



MICRO-X

ACN 153 273 735 / ASX: MX1

**PRIMED FOR
GROWTH**

**2022 Annual General Meeting
CEO presentation**

Peter Rowland
Managing Director & CEO

MINIATURISING X - RAY

First mover in Nano Electronic X-ray (NEX) Technology for global health and security markets



FINANCIAL HIGHLIGHTS FY2022

Foundations for future growth across all four products

**Revenue \$9.0M ↑ 138% (FY21 \$3.8M)**

Other income \$4.1M ↑ 38% (FY21 \$3.0M)

**Secured major contracts¹ AUD\$14M**

DHS US\$4M + ASA AUD\$8M

**Mobile DR sales \$3.8M (FY21 \$3.6M)**

Engineering income \$5.2M* (FY21 \$0.1M)

**Costs reduced & realigned ↓22% FY23**

Mobile DR expenditure ↓ 40%, Overheads ↓ \$1.1M

**Geographic diversity of revenues**

USA \$4.2M

APAC \$4.0M

EMEA \$0.7M

**Cash \$10.4M²**

+ \$4.9M received from Varex in Sept22 quarter

+ \$4M due from Varex upon FIRB approval

+ Further \$6.0M from technology transfer to Varex by mid 2023

+ \$3.4M R&D Rebate due Dec 2022 / early 2023

1 Contracts with US Dept Homeland Security & Australian Stroke Alliance
2. As at 30 Sept 2022

F Y 2 0 2 2 O P E R A T I O N A L H I G H L I G H T S

Strong commercial progress and key developmental milestones achieved



Mobile DR - Rover

- ✓ Major brand launch at RSNA
- ✓ USA - 2 largest independent distributors appointed
- ✓ EMEA – 5 distributors appointed + 7 on CE mark
- ✓ **Medlink \$1M minimum Rover orders x 3 years**
- ✓ **Rover Plus product complete + FDA certified**



IED Camera - Argus

- ✓ Successful test images with 160kV x-ray system
- ✓ 2 dedicated ex-military EOD sales executives building awareness
- ✓ Defence, security, police demonstrations
- ✓ **Aust. Dept. Defence LAND 154 tender submission – 65 units**
- ✓ **Preparing for first sales in FY 2023**



Checkpoints

- ✓ DHS accepted design for Miniature Baggage Scanner
- ✓ DHS accepted design for Self-Service Checkpoint
- ✓ Strong commercial interest from other airports + security
- ✓ **DHS milestones unlock balance of US\$4.5M contracts**
- ✓ **2 x prototype scanners to be delivered 2023**

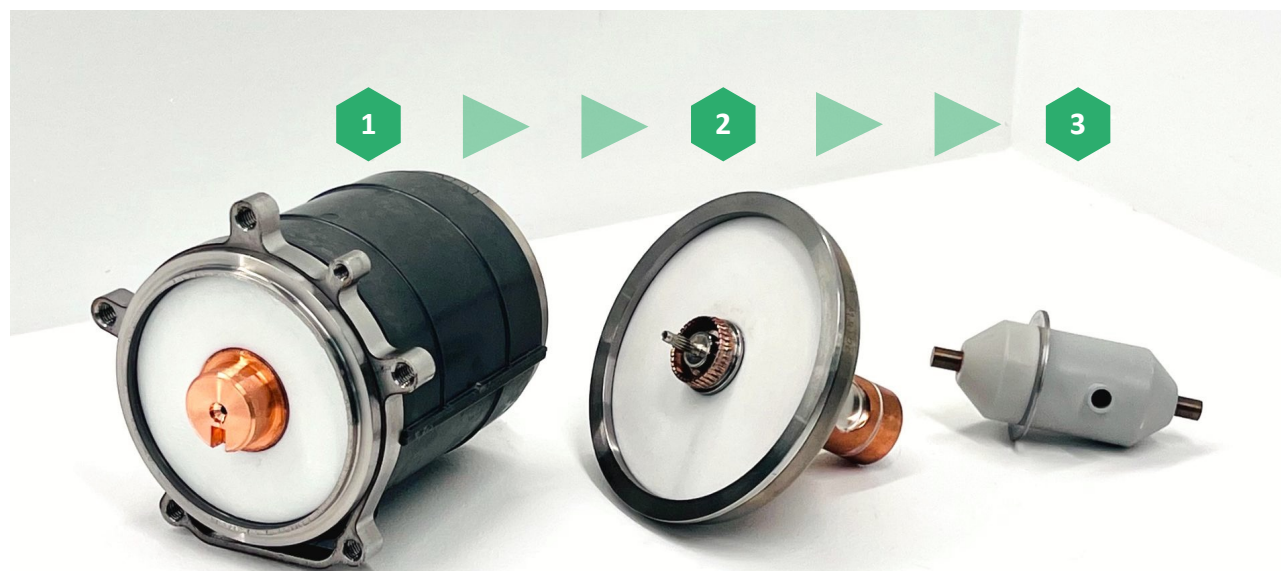


Brain CT Scanner

- ✓ \$8M ASA contract signed + launch with Royal Flying Doctors
- ✓ Strong international interest – EU emergency services conference
- ✓ Project on time and budget
- ✓ **Major milestone – design capable of meeting best clinical practice images for stroke diagnosis**
- ✓ **Partnership with Johns Hopkins University**

TUBE DEVELOPMENT

Three different tubes, all using NEX technology



1

First generation NEX tube - **developed in 2018** - **sold commercially in Mobile DR products**

2

Reverse polarity NEX tube – **developed in 2021-22** – **in Argus IED camera and CT Baggage Scanner from 2023**

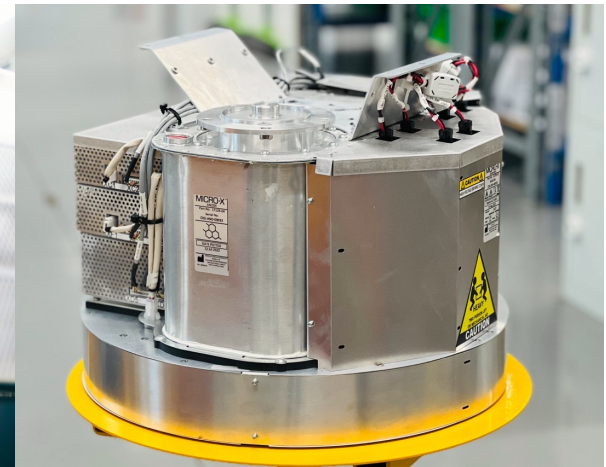
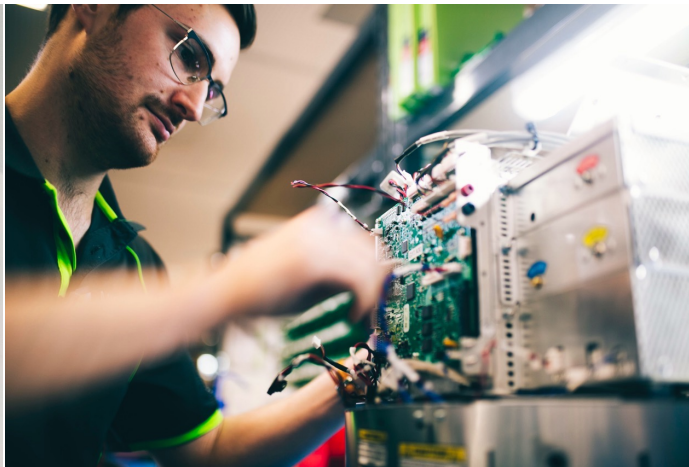
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Miniature NEX tube - *in development* – **in CT Scanner from 2023**

GENERATOR DEVELOPMENT

World-leading innovation in high voltage power supplies

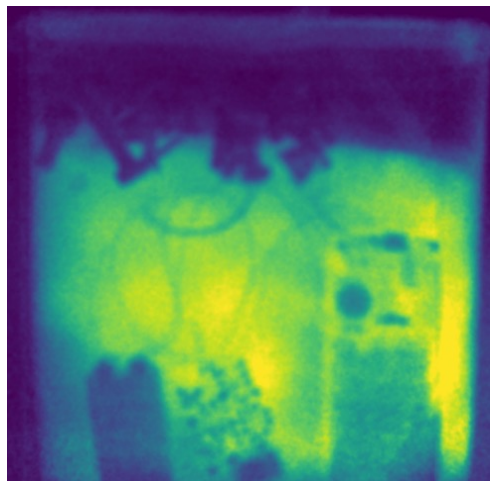
- ✦ In-house design and manufacture of high-voltage generators optimises product design, means we can better control manufacturing costs and reduces reliance on overseas suppliers
- ✦ Expansion of core technology expertise drives innovation
- ✦ Bespoke generator design allows for smaller, more capable product designs such as Argus, as well as creating a new avenue for commercial opportunities



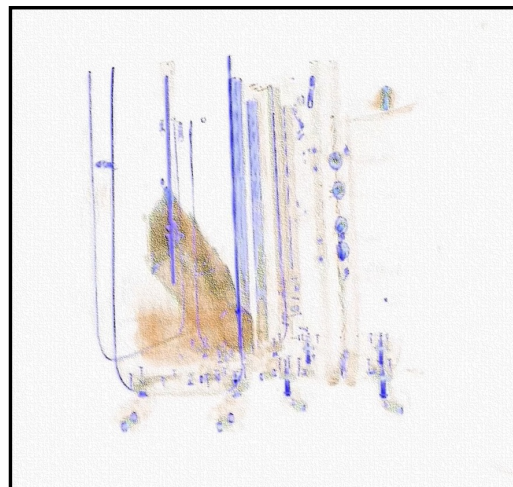
IMAGING SOFTWARE

Common image reconstruction and processing techniques supports products

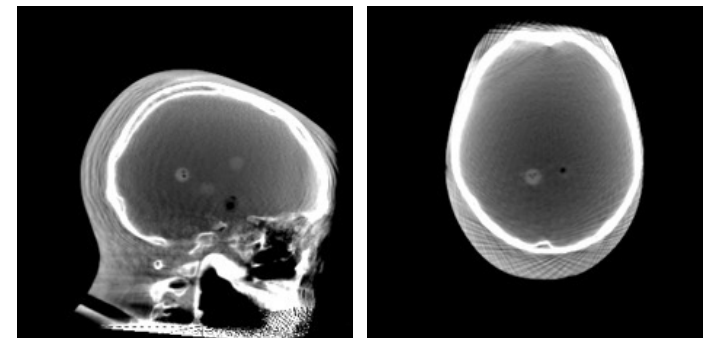
- ✖ **Rover** – 2D imaging
- ✖ **Argus** – 2D imaging using backscatter
- ✖ **CT Baggage Scanner & Brain CT Scanner** – 3D imaging - engineers in Adelaide and Seattle developing algorithms and software



Argus – integrated system test image



Mobile Baggage Scanner - test imaging



CT Scanner - Johns Hopkins imaging simulations

VAREX STRATEGIC COLLABORATION

\$15M technology collaboration and investment by Varex Imaging



✦ **Technology collaboration** strongly validates Micro-X NEX technology

- Collaborating with a leading innovator and manufacturer of x-ray tubes & detectors
- Builds greater acceptance and adoption of technology – a win win



✦ **Licence** is for Micro-X NEX Technology in multi-beam emitter x-ray tubes

- US\$5.0M (A\$7.5M) in five milestones within 12 months - **\$1.5M received**
- No conflict with Micro-X products – all designed with single beam emitters



✦ **Investment** for 9.9% of Micro-X and Board seat

- \$7.5m - **\$3.5M received** and \$4.0M on FIRB approval *

Micro-X is classified as a defence company and Varex has invested \$3.5M to hold 4.9%. FIRB approval is anticipated to be decided by 31 December 2022 to take this investment to 9.9% upon payment of a further \$4.0M

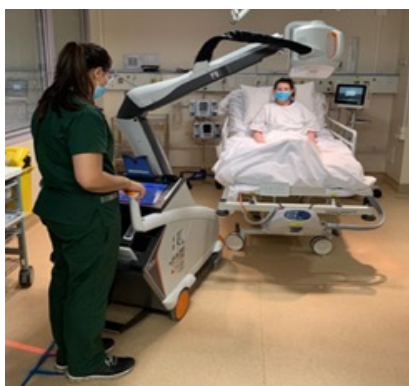
MICRO-X

ONE COMPANY, FOUR BUSINESSES

The power of Micro-X NEX Technology

M O B I L E D R

Launch of Rover Plus and expanded US distribution network



- ✖ **First tier mobile** X-ray unit - 100kg v 600kg
- ✖ **Proven versatility** in a range of uses
 - **Medical – Military – Veterinary – In-home**
- ✖ **High quality & reliability** – industry leading ‘tubes for life’
- ✖ Next gen **Rover Plus** – **higher x-ray performance**
- ✖ **Multiple commercial strategies**
 - Micro-X Rover (base) and Rover Plus (enhanced)
 - Direct and distributor channels
 - OEM Products – Carestream DRX-Revolution Nano
 - Imaging sub systems Product – DMS in France
- ✖ **Expanding Distribution network** in 2022
 - 2 largest US independent distributors – Medlink US\$1M pa
 - Network of EU and EMEA distributors on-boarded



Over 250 units in service in 35 countries –
FDA and TGA certifications¹⁰

MOBILE DR

Saving lives and simplifying workflow for health professionals

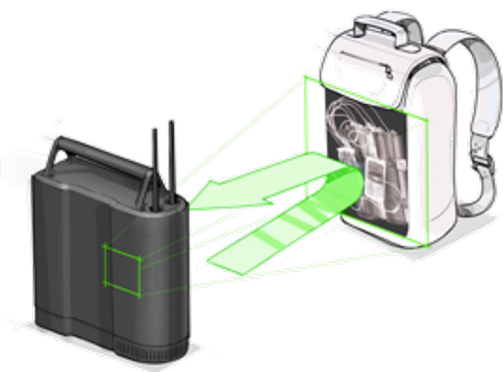
“The availability of mobile x-ray units with a built-in battery (in connection with the regular shelling of Ukraine’s energy infrastructure) is currently among the needs to ensure a quick examination of wounded persons... This will save thousands of lives of Ukrainian citizens.”

-Ukraine Army unit commander in Kherson

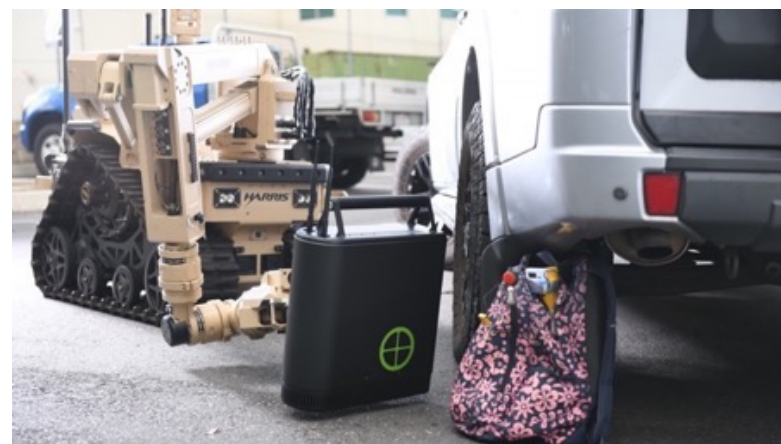


IED X-RAY CAMERA – ARGUS

Saving lives in the world's most dangerous workplace



- ✘ **Remote viewing** with Argus camera carried by EOD robot
- ✘ **Vastly lower risk to technician** – robot can perform assessment as well as disrupt device remotely
- ✘ **High resolution image** allows diagnosis to component level
- ✘ **Small size** – 17kg unit can be carried by most EOD robots
- ✘ **9 US agencies requested trials** – FBI, US military, Police
- ✘ **Submission to Australian DoD** for Land 154 procurement of 64 units



“This product is what we have been looking for, and waiting for, for years”.

-US Govt bomb school trainer

ARGUS PROGRESS

Product development being completed, customer trials 2023



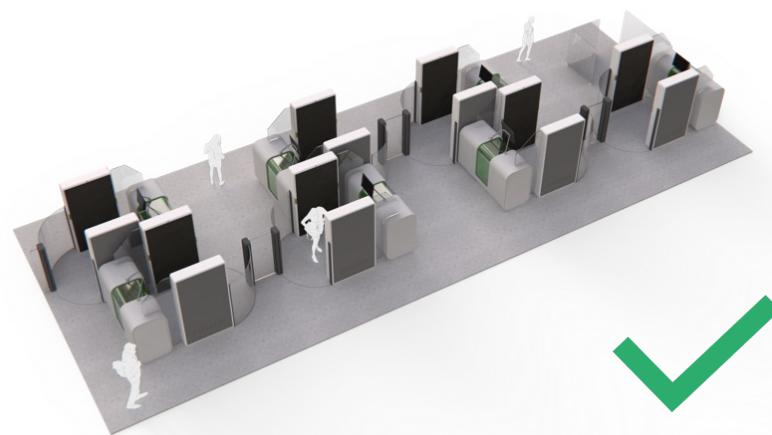
- ✦ Key components **designed, built and tested**
 - Reverse polarity 160kV x-ray tube – **smaller than Rover**
 - High-voltage generator - **miniaturised**
 - Image reconstruction software – **Patented backscatter technique**
 - Lightweight, rugged casing – **highly versatile**



- ✦ **Technical refinements** for a robust, production product
 - New processes in high voltage insulation in Generator
 - X-ray tube design refinements to improve yield
 - Increased component packing density to minimise product size

CHECKPOINTS

Transforming the future of air travel – speed, safety, privacy



Market opportunity is US\$24B in airports alone

- ✖ **US\$8B in US airports** and US\$16B in ROW airports
- ✖ TSA annual manpower cost of checkpoints is US\$4B
- ✖ **Staffing shortages** post COVID
- ✖ **7 portals in same footprint** as each current x-ray lane
- ✖ Applications for **transport, government building, stadia**

Customer driven concept to improve **travel experience**

- ✖ Automation will improve experience - **faster**
- ✖ Automated and enhanced threat detection - **safer**
- ✖ Individual screening portals – **privacy**
- ✖ **Integrates** with passport scan, photometric ID, body scan, baggage CT
- ✖ Less interaction with security staff – **efficient** & **COVID safe**

C H E C K P O I N T S

Funded by two contracts with Department of Homeland Security – US\$4.5M

CT Baggage Scanner

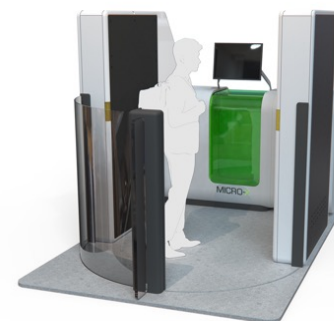
- US\$2M contract for prototype mid 2023



- ✦ **3D imaging** of passenger carry-on luggage
- ✦ **Automated detection** of threats with software
- ✦ **Design accepted** for modular baggage scanner - March 22
- ✦ **Contract extension** for second prototype
- ✦ 2 x Prototypes for **DHS testing in 2023**
- ✦ **Global interest** from other airports and security uses

Passenger Self Screening Portal

- US\$2.5M contract for design completes 2023



- ✦ **Self service portal** for entire passenger security checkpoint
- ✦ **Micro-X Centre of Excellence** established in Seattle, USA
- ✦ **Design accepted** and full contract option exercised - May 22
- ✦ **Testing of passenger experience** with partners underway
- ✦ **Global leading partners** – MX1 as prime contractor

MICRO-X

P A S S E N G E R S E L F - S C R E E N I N G C H E C K P O I N T

The video played at today's AGM will be available on the Company's website

B R A I N C T S C A N N E R

Programme on time & on budget - commercial product in 3 years

Micro-X CT Scanner supported by \$8M from Commonwealth MRFF Fund in partnership with **Australian Stroke Alliance**

- ✦ Robust imager with **no moving parts**
- ✦ Designed to **image bleeds smaller than 1mm**
'Standard of Care' CT for MSU diagnosis can see 2mm bleeds
- ✦ **Not changing current mobile diagnostic criteria**
– proven in existing mobile units
- ✦ **Enables stroke care in every ambulance**
– being smaller and cheaper – access for rural and remote locations

Pathway to Regulatory Approval in 3 years

- ✦ First cadaver and human imaging trials in 2023 / 2024
- ✦ Regulatory submissions in 2024 / 2025

Leveraging Partners for Excellence



FUJIFILM



Above: Curved CT scanner in ambulance setting

ENVIRONMENT, SOCIAL & GOVERNANCE

Our people and culture are the key to our ongoing innovation & success



23% female employees and
18 nationalities represented
Reconciliation Action Plan in
development

0

Lost time injuries since Dec 2020
Zero fatalities or serious injuries
since Micro-X founded



Partnered with Non-Government
Organisations to **deliver Rover x-ray**
systems to Ukraine to rebuild
medical capability



↓ **34% electricity usage** in x-ray tube bakeout
↓ **27% electricity usage** for x-ray
components processing furnaces



Lead industrial partner of STEM Fast
Track to encourage young people
interested in STEM careers through
industry experience



Strengthened and audited IT and
cybersecurity protections
ISO 13485 successfully passed
annual surveillance audit

OUTLOOK FOR 2023

Primed for growth

- ✦ **Argus x-ray camera first sales**
 - Successful customer demonstrations
 - Australian DoD LAND 154 tender decision
 - First sales of Argus systems
- ✦ **CT Baggage Scanner prototypes delivered to DHS**
- ✦ **Self-Screening Checkpoint design completion**
- ✦ **Mobile DR growth in pipeline, conversion and sales**
 - CE Mark and launch in EMEA
- ✦ **Brain CT development of system and algorithms**
- ✦ **Varex technology transfer and collaboration**

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