

APPENDIX 4E

Micro-X Limited
Appendix 4E
Preliminary final report

1. COMPANY DETAILS

Name of entity:	Micro-X Limited
ABN:	21 153 273 735
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenues from ordinary activities	down	14%	to	13,053
Loss from ordinary activities after tax attributable to the owners of Micro-X Limited	up	42%	to	13,895
Loss for the year attributable to the owners of Micro-X Limited	up	42%	to	13,895

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$13,895,000 (30 June 2024: \$9,765,000).

Refer to the Director's Report in the 2025 Annual Report for additional information in the results during the Financial Year.

3. NET TANGIBLE ASSETS

	REPORTING PERIOD CENTS	PREVIOUS PERIOD CENTS
Net tangible assets per ordinary security	1.14	2.44

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

4. CONTROL GAINED OVER ENTITIES

Not applicable.

5. LOSS OF CONTROL OVER ENTITIES

Not applicable.

APPENDIX 4E CONTINUED

6. DIVIDENDS

Current period

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

Previous period

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

7. DIVIDEND REINVESTMENT PLANS

Not applicable.

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Not applicable.

9. FOREIGN ENTITIES

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

All foreign entities are applying IFRS Accounting Standards for reporting purposes.

10. AUDIT QUALIFICATION OR REVIEW

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

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

11. ATTACHMENTS

Details of attachments (if any):

The Annual Financial Report of Micro-X Limited for the year ended 30 June 2025 is attached.

12. SIGNED

Signed  Date: 28 August 2025

Patrick O'Brien
Non-Executive Chair

MICRO-X



SCALING INNOVATION

2025
ANNUAL REPORT

ABOUT MICRO-X

Micro-X Limited [ASX:MX1] is an Australian technology company commercialising innovative X-ray and CT imaging solutions for global healthcare and security markets.

Our proprietary Nano Electronic X-ray (NEX) Technology underpins a scalable product platform, enabling compact, lightweight, and high-performance imaging systems that meet growing demand for mobility and point-of-care diagnostics.

Micro-X is driving commercial outcomes across its product range, underpinned by a fully integrated supply chain with design, development and manufacturing across Adelaide and Seattle.

With a growing global customer base including valuable strategic partnerships, Micro-X is positioned to deliver long-term value through innovation, global expansion, and operational scale.



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

With a robust and widely respected technology platform, our strategy is focused on growing revenue and delivering value from our world-leading imaging technology portfolio. Our core capabilities - carbon nanotube X-ray tubes, solid-state high-voltage generators, linked together by precise electronic switching software - are now powering growing product sales and partnerships across our key markets.

This year we reached a defining milestone with world-first CT images generated with our mini tube. This marks a turning point, positioning Micro-X to lead in mobile X-ray and CT. With innovation now converting into outcomes, we are focused on growing market share of Rover while continuing funded development.

2025 HIGHLIGHTS

SECURED
UP TO

\$36.6M

in partnership funding commitments

\$25M

Up to \$25m ARPA-H funding
for Full Body CT

\$6.0M

\$6.0m DHS contract extension
for Checkpoints

\$5.6M

\$5.6m commercial baggage scanner
partnership with Billion Prima

**Refocused sales
strategy**

**Top 10 Most Innovative
Manufacturer - 2025
AuManufacturing
Awards**

**Varex technology
transfer completed
with first generator
orders**

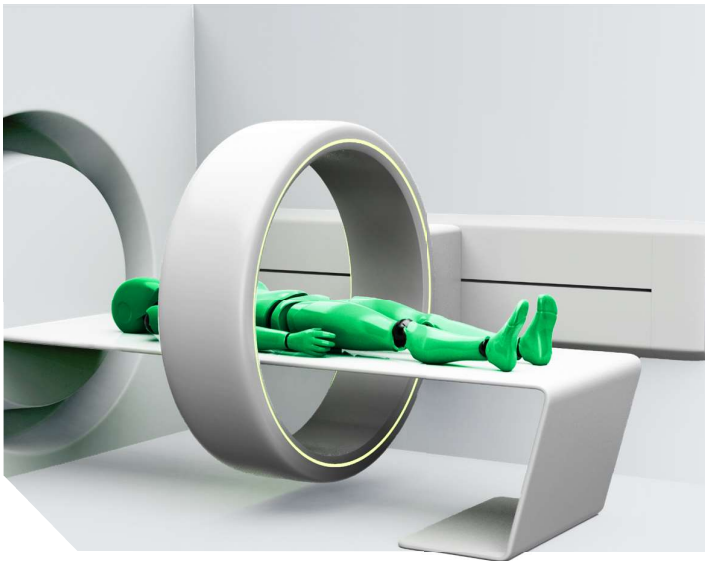


ROVER

- ✦ Supply agreement with major US healthcare group - operates more than 700 facilities
- ✦ Further expansion in professional sports
 - 9 Rovers used by Major League Baseball teams
 - 'March Madness' College Basketball

HEAD CT

- ✦ World first 3D CT images generated with Micro-X mini-tube
- ✦ Won Gold - Australian Good Design Awards



FULL BODY CT

- ✦ Awarded contract for up to \$25m ARPA-H PARADIGM program
- ✦ First 3 milestones achieved on time and on budget

CHECKPOINTS

- ✦ First Checkpoint prototype delivered to Department of Homeland Security (DHS) for testing
- ✦ Baggage Scanner prototypes delivered to DHS and in testing



OUR STRATEGY

MEDICAL FOCUS

NARROWING OUR FOCUS TO
DRIVE COMMERCIAL EXECUTION
THROUGH GLOBAL MEDICAL
IMAGING MARKETS





01

FOCUS ON MEDICAL IMAGING

Medical X-ray and CT is the future of Micro-X, backed by the unique advantages of our NEX Technology.

02

BUILD ROVER PLUS SALES

Secured Supply Agreement with major US healthcare group - other large opportunities are ongoing.

03

MONETISE SECURITY DIVISION

Execute on ongoing partnering negotiations to bring our security portfolio to market.

04

BUILD COMMERCIAL PARTNERSHIPS

To support our development activities and provide market support and access.

05

STRENGTHEN BALANCE SHEET

\$6.4M Capital Raising plus up to \$36.6M in partnership funding commitments.

06

DISCONTINUE ARGUS OPERATIONS

Whilst considering new partners to monetise this technology.



TECHNOLOGY PLATFORM

GLOBAL IMAGING SOLUTIONS

MICRO-X'S PROPRIETARY TECHNOLOGY PLATFORM DELIVERS A FULLY CUSTOMISABLE IMAGING CHAIN FOR USE ACROSS MULTIPLE APPLICATIONS

ADVANCING IMAGING FOR GLOBAL IMPACT

The 2025 financial year marked a turning point for Micro-X, advancing our position as a leader in global medical imaging technology. Driven by our commitment to reimagine what's possible, we have taken steps to accelerate imaging advancements that can deliver global impact.

Micro-X's journey began with our first-generation Nano Electronic X-ray (NEX) tube for mobile medical X-ray. As the first to commercialise carbon nanotube X-ray for healthcare, we succeeded where those before us could not – stable, high-voltage X-ray imaging that is lighter, smaller, faster and more reliable.

We continue to invest in our core technology to maintain our unique position, including the development of our own high-voltage generator, enabled by inventing solid-state potting techniques that enable further miniaturisation and weight reduction.

ENGINEERING THE FUTURE OF CT

These foundational advances have allowed us to continue to miniaturise our X-ray tube and combine with world-first high-voltage switching electronics, allowing us to electronically turn a series of X-ray tubes on and off in rapid and coordinated sequence,

creating multiple X-ray projections that are reconstructed into 3D computed tomography (CT) images.

Each milestone has built on the last, culminating in our latest breakthrough – multiple tube CT imaging. This innovation is the pinnacle of our disruptive platform, powering our Checkpoints security solution, our next-generation Baggage Scanner, the Head CT for mobile stroke diagnosis, and Full Body CT.

IDEAS INTO OUTCOMES

This year, we began a new chapter in our journey. With the successful achievement of up to \$25 million in funding from US Government agency ARPA-H, Micro-X was selected to deliver the portable, full body CT. This is more than a medical device – it is a pathway to healthcare equity by delivering world-class diagnostic imaging for patients outside major cities and beyond metropolitan hospitals.

We are building a company that transforms ideas into outcomes. We are laser-focused on scaling the commercial success of our technology platform.

This momentum is building. It's the result of the right strategies, supported by deep customer focus, relentless technical excellence and global strategic partnerships. From next-generation screening at airports to life-saving stroke diagnostics in ambulances, Micro-X is redefining where and how imaging happens.



OUR SHORT-TERM PRIORITIES ARE CLEAR

- 1.** Scale Rover Plus revenue, focusing on larger opportunities in high-value medical imaging markets globally.
- 2.** Commence human imaging studies with our Head CT scanner, unlocking a new frontier in stroke care.
- 3.** Unlock value in our technology through partnerships. We plan to realise the value in our security technology with new partners, while delivering against milestones for current partners - the U.S. Department of Homeland Security, ARPA-H, Billion Prima, and the Australian Stroke Alliance - all leaders who share our vision and help us push the boundaries of imaging science.

CHAIR'S LETTER

THIS YEAR HAS SEEN MICRO-X ACHIEVE WONDERFUL TECHNICAL SUCCESS ACROSS OUR PORTFOLIO. AFTER MAKING A TOUGH DECISION TO FOCUS ON MEDICAL IMAGING, WE HAVE ALSO MADE STRONG PROGRESS IN TECHNOLOGY COMMERCIALISATION



Across our business, our technology and team continue to achieve world first milestones. Our mini X-ray tubes are now providing high quality 3D images for our Head CT scanner and the first prototypes of our next generation airport products, the Baggage CT scanner and Passenger Checkpoint, are now in testing with the DHS and receiving very positive feedback.

When I returned as Chair of the Board in January, I said that Micro-X would continue to sharpen its focus on growing sales and achieving commercial success. Shortly after this, we made the difficult decision to discontinue our Argus X-ray camera. While not a reflection on the quality of that technology and its capabilities, the reality is that the IED detection market had evolved, and we could not generate the levels of customer engagement needed to ensure Argus would be a commercial success.

With the shift in our strategy to focus on medical imaging, the further development of our sales team, and growing evidence of our products' strong value proposition, the commercial side of the business has strengthened significantly. In addition, our partnering strategy is providing customer validation and future market access while enabling us to mitigate risk via the numerous partner funding commitments which underpin the development of our world-leading technology.

The significant progress made in our partnering activities has seen Micro-X source more than \$36m of additional funding in this year alone. We achieved this through the award of a contract of up to \$25m with U.S. government agency ARPA-H, the exercise of an optional \$6.0m contract extension by the DHS, and our first co-development partnership for a commercial baggage scanner with Billion Prima of Malaysia worth \$5.6m. Our technology partner Varex Imaging is now expanding use of our NEX Technology through their multi beam X-ray offering, including the first sales of our high-voltage generators to them.

We have continued to build our engagement with the Australian Stroke Alliance, the DHS and ARPA-H, with milestone achievements across all projects.

Our goal is to be commercially focused in everything we do. In line with this, we have reshaped our sales approach and distribution channels to better drive outcomes.

While the path to substantial sales is not a linear journey, I am pleased to report that we are seeing the application of our sales strategy bear fruit. Awareness of the Rover Plus as a high-quality imaging system is growing and I expect we will continue to see a positive trajectory next year as our execution matures.

We look forward to bringing our future range of products forward as Head CT development progresses, with trials commencing shortly. We have extended development of this technology to a portable Full Body CT scanner – once a diagnostic moonshot and now underpinned by funding from US Government agency ARPA-H.

This year saw us raise additional capital to support our commercial goals and updated strategy, and I am grateful for the continued support we received from our major institutional investors and existing shareholders who participated. We were also pleased to welcome Billion Prima as a shareholder as well as a strategic partner. We will continue to seek out partners to assist us to scale our operations and monetise our security offering.

Finally, I would like to recognise and thank former Chair David Knox and long-serving Director Alexander Gosling, both of whom retired from our Board this year. They each made significant contributions to the Company, applying their expertise and leadership to navigate the challenges



of building a hi-tech company based on world-first disruptive technology. Board renewal remains a priority at Micro-X, so that we can continue to engage the mix of skills and experience necessary to deliver outcomes.

As we look ahead, I firmly believe that Micro-X is focusing on its best opportunities and building the platform required to succeed for the long term. We have a highly talented and committed team which is determined to deliver for our customers, employees, and shareholders.

**MICRO-X'S FOUNDATIONS
ARE STRONG AND ITS FUTURE
REMAINS BRIGHT.**

PATRICK O'BRIEN

Non-Executive Chair

CEO'S REPORT

THE PAST YEAR HAS BEEN ONE OF STRATEGIC REFOCUS AND MEANINGFUL COMMERCIAL PROGRESS AS WE STRIVE TO UNLOCK LONG-TERM VALUE FOR SHAREHOLDERS.

Early in 2025, we refined our business strategy to concentrate on commercialising high-potential medical imaging products: our in-market Rover Plus mobile X-ray, our breakthrough Head CT for stroke diagnosis, and our new Full Body CT platform. Each solution is backed by the compelling benefits of our highly differentiated NEX Technology.

We are building momentum through funded development programs and aligned strategic partners who share our vision and can fast-track adoption, market access and impact. This targeted approach is already gaining traction across key healthcare channels.

Alongside this focus on medical imaging, we are seeking to monetise a number of security applications of our technology. We have already entered one significant partnership in this regard and are actively exploring others.

REFINING FOCUS, REINFORCING DISCIPLINE

As part of our strategic review, we made the difficult but disciplined decision to discontinue our Argus operations due to evolving global market trends in the conduct of warfare and IED detection. While the decision was not taken lightly, we remain open to future partnering opportunities to unlock the value of this world-leading technology.



DELIVERING SALES AND EXPANDING MARKET REACH

We have adopted a more targeted approach to our Rover Plus sales strategy, building a high-impact network of engaged distributors and business development partners to amplify the reach of our in-house sales team. This has enabled us to pursue larger, higher margin opportunities with customers who recognise and value the unique benefits of our technology. We are beginning to see commercial traction, including our recent listing on a major US healthcare provider's buying platform.

Our strategy to enter professional sports markets also continues to deliver results with nine Rover Plus units now installed at Major League Baseball stadiums and spring training venues across the United States. This market segment provides high visibility of Rover Plus' versatility and is one where we believe there will be continued growth.

HEAD CT FOR STROKE DIAGNOSIS: ADVANCING TO CLINICAL READINESS

Our miniaturised Head CT program achieved significant milestones this year, marking substantial progress in technical performance and clinical readiness. We captured the first 3D images of skull and soft tissue using our proprietary mini X-ray tube, demonstrating the clear anatomical detail which is needed for the diagnosis of patients suspected of having had a stroke. We believe another key benefit we offer is that our Head CT provides an effective radiation dose just one-third of conventional CT devices.

We have since optimised the tube and array design to further improve performance and reliability ahead of planned hospital-based clinical trials, which we anticipate will commence shortly.

Importantly, the progress with our Head CT accelerates the Full Body CT platform, reducing technical risk and shortening our path to commercialisation. Partner feedback remains overwhelmingly supportive as The Australian Stroke Alliance continues to endorse our technology progress to revolutionise stroke diagnosis through disruptive imaging innovation.

FULL BODY CT IMAGING: A GLOBAL VALIDATION

In a major commercial breakthrough, Micro-X was selected by the US Government's ARPA-H agency to participate in its flagship PARADIGM program, aimed at delivering advanced hospital-level care to rural and underserved communities. Following a competitive process, we secured up to \$25 million over five years to develop a lightweight, mobile, Full Body CT scanner. This aligns closely with our strategy to build a comprehensive imaging portfolio with development funded by partners.

Our team has already made great strides in the design phase under the initial \$12.5 million contract which supports our development through 2026. There is a further \$12.5 million optional extension to progress a Full Body CT scanner all the way through trials and FDA submission. Our selection for this project is a powerful third-party validation of our technology's global potential and scalability.

SECURITY: BUILDING CONFIDENCE AND PARTNERSHIPS

We marked a significant step forward in our Checkpoints program with the delivery of our first prototype to the US Department of Homeland Security (DHS) which is undergoing evaluation. The DHS also exercised a \$6.0 million extension option during the year to support the development of two additional prototype units and 16 months of operational testing for all three units, a clear signal of increasing confidence in Micro-X's capabilities.

We also secured a \$5.6 million strategic partnership with Billion Prima in Malaysia to commercialise a baggage & parcel scanner tailored to Southeast Asian markets. This partnership expands our footprint and creates a potential recurring revenue stream from future sales of our NEX Technology tubes and generators to Billion Prima. Set to launch next year, this will mark the first monetisation of our security technology, laying the foundation for broader acceptance and application of our NEX Technology.

PLATFORM PROGRESS AND TECHNOLOGY TRANSFER

Our technology platform reached a major milestone with the successful technology transfer to Varex Imaging for use only in the multi-beam market segment where we do not compete. The initial orders of Micro-X's high-voltage generators to power Varex tubes, confirm both the value and the transferability of our innovation, opening further commercial opportunities as the Varex portfolio grows in this segment.

RECOGNITION AND ENGAGEMENT

Micro-X was proud to be recognised with several major innovation awards, including Gold in AuManufacturing's Most Innovative Manufacturers and the Australian Good Design Award for Design Research, awarded in partnership with Monash University's Design Health Collab.

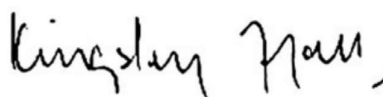
We also welcomed investors to our Tonsley facility for an open day including a guided tour of our facilities to showcase our technology platforms and pipeline, reinforcing our commitment to transparency and engagement.

We are very appreciative of all our investors who supported our capital raising earlier this year. We will continue to carefully manage our financial resources and seek partners to fund our development moving forward.

LOOKING AHEAD

We have closed FY2025 with improving sales momentum for our Rover Plus. We must however do more, to execute sales and move our Rover Plus business to a self-sustaining position. Our focus in the coming year is threefold: build our Rover Plus sales; commence validation of our Head CT imager through in-hospital trials; and deliver on partnerships such as ARPA-H, DHS and Billion Prima to create value for shareholders. This will include our key objective to secure a security partner that further monetises our technology in the security sphere.

On behalf of the entire Micro-X team, thank you to our shareholders for your continued commitment to creating revolutionary X-ray imaging to better lives. Your support is vital as we strive to deliver lasting impact through innovation.



KINGSLEY HALL

Chief Executive Officer

OPERATIONAL REVIEW

MEDICAL X-RAY

EXPANDING ACCESS TO IMAGING WHEREVER CARE IS NEEDED



This year, our Rover Plus Mobile DR business made significant progress across commercial and geographical frontiers, advancing our vision to decentralise diagnostic imaging and bring care to the patient.

With industry trends increasingly focusing on patient access and healthcare equity, the need for convenient, cost-effective care has never been more important. These changes are leading to more freestanding imaging centres, ambulatory clinics and mobile units – all scenarios where our lightweight and mobile Rover Plus is designed to deliver.



DRIVING GLOBAL GROWTH

The Rover Plus continues to prove its value as a lightweight, powerful, hospital-grade mobile X-ray system that is built to meet the needs of healthcare settings that demand flexibility, speed, and reliability.

This year we have pivoted our sales focus, with our goal to deliver larger, high value sales opportunities. This strategy is now starting to bear fruit. We spent considerable time supporting Rover Plus through deep evaluations by a major US healthcare provider and another large US group purchasing organisation.

Recently, this healthcare provider - one of the largest in the US - approved our Rover Plus for inclusion on their procurement list, unlocking a large potential sales opportunity while providing pivotal validation that supports our broader market access in Northern America.

We also refocused and renewed the Rover Plus footprint globally, establishing new distributors and partners across the US, Europe, and Asia, while expanding sales efforts into South America. Regulatory approvals were secured in Malaysia and Taiwan, opening new commercial opportunities in these key strategic regions.

The Rover Plus took the spotlight at global health and radiology events over the year, including RSNA in Chicago, WHX in Miami, and UKIO in Liverpool. These engagements continue to position Rover Plus as a challenger brand to incumbents, reshaping

the future of mobile imaging with clear resonance around our core value proposition: "Move Imaging. Not Patients".

NEW MARKETS, NEW MOMENTUM

In elite sports medicine - where imaging speed and quality, portability, and reliability are critical - our mobile X-ray solution continues to shine. We now have 9 Rovers installed in Major League Baseball venues, including recent deployments with the Houston Astros, Cleveland Guardians, LA Angels and Oakland Athletics. During the 2025 NCAA Final Four March Madness, the Rover was again the mobile X-ray system of choice, providing rapid courtside diagnostics for college basketball athletes, many of whom will now progress to the professional level.

These sports customers are a testament to Rover Plus' unique strengths: hospital-grade imaging performance and the ability to deliver care where and when it's needed most. From emergency departments and Intensive Care Units to sports stadiums and disaster zones, the Rover Plus enables efficient care delivery with fast diagnosis and reduced risks from moving critically ill patients, all while enhancing safety for healthcare workers.

Micro-X remains committed to pushing the boundaries of mobile radiography. With growing customer opportunities, strong distributors and increasing global recognition, we believe the Rover Plus is well positioned to capture significant orders and deliver imaging wherever care happens.

OPERATIONAL REVIEW

HEAD CT

REVOLUTIONARY IMAGING TECHNOLOGY BRINGING
MOBILE STROKE DIAGNOSIS DIRECTLY TO PATIENTS





“IN STROKE, EVERY MINUTE COUNTS.

THIS NEW BRAIN SCANNER WILL ALLOW PATIENTS TO BE TREATED AT THEIR HOME, SAVE TIME AND IMPROVE THE LIKELIHOOD OF A GOOD OUTCOME.”

PROF STEPHEN DAVIS AO

Australian Stroke Alliance Co-Chair

Developed in collaboration with Monash University's Design Health Collab and Johns Hopkins University, and backed by an \$8 million grant from the Australian Government through the Australian Stroke Alliance, the Micro-X Head CT is a customer-driven and partner-led solution to one of healthcare's most urgent challenges.

This financial year, Micro-X achieved several major milestones in the Head CT program, affirming our leadership in portable CT imaging. In December, the device successfully produced its first full 3D brain CT images using our proprietary NEX Technology - an achievement that marked a critical step in product development. These high-resolution images have enabled the build of our first Head

CT test bench, with the next milestone of clinical acceptance of image quality to trigger ethics submission ahead of planned hospital patient trials.

Importantly, early testing has demonstrated that our Head CT delivers an effective radiation dose which is approximately one-third of conventional scanners. This is well below annual exposure limits for members of the public.

CLINICAL TRIALS SET TO BEGIN THIS YEAR

As our Head CT test bench moves through final validation, we are well advanced in our preparations to begin clinical trials in three leading Australian hospitals, beginning in Melbourne in 2025. These trials will begin with a first phase where patients already being treated in the hospital will be imaged with the Head CT and those results compared to conventional CT scans.

In phase two of the trials, stroke patients will be imaged by the Head CT on arrival or from within the hospital prior to diagnosis, simulating real-world emergency scenarios.

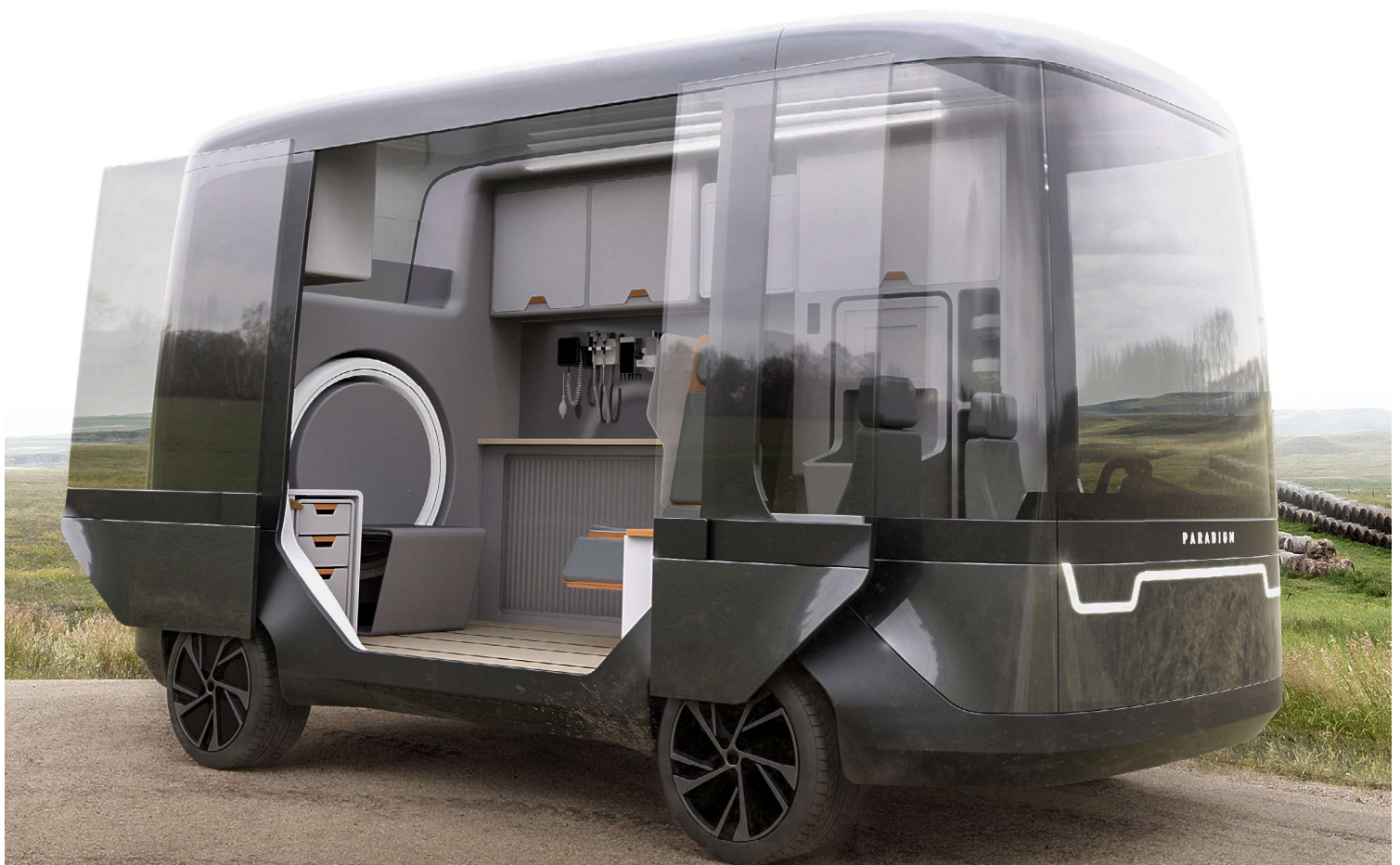
With a fixed dose, intuitive user interface, and design optimised for rapid deployment, the Head CT is being developed for use by trained and licensed operators, unlocking new possibilities for emergency stroke imaging in ambulances, emergency rooms, and rural and remote settings.

OPERATIONAL REVIEW

FULL BODY CT

MOBILE FULL BODY CT FOR ADVANCED CARE ANYWHERE

In a major validation of our breakthrough X-ray technology, this year Micro-X was selected by the US Government's Advanced Research Projects Agency for Health (ARPA-H) to develop the world's first lightweight and mobile Full Body CT scanner.



This 5-year program is backed by up to \$25 million in funding through ARPA-H's PARADIGM program (Portable, Adaptable, and Restorative Diagnostic Imaging for Global Medicine), aimed at delivering advanced hospital-level imaging to underserved and remote communities across the United States. Of this funding, \$12.5 million is guaranteed over two-years, with an optional \$12.5 million extension based on Micro-X's ability to meet technical objectives that would take the device through to FDA certification and in-field testing.

While this technology is being developed in conjunction with ARPA-H, there is immense global potential for portable full body CT, with an increasing trend towards bringing healthcare to the patient to deliver greater access and equity outside of metropolitan areas.

This initiative cements Micro-X's global leadership in CT miniaturisation, leveraging our proprietary NEX Technology and imaging platform developed through previous projects. Our goal is to create a full body CT scanner compact enough to be deployed in challenging environments, such as mobile clinics, field hospitals, and disaster zones.

The ARPA-H project positions Micro-X as a critical partner in reshaping the future of diagnostic imaging by delivering high-quality, whole body CT scans at the point of care. Through collaboration with key clinical partners and healthcare innovators, we are not only targeting healthcare in the United States but setting the stage for a global rollout of mobile CT diagnostic capability.

Over the past financial year, Micro-X successfully demonstrated the early feasibility of our mobile Full Body CT system, meeting ARPA-H's technical expectations and achieving \$3.2 million in development milestones. These achievements build on a decade of platform innovation and further demonstrate our technical expertise and the adaptability of our technology across healthcare applications.

Moving forward, Micro-X will bring this design to reality through the manufacture of a prototype that demonstrates the capabilities of our Full Body CT scanner in real world settings.





OPERATIONAL REVIEW

SECURITY CT



ADVANCING GLOBAL SECURITY SCREENING

This year marked a significant leap forward for Micro-X's security imaging portfolio, with key milestones achieved across both our Checkpoints and Baggage CT Scanner program, funded with up to \$29 million from the DHS.

Micro-X is reimagining the security checkpoint process for airport passengers to deliver a scalable modular solution to improve both passenger experience and passenger screening speed with an automated passenger self-screening system.

CHECKPOINT PROTOTYPE IN TESTING

The first prototype of our revolutionary new Passenger Self-Screening Checkpoint system was delivered to DHS and is now undergoing evaluation. With fabrication of the second and third prototype Checkpoints scheduled for completion this year, we are on track to build towards a six-station lane system for live airport testing.

Importantly, DHS awarded Micro-X a \$6 million contract extension during the year, with an additional \$7 million extension available at their option. This committed funding supports the fabrication of two additional Checkpoints and testing of all three units by DHS. The extension of this contract also signals growing confidence in the potential of our modular, compact self-screening checkpoint architecture.

Our role is to act as the prime contractor to DHS for this work, including designing the entire Checkpoint and developing the automation required to guide the passenger through the process to enable passenger self-screening. Micro-X has successfully integrated our proprietary Baggage CT Scanner into the Checkpoint which is the key technology enabler, combined with millimetre wave body scanning technology.

Our Baggage CT Scanner program also progressed significantly, with the successful delivery of a second prototype to DHS for their testing and validation.

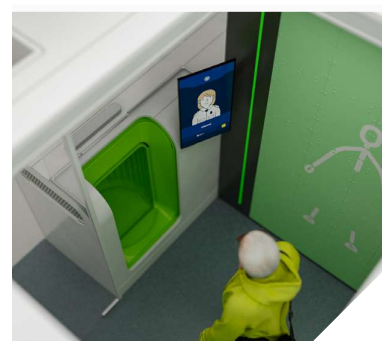
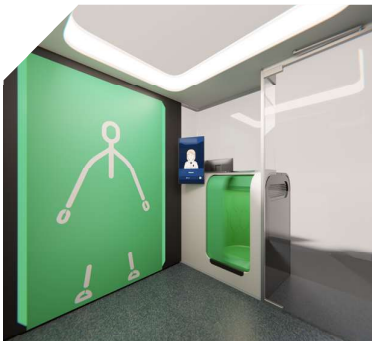
STRATEGIC EXPANSION INTO ASIA

In parallel, Micro-X signed a \$5.6 million strategic partnership with Malaysian security specialist, Billion Prima. This partnership will involve us co-developing a baggage and parcel scanner tailored for the South East Asian market - an important step that provides both commercial validation and valuable regional market access.

Beyond immediate development funding, this partnership holds long-term revenue potential through the future sale of Micro-X's proprietary NEX Technology X-ray tubes and generators into Southeast Asia.

A PLATFORM FOR GLOBAL ROLLOUT

With our Checkpoints and Baggage CT development programs progressing, Micro-X is focused on identifying additional strategic partners to support implementation, scale-up, and market entry globally. These partnerships will be critical in unlocking the full commercial potential of our security imaging platform, which leverages our lightweight, low-maintenance X-ray technology to deliver faster, safer, and more flexible screening for the next generation of airport security.



SUSTAINABILITY

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

We believe that our future success will be measured not only in adoption of our products and revenue generation, but also in how responsibly and equitably we deliver our technology to the world.

Delivering on these objectives, this year Micro-X commenced development of a company-wide Sustainability Strategy, and we will report on our progress from the 2026 financial year. Our Sustainability Strategy aligns with the Global Reporting Initiative and Australian Sustainability Reporting Standards.



Anthony Skeats and Tom Schneider with Monash University's Design Health Collab



Micro-X engineer Daniel Ward with school students

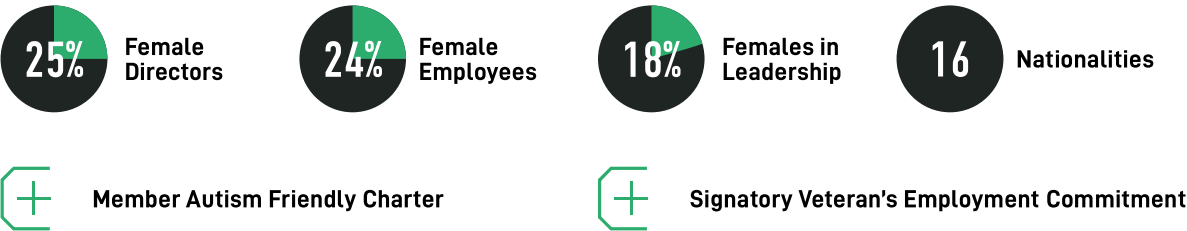


Micro-X City to Bay fundraiser for stroke research

OUR WORK SUPPORTS UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS



DIVERSITY AND INCLUSION



ENVIRONMENTAL

- 

Headquartered in 6 Star rated Tonsley Innovation District
- 

Continuous waste reduction program

 - Annual review of costs of consumables with cost reductions in bottled gasses, nitrile gloves, wet chemicals and other high usage consumables
 - Focus on reduced waste to landfill and increased waste to recycling
- 

Environmental incidents

HEALTH AND SAFETY

- 

Lost time injury cases since 2020
- 

Fatalities or serious injuries since Micro-X founded

COMMUNITY

- 

Science, Technology, Engineering and Maths education

 - CSIRO STEM Professionals in Schools Program
 - School work experience
 - Defence Industry Connection Program internships
 - Member Flinders University Science and Engineering Industry Advisory Board
- 

Student Robotics Club of SA mentors and volunteers
- 

Fundraised for Hospital Research Foundation - Stroke
- 

Donated to Anglicare Christmas Drive

GOVERNANCE

- 

Updated corporate governance policies
- 

Cyber security

 - Multi-layer security used
 - Cybersecurity insurance policy in place
- 

Quality and regulatory

 - ISO 13485 and ISO 9001 certification maintained
 - Obtained GMP Certificate for Korean Ministry of Food and Drug Safety
 - Device registration expanded to Malaysia, Taiwan and Iran

FINANCIAL REPORT



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DIRECTORS' REPORT

Micro-X Limited
Directors' report
For the year ended 30 June 2025

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the '**Group**') consisting of Micro-X Limited (referred to hereafter as **Micro-X**, the '**Company**' or '**parent entity**') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

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

Patrick O'Brien (Non-Executive Chair) - Appointed Chair 15 January 2025
James McDowell (Non-Executive Director)
Ilona Meyer (Non-Executive Director)
Andrew Hartmann (Non-Executive Director)
Alexander Gosling (Non-Executive Director) - Resigned 12 November 2024
David Knox (Non-Executive Chair) - Resigned 15 January 2025

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

Principal activities

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

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

Dividends

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

Operating and Financial Review

Micro-X Limited and its wholly owned subsidiaries continued to focus its activities in the financial year ended 30 June 2025 (**Financial Year**) on the design and development, manufacturing and sale of carbon nanotube-based X-ray products, including core X-ray tube and high-voltage generator components, for the global healthcare, defence and security markets.

The Company announced a strategy reset in January 2025 to focus on its commercial and development stage medical imaging products for global healthcare markets, including the Rover Plus mobile X-ray, the Head CT for mobile stroke diagnosis and the Full Body CT for mobile CT scanning applications. As part of the strategy reset, the Company announced it had discontinued the Argus X-ray camera product for the security market and is seeking strategic partnerships to commercialise its broader security applications, including those in development. The discontinuation of Argus resulted in \$0.7M per annum in estimated cost savings, after one-off costs.

This Micro-X strategy to focus on medical imaging made positive progress as the Company executed a supply agreement for Rover Plus systems with a major US healthcare services provider (**Customer**) in July 2025. This supply agreement resulted from extensive work demonstrating the unit at multiple sites for this Customer over a two-stage trial and evaluation period during the Financial Year. This Customer operates a nationwide network of more than 700 healthcare facilities in the United States, including hospitals, surgical centres, and outpatient facilities, and is one of the largest and most established healthcare organisations in the United States. This represents a significant commercial achievement for Micro-X, marking its first supply agreement with a major US healthcare provider.

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Review of Financials

During the Financial Year, the Group experienced decreased revenues from ordinary activities of \$13.053M (down from \$15.222M in the financial year ended 30 June 2024 (FY24)) from the sale of its products and contracted project income, and total incomes of \$18.644M (FY24: \$21.962M), comprised of the following:

- Revenues for the sale of Mobile DR products and associated components of \$2.590M, down from \$6.410M in FY24 which included \$3.0M worth of government contract sales for Ukraine humanitarian relief and Australian Military procurement;
- Contracted project income of \$10.463M (up from \$8.812M in FY24) in line with the increased focus on partnering activities and reducing unfunded development). This income included:
 - \$4.570M revenue from U.S. Department of Homeland Security for the Airport Checkpoint Development program;
 - \$3.192M revenue from the Advanced Research Projects Agency for Health for development (**ARPA-H**) of the full body CT executed in December 2024;
 - \$1.899M revenue from Billion Prima for the commercialisation partnership agreement; and
 - \$0.620M revenue from the Australian Stroke Alliance for development of the Head CT Scanner;
- Other income of \$5.591M, including \$5.430M in relation to the R&D tax rebate for the Financial Year.

In addition to its contracted project income, the Group invoiced, received and processed approximately \$1.895M on behalf of its sub-contractors as agent for these sub-contractors. Accordingly, this balance has been applied against the Company's expenses rather than the Company's revenues. More information can be found at Note 2 of the Financial Statements.

The Group reported a net loss for the Financial Year, after accounting for income tax, of \$13.895M (FY24: \$9.765M loss). The increase in net loss when compared to the FY24 period was largely driven by reduced product sales and the \$1.453M impairment of Argus inventory as a result of the discontinuation of the Argus product following the strategic refocus on Medical applications in January 2025.

The key items of expenditure for the Financial Year were related to:

- \$2.734M in cost of sale of goods, primarily for Rover Plus units and imaging chains for sale;
- \$4.338M expenditure on Research and Development activity related to the Miniaturised CT Baggage Scanner, the Checkpoints portal and the Head CT Scanner, which was largely funded by Partner funding;
- \$17.252M spent on Employee, Consulting and Director costs. This included \$1.167M in non-cash equity compensation included within Employee and Director expenses in relation to the Company's Employee Gift Plan and Employee Equity Plan, which comprises an STI and LTI component, subject to and conditional on the achievement of hurdles. Employee costs included work on development activities for which contracted project income was received during the Financial Year.

Financial Position

Net assets of the Group decreased by \$6.713M from \$14.261M at 30 June 2024 to \$7.548M at 30 June 2025.

Cash on hand and at the bank was \$3.242M at 30 June 2025 (compared to \$3.228M at 30 June 2024). As reported in the June 2025 Appendix 4C & Quarterly Activities Statement, a further \$1.936M cash was received in July for receivables overdue as at 30 June 2025.

Moving into the financial year ending 30 June 2026, there is \$16.176M of contracted development payments, subject to successful achievement of milestones, and associated risks set out below. These will support activities for future products including the Head CT, the Full Body CT scanner and the Checkpoints and Baggage Scanner. The Company is also seeking to build sales of its Rover Plus, including with the Customer pursuant to the Supply Agreement. In addition to Rover Plus sales, there is \$4.100M Mobile DR inventory on hand, which, upon achieving the necessary sales would generate additional cash as a result of further reducing inventory. The achievement of sales of Rover Plus is subject to the risks disclosed further below.

Review of Operations

Medical Imaging – Rover Plus mobile X-ray system and imaging chains

The Micro-X sales strategy for the Rover plus systems was adjusted during the Financial Year to focus on larger and more targeted opportunities for the Rover Plus mobile X-ray unit through a more direct sales outreach. These sales opportunities, while larger and usually offering higher margin, have a longer sales cycle.

DIRECTORS' REPORT CONTINUED

Micro-X Limited Directors' report For the year ended 30 June 2025

This sales strategy made positive progress with a number of potential tender opportunities progressed throughout the Financial Year. In July 2025, one of these opportunities was closed with the Company executing the Supply Agreement for Rover Plus systems with the Customer. This completed a competitive tender process which began in 2024 and included extensive work in a two-stage trial and evaluation process, demonstrating the unit at multiple locations operated by the Customer during the Financial Year. This Customer operates a nationwide network of more than 700 healthcare facilities in the United States, including hospitals, surgical centres, and outpatient facilities, and is one of the largest and most established healthcare organisations in the United States. The Supply Agreement, whilst not including any initial orders from the Customer on signing, represents a significant commercial achievement for Micro-X, marking its first supply agreement with a major US healthcare provider.

In Europe, market expansion continued with the appointment of Vertec Scientific as a distributor for the United Kingdom who placed their first order for Rover Plus units during the Financial Year. Vertec recently presented the Rover Plus system at the 2025 UK Imaging & Oncology conference in June, which was attended by approximately 2,000 radiology professionals.

The Rover Plus continued to gain traction within the sports medicine field, with Major League Baseball team the Houston Astros acquiring a Rover Plus system. This brings the total to nine Rover Plus systems sold across eight teams in Major League Baseball, with another deployed at the training grounds of the National Hockey League's Arizona Coyotes. This also builds awareness of the key advantages of the Mobile Plus system with the various healthcare agencies that interact with these large professional sporting organisations.

Medical CT development products - Head CT scanner

The Company advanced development work of its Head CT scanner for stroke diagnosis under its \$8.0M contract with the Australian Stroke Alliance (**ASA**) in its 'Stroke Golden Hour' project, led by the Royal Melbourne Hospital's Brain Centre and funded by the Federal Government's Medical Research Future Fund. The focus of the development activities this Financial Year was to advance a prototype of the Head CT unit, known as a test bench, to then be validated for the commencement of human imaging studies

A key achievement in the Financial Year was successfully using a Micro-X Head CT test bench to generate the first full three dimensional or 3D CT images. The images, which showed the skull and soft tissue structure of the brain of a head phantom which mimics a human brain, were reviewed by the ASA which determined that they were of sufficient quality for good visualisation of brain anatomy.

As part of the final development work for Head CT, Micro-X's engineering team has been refining the CT image reconstruction algorithms. The Head CT test bench is now able to deliver the required image resolution to visualise fine anatomical structures across the entire skull.

Three Micro-X Head CT test benches are planned to be delivered to three Australian hospitals in the second half of 2025, to commence a human imaging study, following ethics approvals. The data to be collected from this study will be used to support application for regulatory approval.

Micro-X recognised \$0.6M revenue in relation to services provided to the ASA for design of the Head CT during the Financial Year.

Medical CT development products – Full Body CT scanner

In December 2024, the Company expanded its range of medical CT products in development to include a portable, full body CT scanner. This product leverages the advances made by Micro-X in CT imaging for the Head CT scanner, including the mini tube and software algorithms.

In line with the Micro-X strategy of pursuing funded development, this new Full Body CT scanner is being enabled through a development contract worth up to \$25.0M with ARPA-H. This is a programme initiated by ARPA-H to bring improved healthcare, including access to CT imaging, to U.S. patients in rural and remote regions. The technical work being funded under the entire contract will result in a working prototype of the Full Body CT scanner, which would then undergo imaging studies to support a regulatory application to the U.S. Food and Drug Administration.

The first stage of work has commenced focused on the design and documentation for a prototype under an initial two year \$12.5M component of the ARPA-H contract. The Company has successfully achieved the first three milestones under the agreement with ARPA-H, most recently completing a comprehensive technical dossier on the Full Body CT.

The Group recognised \$3.2M revenue from ARPA-H in relation to the development of the Full Body CT.

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
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Security - Checkpoints & CT Baggage Scanner

The development work under the two contracts with the U.S. Department of Homeland Security (**DHS**) advanced well during the Financial Year. This resulted in two baggage scanner prototypes and the first Passenger Checkpoints prototype, being delivered and commissioned by the DHS, with real world testing ongoing in their U.S. based test laboratories.

In February 2025, Micro-X received the first optional extension of the DHS contract worth \$6.0M. This contract extension is the first of two optional extensions of the work by the DHS and will provide funding to continue the Checkpoints project past the delivery of the first prototype self-screening unit. Specifically, this will fund the creation of two additional units, allowing the DHS to perform and accelerate its testing with a three-unit pod.

In March 2025, the team delivered the first Passenger Checkpoints prototype to the DHS to allow testing in the Transport Security Administration (**TSA**) specialist labs. As the prime contractor, Micro-X has successfully integrated its Baggage CT Scanner, along with Voxel Radar's millimetre wave body scanning technology and deep learning models for multi-source CT imaging developed with Johns Hopkins University. Advanced airport security design was also provided by Monash University's Design Health Collab.

Across all work in Checkpoints for the Financial Year, the Group recognised \$4.6M in revenues from services provided to the DHS.

Partnership Activities

Following the strategy reset announced in January 2025, Micro-X has been pursuing opportunities to monetise its security technology. This process has had strong engagement from multiple parties, however further work is required to secure a suitable partner opportunity to take the Checkpoints solution to market.

In February 2025, Micro-X formed a new strategic partnership with Malaysian security product manufacturer Billion Prima to develop and commercialise a baggage and parcel scanner product over the following 12 months that includes the Company's NEX Technology. The \$5.6M partnership provides Micro-X with the ability to generate long term revenues from the sale of Micro-X tubes and high voltage generators to Billion Prima once the baggage scanner product is commercialised.

The Billion Prima partnership included an equity investment in Micro-X of \$2.4M at a price of 9 cents per share, then a 15% premium to the prevailing market price, aimed to achieve alignment with existing Micro-X shareholders. The equity component was completed in February 2025. The Development and Commercialisation Agreement includes product development milestone payments from Billion Prima totalling \$3.2M, with the first two milestones, totalling \$1.9M, being achieved during the Financial Year. The technical teams from Billion Prima and Micro-X have held multiple meetings at Tonsley during the Financial Year to complete the project roadmap and the mechanical design work.

During the Financial Year, Micro-X successfully completed the technology transfer to Varex Imaging, the largest OEM manufacturer of X-ray tubes globally, under its technology transfer development agreement to develop multi-beam tubes. The Company is continuing to work with Varex Imaging to customise its Micro-X high-powered generator to power their tubes.

Corporate Activities

In February and March 2025, the Company undertook a capital raising to strengthen the balance sheet and drive planned partnering and commercialisation activities.

This capital raising of approximately \$6.4M included the following components:

- \$2.4M - Strategic Placement of 26.6m shares at 9 cents to Billion Prima;
- \$2.0M - Placement of 28.6m shares at 7 cents to sophisticated and institutional investors, which included \$0.2M to the directors of the Company as approved by shareholders on 16 April 2025;
- \$1.3M - Institutional Entitlement Offer of 19.2m shares at 7 cents, on a 1 for 10 basis, to eligible institutional shareholders and shortfall institutional investors; and
- \$0.6M - Retail Entitlement Offer of 8.8m shares at 7 cents, on a 1 for 10 basis, to eligible retail shareholders.

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Environment, Social and Corporate Governance

This Financial Year, Micro-X began developing a Sustainability Strategy as its first step towards monitoring and reporting the Group's activities and impact across the three fundamentals of Environment, People and Governance. It is intended that annual reporting will take place in tandem with Micro-X's annual financial reporting.

Micro-X's Sustainability Strategy references existing sustainability frameworks, including the UN Sustainable Development Goals, the Paris Agreement, the Global Reporting Initiative, the Australian Accounting Standards Board's Australian Sustainability Reporting Standards (AASB S1; AASB S2), and International Sustainability Standards Board (IFRS S1; IFRS S2).

While not currently required to report under Australian sustainability laws and regulations, Micro-X has elected to voluntarily report against sustainability-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance, or cost of capital, starting from 1 July 2026. These disclosures are designed to enable users of general-purpose financial reports to understand Micro-X's strategy for managing climate-related risks and opportunities, its commitment to positively contributing to staff and society, and our strong governance arrangements.

Governance

Micro-X has governance programmes, policies and procedures across its activities, as overseen by the Audit and Risk Committee of the Board of Directors. During the Financial Year, the Company appointed Richard Willson as Company Secretary, with Kingsley Hall resigning as Company Secretary at the time. Richard is a seasoned Company Secretary, Non-Executive Director, and CFO with over 25 years of experience spanning both private and publicly listed companies.

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

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

Material Business Risks

The Company has a risk management policy to identify, monitor and report on areas of risk on an ongoing basis. Details of this policy can be found on the investor governance section of the Company's website. The Company's Audit & Risk Committee is responsible for managing risks and this policy.

The material risks detailed below may affect the future strategy, operating and financial performance of Micro-X. The material risks are not set out in any particular order, and there may be additional risks and uncertainties that Micro-X is unaware of, or that it currently considers to be immaterial. 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. 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.

Risk	Description
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, 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.
Clinical and product development	The Company's Head CT scanner and Full Body CT scanner are at a variety of commercial, development and clinical stages. In order to achieve regulatory clearances clinical studies using varied patient populations, data types, and sample sizes will be necessary. Commercial sales of these products may also be impacted by the ability to differentiate the clinical benefits as compared to competitor products.

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Risk	Description
	An inability to gain or maintain regulatory clearances in key markets could severely impact the Company's ability to commercialise one or both of these products.
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.
Project funding risk	The Company currently has future products in development, including the Checkpoints, Head CT and Full Body CT products, which are funded by external third-party development contracts. Additionally, the Company is developing a baggage scanner with Billion Prima. These products are currently funded via development contracts through to the provision of prototypes, with ongoing and future funding dependent on the Company achieving certain milestones. There is a risk that if the Company fails to achieve the required milestones or is in breach of its contractual obligations, that the funding could be withdrawn or delayed, resulting in the Company needing to obtain additional funding to complete the project.
Risk to Checkpoints monetisation strategy	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 has a pipeline of commercial sales opportunities to supply its products in Australia and the United States. These opportunities are in various different stages of maturity comprising near term opportunities such as the supply of backlog orders, new contracts without confirmed orders, opportunities which are moving to close, opportunities where there is active customer engagement and opportunities which are active proposals. The Company relies on its ability to convert these opportunities into sales and then revenue. There is no guarantee that the Company will be successful in converting these opportunities into revenue either at all or on acceptable terms or within commercial timeframes. There is also no guarantee that counterparties will make orders for products under relevant agreements. If these opportunities are not converted into revenue, this may have an adverse effect on the cashflow and financial performance and position of the Company. 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. While significant opportunity for growth of Rover Plus exists with a major US Hospital Group; there is a risk that this opportunity does not develop into material sales growth.
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.

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Risk	Description
	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.
Partnering risk	The Company's strategy is to secure partners for its Checkpoints and products, including its security technology. The Company is seeking to engage partners to provide market access, scale up and implementation services to commercialise products in development. There is no guarantee that the Company will be able to secure partners on satisfactory terms. In the event that partners are not secured there may be a material adverse impact on the Company's ability to commercialise its products in development.
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 United States.
Current capital reserves and ability to raise additional capital	There is no guarantee that the Company will achieve cashflow breakeven or profitability. Accordingly, the Company may from time to time, require 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 the next 12 months; 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.
Intellectual property loss or infringement	The Company's core business is as a technology company and its technology assets are reliant on the protection and enforcement of its intellectual property (IP) rights. The company has an active IP strategy to identify and protect novel IP. Whilst the Company takes care in ensuring that submitted trademarks, patents, copyrights and other IP do not breach prior or existing intellectual property of other parties, there is a risk that such lodged IP may not be approved or may be challenged by third party companies.

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Risk	Description
	Disputes may also arise over third-party IP claims, and any failure to secure or maintain adequate patent protection, or freedom to operate, could limit the ability to develop and commercialise our products and technology. Competitors may exploit any gaps in the Company's IP portfolio to launch similar or identical offerings. Additionally, maintaining IP protection requires ongoing compliance with regulatory procedures, filings, and fees; failure to meet these obligations could result in reduced or lost protection.
Cyber security risk and data privacy	The Company's Rover Plus, Head CT and Full Body CT products all access and maintain confidential patient medical records and healthcare system information. The Company recognises the risks associated with cyber security breaches and the potential impact on operations and has policies and procedures in place to address system security and data risks. Security breaches, data loss, leak of confidential patient records or system disruptions could compromise sensitive business or patient information, hinder access to critical data, and expose the Company to legal and financial liabilities, potentially damaging our operations and reputation, and resulting in a loss of customers or regulatory approvals.
Ability to attract and retain key personnel	A critical component of the Company's success is the retention of key personnel, specifically members of the management and product development teams. There is a risk that the Company may not be able to attract and retain key personnel or be able to find effective replacements for key personnel in a timely manner. The Company relies on the technological expertise of its employees to maintain and develop intellectual property, hence the loss of key personnel may lead to a loss of operational knowledge, technology capabilities, key partners and customer relationships.
Litigation, disputes, and claims	The Company may be subject to litigation and other disputes and claims in the ordinary course of its business, including infringement of intellectual property, employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, or criminal or civil proceedings. Such litigation, disputes, and claims, including the cost of settling claims or paying any fines, operational impacts and reputational damage could materially adversely affect the Company's business, operating and financial performance.

Significant changes in the state of affairs

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

Matters subsequent to the end of the Financial Year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

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

- Sale of Mobile DR units through high value tender and group purchasing opportunities and other targeted markets;
- Delivery of final prototypes and formal completion of the Miniaturised Baggage CT Scanner contract and development progress under the extended contract with the DHS including delivery of the first Checkpoint prototypes;
- Delivery of the Head CT Scanner prototypes for mobile stroke imaging under the ASA contract;
- Development of the Full Body CT under the ARPA-H contract to deliver a lightweight and portable CT scanner; and
- Identification and execution of strategic partnerships delivering market access and funding.

Environmental regulation

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

DIRECTORS' REPORT CONTINUED

Micro-X Limited Directors' report For the year ended 30 June 2025

Information on directors

Name: Patrick O'Brien
Title: Non-Executive Chair
Qualifications: LLB, B.Com, Grad Dip Applied Finance, MBA, GAICD
Experience and expertise: Patrick is Managing Director of Patrick O'Brien & Associates, Chairman of GCQ Funds Management and CE Bartlett, and a Director of The Water & Carbon Group Holdings. He was previously a non-executive director of Red Rock Leisure (1999-2020) and Chairman of the Paywise Group (2019-2023) having led a management buyout through to a successful divestment. He has also chaired or been a board member of a number of early stage ventures, not-for-profit organisations and philanthropic foundations. Patrick has over 35 years' business experience in Australia, the UK, Europe, Asia and the US, including as a Senior Managing Director with Macquarie Group where he led teams in corporate finance (Melbourne 1996-2005) and private equity (London 2005-2009). In this latter role Patrick was responsible for Macquarie's controlling stakes in, and chaired, large unlisted groups European Directories and National Grid Wireless. Prior to Macquarie, Patrick was a strategy consultant with McKinsey & Company and a lawyer with Minter Ellison.

Other current directorships: Nil
Former directorships (last 3 years): Nil
Special responsibilities: Chair of Board, Audit and Risk Committee and People and Remuneration Committee
Interests in shares: 10,287,591 fully paid ordinary shares
Interests in options: 526,316
Interests in rights: Nil

Name: James McDowell
Title: Non-Executive Director
Qualifications: LL.B (Hons) D.Univ (honoris causa)
Experience and expertise: Jim is Former Deputy Secretary, Naval Shipbuilding and Sustainment - Australian Department of Defence and prior to this role was Chief Executive of Nova Systems. Jim has more than 40 years of experience in international defence and aerospace sectors and has lived and worked in the UK, the USA, Korea, Singapore, Hong Kong and Australia. Jim joined BAE Systems in 1996 and his last executive appointment with the Group was as Chief Executive Officer of their A\$5 billion annual turnover business operations in Saudi Arabia. Prior to this he was Chief Executive Officer of BAE Systems Australia for 10 years. Based in Adelaide, he drove a major expansion program as the Group grew to become Australia's largest defence business. Prior to his time at BAE Systems Jim worked for 18 years at aerospace Group Bombardier Shorts in legal, commercial and marketing positions, making a major contribution to that Group's growth into the USA. Jim is also a Director of ASX-listed company Metal Powder Works. In 2014, Jim was appointed by the Australian Federal Government to the team to conduct the First Principles Review of the Australian Department of Defence. The Team's 'One Defence' recommendations included transformational changes to structure, governance arrangements, accountabilities, processes and systems of Defence. From 2018 to 2020 Jim was Chief Executive of South Australia's Department of Premier and Cabinet.

Other current directorships: Metal Powder Works Limited (ASX:MPW) – June 2025 to current
Former directorships (last 3 years): Nil
Special responsibilities: Audit and Risk Committee and People and Remuneration Committee
Interests in shares: 1,594,466 fully paid ordinary shares
Interests in options: 78,947
Interests in rights: Nil

DIRECTORS' REPORT CONTINUED

Micro-X Limited Directors' report For the year ended 30 June 2025

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

Other current directorships: Nil
 Former directorships (last 3 years): Nil
 Special responsibilities: Chair of Audit and Risk Committee
 Interests in shares: 589,043 fully paid ordinary shares
 Interests in options: 52,631
 Interests in rights: 127,877

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

Other current directorships: Nil
 Former directorships (last 3 years): Nil
 Special responsibilities: Nil
 Interests in shares: 357,143
 Interests in rights: Nil

Former directors

Name: David Knox
 Title: Non-Executive Chair (resigned 15 January 2025)
 Qualifications: BSc (Hons) Mechanical Engineering. MBA, FIE Aust, FTSE, GAICD
 Experience and expertise: David is a highly experienced and respected business leader with senior leadership, engineering and public markets expertise gained in multi-national, domestic and Commonwealth companies. During his tenure, he served on the Audit and Risk Committee and People and Remuneration Committee. David stepped down as Chair during the year.

Other former directorships (last 3 years): Redflow Ltd (ASX:RFX) - March 2017 to February 2023.
 Interests in shares: 1,468,211 per Final Director's Interest Notice
 Interests in options: 105,263 per Final Director's Interest Notice

DIRECTORS' REPORT CONTINUED

Micro-X Limited Directors' report For the year ended 30 June 2025

Name: Dr. Alexander Gosling AM
 Title: Non-Executive Director (resigned 12 November 2024)
 Qualifications: MA (Hons), DEng, MAICD, FTSE
 Experience and expertise: Alexander has been working in the field of process and product development and related research and development for 50 years and currently works in technology commercialisation, advising universities, mentoring start-ups and sitting on the Boards of early-stage companies. Alexander stepped down as Director during the year.

Other former directorships (last 3 years): Nil

Interests in shares: 795,308 per Final Director's Interest Notice
 Interests in options: 131,578 per Final Director's Interest Notice

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

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

Company secretary

Richard Willson is a seasoned Company Secretary, Non-Executive Director, and CFO with over 25 years' experience spanning both private and publicly listed companies, predominantly working across the technology and resources sectors, including more than 18 years acting as a Company Secretary for ASX listed companies. Based in Adelaide, Richard is currently Company Secretary and Non-Executive Director of a number of ASX-listed companies. Kingsley Hall previously held the Company Secretary role until Richard Willson's appointment on 30 May 2025.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		People and Remuneration Committee*		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Patrick O'Brien	12	12	-	-	7	7
Alexander Gosling	3	4	1	1	-	-
David Knox	5	5	1	1	4	4
James McDowell	11	12	1	1	1	1
Ilona Meyer	12	12	-	-	7	7
Andrew Hartmann	12	12	-	-	-	-

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

* Following reduction in Directors from six to four, it was resolved to fulfil People & Remuneration obligations as part of Board meetings.

Remuneration report (audited)

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

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

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

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

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Principles used to determine the nature and amount of remuneration

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

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

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

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

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

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

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

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

Non-executive director remuneration

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

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

Executive remuneration

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

The executive remuneration and reward framework has four components:

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

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

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

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

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

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

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

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

Company performance and link to remuneration

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

Short Term Incentives

STI award achievement is assessed on a Balanced Scorecard approach, where Executive performance is measured against four key criteria, with weighting attached to each of criteria's outcomes. For the year ended 30 June 2025 the four criteria against which Executive performance was assessed were:

Criteria	% of Total STI
Commercial Activities	35%
Financial Performance	25%
Project and Development Activities	25%
Quality and Safety, Culture and Compliance	15%
	100%

Long Term Incentives

There are two types of LTI awards made:

- LTI Service Rights; and
- LTI Performance Rights.

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

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

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Details of remuneration

Amounts of remuneration

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

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

- Patrick O'Brien (Non-Executive Chair) - Appointed Chair 15 January 2025
- James McDowell (Non-Executive Director)
- Ilona Meyer (Non-Executive Director)
- Andrew Hartmann (Non-Executive Director)
- Kingsley Hall (Chief Executive Officer)
- Anthony Skeats (Chief Operating Officer)
- Brian Gonzales (CEO Americas & Chief Scientific Officer)
- David Knox (Non-Executive Chair) - Resigned 15 January 2025
- Alexander Gosling (Non-Executive Director) - Resigned 12 November 2024

	Short-term benefits		Post-employment benefits	Long-term benefits ¹	Share-based payments - Rights ²	
	Cash salary	Non-	Super-	Annual and Long Service leave	Equity-	
	and fees	monetary ²	annuation		settled	Total
2025	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
P O'Brien	54,905	-	-	-	-	54,905
J McDowell	54,905	-	-	-	-	54,905
I Meyer	49,242	-	5,663	-	2,592	57,497
A Hartmann ³	-	-	-	-	-	-
D Knox ⁴	37,879	-	4,356	-	-	42,235
A Gosling ⁴	24,621	-	2,831	-	-	27,452
<i>Chief Executive Officer:</i>						
K Hall	367,210	-	31,979	2,244	168,013	569,446
<i>Other Key Management Personnel:</i>						
B Gonzales ⁵	343,512	-	13,740	13,451	158,343	529,046
A Skeats	332,500	-	27,500	17,513	157,550	535,063
	<u>1,264,774</u>	<u>-</u>	<u>86,069</u>	<u>33,208</u>	<u>486,498</u>	<u>1,870,549</u>

1 Movement in provisions, does not have cash implication.

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

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

4 Mr Knox and Mr Gosling resigned as Non-Executive Directors during Financial Year 2025

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

DIRECTORS' REPORT CONTINUED

Micro-X Limited Directors' report For the year ended 30 June 2025

Subsequent to year end, the Board reviewed the achievement of the Executives' Short-Term Incentive for the year ended 30 June 2025 and determined that the Short-Term Incentive should be awarded at 45%.

Long-Term Performance Rights achievement has been assumed at 50%, consistent with target, however the 2021 Long-Term Performance rights which were assessed in November 2024 were cancelled due to performance criteria not being met.

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

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

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

1 Movement in provisions, does not have cash implication.

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

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

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

5 Mr Rowland retired as Non-Executive Director on 30 November 2023.

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

DIRECTORS' REPORT CONTINUED

Micro-X Limited Directors' report For the year ended 30 June 2025

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

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

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

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

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
<i>Non-Executive Directors:</i>						
P O'Brien	100%	98%	-	-	-	2%
J McDowell	100%	98%	-	-	-	2%
I Meyer	95%	96%	-	-	5%	4%
D Knox ¹	100%	98%	-	-	-	2%
A Gosling ¹	100%	98%	-	-	-	2%
<i>Chief Executive Officer:</i>						
K Hall	73%	71%	12%	13%	15%	16%
<i>Other Key Management Personnel:</i>						
B Gonzales	71%	72%	17%	12%	12%	16%
A Skeats	72%	71%	16%	12%	12%	17%

1 D Knox & A Gosling resigned as Non-Executive Directors during the 2025 Financial Year.

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

Service agreements

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

Name:	Kingsley Hall
Title:	Chief Executive Officer
Agreement commenced:	1 May 2023
Term of agreement:	No fixed term. Micro-X or Mr Hall may terminate the employment contract at any time provide that either party gives 6 months' notice.
Details:	Annual salary is \$398,000 per annum inclusive of employer superannuation contributions (subject to annual review).
Name:	Brian Gonzales
Title:	Chief Scientific Officer, CEO of Micro-X Inc.
Agreement commenced:	1 May 2023
Term of agreement:	No fixed term. Micro-X or Mr Gonzales may terminate the employment contract at any time provided that either party gives 6 months' notice.
Details:	Annual salary is US\$225,000 per annum plus compulsory benefits (subject to annual review).

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

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

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

Share-based compensation

Issue of securities

Details of Performance Rights, Shares and Options issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Issue of Performance Rights

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

	Held at 1 July 2024	Granted as Remuneration	Exercised or Lapsed	Held at 30 June 2025	Average Fair Value per Right at Grant Date
<i>Non-Executive Directors:</i>					
P O'Brien	60,186	-	(60,186)	-	
J McDowell	60,186	-	(60,186)	-	
I Meyer	127,877	-	-	127,877	\$0.081
	-	-	-	-	
K Hall	6,137,137	3,519,750	(1,013,338)	8,643,549	\$0.130
A Skeats	5,637,217	2,992,500	(869,688)	7,760,029	\$0.133
B Gonzales	3,295,565	3,073,304	(1,373,893)	4,994,976	\$0.081
	<u>15,318,168</u>	<u>9,585,554</u>	<u>(3,377,291)</u>	<u>21,526,431</u>	

D Knox & A Gosling were not KMPs as at 30 June 2025 reducing the opening balance of rights held.

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Issue of Performance Rights

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

Grant Date	Vesting and exercise date	Expiry date	Performance Criteria	Value per right at grant date	Performance achieved	% Vested
23 December 2020	31 August 2021	23 December 2035	Short term performance	\$0.370	85% of target	85%
23 December 2020	30 November 2021	23 December 2035	Long term performance	\$0.219	200% of target	100%
23 December 2020	30 November 2021	23 December 2035	Long term service	\$0.370	100%	100%
23 December 2020	30 November 2022	23 December 2035	Long term service	\$0.370	100%	100%
23 December 2020	30 November 2023	23 December 2035	Long term service	\$0.370	100%	100%
30 September 2021	31 August 2022	30 September 2036	Short term performance	\$0.330	75% of target	75%
30 September 2021	30 September 2024	30 September 2036	Long term service	\$0.330	100%	100%
12 December 2022	12 December 2025	12 December 2037	Long term service	\$0.125	To be determined	N/A
3 January 2023	31 August 2023	3 January 2038	Short term performance	\$0.145	65% of target	65%
3 January 2023	3 January 2026	3 January 2038	Long term performance	\$0.081	To be determined	N/A
3 January 2023	3 January 2026	3 January 2038	Long term performance	\$0.081	To be determined	N/A
9 January 2023	31 August 2023	9 January 2038	Short term performance	\$0.140	65% of target	65%
1 November 2023	31 October 2026	1 November 2038	Long term performance	\$0.074	To be determined	N/A
3 January 2024	31 August 2024	3 January 2039	Short term performance	\$0.105	50% of target	50%
3 January 2024	2 January 2027	3 January 2039	Long term service	\$0.140	To be determined	N/A
27 December 2024	31 August 2025	27 December 2039	Short term performance	\$0.080	45% of target	45%
27 December 2024	26 December 2027	27 December 2039	Long term performance	\$0.051	To be determined	N/A
27 December 2024	26 December 2027	27 December 2039	Long term service	\$0.080	To be determined	N/A

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Conversions/ Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
P O'Brien	8,859,020	-	1,428,571	-	10,287,591
J McDowell	880,180	-	714,286	-	1,594,466
I Meyer	210,818	-	378,225	-	589,043
A Hartmann	-	-	357,143	-	357,143
B Gonzales	1,093,724	-	1,180,075	-	2,273,799
K Hall	-	-	428,571	-	428,571
A Skeats	-	-	28,572	-	28,572
	11,043,742	-	4,515,443	-	15,559,185

D Knox & A Gosling were not KMPs as at 30 June 2025 reducing the opening balance of rights held.

Option holding

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

	Balance at the start of the year	Acquired during the year	Converted	Balance the end of the year
<i>Options over ordinary shares</i>				
P O'Brien	526,316	-	-	526,316
J McDowell	78,947	-	-	78,947
I Meyer	52,631	-	-	52,631
	657,894	-	-	657,894

This concludes the remuneration report, which has been audited.

Shares issued on the exercise of options

There were no ordinary shares of Micro-X Limited issued during the period between 30 June 2025 and up to the date of this report on the exercise of rights granted.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2025

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the Financial Year by the auditor are outlined in note 26 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

Officers of the Company who are former partners BDO Audit Pty Ltd

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

Rounding of amounts

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

Auditor's independence declaration

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

Auditor

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

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

On behalf of the directors



Patrick O'Brien
Non-Executive Chair

28 August 2025

AUDITOR'S INDEPENDENCE DECLARATION



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Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

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

As lead auditor of Micro-X Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

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

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

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 28 August 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Micro-X Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated	
		2025 \$'000	2024 \$'000
Total Revenue	5	13,053	15,222
Other Income	6	5,591	6,740
Expenses			
Change in inventory/raw materials and consumables		(2,734)	(5,777)
Impairment of assets	7	(1,871)	-
Employee and director expenses		(17,252)	(16,623)
Selling and distribution expenses		(910)	(937)
Office and administrative expenses		(784)	(762)
Corporate expenses		(328)	(430)
Quality and regulatory expenses		(119)	(93)
Project development expenses		(4,338)	(3,708)
Depreciation and amortisation expense		(1,570)	(1,539)
Other expenses		(2,072)	(1,610)
Finance expenses		(561)	(248)
Total expenses		(32,539)	(31,727)
Loss before income tax expense		(13,895)	(9,765)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Micro-X Limited		(13,895)	(9,765)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(46)	207
Other comprehensive income for the year, net of tax		(46)	207
Total comprehensive income for the year attributable to the owners of Micro-X Limited		(13,941)	(9,558)
		Cents	Cents
Basic earnings per share	33	(2.28)	(1.85)
Diluted earnings per share	33	(2.28)	(1.85)

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

STATEMENT OF FINANCIAL POSITION

Micro-X Limited
Statement of financial position
As at 30 June 2025

	Note	Consolidated	
		2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents		3,242	3,228
Trade and other receivables	9	8,321	7,212
Contract assets	10	839	2,941
Inventories	11	4,274	5,379
Other assets	12	404	1,138
Total current assets		17,080	19,898
Non-current assets			
Property, plant and equipment	13	1,928	2,924
Right-of-use assets and lease liabilities	14	3,074	3,953
Intangibles		24	120
Total non-current assets		5,026	6,997
Total assets		22,106	26,895
Liabilities			
Current liabilities			
Trade and other payables	15	5,715	6,530
Contract liabilities	16	184	255
Borrowings	17	3,375	-
Lease liabilities	14	659	692
Provisions	18	1,375	1,156
Total current liabilities		11,308	8,633
Non-current liabilities			
Lease liabilities	14	2,499	3,298
Provisions	19	751	703
Total non-current liabilities		3,250	4,001
Total liabilities		14,558	12,634
Net assets		7,548	14,261
Equity			
Issued capital	20	138,350	131,933
Foreign currency translation reserve	21	175	221
Convertible notes		65	65
Share based payments reserve	22	4,428	3,815
Accumulated losses		(135,470)	(121,773)
Total equity		7,548	14,261

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

STATEMENT OF CHANGES IN EQUITY

Micro-X Limited
Statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Convertible notes \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	125,396	3,852	14	65	(112,134)	17,193
Loss after income tax expense for the year	-	-	-	-	(9,765)	(9,765)
Other comprehensive income for the year, net of tax	-	-	207	-	-	207
Total comprehensive income for the year	-	-	207	-	(9,765)	(9,558)
Issue of shares - Placement	4,000	-	-	-	-	4,000
Issue shares - Share Purchase Plan	1,917	-	-	-	-	1,917
Capital raising costs	(448)	-	-	-	-	(448)
Conversion of options attached to Share Purchase Plan shares	4	-	-	-	-	4
<i>Transactions with owners in their capacity as owners:</i>						
Issue of rights under Employee Equity Plan (note 22)	-	990	-	-	-	990
Expiry of rights under Employee Equity Plan (note 20)	-	(126)	-	-	126	-
Exercise of rights under Employee Equity Plan (note 20)	901	(901)	-	-	-	-
Issue of shares in lieu of Cash Payments (note 20)	85	-	-	-	-	85
Issue of shares under Employee Gift Plan (note 20)	78	-	-	-	-	78
Balance at 30 June 2024	131,933	3,815	221	65	(121,773)	14,261

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

STATEMENT OF CHANGES IN EQUITY CONTINUED

Micro-X Limited
Statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital \$'000	Share based payment reserve \$'000	Foreign currency translation reserve \$'000	Convertible notes \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	131,933	3,815	221	65	(121,773)	14,261
Loss after income tax expense for the year	-	-	-	-	(13,895)	(13,895)
Other comprehensive income for the year, net of tax	-	-	(46)	-	-	(46)
Total comprehensive income for the year	-	-	(46)	-	(13,895)	(13,941)
Issue of shares - Placement	6,365	-	-	-	-	6,365
Capital raising costs	(305)	-	-	-	-	(305)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of rights under Employee Equity Plan (note 22)	-	1,085	-	-	-	1,085
Expiry of rights under Employee Equity Plan (note 20)	-	(198)	-	-	198	-
Exercise of rights under Employee Equity Plan (note 20)	274	(274)	-	-	-	-
Issue of shares under Employee Gift Plan (note 20)	83	-	-	-	-	83
Balance at 30 June 2025	<u>138,350</u>	<u>4,428</u>	<u>175</u>	<u>65</u>	<u>(135,470)</u>	<u>7,548</u>

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

STATEMENT OF CASH FLOWS

Micro-X Limited
Statement of cash flows
For the year ended 30 June 2025

	Note	Consolidated 2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers		2,788	6,990
Payments to suppliers		(29,583)	(27,932)
Interest received		62	41
R&D incentive tax refunds		6,414	6,232
Grant funding received		50	432
Receipts in relation to the ASA MRFF Program		514	1,608
Receipts in relation to the DHS Checkpoint Program		5,869	4,868
Receipts in relation to the Varex Technology Transfer		1,469	1,558
Receipts in relation to ARPA-H		3,193	-
Receipts in relation to Billion Prima		964	-
Interest and other finance costs paid		(195)	(2)
Lease interest payments		(136)	(230)
Net cash used in operating activities	32	(8,591)	(6,435)
Cash flows from investing activities			
Payments for property, plant and equipment		(100)	(369)
Net cash used in investing activities		(100)	(369)
Cash flows from financing activities			
Proceeds from issue of shares		6,365	5,921
Payments for capital raising costs		(355)	(396)
Proceeds from borrowings		7,807	-
Repayment of borrowings		(4,568)	-
Repayment of lease liabilities		(544)	(716)
Net cash from financing activities		8,705	4,809
Net increase/(decrease) in cash and cash equivalents		14	(1,995)
Cash and cash equivalents at the beginning of the Financial Year		3,228	5,223
Cash and cash equivalents at the end of the Financial Year		<u>3,242</u>	<u>3,228</u>

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

NOTES TO THE FINANCIAL STATEMENTS

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 1. General information

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

Registered office

A14, 6 MAB Eastern Promenade
1284 South Road, Tonsley
SA 5042

Principal place of business

A14, 6 MAB Eastern Promenade
1284 South Road, Tonsley
SA 5042

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2025.

Note 2. Material accounting policy information

New or amended Accounting Standards and Interpretations adopted

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

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

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

Basis of preparation

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Going Concern

The Group incurred a net loss after tax for the Financial Year ended 30 June 2025 of \$13.895M (2024: \$9.765M) and had net cash outflows from operating activities of \$8.591M (2024: \$6.435M). The Group had net assets for the Financial Year ended 30 June 2025 of \$7.458M (2024: \$14.261M).

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

- The Group has \$17.9M of contracted receipts for development work due to be received in FY2026 and FY2027, subject to satisfaction of milestones, under the contracts with the Advanced Research Projects Agency for Health for development, the Australian Stroke Alliance for the CT Brain scanner, U.S. Department of Homeland Security for the Miniature baggage scanner and Checkpoint Portal and Billion Prima;
- The Group expects to continue to build Rover sales and also convert the majority of its Rover inventory to positive cashflow with further cash benefit to be realised for reducing inventory holding, in particular as a result of the recently signed Supply Agreement with a U.S. major healthcare provider;
- The Group is due to receive an approximate net \$2.2M cash inflow in relation to R&D tax incentive in the coming months. This incorporates the \$5.4M from the ATO less the \$3.2M repayment of borrowings secured against receipt;
- The operating loss for the year ended 30 June 2025 included approximately \$1.9M in non-recurring expenses in relation to the write down of Argus inventory and equipment;
- The Group is actively progressing partnership opportunities to fund and co-fund development, in particular in relation to the monetisation of the Checkpoints business, and the Group has a successful track record of securing partnerships; and
- The Group is an ASX-listed entity, it has the ability to seek to raise additional funds.

The Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recognised in the financial report as at 30 June 2025.

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

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

Revenue and Other Income

Revenue recognition – Agent versus Principal determination

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

The Group recognises revenue as follows:

Sale of goods

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

Warranty obligations

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

Engineering Contract Services

The Group recognises revenue from Engineering Contract Services over time.

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

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

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

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

Government subsidies and Grants

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

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

Other revenue

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

Trade and other receivables

Trade receivables are generally due for settlement within 30 days.

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

Contract assets

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

Inventories

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

Property, plant and equipment

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

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

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

Right-of-use assets

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

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

Trade and other payables

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

Contract liabilities

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

Borrowings and other financial liabilities

Recognition and recognition

Financial liabilities are recognised at the fair value of the consideration received, when the Group becomes a party to the contractual provisions of the financial instrument.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

The Group has designated its convertible note liabilities at FVPL in order to provide the most relevant information to users, and furthermore to keep consistency with initial recognition on inception of these instruments. An assessment will be made at each reporting period in regard to underlying valuation of this liability in regard to share price upon conversion of the convertible notes.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Share-based payments

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 2. Material accounting policy information (continued)

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

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

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

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

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

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

Foreign Currency Translation

Functional and presentation currency:

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

Rounding of amounts

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

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions (Note 22)

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

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

Estimation of useful lives of assets

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

Lease term

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

Research and development (R&D) tax incentive

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

Note 4. Operating segments

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

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

Operating segment information

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

	Micro-X Limited Australia \$'000	Micro-X Inc United States \$'000	Total
Revenue			
Sales to external customers	4,212	8,841	13,053
Other revenue	5,591	-	5,591
Total revenue	9,803	8,841	18,644
Expenses			
Depreciation and amortisation	(1,327)	(243)	(1,570)
Finance costs	(525)	(36)	(561)
Other expenses	(22,987)	(7,421)	(30,408)
Total expenses	(24,839)	(7,700)	(32,539)
Profit/ (Loss) before income tax expense	(15,036)	1,141	(13,895)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 4. Operating segments (continued)

	Micro-X Limited Australia \$'000	Micro-X Inc United States \$'000	Total
Total assets	17,774	4,332	22,106
Total liabilities	(11,733)	(2,825)	(14,558)
Net assets	<u>6,041</u>	<u>1,507</u>	<u>7,548</u>

Major customers

During the Financial Year ended 30 June 2025 approximately \$4.6M being 44% of engineering contract services (2024: \$4.2M being 48%) was derived from services to the U.S Department of Homeland Security (DHS). An additional \$3.2M being 31% from engineering contract services was derived from an agreement in August 2024 with The Advanced Research Projects Agency for Health (ARPA-H) to develop a full body CT scanner. An additional \$1.9M being 18% from engineering contract services was derived from an agreement in February 2025 with Billion Prima for design, development, testing and validation of the BP MBS.

A further \$0.6M being 11% of engineering contract services (2024: \$1M being 11%) relates to services to the Australian Stroke Alliance (ASA).

Note 5. Revenue

	Consolidated	
	2025 \$'000	2024 \$'000
Sale of Goods	2,590	6,410
Engineering contract services	10,463	8,812
Revenue	<u>13,053</u>	<u>15,222</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 5. Revenue (continued)

Disaggregation of revenue

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

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Major product lines</i>		
Micro-X Rover	1,561	5,346
DRX Revolution Nano	-	743
Spare Parts	302	321
Engineering Contract Services	10,463	8,812
Micro-X Argus	246	-
Mirco-X Imaging Chains	481	-
	<u>13,053</u>	<u>15,222</u>
<i>Geographical regions</i>		
United States	9,040	9,463
Asia-Pacific	2,979	4,324
Europe & EMEA	1,034	1,435
	<u>13,053</u>	<u>15,222</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	2,590	6,410
Services transferred over time	10,463	8,812
	<u>13,053</u>	<u>15,222</u>

Note 6. Other Income

	Consolidated	
	2025	2024
	\$'000	\$'000
Interest Received	62	40
Research & Development Tax Incentive Refund	5,430	6,373
Net (Loss)/Gain on Disposal of Asset	-	(7)
Other Government Grants	99	334
	<u>5,591</u>	<u>6,740</u>

Note 7. Impairment of assets

	Consolidated	
	2025	2024
	\$'000	\$'000
Impairment of assets		
Argus inventory write off	1,453	-
Argus demo units write off	418	-
	<u>1,871</u>	<u>-</u>

On 31 January 2025, the Group announced the discontinuation of Argus. As at 30 June 2025 the Group has created a provision to write down approximately \$1.5M of Argus related inventory and \$0.4M of Argus demonstration units.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 8. Income tax

	Consolidated	
	2025	2024
	\$'000	\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(13,895)	(9,765)
Tax at the statutory tax rate of 25%	(3,474)	(2,441)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	292	267
R&D tax incentive income	(1,358)	(1,594)
Feedstock adjustment	118	29
R&D expenditure	3,098	3,327
Other-assessable income	-	111
	(1,324)	(301)
Current year tax losses not recognised	795	505
Current year temporary differences not recognised	529	(204)
Income tax expense	-	-

The Group has tax losses that arose of \$42.0M (2024: \$37.7M) that are available indefinitely for offsetting against future taxable profits of the companies in which the tax losses arose.

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

Note 9. Current assets - trade and other receivables

	Consolidated	
	2025	2024
	\$'000	\$'000
Trade receivables	2,870	781
R&D tax incentive receivable	5,390	6,373
Other receivables	20	20
	8,280	7,174
GST receivable	41	38
	8,321	7,212

Note 10. Current assets - contract assets

	Consolidated	
	2025	2024
	\$'000	\$'000
Contract assets	839	2,941

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 11. Current assets - inventories

	Consolidated	
	2025	2024
	\$'000	\$'000
Raw materials	5,153	5,212
Less: Provision for impairment	(1,453)	-
Finished goods - US	348	167
Finished goods - Australia	226	-
	574	167
	<u>4,274</u>	<u>5,379</u>

On 31 January 2025, the Group announced the discontinuation of Argus. As at 30 June 2025 the provision for impairment reflects the reduction of recoverable value for Argus-related inventory.

Note 12. Current assets - Other assets

	Consolidated	
	2025	2024
	\$'000	\$'000
Prepayments and deposits	<u>404</u>	<u>1,138</u>

Note 13. Non-current assets - property, plant and equipment

	Consolidated	
	2025	2024
	\$'000	\$'000
Leasehold improvements - at cost	1,777	1,765
Less: Accumulated depreciation	(1,104)	(912)
	<u>673</u>	<u>853</u>
Plant and equipment - at cost	3,640	3,915
Less: Accumulated depreciation	(2,613)	(2,169)
	<u>1,027</u>	<u>1,746</u>
Fixtures and fittings - at cost	253	252
Less: Accumulated depreciation	(168)	(137)
	<u>85</u>	<u>115</u>
Computer equipment - at cost	708	685
Less: Accumulated depreciation	(565)	(481)
	<u>143</u>	<u>204</u>
Work in progress - at cost	-	6
Total property, plant and equipment	<u>1,928</u>	<u>2,924</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 13. Non-current assets - property, plant and equipment (continued)

Reconciliations

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

Consolidated	Leasehold improvements \$'000	Plant & equipment \$'000	Fixtures & fittings \$'000	Computer Equipment \$'000	Work in Progress \$'000	Total \$'000
Balance at 1 July 2023	1,034	1,394	127	253	306	3,114
Additions/Exchange rate movements	8	491	20	50	58	627
Transfers in/(out)	-	358	-	-	(358)	-
Disposals	-	-	-	(9)	-	(9)
Depreciation expense	(189)	(497)	(32)	(90)	-	(808)
Balance at 30 June 2024	853	1,746	115	204	6	2,924
Additions/Exchange rate movements	11	218	-	22	-	251
Transfers in/(out)	-	6	-	-	(6)	-
Write off of assets	-	(428)	-	-	-	(428)
Depreciation expense	(191)	(515)	(30)	(83)	-	(819)
Balance at 30 June 2025	673	1,027	85	143	-	1,928

On 31 January 2025, the Group announced the discontinuation of Argus. As at 30 June 2025 the Group has written down approximately \$0.4M of Argus demonstration units which were previously capitalised as plant & equipment.

Note 14. Non-current assets - Right-of-use assets and lease liabilities

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

	Consolidated	
	2025 \$'000	2024 \$'000
Right-of-use	6,304	6,577
Less: Accumulated depreciation	(3,230)	(2,624)
	<u>3,074</u>	<u>3,953</u>
	Consolidated	
	2025 \$'000	2024 \$'000
As at 1 July 2024	3,953	4,615
Modification to Lease Agreement	(150)	-
Additions/Exchange rate movements	5	68
Depreciation	(734)	(730)
As at 30 June 2025	<u>3,074</u>	<u>3,953</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2025

Note 14. Non-current assets - Right-of-use assets and lease liabilities (continued)

During the year, a lease adjustment was recognised following a review of lease calculations. This resulted in a reduction to the ROU asset and lease liability, with corresponding adjustments to depreciation

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

	Consolidated	
	2025	2024
	\$'000	\$'000
As at 1 July 2024	3,990	4,703
Additions/Exchange rate movements	6	2
Modification of lease terms	(150)	-
Accrual of interest	187	231
Payments	(875)	(946)
As at 30 June 2025	<u>3,158</u>	<u>3,990</u>
Current	659	692
Non-Current	<u>2,499</u>	<u>3,298</u>
	<u>3,158</u>	<u>3,990</u>

During the year, a lease adjustment was recognised following a review of lease calculations. This resulted in a reduction to the ROU asset and lease liability, with corresponding adjustments to depreciation

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

The following are the amounts recognised in profit & loss:

	Consolidated	Consolidated
	2025	2024
	\$'000	\$'000
Depreciation expense - Right-of-use assets	734	730
Interest expense - lease liability	<u>187</u>	<u>230</u>
	<u>921</u>	<u>960</u>

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2025	2024
	\$'000	\$'000
Trade payables	3,278	2,545
Other payables and accrued expenses	<u>2,437</u>	<u>3,985</u>
	<u>5,715</u>	<u>6,530</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 16. Current liabilities - contract liabilities

	Consolidated	
	2025	2024
	\$'000	\$'000
Government Grant funding in advance (AMGF & MMF)	184	255

Reconciliation

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

Opening balance	255	855
Transfer to revenue	(71)	(600)
Closing balance	184	255

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$14,738,000 as at 30 June 2025 (\$11,992,000 as at 30 June 2024) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2025	2024
	\$'000	\$'000
Within 6 months	5,891	4,018
6 to 12 months	4,874	2,594
12 to 18 months	3,973	4,237
18 to 24 months	-	1,043
Over 24 months	-	100
	14,738	11,992

The forecast revenues above have been adjusted for the impact of the Agency principle which is detailed in note 2.

Note 17. Current liabilities - borrowings

	Consolidated	
	2025	2024
	\$'000	\$'000
As at 1 July 2024	-	-
Proceeds from FY24 R&D tax incentive loan	4,570	-
Interest accrued and paid in relation to FY24 Loan	196	-
Repayment of FY24 R&D tax incentive loan and interest	(4,766)	-
Proceeds from FY25 R&D tax incentive loan	3,239	-
Accrual of interest	136	-
	3,375	-

The Company borrowed \$4.6M which was secured against the receipt of the FY24 R&D tax incentive refund which was repaid in December 2024. Since then, the Company has borrowed \$3.2M which is secured against the receipt of the FY25 R&D tax incentive refund. The short-term R&D loan has been drawn down in two tranches with interest rates between 15% - 16% and is due for repayment on receipt of the FY25 R&D tax incentive refund or 31 December 2025, whichever is earlier.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 18. Current liabilities - provisions

	Consolidated	
	2025	2024
	\$'000	\$'000
Employee entitlements	1,375	1,156

Note 19. Non-current liabilities - provisions

	Consolidated	
	2025	2024
	\$'000	\$'000
Long service leave	188	122
Lease make good	505	505
Warranties	58	76
	<u>751</u>	<u>703</u>

Lease make good

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

Warranties

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

Movements in provisions

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

	Lease make good	Warranties
	\$'000	\$'000
Consolidated - 2025		
Carrying amount at the start of the year	505	76
Additional provisions recognised	-	79
Amounts used	-	(45)
Unused amounts reversed	-	(52)
Carrying amount at the end of the year	<u>505</u>	<u>58</u>

Note 20. Equity - Issued capital

	Consolidated			
	2025	2024	2025	2024
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	<u>667,202,252</u>	<u>581,603,759</u>	<u>138,350</u>	<u>131,933</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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For the year ended 30 June 2025

Note 20. Equity - Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	514,365,432		125,396
Issue of Shares in lieu of cash payments for Directors Fees	7 July 2023	475,494	\$0.115	54
Exercise of Rights under Employee Equity Plan	7 July 2023	1,010,982	\$0.370	374
Exercise of Rights under Employee Equity Plan	7 July 2023	380,518	\$0.330	126
Exercise of Rights under Employee Equity Plan	7 July 2023	192,568	\$0.219	42
Exercise of Rights under Employee Equity Plan	6 Oct 2023	1,038,905	\$0.145	151
Exercise of Rights under Employee Equity Plan	6 Oct 2023	33,785	\$0.330	11
Exercise of Rights under Employee Equity Plan	6 Oct 2023	9,357	\$0.370	3
Issue of shares under Employee Gift Plan	1 Nov 2023	557,076	\$0.140	78
Exercise of Rights under Employee Equity Plan	18 Jan 2024	660,629	\$0.140	93
Exercise of Rights under Employee Equity Plan	18 Jan 2024	95,626	\$0.370	35
Issue of Shares - Placement	22 Apr 2024	41,052,631	\$0.095	3,900
Capital Raising Costs	22 Apr 2024	-	\$0.000	(448)
Issue of Shares - Placement	30 May 2024	1,052,632	\$0.095	100
Issue Shares - Share Purchase Plan	30 May 2024	20,184,088	\$0.095	1,917
Exercise of Rights under Employee Equity Plan	26 Jun 2024	163,962	\$0.370	61
Exercise of Rights under Employee Equity Plan	26 Jun 2024	34,149	\$0.145	5
Exercise of Options under Share Purchase Plan	28 Jun 2024	26,315	\$0.135	4
Issue of Shares in lieu of cash payments for Directors Fees	28 Jun 2024	269,610	\$0.120	31
Balance	30 June 2023	581,603,759		131,933
Exercise of Rights under Employee Equity Plan	20 Dec 2024	195,704	\$0.330	64
Exercise of Rights under Employee Equity Plan	20 Dec 2024	83,116	\$0.370	31
Exercise of Rights under Employee Equity Plan	20 Dec 2024	187,164	\$0.105	20
Exercise of Rights under Employee Equity Plan	20 Dec 2024	89,024	\$0.145	13
Issue of shares under Employee Equity Plan	31 Dec 2024	988,032	\$0.084	83
Exercise of Rights under Employee Equity Plan	6 Jan 2025	188,895	\$0.330	62
Exercise of Rights under Employee Equity Plan	6 Jan 2025	384,299	\$0.105	41
Issue of Shares - Placement	18 Feb 2025	44,950,106	\$0.070	3,147
Capital Raising Costs	18 Feb 2025	-	\$0.000	(305)
Issue of Shares - Strategic Placement	5 Mar 2025	26,666,667	\$0.090	2,400
Issue of Shares - Entitlement Offer	20 Mar 2025	8,836,524	\$0.070	618
Issue of Shares - Placement	7 May 2025	2,857,143	\$0.070	200
Exercise of Rights under Employee Equity Plan	15 May 2025	97,634	\$0.330	32
Exercise of Rights under Employee Equity Plan	15 May 2025	74,185	\$0.145	11
Balance	30 June 2025	<u>667,202,252</u>		<u>138,350</u>

Ordinary shares

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

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

Capital risk management

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
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Note 21. Equity - Foreign currency translation reserve

	Consolidated	
	2025	2024
	\$'000	\$'000
Exchange differences on translating foreign operations	175	221

Note 22. Equity - Share based payments reserve

	Consolidated	
	2025	2024
	\$'000	\$'000
Share-based payments reserve	4,428	3,815

Micro-X issued service rights to all staff and service rights and performance rights, inclusive of short-term incentives (STI) and long-term incentives (LTI) to Leadership and a subset of other staff under its Employee Equity Plan on 27 December 2024. The rights hold various service and performance conditions which will be assessed and potentially vest for the respective holders on 31 August 2025 (short term performance incentives) and 26 December 2027 (long term performance and service incentives).

The following assumptions have been used:

Valuation Inputs & Conclusions

Description	STI Performance Rights	LTI Service Rights	LTI Performance Rights
Valuation Date	27 Dec 2024	27 Dec 2024	27 Dec 2024
Number of instruments issued	8,838,077	9,930,240	7,082,425
Spot Price	0.08	0.08	0.08
Exercise Price	Nil	Nil	Nil
Life (Years)	1	3	3
Volatility*	N/A	N/A	80%
Dividend Yield	0.00%	0.00%	0.00%
Risk Free Rate	N/A	N/A	3.9
Assessed Value	0.08	0.08	0.051

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

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

	Held at 1 July 2024	Granted as Remuneration	Exercised or Expired	Held at 30 June 2025	Average Fair Value per Right at Grant Date
Rights issued under Employee Equity Plan	15,318,168	9,585,554	(3,377,291)	21,526,431	\$0.120

D Knox & A Gosling were not KMPs as at 30 June 2025 hence decreasing the opening balance of rights held.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 22. Equity - Share based payments reserve (continued)

	2025 Number	2025 WAFV	2024 Number	2024 WAFV
Outstanding at 1 July	37,333,550	\$0.159	30,584,965	\$0.202
Granted during the Financial Year	25,850,742	\$0.072	18,699,413	\$0.109
Exercised during the Financial Year	(1,300,021)	\$0.210	(3,620,481)	\$0.250
Expired during the Financial year	(7,634,611)	\$0.149	(8,330,347)	\$0.166
Outstanding at 30 June	54,249,660	\$0.118	37,333,550	\$0.159

The potential number of shares on conversion of performance rights is 54,249,660 which is made up of 10,889,228 vested performance rights on which all relevant performance criteria have been met and 43,360,432 unvested rights upon which require further performance criteria to be met before they become convertible.

Share-based payments reserve

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

Movements in reserves

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

Consolidated	Share-based payment reserve \$'000	Total \$'000
Balance at 1 July 2023	3,852	3,852
Share rights expense ¹	864	864
Share right equity movement ²	(901)	(901)
Balance at 30 June 2024	3,815	3,815
Share rights expense ¹	1,085	1,085
Share right equity movement ²	(472)	(472)
Balance at 30 June 2025	4,428	4,428

1 Employee Equity Plan - amortisation expense of rights granted

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

Note 23. Equity - dividends

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

Note 24. Financial instruments

Financial risk management objectives

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

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 24. Financial instruments (continued)

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

Market risk

Foreign currency risk

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

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

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

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

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

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

Cash at bank of \$3.2M (2024: \$3.2M). The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/- \$32,000 (2024: +/- \$32,000). The sensitivity of 1% is based on reasonable, possible changes, over a Financial Year, using the observed range of actual historical short-term deposit rate movements and management's expectation of future movements.

Credit risk

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

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

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

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

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

Liquidity risk

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

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

Trade payables are generally payable on 30-day terms.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 24. Financial instruments (continued)

Remaining contractual maturities

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

	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Consolidated - 2025						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	3,278	-	-	-	3,278
<i>Interest-bearing - fixed rate</i>						
Lease liability	-	659	530	1,969	-	3,158
R&D advance Tranche 1	16.00%	1,520	-	-	-	1,520
R&D advance Tranche 2	15.00%	1,719	-	-	-	1,719
Total non-derivatives		7,176	530	1,969	-	9,675
Consolidated - 2024						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	2,545	-	-	-	2,545
<i>Interest-bearing - fixed rate</i>						
Lease liability	5.00%	692	643	1,741	914	3,990
Total non-derivatives		3,237	643	1,741	914	6,535

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

Fair value of financial instruments

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

Note 25. Key management personnel disclosures

Compensation

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

	Consolidated	
	2025	2024
	\$	\$
Short-term employee benefits	1,264,774	1,395,350
Post-employment benefits	119,277	104,876
Share-based payments	486,498	438,769
	<u>1,870,549</u>	<u>1,938,995</u>

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
Notes to the financial statements
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Note 25. Key management personnel disclosures (continued)

Consistent with the prior year. Key Management Personnel were granted rights under the Employee Equity Plan on 27 December 2024.

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

Note 26. Remuneration of auditors

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

	Consolidated	
	2025	2024
	\$	\$
<i>Audit services</i>		
BDO - audit or review of the financial statements	109,137	98,430
<i>Other services - BDO</i>		
Tax and Transfer Pricing	20,128	27,850
R&D Tax Incentive	33,755	20,555
Other	-	15,688
	53,883	64,093
	<u>163,020</u>	<u>162,523</u>

Note 27. Contingent liabilities

The Company has no contingent liabilities as at 30 June 2025.

Note 28. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties

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

During the Financial Year, purchases totalling \$63,500 at market prices have been made by the Company for marketing services provided by companies of which Anthony Skeat's wife is a director.

Receivable from and payable to related parties

Noted as at reporting date, a \$54,905 payable to Patrick O'Brien is included within trade payables for director fees invoiced at 30 June 2025.

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

Loans to/from related parties

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2025	2024
	\$'000	\$'000
Loss after income tax	(15,014)	(8,497)
Total comprehensive income	(15,014)	(8,497)

Statement of financial position

	Parent	
	2025	2024
	\$'000	\$'000
Total current assets	14,845	18,419
Total assets	19,622	24,955
Total current liabilities	6,957	4,776
Total liabilities	7,715	5,486
Equity		
Issued capital	138,318	131,933
Foreign currency translation reserve	451	228
Convertible notes	65	65
Share-based payments reserve	4,461	3,815
Accumulated losses	(131,387)	(116,572)
	<u>11,908</u>	<u>19,469</u>

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2025.

Contingent liabilities

The parent entity has no contingent liabilities as at 2025.

Capital commitments - Property, plant and equipment

The parent entity has no capital commitments for property, plant and equipment as at 2025.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 30. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
Micro-X Incorporated	USA	100%	100%
Micro-X UK Operations Limited	United Kingdom	100%	100%

Note 31. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2025 \$'000	2024 \$'000
Loss after income tax expense for the year	(13,895)	(9,765)
Adjustments for:		
Depreciation and amortisation	2,085	1,551
Impairment of inventory	1,452	-
Share-based payments	1,167	1,068
Non-cash finance costs	(175)	(22)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,118	(1,489)
(Decrease)/increase in trade and other payables	(208)	1,010
Increase/(decrease) in employee benefits	268	(111)
(Increase)/decrease in inventories	(332)	1,923
(Decrease)/increase in unearned income	(71)	(600)
Net cash used in operating activities	<u>(8,591)</u>	<u>(6,435)</u>

Note 33. Earnings per share

	Consolidated	
	2025 \$'000	2024 \$'000
Loss after income tax attributable to the owners of Micro-X Limited	<u>(13,895)</u>	<u>(9,765)</u>
	Cents	Cents
Basic earnings per share	(2.28)	(1.85)
Diluted earnings per share	(2.28)	(1.85)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Micro-X Limited
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Note 32. Reconciliation of loss after income tax to net cash used in operating activities (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	610,308,632	527,175,081
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>610,308,632</u>	<u>527,175,081</u>

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

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

The potential number of shares on conversion of performance rights is 54,249,660 which is made up of 10,889,228 vested performance rights on which all relevant performance criteria have been met and 43,360,432 unvested rights upon which require further performance criteria to be met before they become convertible.

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

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

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

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Micro-X Limited
Consolidated entity disclosure statement
For the year ended 30 June 2025

Basis of Preparation

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

Determination of Tax Residency

Section 295(3B)(a) of the *Corporation Acts 2001* defines Australian resident as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

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

Australian tax residency

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

Foreign tax residency

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

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

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest	Australian Resident	Tax Residency
Micro-X Limited	Body Corporate	Australia	-	Yes	Australia
Micro-X Incorporated	Body Corporate	USA	100%	No	USA
Micro-X UK Operations	Body Corporate	United Kingdom	100%	Yes	United Kingdom

DIRECTORS' DECLARATION

Micro-X Limited
Directors' declaration
For the year ended 30 June 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the Financial Year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors



Patrick O'Brien
Non-Executive Chair

28 August 2025

INDEPENDENT AUDITOR'S REPORT



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Micro-X Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Material uncertainty related to going concern

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

INDEPENDENT AUDITOR'S REPORT CONTINUED



Key audit matters

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

Recognition and measurement of engineering contract services revenue

Key audit matter	How the matter was addressed in our audit
Refer to Note 5 of the financial report and Note 2 for the accounting policy. For the year ended 30 June 2025, the Group recognised \$10.463m (2024: \$8.812m) of engineering contract service revenue. Revenue recognition and measure of engineering contract services was identified as a key audit matter due to the significance of revenue to the financial report and the judgement exercised by management in determining the timing and amount of revenue to be recognised.	Our procedures included but were not limited to; - Developing an understanding of each contract and ensuring the revenue recognised was in accordance with AASB 15 - Evaluating the accuracy of management's assessment associated with the stage of completion for individual contracts by testing the accuracy of assumptions in relation to services performed to date against the expected total services to be provided under the contract.

Research and Development (R&D) Tax Incentive

Key audit matter	How the matter was addressed in our audit
Refer to Note 6 and 9 of the financial report and Note 2 for the accounting policy. For the year ended 30 June 2025, the Group recognised a \$5.390m (2024: \$6.373m) of R&D Tax Incentive receivable. The R&D Tax Incentive was identified as a key audit matter because of the extent of judgement involved in considering the recognition of the other income and receivable as at the reporting date and the complexities involved in the computation.	Our procedures included but were not limited to; - Obtaining and analysing the evidence provided by the Group to support the carrying value of the R&D Tax Incentive receivable. - Discussing and analysing management's assessment of the recoverability of the R&D Tax Incentive receivable with reference to tax legislation, discussion with internal specialists, and management's historical accuracy in estimating these claims in prior periods.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT CONTINUED



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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

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

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

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 41 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Micro-X Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

INDEPENDENT AUDITOR'S REPORT CONTINUED



Responsibilities

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

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

BDO Audit Pty Ltd

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

Andrew Tickle
Director

Adelaide, 28 August 2025

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

For the year ended 30 June 2025

The shareholder information set out below was applicable as at 15 August 2025.

The total number of shareholders is 3,675 and there are 667,202,252 ordinary fully paid shares on issue.

Unquoted equity securities - Options

There are a further 31,118,256 unlisted options over fully paid ordinary shares held by 247 option holders. These options have an exercise price of \$0.135 per share and an expiry date of 30 May 2026. These options were issued on 30 May 2024 to participants in the Company's Placement and the Company's share purchase plan, including certain directors of the Company for whom shareholder approval was obtained for the issue of their options.

Unquoted equity securities -Performance Rights & Service Rights

There are a further 54,249,660 unquoted performance rights over fully paid ordinary shares issued under the Employee Equity Plan, which are held by 88 participants. During the year ended 30 June 2025 the following grants of performance rights were made:

GRANT DATE	EXERCISE PRICE	NUMBER OF HOLDERS	NUMBER ON ISSUE	NUMBER OF RESTRICTED SECURITIES	RELEASE DATA (IF APPLICABLE)
27 December 2024 - Employees ¹	\$0.000	89	25,850,742	-	-

1. As part of the Employee Equity Plan including both short term incentives and long term incentives for employees, a total of 25,850,742 rights (including performance rights and service rights) were issued on 27 December 2024. The rights hold various service and performance conditions which will be assessed and potentially vest for the respective holders on 31 August 2025 (short term performance incentives) and 26 December 2027 (long term performance and service incentives).

As at 15 August 2025 there were 54,249,660 unquoted rights over fully paid ordinary shares issued which are held by 88 participants, when taking into account for previous grants of performance rights, as well as conversion and expiry of 8,934,632 performance rights during the Financial Year.

Unquoted equity securities - Convertible Notes

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

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

SHAREHOLDER INFORMATION CONTINUED

DISTRIBUTION OF SECURITIES

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

	ORDINARY SHARES		OPTIONS OVER ORDINARY SHARES	
	NUMBER OF HOLDERS	% OF TOTAL SHARES ISSUED	NUMBER OF HOLDERS	% OF TOTAL SHARES ISSUED
1 to 1,000	88	-	-	-
1,001 to 5,000	750	0.35	-	-
5,001 to 10,000	577	0.69	1	0.03
10,001 to 100,000	1,669	9.33	188	16.98
100,001 and over	591	89.63	58	82.99
Total	3,675	100.00	247	100.00
Holding less than a marketable parcel	-	-	-	-

There are 919 holders (with a total of 2,784,630 shares) holding less than a marketable parcel.

EQUITY SECURITY HOLDERS

Twenty largest equity security holders

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

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
HSBC Custody Nominees (Australia) Limited	109,510,922	16.41
Varex Imaging Corporation	54,130,053	8.11
UBS Nominees Pty Ltd	45,132,777	6.76
Citicorp Nominees Pty Ltd	26,877,856	4.03
Billion Prima SND BHD	26,666,667	4.00
BNP Paribas Nominees Pty Ltd (IB AU Noms RetailClient DRP)	19,694,285	2.95
BNP Paribas Nominees Pty Ltd	17,295,201	2.59
J P Morgan Nominees Australia Pty Ltd	15,101,375	2.26
Mr Peter Robin Rowland	14,194,697	2.13
TLFTC Pty Ltd (The Lonsdale Fund A/C)	8,385,804	1.26
Bronte Investments Pty Ltd (McMahon Superannuation A/C)	6,743,136	1.01
Bindella Capital Pty Ltd	5,659,107	0.85
Charli Jordan Pty Ltd (Molloy Settlement A/C)	5,115,789	0.77
Mrs Maria David	4,966,867	0.74
Harman Nominees Pty Ltd (Harmanis Investment A/C)	4,816,556	0.72
Dr Russell Kay Hancock	4,000,000	0.60
Meddiscope Pty Ltd (Podesta Family A/C)	3,244,565	0.49
Mr Aditya Agarwal	3,128,809	0.47
Gowing Bros Limited	3,068,647	0.46
Mr David Leroy Boyles	3,000,000	0.45
Total	380,733,113	57.06

SHAREHOLDER INFORMATION CONTINUED

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

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
Perennial Value Management Limited	86,540,365	12.97
Acorn Capital Limited	71,089,457	10.65
Varex Imaging Corporation	54,130,053	8.11
TIGA Trading Pty Ltd and Thorney Technologies Limited	45,152,777	6.77

VOTING RIGHTS

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

Ordinary shares

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

Shares subject to escrow (Restricted Securities)

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

Performance Rights, Service Rights, Options and Convertible Notes

Performance Rights, Service Rights, Options and Convertible Notes do not have voting rights attached. There are no other classes of equity securities.

CORPORATE DIRECTORY

DIRECTORS

Patrick O'Brien (Non-Executive Chair)

James McDowell (Non-Executive Director)

Ilona Meyer (Non-Executive Director)

Andrew Hartmann (Non-Executive Director)

COMPANY SECRETARY

Richard Willson

REGISTERED OFFICE

A14, 6 MAB Eastern Promenade

Tonsley SA AUSTRALIA 5042

PRINCIPAL PLACE OF BUSINESS

A14, 6 MAB Eastern Promenade

Tonsley SA AUSTRALIA 5042

SHARE REGISTER

Computershare Investor Services Pty Ltd

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Phone +61 3 9415 5000 (outside Australia)

AUDITOR

BDO Audit Pty Ltd

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STOCK EXCHANGE LISTING

Micro-X Ltd shares are listed on the Australian Securities Exchange [ASX:MX1]

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2025 ANNUAL REPORT

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