

AIRPORT SECURITY CONTRACT WITH DHS EXTENDED – UP TO A\$21.0M

U.S. Department of Homeland Security extend Passenger Self Screening Portal contract- testing in a real airport

Adelaide, Australia, 24th July 2023: Micro-X Ltd (ASX:MX1) (**Micro-X** or the **Company**), a leader in cold cathode x-ray technology for health and security markets globally, is pleased to announce that its subsidiary, Micro-X, Inc. has been awarded an extension on its existing development contract with the U.S. Department of Homeland Security (**DHS**) to build and test fully integrated self-screening checkpoint modules in an operating airport with travelling passengers.

Key Points

- **DHS extension of existing Micro-X Contract for Passenger Self Screening Checkpoint Portal**
 - Initial contract commitment A\$7.25m (US\$4.88m) for first 18 months
 - Total contract extension up to A\$21.0m (USD\$14.0m) over 40 months
- **Micro-X passenger stations to be tested in TSA labs and then in one or more US airports**
- **Extension funds Micro-X through key steps of manufacturing and demonstrating a re-imagined airport checkpoint.**

About the TSA's Passenger Self Screening Project

The Passenger Self Screening Project relates to DHS and TSA's future vision of replacing the current conveyor belt design for the screening of passengers' carry-on luggage with a bank of multiple 'self-service' security stations capable of scanning passengers and their carry-on luggage together. This concept is based on the idea of self-service checkouts at supermarkets, moving from a staffed conveyor system to a smaller and automated self-service system to increase throughput, improve staff efficiency, and improve passenger experience. This concept is enabled by Micro-X's miniaturized CT technology.

Two Existing DHS Contracts – Miniature Scanner and Self Check-In Portal Design

In November 2020, Micro-X signed two contracts totalling US\$4.0m with the DHS, each of which are now close to successful completion. The first contract for US\$1.5m, later expanded to US\$1.94m, was to design and manufacture two prototype miniaturised CT baggage scanners. These prototypes are due for delivery to the DHS in the coming months.

The second contract, for US\$2.49m, was to design the overall security self-screening checkpoint system, incorporating Micro-X's miniaturised CT scanner with other screening components and system design for passenger and operator use. Micro-X's role, as Prime Contractor with overall design authority, has been to lead an international consortium to deliver the self-service module. The Micro-X led design team successfully passed the Critical Design review gate on 28 June, completing the design phase of the project.

DHS Contract Extension – moving to live airport testing

With the detailed design phase of the Self Screening Checkpoint project completed, DHS has awarded a contract extension to Micro-X as Prime Contractor and systems integrator worth up to A\$21.0m (US\$14.0m) across a 40-month period. The purpose of this contract extension is to enable Micro-X, together with its partners, to build and test fully integrated self-screening stations in live US airport environments with travelling passengers.

This new project will involve Micro-X moving progressively, first fabricating a single self-screening station, then three stations, and finally a full six-station lane and testing each increment first in TSA laboratories and then in at least one live US airport. At each stage, Micro-X will receive feedback on the airport and passenger experience from the DHS and TSA to refine and improve the end design. The objective of the project is to have a fully integrated passenger self-screening security system that is ready to transform the passenger security experience across the United States' 440 airports.

The project has eight phases in total, some of which run in parallel, with milestone payments ranging from A\$3.0m to A\$6.0m (US\$2m to US\$4m). DHS has committed A\$7.25m (US\$4.88m) to fund Phase 1 of the project over the next eighteen months for Micro-X start to build the first prototype of the fully integrated self-screening checkpoint station.

The contract extension is a significant step forward in Micro-X's airport security strategy, providing continued opportunity to collaborate with global leaders in the field and develop the technology with direct feedback from the customer.

Micro-X Inc. Chief Executive Officer of Americas and Chief Scientist, Brian Gonzales, commented:

"This contract extension fully funds us to build and test the design of a self-screening checkpoint in real airports, demonstrating the improvements and refining the design with real passenger and operator input.

US airport security is a unique market, where the government is both the regulator and the customer. The partnership we have formed with DHS and TSA enables us to combine input from both the end-customer and the safety regulator to deliver a design that completely re-imagines security screening but is also grounded in the reality of airport operations and regulations. We are excited to continue our partnership with DHS and TSA as we build and then demonstrate this design in real airports."

Video of the passenger self-check in module can be seen at <https://www.youtube.com/watch?v=MxCw-M7ri8E>

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

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About Micro-X

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

Micro-X's product portfolio is built in four, high margin, product lines in health and security. The first commercial mobile digital radiology products are currently sold for diagnostic imaging in global healthcare, military and veterinary applications. An X-ray Camera for security imaging of Improvised Explosive Devices is in advanced development. The US Department of Homeland Security has selected Micro-X to design a next-generation Airport Checkpoint Portal with self-service x-ray. A miniature brain CT imager for pre-hospital stroke diagnosis in ambulances, is being developed with funding from the Australian Government's Medical Research Future Fund.

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

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