* Billion Prima equity investment of 22.67M shares at 9c for A$2.4M. RBA official rate at 4pm on 4 Feb 2025.

Key assumptions

> Future Medical CT advanced with funded development

- → Reduction of Argus costs of $700k per annum from February 2025
- → Medical imaging costs include the Commercial team and associated costs for Rover Plus, Head CT and Full Body CT
- → Head CT includes three Imaging trial units and support for imaging trials through the regulatory approval and pre-launch
- → Continuation of all funded development with DHS, ARPA-H and ASA including meeting milestones and execution of pre agreed contract extensions
- → Inventory for sale related to Rover Plus – Argus inventory is expected to be written off
- → R&D Rebate of $5.5m is forecast to be received by December 2025 with $1.5m to be repaid to lender

> Capital raising sized to **bridge to cash flow stability**

> **Upside** from further monetisation of Security business and/or securing additional non-dilutive funding

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WRAP UP

Five key take aways – a leading medical imaging company

1 **Focus on Medical Imaging** – Medical CT is the future of Micro-X

2 **First Security Partnership – Further discussions underway**
– continue to monetise the technology & fund the focus on Medical Imaging

3 **Argus Operations discontinued** – material cost reduction

4 **Rover Plus sales building** – major hospital evaluation underway

5 **Build Commercial Partnerships for Medical CT** – global OEM interest
Head CT (entering Imaging trials) + Full Body CT has up to $25m ARPA-H contract



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This Presentation is approved by the Board of Micro-X Limited

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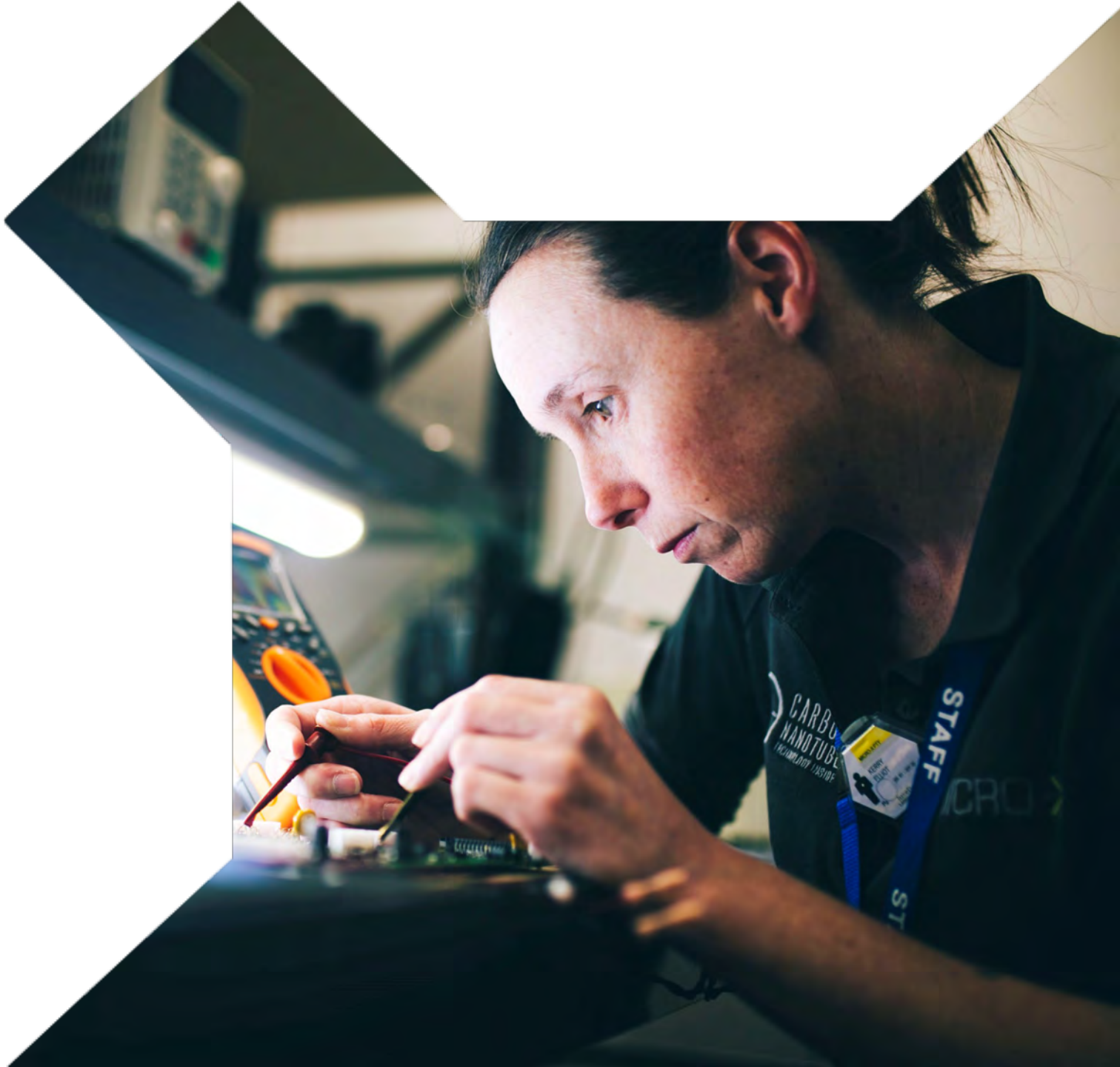
APPENDICES

RISK FACTORS



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RISK FACTORS

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This Risk Factors section includes details of the key risks attaching to an investment in shares in Micro-X Limited (Micro-X or the Company). These risks may affect the future strategy, operating and financial performance of Micro-X and the value of Micro-X Shares. The key risks are not set out in any particular **order**. Additional risks and uncertainties that Micro-X is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Micro-X's strategy, operating and financial performance. You should note that the occurrence or consequences of some of the risks described in this section are partially or completely outside the control of Micro-X, its directors and senior management. Further, you should note that this section focuses on the potential key risks and does not purport to list every risk that Micro-X may have now or in the future. Potential investors should consider their individual circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Business Specific Risks

Difficulties encountered with early commercialisation of new technology

There are a number of risks associated with the early commercialisation of new technology, including an inherent risk of failure, and the possibility that the products developed by the Company may fail to demonstrate material customer benefit or advancement, be difficult or impossible to manufacture on the necessary scale, be uneconomical to market or otherwise not commercially exploitable, fail to be developed prior to the successful marketing of alternative products by competitors, or fail to achieve the support of the targeted industry. The Company's target markets can often have high regulatory barriers, particularly for medical devices, and some markets are conservative, which may delay or prohibit sales into those markets. Accordingly, the Company gives no guarantee that the development and commercialisation of its intellectual property will be successful, that development and commercialisation milestones will be achieved, or that product commercialisations will be successful. Projects can be delayed or fail to demonstrate any performance advantage over existing solutions or may cease to be viable for a range of scientific and commercial reasons. Product development expenditures may be much higher than forecast, and the manufacturing cost of products may preclude successful sales exploitation. These risks include the Company's ability to:

- implement and execute its business strategy as planned;
- increase awareness of its brand and market acceptance of its products;
- obtain and maintain regulatory registrations and market clearances;
- manage expanding operations in multiple markets;
- respond effectively to competitive pressures and developments;
- manage costs and margins to deliver projected returns;
- manage scale up of manufacturing and supply chain logistics;
- manage working capital requirements; and
- access the necessary capital to fund the business.

Competition risk, including larger and better resourced competitors

There can be no assurance that other parties will not develop and commercialise technology or intellectual property that compete with, or substitute, the Company's cold cathode carbon nanotube (**CNT**) based X-ray technology in either the security or the healthcare markets.

The mobile diagnostic X-ray market contains a number of mobile X-ray devices (with others likely to be in development) which compete directly with the Mobile DR range. These competing products are manufactured and or sold by well established, large and well-resourced competitor companies including Canon, FujiFilm, Sedecal, Siemens, Konica-Minolta, Shimadzu, GE, Philips, Samsung and AGFA (**Competitors**). These Competitors may react to the Company's Mobile DR product through aggressive pricing or other strategies that may diminish the competitiveness of the Mobile DR range, the Company's ability to sell its Mobile DR units, and/or the Company's ability to achieve the sales price for its Mobile DR range.

Funding Risk

The Company currently has three future products in development, being the Checkpoints, Head CT and Full Body CT products which are funded by external third-party development contracts. These products are currently funded via development contracts through to the provision of prototypes, with on going and future funding dependent on the Company achieving certain milestones. There is a risk that if the Company fails to achieve the required milestones, that the funding could be withdrawn or delayed, resulting in the Company needing to obtain additional funding to complete the project.

The Company intends to fund its strategic shift to focus on medical imaging products through the monetisation of some or all of its Security assets, including the Checkpoints and Baggage Scanner products. There is a risk that the Company is unable to execute such a contract, or that such a contract does not provide sufficient capital to fund all of the commercialisation of its medical imaging products, and the Company needs to seek alternate funding methods to execute its business strategy.

Sales, Marketing & Distribution

The Company currently sells its Rover Plus Mobile DR product directly to customers, and via distribution channels. There is a risk that the Company will be unable to continue to develop sufficient sales and marketing capabilities, despite its planned expansion and investment, to effectively commercialise its products. The Company is reliant on establishing, growing and maintaining effective distribution channels in some regions in order to achieve global Rover Plus sales, there is a risk that the Company will be unable to establish or, grow these distribution channels. While significant opportunity for growth of Rover Plus exists with a major US Hospital Group and major US Purchasing Organization; there is a risk that these opportunities do not develop into material sales growth. To mitigate this risk the Company has, under the guidance of its new Chief Sales Officer, recently made several new appointments in its Sales organisation. In the view of the Company, these appointments have substantially improved the capability and experience of its Sales staff.

Litigation Risk

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by shareholders, regulatory authorities, employees, competitors or joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. The Company may also need to institute proceedings from time to time, such as to defend a proprietary right. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims and could affect the Company's reputation.

The Company has recently terminated its agreement with one of its Mobile DR distributors and has subsequently received correspondence from that distributor making certain claims, amongst other things, in relation to product performance and the ability to provide post market service support. The Company considers those claims to be without merit and has sought legal advice to respond to those claims. An adverse outcome in relation to those claims could have an adverse impact on the Company's reputation and financial prospects and performance.

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Business Specific Risks (Cont/..)	
Checkpoints	The Company has been selected by the US Government's Department of Homeland Security (**DHS**) for several contracts totaling up to AUD$29 million associated with a new concept for a Self-Service Airport Passenger Security Checkpoint . This programme relates to the Transportation Safety Administration's (**TSA**) future vision of replacing conventional CT and projection x-ray luggage imaging at checkpoints with a bank of multiple 'self service' security portals similar to current photometric identity portals but with the integrated addition of millimetre-wave body-scans and x-ray screening operating with automated threat detection. While the Company believes it provides a superior solution, there are existing technologies in use for Self Service Checkpoints in Airports and therefore there is a risk that established competitors will develop competing technology that may diminish the commercial success of the Company's Self-Service Airport Passenger Security Checkpoint solution. The Company has internal processes to monitor and measure expenditure, however there is the risk of higher than budgeted non-recurring engineering costs being incurred during the course of product development. There is also a risk of a delay to revenue as a result of delays related to security clearances, cyber security compliance and contracting processes with government departments in the USA. The project poses development and design risk as well as third party and subcontracting risk required to create a fully integrated system. In order to recognise the full value of the contracts, Micro-X is obliged to meet certain performance and delivery requirements; there is a risk that Micro-X is unable to achieve these requirements as a result of technical or other challenges, or that the solution delivered to the DHS does not meet performance expectations, and that the DHS chooses not to exercise its optional funding. To limit risk, the Company has built a close and collaborative working relationship with DHS and is working alongside external advisers to meet the DHS requirements. The Company also manages the systems integration for this project and has established a centre-of-excellence for imaging reconstruction at its Seattle base. The larger DHS contract of up to AUD$21 million is funded on a time and materials basis, which limits the Company's exposure to project overruns, however if project overruns did occur, these may diminish the goodwill and reputation of the Company and decrease the likelihood that the DHS exercises the optional funding required to recognise the full value of the contract. The Company intends to commercialise the Checkpoint solution through the establishment of one or more strategic partnerships, which may involve the Company supplying only the imaging chain, supplying the complete baggage scanner, or supplying the Checkpoint to such partner(s). The DHS contract funds the delivery of the Checkpoint solution through to the provision of prototypes. Commercialisation of the Checkpoint requires the Company, or a strategic partner, to fund development of these prototypes into a production solution, as well as to fund the commercial go-to-market strategy. There is a risk that the Company is unable to execute a strategic partnership to take the Checkpoints solution to market. There is a risk that, if the Company does identify a suitable strategic partner and solicits a satisfactory offer, that the DHS does not agree to either the transfer of technology (**IP**) developed under the Checkpoints project, and/or the transfer of the remaining contract with the DHS. To mitigate this, the Company is prioritizing negotiations with partners it believes will be suitable to the DHS.
Head CT	The Head CT for stroke diagnosis project involves developing a miniaturised head imaging CT scanner which is able to fit into any land or air ambulance. The aim is to allow pre-hospital diagnosis of strokes to enable treatment to commence in an ambulance setting within the 'Golden Hour' which minimizes the risk of long-term disability. The project has been funded via the Federal Government's Medical Research Future Fund (MRFF) as an imaging technology provider in the Australian Stroke Alliance (**ASA**) research consortium led by the Melbourne Brain Centre of the Royal Melbourne Hospital alongside The Johns Hopkins University in the USA and Fujifilm in Japan. The new imaging solution presents design and development risk as a novel product with no predecessors utilising Micro-X's cold cathode technology. Tests conducted by the Company's internal team have demonstrated very promising progress in image quality during non-clinical studies using imaging phantoms and simulations. There are risks associated with meeting diagnostic image quality, which is required to be demonstrated on humans in clinical trials for customer acceptance and to meet or surpass the current standard of care provided by existing CT systems. To mitigate this risk the Company has completed a program with Johns Hopkins University to developing reconstruction algorithms for imaging optimization and continues to invest internally in ongoing development of these algorithms. The ASA contract funds the delivery of the Head CT solution through to the provision of prototypes. Commercialisation of the Head CT requires the Company to obtain funding in order to develop these prototypes into a production solution, as well as to fund the commercial go-to-market strategy. The Company intends to seek this funding via strategic partnerships and through the monetisation of its Security assets, as described elsewhere in this section. There is a risk the Company is unable to raise the required funding in order to commercialise the product.
Core Technology – CNT X-ray Tubes & High-Voltage Generators	The Company's future product and commercial plans are underpinned by its unique Carbon Nanotube (**CNT**) based X-ray technology, which includes both Carbon Nanotube X-ray tubes and solid-state high-voltage generators. Whilst Micro-X has invested heavily in maturing this technology over more than 10 years, the technology is the first of its type and as such, there is a risk that the Company experiences unforeseen challenges in the performance, reliability, cost-effectiveness, manufacturability, scalability or other factors. These challenges may cause field issues, damage to brand and reputation, operating cost overruns, challenges with ability to scale and meet market demand for product, project cost overruns and/or project timing delays, or other factors that may have a material impact on the Company's ability to effectively execute its business strategy.
Operational Risk	The Company has established risk management practices to identify, manage, report and monitor risks at an operating level, including but not limited to the risk of product failure, difficulties in operating Mobile DR units, mechanical failure, industrial and environmental accidents, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, loss or damage to assets, human accidents, natural disasters, terrorism, industrial delays, and liability for defects, some of which are outside of the control of the Company. These operating risks may delay the completion of the work or require further rectification work. While the Company endeavours to take appropriate action to mitigate these operational risks and, where the Directors consider it practicable, insure against them, the Company cannot remove all possible risks of disruption to its business operations, and it cannot control the risks its customers are exposed to. A disruption in the Company's business or those of its customers may have an adverse impact on the Company's growth prospects, operating results and financial performance.

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Business Specific Risks (Cont/..)	
Single site for manufacturing activities and research	The Company performs its manufacturing activities and the majority of its research and development (**R&D**) at its facility in Tonsley, Adelaide. Should operations at the facility be disrupted or production halted for any reason (for example, due to labour strikes, extreme weather or other events outside the Company's control), the Company may not have enough products available to satisfy customer demand in a timely manner. While alternative arrangements could be made to transfer the manufacturing process to a different facility, this would take some time and may involve other risks. If such disruption were to occur, it would adversely affect the Company's ability to sell its products and customers might instead purchase products from competitors. There may also be an ongoing sales impact in the form of a reduction of goodwill as a result of the Company ceasing sales for a period of time. While the Company has strong internal capabilities in manufacturing operations and supply chain management including scaling of production to meet higher volume, there is a risk of delays or issues in the manufacturing processes, which may have an adverse effect on the Company's financial performance and operations.
Reliance on key personnel and ability to recruit additional personnel	The Company's future depends significantly on its ability to attract and retain key personnel, particularly those with highly specialised skillsets in areas of technology central to the Company's future products. The Company may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. The Company's future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
Regulatory approvals to be received and maintained	Medical devices and products which emit ionising radiation exist in a highly regulated environment. The Company's operations are reliant on maintaining regulatory certifications, including MDR, ISO13485 and ISO9001. Whilst the Company has processes in place and a culture of quality, there is a risk that operations may be impacted if incidents of non-compliance are identified in audit findings by regulatory bodies. Commercialising the Company's medical products requires achieving and maintaining regulatory approvals for medical devices, including a CE Mark for the European market, TGA for the Australian market and 510(k) for the US market, amongst others. There is also a risk of regulatory approvals being withdrawn due to an issue of non-compliance. Future products may not be able to rely on a predicate device to accelerate regulatory approvals and may involve lengthy and costly clinical trials, which may not succeed. The regulatory environment globally is not homogeneous and is subject to change which is outside the Company's control. Changes to the regulatory environment may drive significant changes, including delays or cancellation, to the Company's project schedules. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial position of the Company. Commercialising the Checkpoint program similarly requires high levels of trials such as European ECAC and US TSA Operational Test and Evaluation (OTE) testing which may be lengthy and costly and may not succeed. As an X-ray device manufacturer, the Company must retain certification by the South Australian Environmental Protection Authority to operate and manufacture ionizing radiation emitting devices. While the Company has strong radiation control processes in place, any change to those certifications, or the imposition of conditions that are difficult or costly to satisfy, could impact the Company's ability to manufacture devices and commercialise.
Product liability	In medical markets, the Company's Mobile DR products are used for diagnostic imaging. For the Mobile DR, the clinical diagnostic decision is made by a qualified radiologist based on an image provided by a qualified radiographer. The imaging software is independently certified, commercially available off-the-shelf software provided by reliable partners. As such, the potential contribution of the Company's product to an incorrect diagnosis is a very low risk for the Company. The Company's Mobile DR products are independently certified and compliant to IEC60601 medical device safety standard. The Company's ISO9001 and ISO13485 certified manufacturing and quality system is designed to ensure that products manufactured meet the standard. There is risk that injury may occur to a patient or operator from misdiagnosis or through a quality defect in manufacturing, or possibly a failure introduced by misuse. As with all medical devices, these could be reportable issues resulting in a product recall. In Security and Medical markets, the Company's products pose a radiation and high voltage hazard. While the Company ensures that all products meet the applicable test standards prior to sales commencing, there is a risk that notwithstanding, due to a failure of adequate protections in place, there may be a risk of radiation exposure or electroshock. Failure to meet compliance or safety for radiation and/or high voltage poses a significant risk to patient or operator safety. The likelihood of occurrence is very low; however, an incident could represent a serious risk in the safety of the Company's products and thus their viability. Despite extensive testing, given the complex nature of the Mobile DR units, defects may arise in the Company's Mobile DR units. Rectification of defects may be costly both financially and in reputation. Product errors could expose the Company to various liabilities including product liability, performance and warranty claims. In operating as a manufacturer there is a risk that the Company can be exposed to warranty claims, costs of repair and replacement. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.
Reliance on third party technology vendors and partners	The Company's products include components that are manufactured and supplied by third parties. The Company currently relies, and may in the future rely, on partners to supply key technology or manufacturing services. There are inherent risks in relying on third party suppliers for these product components, since any change to the manufacturing process of an approved medical device requires extensive documentation and, in many cases, supplemental testing. Such partners may not supply to the required price, quality or volume, may change their strategy and discontinue supply, may become insolvent or otherwise cease to trade and the effect of any of these on the Company would be for the Company to incur significant costs and delays in securing replacement services which would interrupt the Company's revenue. The Company does not have second source suppliers for many of these components. A disruption at a key supplier could therefore cause a substantial delay in the availability of the Company's products, leading to a potential loss of sales and reputation in the market. Where partner companies have access to the Company's confidential information, intellectual property or know-how, there is a risk of a whole or partial loss of the confidential information, intellectual property or know-how to competing organisations. The performance of the Company's partners may also be impacted by either related or unrelated regulatory changes or breaches and other actions of other sovereign governments.

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RISK FACTORS

MICRO-X

Business Specific Risks	
Intellectual property	The Company strategy for protecting intellectual property is to obtain legal coverage through patents and registrations using the international patent cooperation treaty (**PCT**) and completing national filings in Australia, USA, Europe, Japan and China. Company owned patents are held on innovative elements of the Company's products as a barrier to duplication. The Company holds two core patents for high current density field emitters and RF modulation of field emitters. These patents are intended to provide the Company with a barrier to competition, however a published patent can enable an expert in the field to replicate or reverse engineer the technology. Notwithstanding the patents, there is a risk that competitors will replicate this intellectual property and produce competing small X-ray tubes. This risk may also be higher in countries where intellectual property laws may not adequately protect the Company. There is a risk that (i) third parties may circumvent intellectual property, particularly from the leaking of trade secrets from current or ex-employees, or by carrying out intellectual property theft including cyber security attacks; (ii) patents may be challenged for validity; or (iii) there may be an inadvertent breach of third-party patents of which the Company has not researched in its freedom to operate. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.
Cyber Security	As with most companies, and particularly high-technology companies, the Company stores much of its data electronically. There is a risk that the Company's electronic storage systems may suffer a data breach or attack through hacking, trojans, viruses or other cyber-attacks. Such a breach or attack could cause loss, damage or theft of information relating to intellectual property, trade secrets, product development, company employee data, contract information, strategic and financial information, and regulatory information, causing a disruption to business operations and/or eroding competitive advantage. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company. The Company has a cyber uplift program in place to mitigate these risks.
International trade and foreign exchange risk – including United States policy	The Company operates in a global market and its business operations are subject to trade agreements. Changes to international trade agreements, including free trade agreements, may have an impact on the commercial viability and supply of components for the manufacture of the Company's products and the sale of those products to its customers. A material portion of the Company's business is with companies operating in the United States, or via United States Government funded contracts. Changes to trade conditions such as the introduction of tariffs, or changes to policy impacting funded contracts, could introduce an adverse risk to the Company's commercialisation and funding activities. The Company buys components and sells products in multiple foreign currencies. Changes in foreign exchange, particularly AUD to USD, may adversely impact the commercial viability of the Company's products. Micro-X's US footprint through its subsidiary, Micro-X Inc., presents additional risk for the Company. As part of its expansion, the Company may be subject to additional employment, tax, regulatory, and compliance requirements. The Company is subject to managing foreign currency risk through the larger overhead cost carried out in USD. The Company is exposed to policy change, political risk and any trading restrictions with the USA.
Business Interruption	The Company operates using a global supply and customer base. This global supply and customer base may be exposed to hazards outside of the Company's control including changing political climates and natural disasters which could interrupt business. In the event of such an interruption, the Company cannot guarantee that it will be able to source appropriate replacement components or find alternate customer pathways with a commercially viable arrangement or within a required timeframe to prevent interruption to its operations. Such an interruption may have a material adverse effect on the financial position and financial performance of the Company.
Current capital reserves and ability to raise additional capital	There is no guarantee that the Company will achieve cashflow breakeven or profitability. As at 31 December 2024, the Company's bank balance was approximately $2.4 million. Accordingly, the Company requires additional capital to continue to operate and deliver on its proposed commercial strategies. In the absence of such additional financing, there is a risk that (i) the Company may not be able to continue to operate beyond 30 June 2025; and (ii) there may be a delay and indefinite postponement of the Company's activities and potential development programs. There can be no assurance that additional financing will be available when needed. If additional financing is available, the terms of the financing may not be favourable to the Company and may involve substantial dilution to Shareholders. The occurrence of any of these events could have a material adverse effect on the Company's financial performance and financial position.

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