

Micro-X Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Micro-X Limited
ABN: 21 153 273 735
Reporting period: For the half-year ended 31 December 2025
Previous period: For the half-year ended 31 December 2024

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	155.16% to	10,107
Loss from ordinary activities after tax attributable to the owners of Micro-X Limited	down	23.78% to	(6,617)
Loss for the period attributable to the owners of Micro-X Limited	down	23.78% to	(6,617)
Adjusted loss for the period, excluding complying R&D concessions*	down	44.96% to	(6,617)

* The Company is only eligible to receive its Research and Development (R&D) Tax Incentive as a cash rebate when it records aggregated annual revenues of less than \$20 million. At this point in time, it is uncertain of meeting the revenue requirement and the Company has therefore taken the conservative position that its eligible R&D Tax Incentive be disclosed as a tax loss offset rather than a cash receivable. In prior years the Company has received this as a cash refund and has recognised this benefit in 'Other Revenue' (31 December 2024: \$3.341M). As this benefit is not recognised in the current year, the 31 December 2024 loss of \$8.681M has been adjusted to \$12.022M to exclude Other Revenue for comparative purposes.

Dividends

There were no dividends paid, recommended or declared during the current and previous financial periods.

The loss for the Group after providing for income tax amounted to \$6,617,000 (31 December 2024: \$8,681,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.79	1.03

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

Not applicable.

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7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

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

Not applicable.

9. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report contains a paragraph emphasising a material uncertainty related to going concern.

10. Attachments

Details of attachments (if any):

The Half-Year Financial Statements of Micro-X Limited for the period ended 31 December 2025 is attached.

11. Signed

Signed  _____

Date: 27 February 2026

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Micro-X Limited

ABN 21 153 273 735

Half-Year Financial Statements - 31 December 2025

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Micro-X Limited
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31 December 2025

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Micro-X Limited
Corporate directory
31 December 2025

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
1284 South Road
Tonsley SA 5042

Principal place of business

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

Share register

Automic Group
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126 Phillip Street
Sydney NSW 2000
Phone: 1300 288 664 (within Australia)
Phone: +61 2 8072 1400 (outside Australia)

Auditor

BDO Audit Pty Ltd
Level 19, 30 Pirie Street
Adelaide SA 5000
Phone: +61 8 7324 6000

Legal

Thomson Geer
Level 14, 60 Martin Place
Sydney NSW 2000

Stock exchange listing

Micro-X Ltd shares are listed on the Australian Securities Exchange (ASX code: MX1)

Website

www.micro-x.com

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Micro-X Limited
Directors' report
31 December 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 the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the Half-Year ended 31 December 2025.

Directors

Patrick O'Brien (Non-Executive Chair)

James McDowell (Non-Executive Director)

Ilona Meyer (Non-Executive Director)

Andrew Hartmann (Non-Executive Director)

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

Principal activities

The principal activities of Micro-X Limited (**Micro-X** or the **Company**) during the Half-Year to 31 December 2025 (the **2026 Half-Year**) were 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 period.

Review of Financials

During the 2026 Half-Year, the Company achieved revenues from ordinary activities of \$10.107M compared to the prior year (31 December 2024: \$3.961M) from the sale of its products and contracted project income, comprising of the following:

Product revenues of \$4.405M - from the sale of Mobile DR products (31 December 2024: \$0.995M), which included

- \$3.360M sale to Integrated Medical System Sdn Bhd to supply Rovers to the Malaysia Ministry of Health;

Project revenues of \$5.702M (31 December 2024: \$2.966M). These revenues included:

- \$3.031M from the Advanced Research Projects Agency for Health (**ARPA-H**) to develop the Full Body CT;
- \$1.956M from the U.S. Department of Homeland Security (**DHS**) for the Airport Checkpoint Development program;
- \$0.464M from Billion Prima in relation to the development of their baggage and parcel scanner unit; and
- \$0.251M from the Australian Stroke Alliance (**ASA**) for development of the Head CT stroke imager.

Micro-X reported a net loss, after providing for income tax, of \$6.617M for the 2026 Half-Year (31 December 2024: \$8.681M loss). The decrease in net loss in comparison to the previous period was primarily driven by increased product and consulting revenue compared to the Half-Year to 31 December 2024.

The Company is uncertain at this point in time that the 'less than \$20M' revenue threshold required to receive the R&D Tax Incentive will be met and has therefore taken the conservative position that its eligible R&D Tax Incentive be disclosed as a tax loss offset rather than a cash receivable. In prior years the Company has received this as a cash refund and has recognised this benefit in 'Other Revenue' (31 December 2024: \$3.341M). If this benefit was not recognised in the prior year, the 31 December 2024 loss of \$8.681M would have been adjusted to \$12.022M.

The expenses for the 2026 Half-Year comprised:

- \$3.557M in cost of sale of goods;
- \$2.485M expenditure on R&D activity. Most of this related to the Airport Checkpoint, CT full body and CT Stroke Imager projects which is development work funded by partners DHS, ARPA-H and ASA;
- \$8.374M was spent on employee and director costs during the period (31 December 2023: \$8.249M), including \$0.430M in non-cash, equity compensation (31 December 2024: \$0.442M) in relation to the Company's Employee Equity Plan, which comprises an STI and LTI component, subject to achievement of hurdles.

During the 2026 Half-Year the Company received cash from the following sources:

- \$5.078M for the R&D Tax Incentive, related to the 2024/2025 financial year, before repayment of loan;
- \$4.480M proceeds from issue of shares in December 2025, before costs of the issue;
- \$3.928M in customer receipts (31 December 2024 \$1.254M) for sales of Mobile DR units, imaging chains and associated spare parts;
- \$3.062M from DHS for providing contract engineering services, under its Airport Self Screening contract and the extended contract for the Passenger Self Screening Checkpoint with contracted receipts worth up to US\$20.926M (A\$31.739M);
- \$2.688M relating to the Company's contract with ARPA-H to develop a Full Body CT for rural communities; and
- \$0.388M from the ASA under the \$8M contract to commission the development of the mobile CT stroke imager under the 'Stroke Golden Hour' program.

Review of Operations

Mobile Digital Radiology/ Medical imaging – Rover Plus and imaging chains

The 2026 Half-Year saw an increased focus on larger sales opportunities.

In July 2025, Micro-X entered its first supply agreement with a major U.S. hospital group (the **Customer**). This agreement provides the framework for any of the 700 healthcare facilities operated by this Customer to order a Rover mobile X-ray unit on pre-agreed pricing and terms.

Following this, in October 2025, Micro-X achieved a significant commercial milestone in Southeast Asia with a \$3.3M purchase order for Rover mobile X-ray units from its Malaysian distributor, IMS. The order resulted from a successful government tender to supply advanced mobile X-ray systems to the Malaysian Ministry of Health, further strengthening Micro-X's growing presence in the region. The manufacture of these Rover units commenced immediately with all units delivered by mid-December, highlighting the ability of Micro-X to meet customer demand.

In addition, the Company extended its elite sports teams presence by selling its first Rover unit to a U.S. National Basketball Association team, capitalising on its strong reputation within the U.S. sporting network, as well as the use of the Rover at the Final Four American Collegiate basketball tournament.

In late November, Micro-X unveiled the updated 2026 Rover model at the Radiological Society of North America (**RSNA**) conference, one of the world's premier imaging industry events. The updated design ensures Rover remains a leading mobile X-ray unit, combining lightweight portability and ergonomic handling with next generation features including a glass-free Varex Lumen detector, integrated detector charging, larger screen and a streamlined chassis. The new unit drew strong interest from RSNA conference attendees and will be available shortly.

Medical CT development products - Head CT

A key focus for Micro-X over the 2026 Half-Year was to move the Head CT scanner from late-stage development towards imaging testing trials to support its regulatory submission by the end of 2026. The Company advanced this development work of its Head CT unit for stroke diagnosis under its \$8.0M contract with the ASA.

During the 2026 Half-Year, Micro-X completed development and delivery of the first prototype, with the first of three Head CT test benches subsequently installed at the Royal Melbourne Hospital in February 2026 (**RMH**) for the planned in-hospital human imaging trial. The first test bench passed engineering and safety testing, marking a key milestone in the partnership with the ASA. The second and third additional test benches are in advanced construction ahead of planned installation into the trial sites.

In parallel, the engineering design work continued on the portable Head CT scanner designed for ambulances, following the award of the \$4.4M Australian Government Industry Growth Program (**IGP**) grant last September. Micro-X has submitted the deliverables for the first milestone, involving planning and system architecture. With road and air ambulances a primary end-user market for the Head CT system, this funding will support a major step in the commercialisation pathway and build on the in-hospital imaging trials about to commence with the ASA.

Medical CT development products – Full Body CT

During the 2026 Half-Year, Micro-X progressed development of its Full Body CT through a development contract worth up to A\$25M (US\$16.4M) with U.S. government body ARPA-H. During the 2026 Half-Year, the team completed the design concept review and preliminary design review milestones, resulting in a total of \$2.7M in milestone payments to Micro-X.

With the design review complete, the program will now advance into its next phase in 2026, which is focused on building and validating a test bench of the Full Body CT scanner, to support further technical development.

In November, Micro-X participated in an ARPA-H showcase event in the U.S., highlighting projects funded under the mobile health platform initiative. The event reinforced the strategic importance of advanced imaging technologies in shaping future diagnostic modalities and underscored how well positioned Micro-X is to contribute to this evolving landscape.

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Security development products – Baggage Scanner & Checkpoints

During the 2026 Half-Year, Micro-X progressed development under the Passenger Self Screening Checkpoint contract with DHS, which provides a contract for up to US\$20.9M (A\$31.7M) for Micro-X to deliver a prototype of the self-service portal and complete real world airport testing (the Checkpoint Contract). To date, the Company has delivered one Passenger Checkpoint Portal and two Baggage Scanners to the U.S. Government which are under active evaluation in the TSA laboratories, as well as being utilised to further develop automated threat detection algorithms with TSA staff and live cases.

Alongside these assessments, two additional Checkpoints are currently being manufactured. This dual track of testing and production reinforces the Company's potential role in modernising the future of airport checkpoint technology.

In September, Micro-X debuted the Baggage Scanner at the Future Travel Experience Global 2025 event in Long Beach, California. As the region's leading forum for forward-looking aviation innovation - and one of the largest gathering of air transport leaders in 2025 - the exhibition drew 2,500 delegates and representatives from more than 120 airlines and airports worldwide.

During the 2026 Half-Year, the Group recognised \$2.0M in revenues from its contract engineering services provided to DHS.

Security development products – Billion Prima Baggage & Parcel Scanner

Micro-X's security partnership with Billion Prima continued to advance during the 2026 Half-Year.

A major milestone was reached in September with the delivery of the first prototype of the new baggage and parcel scanner to Billion Prima. This unit allowed Billion Prima to begin testing and initiate early engagement with prospective customers ahead of the planned 2026 commercial launch. In early October, Billion Prima publicly showcased the prototype for the first time at the National Innovation and Commercialisation Expo in Kuala Lumpur.

Micro-X is working with Billion Prima to support their planned product launch in 2026. The sale of this new baggage & parcel scanner will provide an additional revenue stream for Micro-X through the sale of X-ray tubes and generators to Billion Prima.

Corporate Activities

In December 2025, the Company strengthened its financial position through a \$6.2M capital raising to drive commercial activities into 2026. The Company announced the issue of 77.25M new, fully paid ordinary shares at 8.0 cents under a placement to sophisticated and professional investors. The issue price of 8.0 cents was at a nil discount to the last traded price and a 4.8% discount to the 10-day VWAP to the last traded price on 15 December 2025.

A key foundation of the capital raising was the strengthened partnership with Billion Prima, who committed a further \$3.0M to lift its stake in Micro-X to 8.6%, building on its \$2.4M investment earlier in 2025. Billion Prima's investment reflects confidence in Micro-X and the close collaboration between the two organisations on the baggage and parcel scanner development project.

As at 31 December 2025 the Company had received \$4.480M of proceeds from the Placement, before fees, and expects to receive the final \$1.7M of proceeds in the March 2026 quarter, as follows:

- \$0.2M from Patrick O'Brien, subject to shareholder approval; and
- \$1.5M from Billion Prima's second tranche of their investment, due by 31 March 2026.

During the 2026 Half-Year, Micro-X continued discussions to monetise its security assets.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial period.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 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.

Rounding of amounts

The Group 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.

Micro-X Limited
Directors' report
31 December 2025

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.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the directors



Mr Patrick O'Brien
Non-Executive Chair

27 February 2026

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

As lead auditor for the review of Micro-X Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 27 February 2026

Micro-X Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2025

		Consolidated	
	Note	31 December 2025 \$'000	31 December 2024 \$'000
Total Revenue		10,107	3,961
Other Income		1,138	3,440
Expenses			
Change in inventory/raw materials and consumables		(3,557)	(1,085)
Write-down of inventory		(42)	(899)
Employee and director expenses		(8,374)	(8,249)
Selling and distribution costs		(485)	(541)
Office and administrative expenses		(389)	(392)
Corporate expenses		(183)	(216)
Quality and regulatory expenses		(84)	(52)
Project development expenses		(2,485)	(2,335)
Depreciation and amortisation expenses		(673)	(1,020)
Other expenses		(1,373)	(988)
Finance expenses		(217)	(305)
Total expenses		<u>(17,862)</u>	<u>(16,082)</u>
Total other income		-	-
Loss before income tax expense		(6,617)	(8,681)
Income tax expense	16	-	-
Loss after income tax expense for the period attributable to the owners of Micro-X Limited		(6,617)	(8,681)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign Currency Translation		35	81
Other comprehensive income for the period, net of tax		35	81
Total comprehensive loss for the period attributable to the owners of Micro-X Limited		<u>(6,582)</u>	<u>(8,600)</u>
		Cents	Cents
Basic earnings per share	15	(0.99)	(1.49)
Diluted earnings per share	15	(0.99)	(1.49)

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

Micro-X Limited
Statement of financial position
As at 31 December 2025

		Consolidated	
	Note	31 December 2025 \$'000	30 June 2025 \$'000
Assets			
Current assets			
Cash and cash equivalents		4,896	3,242
Trade & other receivables	4	1,939	8,321
Contract assets	5	1,660	839
Inventories	6	4,026	4,274
Other assets	7	252	404
Total current assets		12,773	17,080
Non-current assets			
Property, plant and equipment	8	1,866	1,928
Right of use assets	9	2,754	3,074
Intangibles		18	24
Total non-current assets		4,638	5,026
Total assets		17,411	22,106
Liabilities			
Current liabilities			
Trade and other payables		5,794	5,715
Contract liabilities		1,112	184
Borrowings	10	-	3,375
Lease liabilities	9	589	659
Provisions		1,300	1,375
Total current liabilities		8,795	11,308
Non-current liabilities			
Lease liabilities	9	2,237	2,499
Provisions		721	751
Total non-current liabilities		2,958	3,250
Total liabilities		11,753	14,558
Net assets		5,658	7,548
Equity			
Issued capital	11	142,757	138,350
Foreign currency translation reserve		210	175
Convertible notes		65	65
Share-based payments reserve	12	4,713	4,428
Accumulated losses		(142,087)	(135,470)
Total equity		5,658	7,548

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

Micro-X Limited
Statement of changes in equity
For the period ended 31 December 2025

	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Convertible notes	Accumulated losses	Total equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2024	131,933	3,815	221	65	(121,773)	14,261
Loss after income tax expense for the period	-	-	-	-	(8,681)	(8,681)
Other comprehensive income for the period, net of tax	-	-	81	-	-	81
Total comprehensive income for the period	-	-	81	-	(8,681)	(8,600)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of rights under Employee Equity Plan	-	359	-	-	-	359
Expiry of rights under Employee Equity Plan	-	(198)	-	-	198	-
Exercise of Rights under Employee Equity Plan	128	(128)	-	-	-	-
Issue of shares under Employee Gift Plan	83	-	-	-	-	83
Balance at 31 December 2024	<u>132,144</u>	<u>3,848</u>	<u>302</u>	<u>65</u>	<u>(130,256)</u>	<u>6,103</u>
	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Convertible notes	Accumulated losses	Total equity
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2025	138,350	4,428	175	65	(135,470)	7,548
Loss after income tax expense for the period	-	-	-	-	(6,617)	(6,617)
Other comprehensive income for the period, net of tax	-	-	35	-	-	35
Total comprehensive income for the period	-	-	35	-	(6,617)	(6,582)
Issue of Shares - Share Placement (Note 11)	4,480	-	-	-	-	4,480
Share Issue Costs	(219)	-	-	-	-	(219)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of rights under Employee Equity Plan	-	431	-	-	-	431
Exercise of Rights under Employee Equity Plan	146	(146)	-	-	-	-
Balance at 31 December 2025	<u>142,757</u>	<u>4,713</u>	<u>210</u>	<u>65</u>	<u>(142,087)</u>	<u>5,658</u>

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

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Micro-X Limited
Statement of cash flows
For the period ended 31 December 2025

Note	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
Cash flows from operating activities		
	3,928	1,254
	(16,244)	(15,465)
	11	62
10	823	6,414
	1,082	-
	388	514
	3,062	3,400
	2,688	717
	-	1,469
	1,221	-
	-	(195)
	(78)	(84)
	72	-
10	<u>(3,047)</u>	<u>(1,914)</u>
Cash flows from investing activities		
	(8)	(66)
	<u>(8)</u>	<u>(66)</u>
Cash flows from financing activities		
11	4,480	-
10	748	6,088
	-	(4,568)
	(327)	(324)
	(192)	(52)
	<u>4,709</u>	<u>1,144</u>
	1,654	(836)
	<u>3,242</u>	<u>3,228</u>
	<u>4,896</u>	<u>2,392</u>

In the prior year, the gross R&D receipt was recorded in 'R&D tax incentive refunds', with loan repayments being recorded at 'repayment of borrowings'. Due to the nature of the transaction in HY26, this has been disclosed differently as reported in Note 10 Borrowings. If the nature of the transaction was similar to the prior year, the net cash (used in) / from operating activities of (\$3.047M) would read as net cash from operating activities of \$0.938M, a difference of \$3.985M. See Note 10 Borrowings for further details.

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

Micro-X Limited
Notes to the financial statements
31 December 2025

Note 1. General information

The financial statements cover Micro-X Limited and its subsidiaries as a Group. The financial statements are presented in Australian dollars, which is Micro-X Limited's functional and presentation currency.

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 27 February 2026.

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 for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

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Note 2. Material accounting policy information (continued)

Going Concern

The Group incurred a net loss after tax for the half-year ended 31 December 2025 of \$6.617M (half-year ended December 2024: \$8.681M loss) and had net cash outflows from operating and investing activities of \$3.055M (net cash inflows from operating and investing activities of \$0.930M when prepared in a similar manner to the prior year as disclosed at Note 10 of the financial statements). For the half-year ended December 2024, the Group had net cash outflows from operating and investing activities of \$1.980M.

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:

- In December 2025, the Group announced a \$6.2M capital raise, including \$3.0M from strategic partner Billion Prima, who more than doubled their investment to 8.6%. As at 31 December 2025 the Company has received \$4.480M of the proceeds from the Placement, before fees, and expects to receive the final \$1.7M of proceeds in the March 2026 quarter;
- On top of receivables recorded at trade and other receivables and contract assets, the Group has \$12.0M of contracted project receipts for development work due to be received for CY 2026 and moving forward. These project receipts are subject to satisfaction of milestones under the respective contracts with ASA for the Head CT, ARPA-H for the Full Body CT, DHS for the CT Baggage Scanner and Airport Self Service Portal, Billion Prima and Industry Growth Program (IGP) for the development of the ambulance application of the Head CT;
- The Group has additional potential project revenues under optional contract extensions with ARPA-H and DHS, which, if exercised, will increase the Group's contracted project revenue;
- The Group has realised growth of its product sales, including recently achieving the largest sale in its history, and is seeking to build its sales pipeline;
- The Group expects that future sales of Rover will incur limited new costs to complete with inventory on hand of \$4.0M (30 June 2025: \$4.3M) available to be converted into cash;
- The Group is continuing to explore additional partnership opportunities to monetise its security products; and
- As the Group is an ASX-listed entity, it has the option to raise additional funds if required.

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 2026 Half-Year report as at 31 December 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.

Comparatives

The consolidated financial statements provide comparative information in respect of the previous period. Comparative figures have been adjusted to conform to changes in presentation for the current Financial Year.

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 as an agent for all or part of a contract, the Group offsets its contract engineering revenue and relevant project costs.

Determination of net realisable value for inventories

Management reviews the Group's inventories levels in order to identify slow-moving and obsolete material and identifies items of inventories which have a market price that is lower than its carrying amount. Changes in demand levels, technological developments and pricing competition could affect the scalability and values of the inventories which could then consequentially impact the Group's results, cash flows and financial position. During the prior year, Management wrote down its Argus-related inventory value to its expected recoverable amount as disclosed under Note 6.

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Micro-X Limited
Notes to the financial statements
31 December 2025

Note 3. Operating segments

The Group has operations in Australia, the US (Micro-X Inc) & the UK (Micro-X UK Operations Limited).

Operating Segment information

For management purposes, the Group has been split into companies. 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 \$'000
Revenue			
Sales to external customers	4,809	5,298	10,107
Other revenue	1,061	77	1,138
Total revenue	<u>5,870</u>	<u>5,375</u>	<u>11,245</u>
Expenses			
Depreciation and amortisation	(583)	(90)	(673)
Finance costs	(212)	(5)	(217)
Other expenses	(12,177)	(4,795)	(16,972)
Total expenses	<u>(12,972)</u>	<u>(4,890)</u>	<u>(17,862)</u>
Loss before income tax expense	<u>(7,102)</u>	485	<u>(6,617)</u>

	Micro-X Limited Australia \$'000	Micro-X Inc United States \$'000	Total \$'000
Total assets	13,743	3,668	17,411
Total liabilities	<u>(7,616)</u>	<u>(4,137)</u>	<u>(11,753)</u>
Net assets	<u>6,127</u>	<u>(469)</u>	<u>5,658</u>

Note 4. Trade & other receivables

	Consolidated	
	31 December 2025 \$'000	30 June 2025 \$'000
Trade receivables	1,525	2,870
Research & Development Tax Incentive receivable	312	5,390
Other receivables	22	20
	<u>1,859</u>	<u>8,280</u>
GST receivable	80	41
	<u>1,939</u>	<u>8,321</u>

The Company lodged an amendment to its 30 June 2025 tax return to include an additional receivable worth \$0.3M linked to an Overseas Finding which was approved after lodgement of its original tax return.

In order to recognise a cash receivable in relation to the R&D Tax Incentive, the Company is required to have eligible R&D expenditure and record revenue of less than \$20M for the financial year. At this point in time, it is uncertain of meeting the revenue requirement and as such, the Company has taken a conservative position and not recognised an R&D cash receivable as at 31 December 2025. If at 30 June 2026 the revenue threshold condition was to be met, the Company would be entitled to recognise a receivable in relation to spending in the period to 31 December 2025, currently calculated at \$2.1M.

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Micro-X Limited
Notes to the financial statements
31 December 2025

Note 5. Contract assets

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
<i>Current assets</i>		
Contract assets	1,660	839
	<u>1,660</u>	<u>839</u>

Note 6. Inventories

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
<i>Current assets</i>		
Raw materials	5,128	5,153
Less: Provision for impairment	(1,464)	(1,453)
Finished goods - at cost	362	574
	<u>4,026</u>	<u>4,274</u>

On 31 January 2025 the Company announced the discontinuation of Argus. The provision for impairment as at 31 December 2025 reflects the reduction of recoverable value for Argus-related inventory.

Note 7. Other

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
<i>Current assets</i>		
Other current assets	252	404
	<u>252</u>	<u>404</u>

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Micro-X Limited
Notes to the financial statements
31 December 2025

Note 8. Property, plant and equipment

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
Leasehold improvements - at cost	1,775	1,777
Less: Accumulated depreciation	(1,201)	(1,104)
	<u>574</u>	<u>673</u>
Plant and equipment - at cost	3,906	3,640
Less: Accumulated depreciation	(2,806)	(2,613)
	<u>1,100</u>	<u>1,027</u>
Fixtures and fittings - at cost	251	253
Less: Accumulated depreciation	(181)	(168)
	<u>70</u>	<u>85</u>
Computer equipment - at cost	723	708
Less: Accumulated depreciation	(601)	(565)
	<u>122</u>	<u>143</u>
	<u>1,866</u>	<u>1,928</u>

Note 9. Right of use assets

The Group leases land and buildings for its offices and production facilities under agreements of between 5 to 10 years with, in some cases, an option 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	
	31 December	30 June
	2025	2025
	\$'000	\$'000
<i>Non-current assets</i>		
Right-of-use assets	6,293	6,304
Less: Accumulated depreciation	(3,539)	(3,230)
	<u>2,754</u>	<u>3,074</u>

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
Opening balance	3,074	3,953
Additions / Exchange rate movements	(2)	-
Modification of lease agreement	(28)	(150)
Revaluation	33	5
CY depreciation	(323)	(734)
	<u>2,754</u>	<u>3,074</u>

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

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Micro-X Limited
Notes to the financial statements
31 December 2025

Note 9. Right of use assets (continued)

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
Opening balance	3,158	3,990
Additions / Exchange rate movements	(3)	6
Modification to lease agreement	4	(150)
Accretion of interest	76	187
Payments	(409)	(875)
	<u>2,826</u>	<u>3,158</u>
Current	589	659
Non-current	2,237	2,499

Note 10. Borrowings

	Consolidated	
	31 December	30 June
	2025	2025
	\$'000	\$'000
<i>Current liabilities</i>		
Opening balance	3,375	-
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	748	3,239
Interest accrued and paid in relation to FY25 loan	132	136
Repayment of FY25 R&D tax incentive loan and interest	(4,255)	-
	<u>-</u>	<u>3,375</u>

As at 30 June 2025, the Company had a loan of \$3.4M which was secured against the receipt of the FY25 R&D tax incentive refund. The Company borrowed an additional \$0.75M during the 2026 Half-Year. In October 2025, the \$3.99M loan and \$0.27M of interest charges were repaid when the Company received the net refund of \$0.82M.

Cash receipts in respect of the R&D Tax Incentive are classified as operating cash flows, consistent with the operating nature of the underlying R&D activities.

In prior reporting periods, the Group received the gross R&D Tax Incentive refund into its bank account and subsequently repaid the related R&D tax incentive loan and accrued interest to the lender.

During the half-year ended 31 December 2025, the settlement mechanics changed. The Australian Taxation Office remitted the R&D Tax Incentive refund directly to the Group's R&D tax incentive lender in settlement of the related loan and accrued interest. The net amount referred to above was remitted to the Group.

Accordingly, the amount disclosed as "R&D incentive tax refunds" within operating activities represents only the cash received by the Group during the period, being \$0.82M.

This table illustrates the Actual and Normalised figures for the period based off the different settlement mechanics being used in both periods:

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Micro-X Limited
Notes to the financial statements
31 December 2025

Note 10. Borrowings (continued)

	31 December 2025 (Actual) \$'000	31 December 2025 (Adjustment) \$'000	31 December 2025 (Normalised) \$'000	31 December 2024 \$'000
Cash flows from operating activities				
R&D tax incentive refunds	823	4,255	5,078	6,414
Interest paid	-	(270)	(270)	(195)
Net impact on cash used in operating activities	823	3,985	4,808	6,219
Total net cash (used in)/from operating activities	<u>(3,047)</u>	<u>-</u>	<u>938</u>	<u>(1,914)</u>
Cash flows from financing activities				
Repayment of borrowings	-	(3,985)	(3,985)	(4,568)
Net impact on cash from financing activities	-	(3,985)	(3,985)	(4,568)
Total net cash from financing activities	<u>4,709</u>	<u>-</u>	<u>724</u>	<u>1,144</u>

Note 11. Issued capital

	31 December 2025 Shares	30 June 2025 Shares	Consolidated 31 December 2025 \$'000	30 June 2025 \$'000
Ordinary shares - fully paid	723,820,997	667,202,252	142,757	138,350

Details

	Shares	Assessed Price	\$'000
Opening balance July 2025	667,202,252		138,350
Exercise of rights under employee equity plan	618,745	\$0.236	146
Issue of shares	56,000,000	\$0.080	4,480
Capital raising costs			(219)
Closing balance December 2025	723,820,997		142,757

Note 12. Share-based payments reserve

	Consolidated 31 December 2025 \$'000	30 June 2025 \$'000
Share-based payments reserve	<u>4,713</u>	<u>4,428</u>

Refer to the Statement of Changes in Equity for detailed movement in the share-based payment reserve.

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Micro-X Limited
Notes to the financial statements
31 December 2025

Note 12. Share-based payments reserve (continued)

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:

	2026 FY Number	2026 FY WAFV	2025 FY Number	2025 FY WAFV
Outstanding at 1 July	54,249,660	\$0.118	37,333,550	\$0.159
Granted during the period*	-	\$0.000	25,850,742	\$0.080
Exercised during the period	(618,745)	\$0.236	(555,008)	\$0.230
Expired during the period	(6,538,925)	\$0.083	(6,467,390)	\$0.159
Outstanding at 31 December	47,091,990	\$0.121	56,161,894	\$0.122

*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 staff under its Employee Incentive Plan on 13 January 2026. The total number of rights issued on 13 January 2026 was 26,874,854.

Note 13. Dividends

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

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 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 15. Earnings per share

	Consolidated	
	31 December 2025 \$'000	31 December 2024 \$'000
Loss after income tax attributable to the owners of Micro-X Limited	<u>(6,617)</u>	<u>(8,681)</u>
	Cents	Cents
Basic earnings per share	(0.99)	(1.49)
Diluted earnings per share	(0.99)	(1.49)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>669,417,652</u>	<u>581,645,552</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>669,417,652</u>	<u>581,645,552</u>

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Micro-X Limited
Notes to the financial statements
31 December 2025

Note 16. Income tax

	Consolidated	
	31 December 2025	31 December 2024
	\$'000	\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(6,617)	(8,681)
Tax at the statutory tax rate of 25%	(1,654)	(2,170)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	-	1
Share-based payments	108	110
R&D tax incentive income	-	(825)
Feedstock adjustment	-	53
R&D expenditure	-	1,897
Other-assessable income	-	(10)
	(1,546)	(944)
Current period tax losses not recognised	1,828	695
Current period temporary differences not recognised	(282)	249
Income tax expense	<u>-</u>	<u>-</u>

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Micro-X Limited
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial period 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Patrick O'Brien
Non-Executive Chair

27 February 2026

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Micro-X Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating 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 conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

Andrew Tickle

Director

Adelaide, 27 February 2026

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