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 2026
Previous period:	For the year ended 30 June 2025

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$'000
Revenues from ordinary activities	up	16%	to	15,087
Loss from ordinary activities after tax attributable to the owners of Micro-X Limited	down	29%	to	(9,876)
Loss for the year attributable to the owners of Micro-X Limited	down	29%	to	(9,876)

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 $9,876,000 (30 June 2025: $13,895,000).

Refer to the Director's Report in the 2026 Annual Report for additional information on the results during the Financial Year.

3. NET TANGIBLE ASSETS

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.68	1.14

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.

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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 2026 is attached.

12. SIGNED

Signed _____ Date: 28 August 2026

Patrick O'Brien
Non-Executive Chair

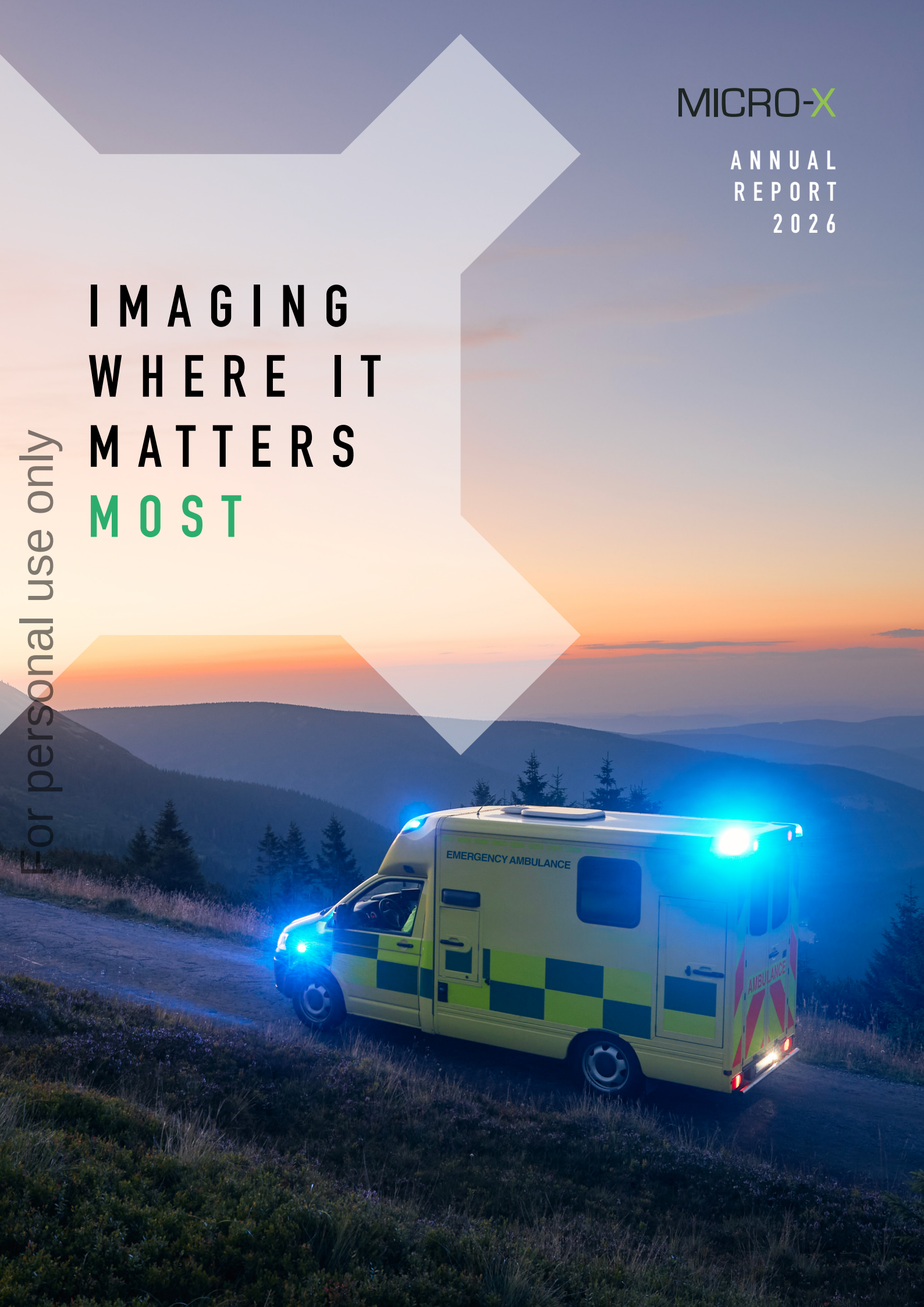
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MICRO-X

ANNUAL REPORT 2026

IMAGING WHERE IT MATTERS MOST

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TRANSFORMING THE FUTURE OF MEDICAL IMAGING



Micro-X is an Australian medical imaging technology company poised to transform equity and accessibility of advanced medical imaging with its Nano Electronic X-Ray (NEX) Technology. Built on carbon nanotube (CNT) field emitters, advanced high-voltage electronics and intelligent imaging software, our platform is enabling lighter, more portable and more versatile imaging systems for healthcare and security applications.

For more than a decade, we have invested in developing an end-to-end technology platform that challenges the limitations of conventional X-ray systems. Today, that investment is delivering commercial products, advancing world-first CT technologies and creating multiple opportunities for future growth across global imaging markets.

CONTENTS

HIGHLIGHTS AND MILESTONES	03
CHAIR'S LETTER	05
CEO REPORT	07
THE NEX PLATFORM	11
MEDICAL X-RAY	13
MEDICAL CT	15
THE FUTURE	17
SECURITY CT	19
OUR IMPACT	21

FOUNDED
2011

HEADQUARTERS
Adelaide, Australia

ASX CODE
MX1

COMMERCIAL PRODUCT
Rover Mobile DR X-ray

DEVELOPMENT PROGRAMS
Head CT | Full Body CT | Security CT

CORE TECHNOLOGY
Nano Electronic X-ray (NEX) Technology

GLOBAL PARTNERSHIPS
>$90M funding

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"WE ARE CREATING THE NEXT GENERATION OF X-RAY AND CT SYSTEMS THAT BRING HIGH-QUALITY DIAGNOSTIC IMAGING CLOSER TO THE PATIENT, WHEREVER IT IS NEEDED."

Micro-X has developed a scalable technology platform that supports multiple applications across medical X-ray, computed tomography (CT) and security screening.

Our Rover Mobile DR system is demonstrating the advantages of our lightweight imaging technology in hospitals, clinics and sporting organisations around the world. At the same time, our development programs are extending the capabilities of the platform into portable Head CT for stroke diagnosis, Full Body CT for portable diagnostic imaging, and next-generation airport passenger security screening systems.

Every advancement strengthens the value of the underlying platform, creating new opportunities for commercialisation, strategic partnerships and long-term shareholder value.

ONE TECHNOLOGY PLATFORM. MULTIPLE GROWTH OPPORTUNITIES.

FY2026 HIGHLIGHTS

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WINNER
RED DOT DESIGN AWARD

Rover 2026 update

AWARDED
ADDITIONAL EXTENSIONS

to DHS Security contract

ACHIEVED
KEY MILESTONES ACROSS DEVELOPMENT PROGRAMS

on time and on budget

$3.3M ROVER PLUS ORDER FROM MALAYSIAN GOVERNMENT

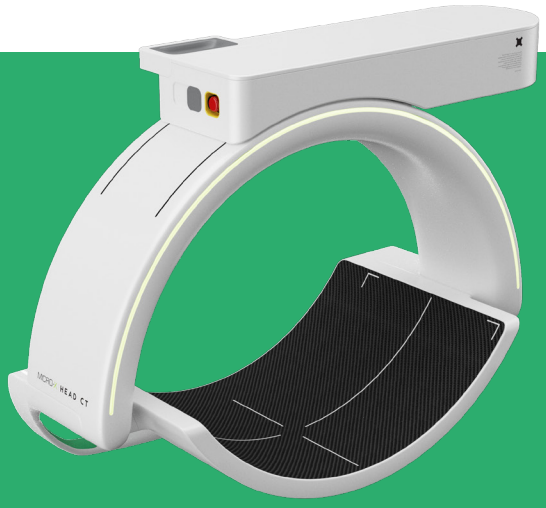
DELIVERED Q2 FY2026

SUPPLY AGREEMENT WITH MAJOR US HEALTHCARE PROVIDER

ROVER MOBILE DR

HEAD CT

- **Head CT ambulance trial funded**
  $4.4M Australian Government grant
- **Head CT human imaging pilot study commenced**
  First humans imaged using carbon nanotube cone beam CT



FY2027 MILESTONES



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COMPLETE	Head CT ambulance and hospital trials
SUBMIT	Head CT regulatory application
LAUNCH	Updated Rover model
INCREASE	Rover sales
DELIVER	Full Body CT prototype



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CHAIR'S LETTER

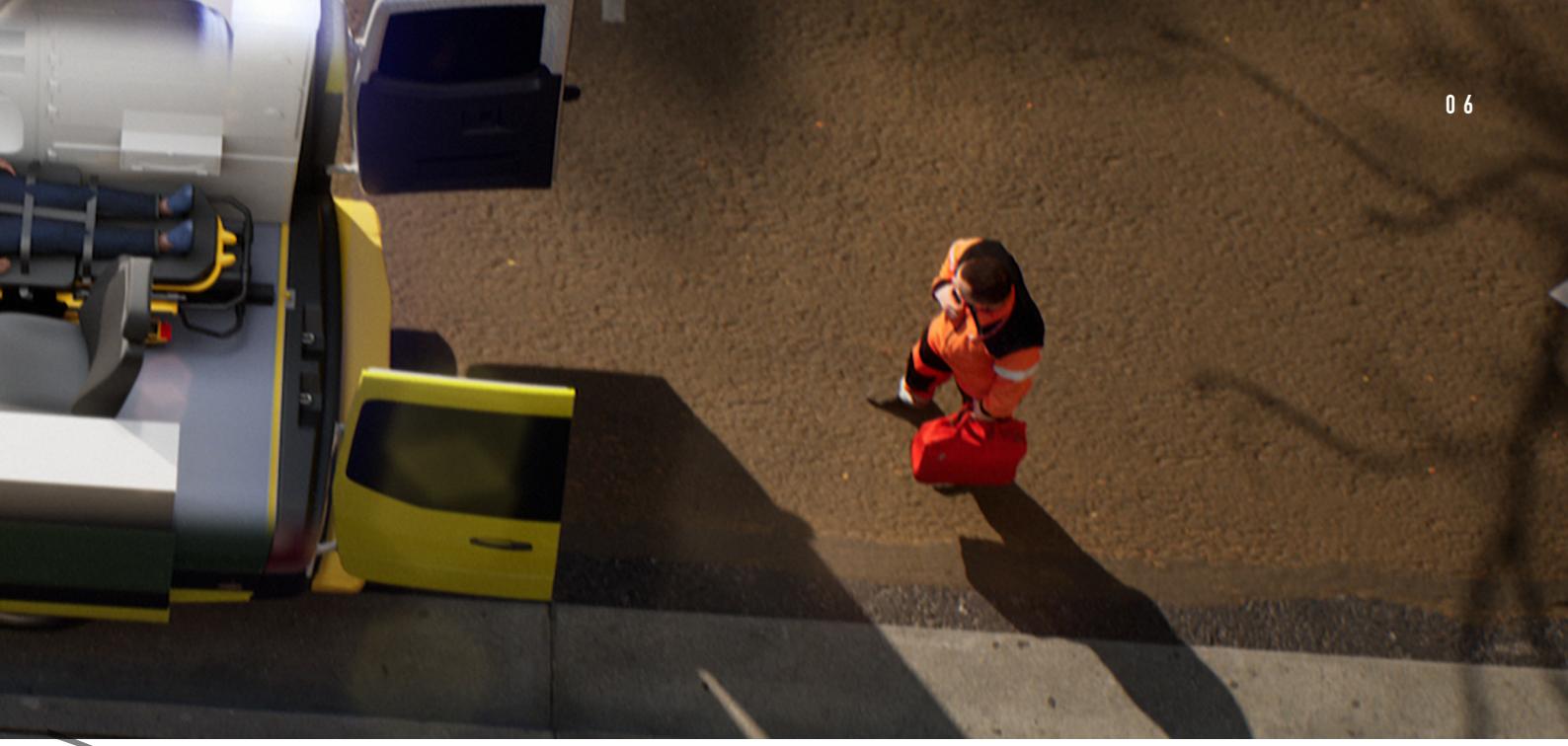
FY26 was a challenging and important year for Micro-X.

Over more than a decade, the Company has invested significantly in developing its proprietary carbon nanotube X-ray technology and establishing its potential across a range of medical and security imaging applications. That investment has created a differentiated technology platform and a portfolio of opportunities. However, the Board recognises that technological progress must ultimately translate into sustainable commercial outcomes and shareholder value.

As Micro-X enters its next phase, this requires a sharper focus on commercial execution, disciplined use of capital and prioritisation of those opportunities with the clearest pathways to value.

As a result, we have made necessary decisions to reduce the Company's cost base, simplify the organisation and sharpen our commercial priorities. These decisions have included changes to both the structure and leadership of the Company. Kingsley Hall worked at Micro-X for a significant period, including taking on the role of Chief Executive Officer at a challenging time. On behalf of the Board, I thank Kingsley for his leadership and contribution to Micro-X and wish him well for the future.

Dr Brian Gonzales has been appointed Chief Executive Officer to lead the Company through its next phase. Brian has been central to the development of Micro-X's technology over many years and brings



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deep knowledge of our technology, markets and strategic partnerships. His mandate is clear: to translate the considerable investment and technical progress made to date into commercial success, while maintaining rigorous discipline around expenditure, priorities and execution. The Board will monitor delivery against that mandate closely and has set clear commercial and financial expectations against which performance will be measured.

Capital management will remain a central focus for the Board in FY27. During FY26, the Company raised $6.18 million through a placement in December 2025, followed by $8 million of convertible note commitments announced shortly after year end, to support its operations and the continued advancement of its development programs. We recognise the responsibility that comes with asking shareholders to provide further capital. The Board will ensure expenditure is directed towards activities that have the clearest strategic rationale and the strongest prospects of advancing Micro-X towards sustainable commercial outcomes.

The Company enters FY27 with significant work ahead. Our immediate priorities are to further strengthen the commercial performance of the Rover mobile X-ray business, progress Head CT towards full clinical validation, carefully manage our capital and concentrate investment on advanced medical imaging, while pursuing our security programs through funded development and external partnerships.

Micro-X has developed technology with the potential to change how X-ray and CT imaging are delivered. We have identified a growing demand to make advanced medical imaging more accessible and believe that our technology can play a central role in meeting that demand. The task now is to realise that potential commercially. The Board and Executive are aligned on the need for greater focus, financial discipline and accountability as we undertake that work. In FY27 that means completing clinical validation of Head CT, continuing to improve the commercial performance of Rover and reducing the Company's reliance on shareholder capital. We expect to be judged on those outcomes.

On behalf of the Board, I thank our employees for their professionalism and commitment during a period of considerable change. I also thank our shareholders for their continued support and patience. We recognise that this support must be earned through execution and results.





PATRICK O'BRIEN
Non-Executive Chair

CEO REPORT



It is a privilege to address shareholders for the first time as CEO of Micro-X.

I recently took on the role at an important point in the Company's evolution. Micro-X has built a strong foundation of innovative core technology and deep technical capability, but we have not yet converted that technical success into sustainable commercial and shareholder value. Closing that gap is our priority.

A technology the world has validated

Throughout my career at Micro-X, I have presented our technology at academic and industry conferences, trade shows and workshops around the world. Time and again, experts have been impressed by the precision, repeatability and imaging performance of our cold cathode X-ray technology, and by the opportunities these capabilities create beyond the constraints of conventional X-ray. This recognition has been validated by tens of millions of dollars invested through Australian and US Government programs and industry partnerships.

The commercial challenge

Our commercial challenge is to turn the technology developed through funded development into a sustainable product business. Product sales have not reached the level required to support the infrastructure needed to develop, manufacture and support medical products globally. While funded development income of approximately $13 million was significant in FY26, it is not a substitute for recurring product revenue. Limited product sales and a relatively high operating cost base have resulted in a level of cash burn that needs to be reduced.

Micro-X has advanced its technology through the strong support of our shareholders, government and industry partners. The Company completed a $6.18 million placement in December 2025, followed by $8 million of convertible note commitments announced shortly after year end. This capital has supported continued development and necessary investment in the business. Repeated reliance on shareholder capital comes at a cost and reducing that reliance over time requires improved product sales, stronger margins and greater financial discipline.

Reflecting the Group's financial performance for the year, and as part of the strategic reset announced on 3 August 2026, Management recommended and the Board resolved that no short-term incentive (STI) awards be granted in respect of the year ended 30 June 2026. Accordingly, the STI outcome for all executives, including key management personnel, was nil for FY26, notwithstanding performance achieved against certain non-financial measures in the balanced scorecard.

Advancing the future of CT

I have a high level of belief in the commercial potential of Micro-X's technology. FY26 delivered important technical progress, most notably bringing Head CT to first human imaging at the Royal Melbourne Hospital. This is a significant milestone for our cold cathode X-ray technology and an important step towards demonstrating how lightweight, electronically controlled X-ray sources can enable portable and accessible CT imaging. We also completed the critical design review for the ARPA-H Full Body CT program and continued to advance our funded security programs. The challenge now is to convert this technical progress into sustainable commercial and shareholder value.

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Rebuilding how we sell Rover

In February, we initiated a review of our Rover strategy and sales structure. This followed a strong first half, driven by our largest Rover contract to date, a $3.3 million sale to the Malaysian Ministry of Health, but with limited visibility of follow-on opportunities. We engaged Altus Alliance, a consulting firm with expertise in revenue growth, to conduct a 10-week review of our Rover go-to-market strategy and sales organisation.

The review identified four key areas for improvement: refining our value proposition to lead with Rover's image quality; restructuring our sales organisation around more disciplined tracking and qualification of opportunities; rebalancing our sales model between direct sales and distribution partners; and establishing a stronger customer success function. We are now implementing these changes to build a more disciplined and scalable commercial model that can grow Rover revenue while improving margins.

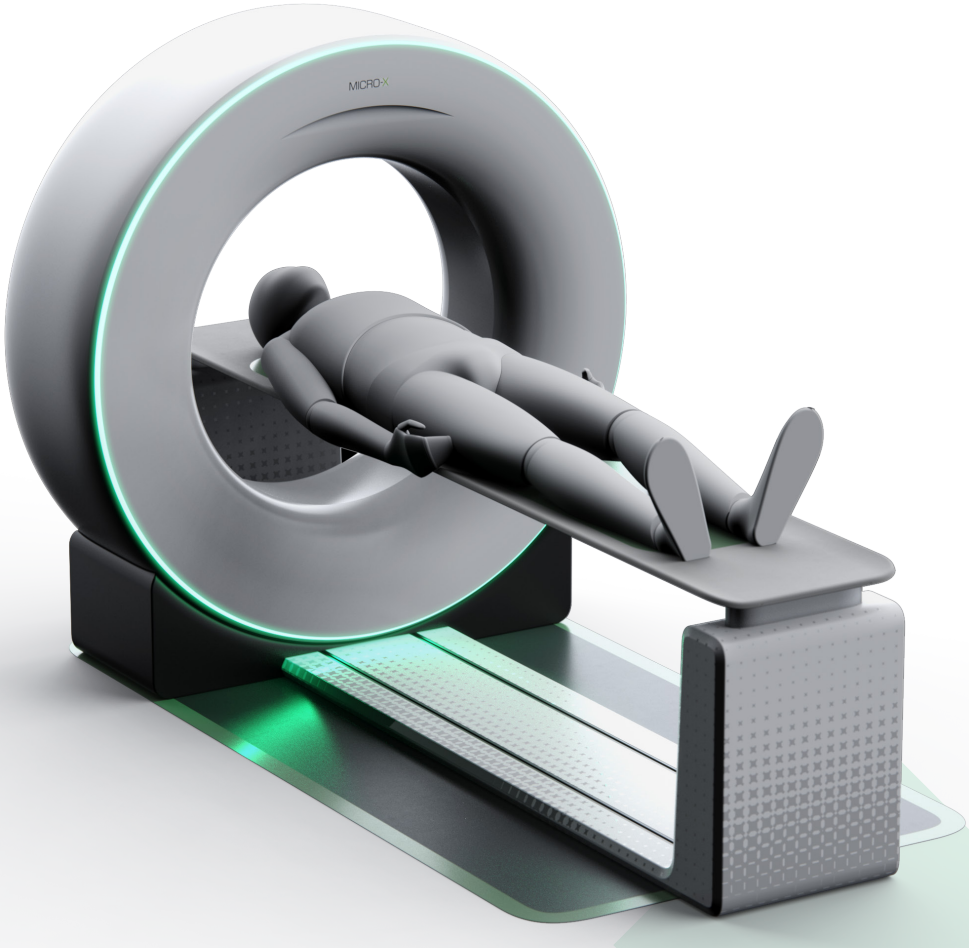
Importantly, this commercial capability is not only relevant to Rover. Customers buying Head CT or, in the future, a full-body CT system will require the same clear clinical value proposition, focused engagement and long-term support. The relationships and channels we build through Rover can therefore provide the commercial foundation for our broader medical imaging portfolio.



MICRO-X HAS ADVANCED ITS TECHNOLOGY THROUGH THE STRONG SUPPORT OF OUR SHAREHOLDERS, GOVERNMENT AND INDUSTRY PARTNERS.



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Security and partnerships

FY26 also saw continued progress in our security programs. We advanced the self-screening checkpoint program towards airport trials and continued our work with Billion Prima, further developing the CT system and demonstrating it to prospective customers. However, we did not secure the additional commercial partnerships we had hoped to establish during the year. We will continue to pursue opportunities through funded development and external partnerships, while keeping our commercial and development focus on advanced medical imaging.

OUR FIRST HEAD CT IS IMAGING PATIENTS AT THE ROYAL MELBOURNE HOSPITAL, AND WE ARE REFINING ITS PERFORMANCE AS WE PROGRESS TOWARDS FULL CLINICAL VALIDATION, TARGETED FOR COMPLETION BY THE END OF THE FINANCIAL YEAR.

Where we will focus

Our focus on advanced medical imaging will also shape how we allocate capital and resources. Greater financial discipline and accountability will be fundamental to our decision-making. From the start of FY27, we are implementing a strategic reset expected to deliver annualised cost savings of more than $3 million, around 15 per cent of the FY26 core operating cost base, comprising approximately $2 million in employment costs and $1 million in corporate overheads. The reset is already substantially implemented, with the remaining actions to be completed through the first half of FY27. We also have $8.1 million of contracted development receipts due from FY27 onwards, subject to meeting program milestones. Together with the convertible note commitments, these measures strengthen our funding position through FY27 while we focus investment on the programs and commercial opportunities where we believe our technology can create the greatest value.

Looking ahead

As we look forward to FY27, our priorities turn to execution. Our first Head CT is imaging patients at the Royal Melbourne Hospital, and we are refining its performance as we progress towards full clinical validation, targeted for completion by the end of the financial year. While technical and clinical risks remain, subject to successful validation we are progressing the product towards regulatory submission.

At the same time, changes to our commercial structure are intended to build a stronger Rover pipeline and improve conversion into product sales. Our focus is not simply on revenue growth, but on the quality of that revenue and the margins it generates. Increasing Rover volumes and improving margins are important steps towards making Rover a meaningful positive contributor to the business and a bridge to future revenue from Head CT and the broader medical CT portfolio.

Seeing our Head CT used to image its first patients has validated my conviction in this technology. FY27 will be about execution: converting our technical capability into sustainable commercial results and creating value for the shareholders who have backed Micro-X.

On behalf of the executive team, I thank our employees, customers, partners and shareholders for your continued commitment and support.



BRIAN GONZALES
Chief Executive Officer

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HOSPITAL-GRADE IMAGING WHEREVER CARE HAPPENS

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For more than a century, radiology has been relied upon by clinicians to detect disease, diagnose injury and guide life-saving treatment decisions.

Despite remarkable advances in image quality and computing power, the fundamental design of these systems has changed very little. X-ray CT, the pinnacle of modern radiology which is used to diagnose the three leading global causes of death heart disease, stroke, and cancer, still relies on the same fundamental X-ray technology that has been used by radiology for over a century.

Conventional CT scanners, first used on patients in 1971, remain large, heavy and expensive pieces of infrastructure that are permanently installed within dedicated hospital imaging departments. These hospital CT scanners can weigh more than 1200 kilograms, require specialised building works and radiation shielding, and cost over $1 million with additional ongoing service costs.

As a result, CT imaging remains fixed in hospitals, leaving patients to travel to the scanner.

For patients in metropolitan hospitals this may be an inconvenience. For patients in regional and rural communities, during emergency care, on the battlefield or in disaster zones, access to imaging serves as a barrier to timely diagnosis and treatment.

The challenge is not simply building better imaging systems. It is bringing advanced imaging to the patient.

Across the world, access to CT imaging remains uneven, particularly outside major metropolitan centres. There is no accepted global benchmark for CT availability, and many health systems continue to face geographical, infrastructure and cost barriers that limit access to advanced diagnostic imaging.

Turning a vision into reality

By replacing conventional thermionic X-ray tubes with proprietary Nano Electronic X-ray (NEX) Technology based on carbon nanotubes, Micro-X is developing a fundamentally different imaging platform - one designed to be lighter, smaller and portable without compromising diagnostic performance.

That vision has already been validated through the commercialisation of Micro-X's Mobile DR system, demonstrating that high-quality X-ray imaging can move beyond traditional imaging departments.

That same technology platform is now advancing into CT.

Micro-X is not simply building smaller imaging systems. We are redefining where imaging can be delivered, bringing advanced diagnostic capability beyond the walls of the radiology department and closer to the people who need it most.



THE FUTURE OF IMAGING WILL NOT BE DEFINED BY HIGHER POWER OR LARGER SYSTEMS. IT WILL BE DRIVEN BY THE DELIVERY OF DIAGNOSTIC-QUALITY IMAGING WHEREVER PATIENTS NEED IT.

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MEDICAL X-RAY

Designed to move

The commercialisation of the Rover Mobile DR marked a defining milestone in Micro-X's journey from technology innovator to commercial medical imaging company.

Developed around Micro-X's NEX X-ray tube and in-house high-voltage generator technology, Rover demonstrates how a fundamentally different approach to X-ray generation can deliver meaningful clinical and operational advantages.

By replacing conventional thermionic technology with NEX, Micro-X has engineered a lightweight, highly manoeuvrable mobile X-ray system that delivers high-quality diagnostic imaging while improving workflow and ease of use for healthcare professionals.

Designed to go where traditional mobile X-ray systems cannot, Rover combines exceptional image quality with a compact, motorless design weighing approximately 112kg, significantly lighter than conventional mobile DR systems. Its low total cost of ownership, intuitive operation and reliable performance provide healthcare providers with a compelling value proposition, improving access to diagnostic imaging at a lower mAs without compromising clinical outcomes.*

Today, Rover is supporting clinicians across a diverse range of healthcare environments. The system is used in hospitals and outpatient clinics, by elite professional sporting organisations requiring rapid on-site diagnosis, and in humanitarian and remote healthcare settings where portable, dependable imaging can make a critical difference to patient outcomes. In each of these environments, Rover demonstrates the value of bringing high-quality imaging closer to the point of care.

Rover's clinical validation demonstrates how Micro-X is building a scalable imaging platform capable of transforming diagnostic imaging across healthcare and beyond.

INDEPENDENT TESTING SHOWS THE ROVER PLUS HAS 40–55% LOWER MAS REQUIREMENTS THAN COMPARATOR SYSTEMS, WITH NO COMPROMISE TO DIAGNOSTIC IMAGE QUALITY.*

*Based on independent testing conducted by a licensed medical physicist at Baylor Scott & White Medical Center Trophy Club. Testing was performed under controlled conditions using standardized procedures and comparator systems. Results may vary depending on imaging technique, patient characteristics, clinical environment and operator selection of exposure parameters.

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Built to improve

Micro-X first began manufacturing mobile X-ray as an OEM provider, before launching the first Rover Mobile DR units in 2020. Its success has been built on a clear understanding of how clinicians work and a commitment to removing barriers that slow patient care.

The commercial launch of the updated Rover in 2026 represents the next step in that journey. Developed through close collaboration with customers around the world, the new system incorporates a range of enhancements shaped by real-world clinical feedback, including the latest detector technology that is glass free, a larger intuitive touchscreen interface, improved serviceability and workflow enhancements that further simplify operation.

Just as the Rover is designed to move effortlessly through hospitals, Micro-X believes innovation should never stand still. Every customer evaluation, every clinical deployment and every conversation with healthcare professionals provides insights that drive continuous improvement across our products and technology platform.

This philosophy extends beyond Rover. The knowledge gained through commercial deployment strengthens our engineering capability, informs future product development and reinforces the Company's long-term strategy of building a world-leading imaging technology platform that continues to evolve alongside the needs of healthcare providers.

FDA, TGA, MDR CE

+400 X-RAY SYSTEMS SOLD

112KG ULTRA-LIGHTWEIGHT



MEDICAL CT



Bringing Life-Saving Imaging to the Patient

Every minute counts when diagnosing stroke, major trauma and other time-critical medical emergencies. Yet for millions of people around the world, access to CT imaging remains constrained by geography, infrastructure and cost.

Today, most CT scanners are permanently installed within hospitals, requiring patients to be transported to dedicated imaging departments before diagnosis can begin. For patients in rural and remote communities, or those requiring urgent treatment before arriving at hospital, those delays can have life-changing consequences.

Micro-X believes the future of CT is different.

By applying its proprietary Nano Electronic X-ray (NEX) Technology platform to CT, Micro-X is developing a new generation of lightweight, portable CT systems designed to bring advanced diagnostic imaging closer to the patient. Our vision is to enable imaging wherever clinical decisions are needed - whether in emergency departments, regional hospitals, ambulances, military environments or disaster response settings.

This approach aligns with a growing global focus on improving equity of healthcare, resulting in better health outcomes across the population.

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$8M Aus Govt MRFF Grant

$4.4M Aus Govt IGP Grant

10X lighter than conventional CT

$9.4B Total Addressable Market*
*Management estimate

UP TO **$25M** US Govt ARPA-H funding

Transforming Stroke Diagnosis

Stroke is one of the world's leading causes of death and disability, affecting more than 12 million people every year. With stroke, every minute without treatment results in the loss of approximately 1.9 million neurons, making rapid diagnosis critical to improving patient outcomes. Approximately 85% of strokes are ischaemic, caused by a blockage of blood flow to the brain. For these strokes, rapid administration of clot-busting medicine has been shown to materially improve patient recovery, making early diagnosis and treatment critical.

The Australian Stroke Alliance's Golden Hour program is transforming the way stroke care is delivered by seeking to diagnose and treat patients within the first hour of symptom onset. Micro-X's portable Head CT is a key enabling technology to support this vision by bringing CT imaging into new clinical environments beyond the walls of traditional radiology departments to allow for diagnosis of ischaemic stroke.

The 2026 start of the first human imaging pilot study is a major milestone towards the development of portable CT. The trial represents an important step towards demonstrating that high-quality CT imaging can be delivered through a fundamentally different system architecture powered by Micro-X's proprietary carbon nanotube technology. The study is also generating valuable data that will inform future clinical studies, regulatory pathways and commercialisation.

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Building the Future of Full Body CT

Beyond stroke, the same technology platform is being applied to one of the most ambitious imaging projects undertaken by Micro-X.

Supported by ARPA-H through its PARADIGM program, Micro-X is developing a lightweight Full Body CT system designed to dramatically improve access to advanced diagnostic imaging.

The vision extends beyond portability. It is about enabling high-quality CT wherever patients require advanced diagnostics.

During 2026, the program achieved significant engineering milestones, progressing from system architecture and critical design toward the manufacture of a full-scale engineering prototype.

Together, Head CT and Full Body CT demonstrate the versatility of Micro-X's NEX Technology platform and its potential to redefine where advanced imaging can be delivered.

"EVERY MINUTE SAVED GIVES PATIENTS A BETTER CHANCE OF RECOVERY. PORTABLE CT HAS THE POTENTIAL TO FUNDAMENTALLY CHANGE STROKE CARE BY BRINGING DIAGNOSIS TO THE PATIENT, RATHER THAN THE PATIENT TO THE SCANNER."

— Professor Geoffrey Donnan AC and Professor Stephen Davis AO, Co-Chairs Australian Stroke Alliance

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A PLATFORM FOR THE FUTURE OF CT

Micro-X has a vision to fundamentally rethink how CT systems are designed.

That vision is moving from research to real-world validation.

The commencement of the Head CT human imaging pilot study marks the first opportunity to demonstrate the platform in a clinical environment. At the same time, development of the Full Body CT engineering prototype continues, validating the scalability of the technology to larger and more complex CT applications.

These milestones significantly reduce technical risk while demonstrating that the NEX Technology platform has the potential to support multiple future products from the same core technology.



CARBON NANOTUBE X-RAY TUBES

SOLID-STATE HIGH-VOLTAGE GENERATORS

ELECTRONIC SWITCHING HARDWARE

ADVANCED RECONSTRUCTION SOFTWARE

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Creating Equitable Healthcare

Healthcare outcomes should not be determined by geography.

Around the world, patients living in rural, regional and underserved communities continue to experience reduced access to advanced diagnostic imaging. By reducing the size, weight and infrastructure requirements of CT systems, Micro-X aims to make advanced imaging accessible in places where conventional systems are impractical or prohibitively expensive.

This aligns closely with our goal of creating transformative technologies that improve healthcare access and deliver equitable outcomes across diverse populations.

As clinical validation progresses, Micro-X continues to work alongside leading healthcare organisations, researchers and government partners to help create a future where advanced diagnostic imaging is available whenever and wherever it is needed.

The opportunity extends beyond building new CT scanners, enabling a more connected, more accessible and more equitable healthcare system.

One Platform. Multiple Possibilities.

Micro-X's strategy extends well beyond today's development programs.

The same NEX platform has the potential to support a new generation of imaging systems designed to improve access across healthcare.

Future applications could include a portable lung CT for early screening of respiratory disease and lung cancer, dedicated breast CT and next-generation mammography systems designed to improve patient experience and image quality, and specialised extremity CT for orthopaedic and sports medicine applications.

Every new application builds upon the same proprietary technologies creating opportunities to expand into high growth clinical markets while leveraging a common engineering platform.

"WE'RE ENTERING AN ERA WHERE HEALTHCARE WILL NO LONGER BE DEFINED BY THE WALLS OF A HOSPITAL. BY BRINGING ADVANCED DIAGNOSTICS CLOSER TO PATIENTS, WE HAVE AN OPPORTUNITY TO IMPROVE OUTCOMES, STRENGTHEN EQUITY AND RESHAPE ACCESS TO CARE."

— Bon Ku, MD, MPP, Program Manager, ARPA-H PARADIGM

SECURITY CT

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Applying Proven Technology Beyond Healthcare

Around the world, governments and transport operators are seeking smarter, faster and more efficient screening technologies to respond to evolving security threats while improving passenger experience.

Micro-X is leveraging its proprietary NEX platform to address these emerging needs through the development of Baggage CT systems and an integrated Passenger Self-Screening Checkpoint.



Passenger Self-Screening Checkpoint

Micro-X is reimagining airport security through the development of a next-generation Passenger Self-Screening Checkpoint.

Developed in partnership with the U.S. Department of Homeland Security (DHS) Science and Technology Directorate, the system is designed to enable passengers to complete the screening process independently while maintaining the highest standards of security and threat detection.

The modular design has the potential to increase passenger throughput, improve operational efficiency and reduce congestion at security checkpoints. By combining intuitive passenger interaction with advanced CT imaging and automated detection technologies, the system aims to enhance both security outcomes and the traveller experience.

Development continues through a staged, milestone-driven program with DHS, providing independent technical validation while reducing development risk.

Baggage CT

Micro-X is also developing a compact CT system for carry-on baggage and parcel inspection.

Powered by Micro-X's NEX platform, the Baggage CT is designed to deliver high-quality three-dimensional imaging in a significantly smaller form factor than conventional systems.

Its compact architecture creates opportunities across aviation security, critical infrastructure, defence and logistics, while offering customers greater flexibility in deployment and integration.

As the program progresses, Micro-X continues to engage with commercial partners to accelerate market entry and support future manufacturing and distribution. This includes a partnership with Malaysian security technology partner Billion Prima.



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Partnerships Accelerating Commercialisation

Micro-X's approach to commercialising innovation is built on strategic collaboration.

Government agencies play a critical role in funding and validating breakthrough technologies that address national priorities. Programs such as those with the U.S. Department of Homeland Security enable Micro-X to develop next-generation security capabilities while working alongside one of the world's leading security research organisations.

As technologies mature, commercial partnerships become equally important. Micro-X's strategy is to combine its differentiated technology platform with established government and industry partners along the product development journey. This partnership model enables a focus on developing disruptive imaging technologies that meet the needs of future customers.

The combination of government-backed innovation and future commercial partnerships provides a pathway from concept to deployment while reducing technical and commercial risk.

A Platform for Long-Term Growth

By applying the same core technologies developed for healthcare, Micro-X can leverage common engineering, manufacturing and intellectual property across multiple industries. This platform approach creates opportunities to diversify future revenue streams while maximising the value of investments made in the underlying NEX technology.

As global demand for advanced screening continues to increase, Micro-X is well positioned to support the next generation of aviation, border protection and critical infrastructure security.

"OUR SECURITY PROGRAMS DEMONSTRATE THE VERSATILITY OF THE NANO ELECTRONIC X-RAY PLATFORM. THE SAME TECHNOLOGY THAT IS TRANSFORMING MEDICAL IMAGING HAS THE POTENTIAL TO REDEFINE HOW PEOPLE AND GOODS ARE SCREENED AROUND THE WORLD."

— Dr Brian Gonzales, Chief Executive Officer

COMPARED TO CONVENTIONAL CT

¼ SIZE ¼ WEIGHT ½ COST

UP TO

$31.7M DHS funding

$8.5M Billion Prima Partnership



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OUR IMPACT

Creating Better Outcomes

Micro-X believes sustainability is measured not only by how we operate, but by the impact our technology has on patients, healthcare systems and society.

Our purpose, to create revolutionary X-ray imaging to better lives, guides every decision we make. By developing imaging systems that are lighter, more accessible and more deployable, we aim to improve access to diagnostic healthcare while supporting more efficient and resilient health systems.

As we continue to commercialise our technology platform, we remain committed to responsible governance, innovation and creating long-term value for all stakeholders.

Environmental sustainability

Micro-X has a continuous improvement program in place to identify ways to increase efficiencies, reuse materials and reduce waste.

HEADQUARTERED IN 6 STAR RATED TONSLEY INNOVATION PRECINCT

LEVEL 1 NHS EVERGREEN SUSTAINABLE SUPPLIER ASSESSED

Health and Safety

Micro-X is committed to maintaining a safe and healthy workplace through robust safety systems, ongoing training and active risk management. We believe a strong safety culture is essential to protecting our people and supporting sustainable business performance.

0 LOST TIME INJURY CASES SINCE 2020

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0 FATALITIES OR SERIOUS INJURIES SINCE MICRO-X FOUNDED

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Community

Micro-X contributes to the communities in which we operate through education, collaboration and workforce development. Our internship programs, STEM initiatives and partnerships with educational institutions provide students with practical experience while helping build Australia's future innovation workforce.

SCHOOL AND UNIVERSITY INTERNSHIP PROGRAMME

FLINDERS UNIVERSITY SCIENCE AND ENGINEERING INDUSTRY ADVISORY BOARD MEMBER

STUDENT ROBOTICS CLUB OF SA MENTORS AND VOLUNTEERS

MOVEMBER MEN'S HEALTH FUNDRAISER

ANGLICARE CHRISTMAS DRIVE FOOD AND TOYS DONATION

Our People

Micro-X's strength lies in our global, multidisciplinary team — engineers, scientists, clinicians and commercial specialists working together to develop technologies that improve lives worldwide. We remain committed to building a collaborative, inclusive and safe workplace that fosters innovation and attracts world-class talent from across the globe.

94 EMPLOYEES

22% FEMALE EMPLOYEES

16 NATIONALITIES

Responsible Growth

As a publicly listed company, strong corporate governance underpins every stage of our growth and operations. We maintain a robust Quality Management System (QMS) that supports the design, manufacture, and supply of our medical devices, with ongoing oversight through independent external audits and regulatory inspections. Our commitment to quality, safety, and compliance is demonstrated through:

REGULAR REVIEW AND ENHANCEMENT OF OUR CORPORATE GOVERNANCE POLICIES.

CERTIFICATION TO **ISO 13485** (MEDICAL DEVICES QUALITY MANAGEMENT SYSTEMS) AND **ISO 9001** (QUALITY MANAGEMENT SYSTEMS).

SUCCESSFUL **THERAPEUTIC GOODS ADMINISTRATION (TGA) CONFORMITY ASSESSMENT** CERTIFICATION.

SUCCESSFUL **EUROPEAN UNION MEDICAL DEVICE REGULATION (EU MDR) CONFORMITY ASSESSMENT** CERTIFICATION.

U.S. FOOD AND DRUG ADMINISTRATION (FDA) CLEARANCES FOR APPLICABLE PRODUCTS.



FINANCIAL REPORT

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CONTENTS

DIRECTORS' REPORT	24
AUDITOR'S INDEPENDENCE DECLARATION	48
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	49
STATEMENT OF FINANCIAL POSITION	50
STATEMENT OF CHANGES IN EQUITY	51
STATEMENT OF CASH FLOWS	53
NOTES TO THE FINANCIAL STATEMENTS	54
CONSOLIDATED ENTITY DISCLOSURE STATEMENT	79
DIRECTORS' DECLARATION	80
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MICRO-X LIMITED	81
SHAREHOLDER INFORMATION	85

DIRECTORS' REPORT

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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 2026.

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)
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 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 and its wholly-owned subsidiaries (**Micro-X**, the Company or the **Group**) continued to focus its activities in the Financial Year ended 30 June 2026 (the **Financial Year**) to advance the development and commercialisation of its range of next generation products using its proprietary carbon nanotube X-ray technology for health and security markets.

During the Financial Year, Micro-X commissioned a 10-week review by Altus Alliance, a Seattle and San Francisco-based external revenue growth consultancy, to analyse and provide recommendations towards sales team structure and customer success. This followed progress towards the strategic pivot to focus on medical imaging, including a record Rover Plus sale to the Malaysian Ministry of Health and the first sale under a supply agreement for Rover Plus systems (the **Supply Agreement**) executed in July 2025 with a major US healthcare services provider (the **Customer**). Both are described further in the Review of Operations below.

Review of Financials
During the Financial Year, the Group experienced increased revenues from ordinary activities of $15.1M (up from $13.1M in the financial year ended 30 June 2025 (FY25) from the sale of its products and contracted project income, and total income of $24.1M (FY25: $18.6M), comprised of the following:

- Revenue for the sale of Mobile DR products and associated components of $5.4M, up from $2.6M in FY25, driven by increased Rover Plus system sales including the record sale to the Malaysian Ministry of Health;
- Contracted project income of $9.7M (down from $10.5M in FY25), reflecting the progression of partner-funded development programs. This income included:
  - $5.6M revenue from Advanced Research Projects Agency for Health (**ARPA-H**) for development of the Full Body CT Scanner;
  - $3.3M revenue from U.S. Department of Homeland Security (**DHS**) for the Airport Checkpoint Development program;
  - $0.5M revenue from the Australian Stroke Alliance (**ASA**) for development of the Head CT; and
  - $0.3M revenue from Billion Prima for the commercialisation partnership agreement.
- Other income of $9.0M, comprising $5.7M in relation to the Research and Development (R&D) tax incentive refund, $3.2M in other government grants, $0.1M of interest received, insurance proceeds and other income for the Financial Year.

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DIRECTORS' REPORT CONTINUED

In addition to its contracted project income, the Group invoices, receives and processes amounts on behalf of its sub-contractors as agent for those sub-contractors. Accordingly, the Group assesses revenue to be recognised on a net basis. 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 $9.9M (FY25: $13.9M loss). The reduction in net loss when compared to the FY25 period was largely driven by increased product sales and the absence of the Argus impairments recognised in FY25 following the discontinuation of the Argus product.

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

- $9.7M in cost of sales and project development expenses, relating to Rover Plus units, imaging chains for sale and expenditure on R&D activity related to the CT Baggage Scanner, the Checkpoints portal and the Head CT, which was largely funded by partner funding.
- $17.7M spent on Employee, Consulting and Director costs. This included non-cash equity compensation within Employee and Director expenses in relation to the Company's Employee Gift Plan and Employee Equity Plan, which comprise STI and LTI components, 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 $2.5M from $7.5M at 30 June 2025 to $5.0M at 30 June 2026.

Net cash used in operating activities for the Financial Year was $8.9M (FY25: $8.6M), and cash on hand and at the bank was $3.1M at 30 June 2026 (compared to $3.2M at 30 June 2025). As reported in the June 2026 Appendix 4C & Quarterly Activities Report, a further $0.6M of Rover sales was confirmed after 30 June 2026, comprising $0.4M received in cash and $0.2M invoiced for payment.

Operating receipts for the Financial Year comprised $5.0M from customers and $17.9M from development program, grant and tax incentive receipts, being $5.9M from ARPA-H, $5.2M from the DHS Checkpoint program, $3.1M of grant funding, $1.6M from Billion Prima, $1.2M of R&D incentive tax refunds and $0.8M from the ASA Medical Research Future Fund (**MRFF**) program, together with $0.1M of interest received and other receipts, against payments to suppliers and employees of $31.6M, $0.1M of interest and other finance costs paid and $0.2M of lease interest payments. Net cash used in investing activities was $0.1M. Financing activities provided $9.0M, comprising $6.2M from the issue of shares and $3.8M of borrowings, less $0.3M of capital raising costs and $0.7M of lease liability repayments. Cash decreased by $0.1M over the Financial Year.

Moving into the financial year ending 30 June 2027, there is $8.1M of contracted development program receipts, subject to successful achievement of milestones and the associated risks disclosed in this report. 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. The achievement of sales of Rover Plus is subject to the risks disclosed in this report.

The Directors have considered the Group's funding position, noting cash on hand of $3.1M at 30 June 2026, net cash used in operating activities of $8.9M during the Financial Year, and the $8.0M of commitments for unlisted secured convertible notes announced on 3 August 2026. Together with the $8.1M of contracted development program receipts, the approximate net $2.4M cash inflow expected in October 2026 in relation to the FY2026 R&D tax incentive, the restructured Rover sales function and the identified annualised cost savings of more than $3.0M, the Directors consider the Group has a reasonable basis to expect sufficient funding for its planned activities through the financial year ending 30 June 2027. This expectation is subject to the achievement of program milestones, completion of the convertible note issue (including shareholder approval for director participation), delivery of the strategic reset in full and the risks disclosed in this report. As disclosed in the going concern note to the Financial Statements, these matters give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Review of Operations

Medical Imaging - Rover Plus Mobile DR X-ray System and Imaging Chains
This Financial Year, Micro-X achieved $5.4M of sales (2025: $2.6M) from its mobile digital X-ray products, including Rover Plus units, imaging chains and spare parts. With the sales strategy adjustment to focus on larger and more targeted opportunities for Rover Plus sales, the Company secured a record $3.3M sale to the Malaysian Ministry of Health and hosted a visit by a delegation of senior Malaysian Ministry of Health officials to discuss the Rover and future opportunities with the development of mobile CT. During the year, the Company also secured a supply agreement with a major US healthcare services provider, opening access to around 700 facilities globally. The first sale under this agreement was completed during the Financial Year, with further sales in the pipeline.

In Europe, Micro-X continued to build market awareness and position itself for future opportunities while building a network of high-quality distributors. This included accreditation as a Level 1 Evergreen Sustainable Supplier Assessment with the UK Government's National Health Service, a requirement to participate in future NHS tenders.

The Rover Plus continued to gain traction within the sports medicine field, with a number of sales to professional sporting codes including further sales to Major League Baseball (**MLB**) teams.

In Imaging Chain sales, in June 2026 Micro-X executed a research agreement with the University of Sydney under which the Company will receive $1.3M to supply an existing NEX imaging chain and technical support for a laboratory test bench evaluating the feasibility of a miniaturised stationary lung CT. The University of Sydney leads the $1.9M, 18-month program, funded through the Australian Government's Critical Technologies Challenge Program. As the agreement was executed in June 2026, no revenue was recognised under it during the Financial Year and the $1.3M is expected to be recognised from FY2027 as the hardware is supplied and services are performed.

Medical CT Development Products - Head CT Scanner
During the Financial Year, the Company commenced its human imaging study with the Head CT medical device at the Royal Melbourne Hospital. With initial scans now completed of the first patients, planned algorithm fine-tuning is underway. The Company completed the manufacture of the second Head CT test bench ahead of its installation at the second pilot study site at the Royal Adelaide Hospital. This work is being completed in partnership with the ASA, through an $8.0M Australian Government MRFF 'Stroke Golden Hour' project.

In September 2025, Micro-X was awarded a $4.4M Australian Government Industry Growth Program (**IGP**) grant, taking the development of the Head CT through to an in-ambulance trial. Through the year all planned milestones were achieved in this funded development project, with future work to include the development of a prototype for trial in an ambulance with patients.

Micro-X recognised $0.5M revenue in relation to services provided to the ASA for design of the Head CT during the Financial Year, with a further $3.2M recognised as grant income under the IGP.

Medical CT Development Products - Full Body CT Scanner
After being awarded a development contract worth up to $25.0M over five years with US Government agency ARPA-H in November 2024, Micro-X has been working to develop a small, portable full body CT scanner. This project builds on the advances made by the Company in X-ray imaging with the Rover, and CT imaging with the Head CT scanner, leveraging the same hardware and algorithms.

The ARPA-H program aims to bring improved healthcare, including access to CT imaging, to US patients in rural and remote regions. The initial two-year $12.5M component of the development contract is due to be completed by the end of calendar year 2026, with the manufacture of the first full body CT prototype. Continuation of the program beyond that initial component is subject to an ARPA-H down selection decision expected by the end of November 2026, and the associated risks are disclosed in this report.

The Group recognised $5.6M revenue from ARPA-H in relation to the development of the Full Body CT.

Security - Checkpoints & CT Baggage Scanner
The first half of the Financial Year was affected by domestic complexities within the US Government administration, which were resolved mid-year. These constraints had a flow-on effect to project timelines for the DHS project, extending the timeline for the completion of the Checkpoints project. In May 2026, a $1.3M extension was awarded by the DHS, with the second and third Checkpoints manufactured in the Company's Seattle facility ahead of delivery to Government labs in the coming Financial Year.

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DIRECTORS' REPORT CONTINUED

Across all work in Checkpoints for the Financial Year, the Group recognised $3.3M in revenue from services provided to the DHS.

Partnership Activities
Micro-X continued to pursue opportunities to monetise its security technology through the Financial Year. This process has had strong engagement across multiple parties. A partnering arrangement was pursued during the Financial Year but was not secured, and the Company is again exploring partnering opportunities to take the Checkpoints solution to market.

Micro-X continued its strategic partnership, formed in February 2025, with Malaysian security product manufacturer Billion Prima to develop and commercialise a baggage and parcel scanner product that includes the Company's NEX Technology. Throughout the Financial Year, Micro-X worked with Billion Prima to advance the partnership, which has a total value of $5.6M over its term, comprising $3.2M of contracted development and commercialisation revenue and $2.4M of equity investment in the Company, subscribed as a strategic placement in March 2025. Activity during the Financial Year included joint technical work between the two companies to progress the build of the baggage and parcel scanner.

Corporate Activities
The Company appointed Peter Dickman as Chief Financial Officer at the end of March 2026.

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

This capital raising of $6.2M, being 77.25 million new fully paid ordinary shares at 8.0 cents per share with existing and new professional and sophisticated investors, included the following components:

- $1.5M - First tranche of 18.75 million shares to security development partner Billion Prima at 8.0 cents, settled in December 2025;
- $1.5M - Second tranche of 18.75 million shares to Billion Prima at 8.0 cents, settled in June 2026. Both tranches have now been received and are in addition to the $2.4M strategic placement subscribed by Billion Prima in March 2025 under the security development partnership, taking Billion Prima to approximately 8.5% of the Company at the date of this report and giving Billion Prima the ability to nominate a director to the Board, subject to Company evaluation and approval;
- $3.0M - 37.25 million shares to existing and new professional and sophisticated investors at 8.0 cents per share; and
- $0.2M - Participation by the Chairman of the Board at 8.0 cents per share, as approved by shareholders on 24 March 2026.

The Company also drew $3.8M of borrowings during the Financial Year under its R&D tax incentive financing facilities with Radium Capital, comprising $0.8M in September 2025 against the FY2025 R&D tax incentive and $3.0M in two tranches in the quarter ended 30 June 2026 against the FY2026 R&D tax incentive. The FY2025 borrowings were repaid on 30 September 2025 and the FY2026 drawings remain outstanding, leaving a balance of $3.1M at 30 June 2026, being $3.0M of principal and $0.1M of accrued interest. That loan bears interest at 16% per annum and is repayable on receipt of the refund or 31 December 2026, whichever is earlier.

Environment, Social and Corporate Governance
This Financial Year, Micro-X continued building on its sustainability activities, including obtaining a base level (Level 1) under the UK Government's National Health Service Evergreen Sustainable Supplier Assessment. Securing a minimum Level 1 assessment is required under NHS Supplier Procurement rules and follows measurement guidance set out by the UK Government. Micro-X continues to work towards improving sustainability and reporting, including through the operation of a continuous waste reduction program.

The Company participated in a range of corporate social responsibility activities, including fundraising for stroke and mental health charities, and continuing a strong STEM outreach program to schools and universities.

Governance
Micro-X has governance programs, policies and procedures across its activities, as overseen by the Audit and Risk Committee of the Board of Directors.

Micro-X maintains ISO 13485 and ISO 9001 certification, and its products and quality systems are subject to regulatory requirements including EU MDR, FDA 21 CFR 820 and TGA requirements, together with regional device registrations and radiation safety licensing. Micro-X undergoes regular annual surveillance audits to ensure ongoing compliance.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Micro-X has a range of measures in place to ensure its technology and programs 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 nominated personnel including those involved in development work for the DHS programs. 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 oversees 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 face now or in the future.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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. The Head CT human imaging pilot study has commenced at the Royal Melbourne Hospital, with a second pilot site at the Royal Adelaide Hospital to follow, then a subsequent phase involving recruitment of over 100 patients. The Full Body CT has progressed to manufacture of a full-sized engineering prototype following completion of its critical design review. The Full Body CT is not expected to enter clinical trials for approximately 24 months, and the clinical studies required to support its regulatory clearance have not yet been determined. These clinical imaging studies may take longer than expected or may not produce results sufficient to support the regulatory clearances the Company is seeking. Commercial sales of these products may also be impacted by the ability to differentiate the clinical benefits as compared to competitor products. 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 Checkpoint, 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. The Company has $8.1M of contracted development receipts due from FY2027 onwards, subject to satisfaction of milestones, under its contracts with the Advanced Research Projects Agency for Health for the Full Body CT, the Australian Stroke Alliance, the Medical Research Future Fund and the Industry Growth Program for the Head CT, the US Department of Homeland Security for the Checkpoint, and Billion Prima. 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. The Company's contract with the Advanced Research Projects Agency for Health for the Full Body CT is subject to a down selection decision expected by the end of November 2026. There is a risk that the Full Body CT program is not selected to continue, which would reduce the contracted development receipts available to the Company and require it to defer, reduce or seek alternative funding for the Full Body CT program.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Risk	Description
Execution of the strategic reset	The Company is implementing a strategic reset from the beginning of FY2027, refocusing development priorities on medical CT, prioritising capital to the Head CT program, restructuring the Rover sales function and delivering annualised cost savings of more than $3.0M, being approximately 15% of the FY2026 core operating cost base and comprising approximately $2.0M in employment costs and $1.0M in corporate overheads. The reset is substantially implemented, with the balance to be actioned progressively during the first half of FY2027, and the directors' funding runway expectations assume it is delivered in full. There is a risk that the identified savings are not realised, are realised more slowly or at greater cost than expected, or that the associated reduction in headcount results in a loss of technical, manufacturing or commercial capability. The prioritisation of capital across programs, including the Head CT program, may affect revenue, customer and partner relationships, and management focus on implementing the cost reductions may delay project delivery and the achievement of development milestones.
Sales, marketing & distribution	The Company has a pipeline of commercial sales opportunities to supply its products in Australia, the United States, Asia, the Middle East and Europe. These opportunities are in various 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 are 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 sells its Rover Plus Mobile DR product directly to customers and through distributors, with sales during the Financial Year made into Australia, Malaysia, the Philippines, the United States and Europe. A significant proportion of unit sales during the Financial Year was made through a single distributor in one of those markets, and the Company is therefore exposed to the loss, non-renewal or underperformance of individual distributor relationships. The Company also depends on distributors to hold or obtain local regulatory registrations and to provide market access and after-sales support in their territories. Following a 10-week external review, the Rover sales function has been restructured across CRM, pipeline management, tender strategy and use of scalable resources ahead of the commercial availability of the updated Rover, and the Company has completed its first Rover sale to a hospital under its supply agreement with a major US healthcare group, with a further $0.6M of Rover sales confirmed after 30 June 2026, comprising $0.4M received in cash and $0.2M invoiced for payment. There is a risk that the Company will be unable to develop and sustain sufficient sales and marketing capabilities, following the restructure of the sales function and within a reduced cost base, to effectively commercialise its products. While significant opportunity for growth of Rover Plus exists with a major US healthcare group, there is a risk that this opportunity does not develop into material sales growth, and that the restructured sales function and updated product do not deliver the expected uplift in sales volumes or timing.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Risk	Description
Core Technology - CNT X-ray tubes & high-voltage generators	The Company's future product and commercial plans are underpinned by its unique Carbon Nanotube (CNT) based X-ray technology, which includes both Carbon Nanotube X-ray tubes and solid-state high-voltage generators. Whilst Micro-X has invested heavily in maturing this technology over more than 10 years, the technology is the first of its type and, as such, there is a risk that the Company experiences unforeseen challenges in the performance, reliability, cost-effectiveness, manufacturability, scalability or other factors. These challenges may cause field issues, damage to brand and reputation, operating cost overruns, challenges with ability to scale and meet market demand for product, project cost overruns and/or project timing delays, or other factors that may have a material impact on the Company's ability to effectively execute its business strategy.
Manufacturing scale-up and supply chain	The Company's commercial plans require it to scale manufacture of CNT X-ray tubes, high-voltage generators and finished devices from development volumes to commercial volumes. There is a risk that production yields, emitter performance or process controls restrict output, that scale-up of manufacturing and supply chain capability lags the volumes required by the Company's sales pipeline and development programs, or that the cost of manufacture at scale is higher than forecast. The Company also relies on third-party suppliers, including sole or limited-source suppliers of critical components, and on international freight. Disruption to the global supply chain, supplier failure, component obsolescence, extended lead times or the purchase of inventory that is not subsequently sold could each delay delivery, increase costs, tie up working capital and adversely affect the Company's operating and financial performance.
Partnering and commercialisation of products in development	The Company is exploring opportunities with global strategic partners to accelerate Head CT commercialisation and expand access to key international markets. The Company previously pursued a partnering arrangement to commercialise security CT, comprising the Checkpoint and Baggage Scanner programs. That arrangement was not secured, and the Company is again exploring partnering opportunities in international markets. The Company intends to monetise the security business through partnering arrangements, if secured, generating one-off and ongoing revenue streams. 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.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Risk	Description
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 or trade policy 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 also incurs a significant proportion of its operating costs in US dollars through its US operations. 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	The Company held cash and cash equivalents of $3.1M at 30 June 2026, and the financial statements disclose a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. 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. On 3 August 2026 the Company announced $8.0M of commitments, subject to settlement and issue, for a placement of unlisted secured three-year convertible notes. Together with the strategic reset and contracted receipts, the directors expect the Company's funding runway to extend through FY2027. There can be no assurance that these commitments will settle in full, or 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. Conversion of the $8.0M principal amount at $0.08 per share would result in the issue of 100 million ordinary shares, with additional shares issuable on conversion of capitalised interest. The convertible notes carry interest at 12% per annum compounding monthly, payable in cash or capitalised into the outstanding principal at the Company's election, and are convertible at $0.08 per share, with conversion mandatory if the Company's share price trades at A$0.20 on a 20-day VWAP basis before maturity. The notes are secured over substantially all of the Company's assets under a general security deed, subject to agreed exclusions and permitted encumbrances, and enforcement of that security or conversion of the notes could have a material adverse effect on Shareholders. The Company also has $3.1M of borrowings from Radium Capital, being $3.0M of principal drawn and $0.1M of accrued interest, secured against its FY2026 R&D tax incentive refund, bearing interest at 16% per annum and repayable on receipt of the refund or 31 December 2026, whichever is earlier. The Company expects to receive a net cash inflow of approximately $2.4M in relation to the FY2026 R&D tax incentive in October 2026, after repayment of those borrowings. The occurrence of any of these events could have a material adverse effect on the Company's financial performance and financial position.

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DIRECTORS' REPORT CONTINUED

Risk	Description
Completion of the convertible note funding	The $8.0M of convertible note commitments announced on 3 August 2026 comprises $6.0M of applications and a $2.0M underwriting commitment from TIGA Trading Pty Ltd, in each case subject to settlement and issue. The underwriter is to receive an underwriting fee of 7.5%, deducted from the proceeds of the underwritten notes at settlement. The Company has since received $5.3M, being all applications other than the $0.7M applied for by directors. The issue of notes applied for by directors is subject to shareholder approval at a general meeting to be convened by the Company, and settlement of the underwritten notes is to occur no later than 2 October 2026. There is a risk that shareholders do not approve the issue of notes to directors, that the underwriter's commitment is terminated in the circumstances described in the Company's release on 3 August 2026, or that the underwritten tranche does not settle in full or on time. The Company's funding runway expectations assume receipt of the full $8.0M, and any shortfall would require the Company to reduce or defer planned expenditure, pursue partner arrangements to commercialise and monetise security CT, or seek alternative funding on terms that may be less favourable or further dilutive to Shareholders.
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. 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 its 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 connect to healthcare information systems and access confidential patient and healthcare system information, but do not store patient medical records. The Company expects the same to be the case for data generated by its security products. 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 or security data, 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 the Company's operations and reputation, and resulting in a loss of customers or regulatory approvals.
Product safety, quality and regulatory compliance	The Company's products are medical devices and security screening devices that emit ionising radiation, and their design, manufacture and servicing are subject to quality system and regulatory requirements including ISO 13485 certification, regional device registrations and radiation safety licensing. There is a risk that a device or a third-party component fails in the field, or that a product is used incorrectly, resulting in injury to a patient, operator or other person, a field safety corrective action or product recall, warranty and remediation costs, and damage to the Company's reputation. Failure to obtain or maintain quality system certification, device registrations or radiation licences, or to comply with the conditions attaching to them, could restrict the Company's ability to manufacture, sell or service its products in one or more markets.

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DIRECTORS' REPORT CONTINUED

Risk	Description
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. A new Chief Executive Officer was appointed on 3 August 2026 and a new Chief Financial Officer in March 2026, and the strategic reset includes approximately $2.0M of annualised employment cost savings, so there is a risk that the leadership transition or the reduced cost base affects the Company's ability to retain or replace critical technical and commercial capability. 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 other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the Financial Year
On 3 August 2026, Micro-X appointed Brian Gonzales as Chief Executive Officer, succeeding Kingsley Hall. Mr Hall remains available to the Company in an advisory capacity through 3 November 2026 to support transition of responsibilities. The strategic reset, substantially implemented from the beginning of FY2027 with the balance to be actioned progressively during the first half of FY2027, includes a greater focus on medical CT, strengthened financial rigour and accountability, a restructured Rover sales function following the Altus Alliance review, and identified annualised cost savings of more than $3.0M, approximately 15% of the FY2026 core operating cost base, comprising approximately $2.0M in employment costs and $1.0M in corporate overheads.

Also on 3 August 2026, the Company announced commitments for $8.0M of unlisted secured convertible notes (**Notes**), comprising $6.0M of applications and a $2.0M partial underwriting commitment from TIGA Trading Pty Ltd, a private investment company associated with Thorney Investment Group, a substantial shareholder in Micro-X. Settlement of the Notes is to occur no later than 2 October 2026.

The Notes have a three-year term from the date of issue, bear interest at 12% per annum compounding monthly, payable in cash or capitalised into the outstanding principal at the Company's election, and convert at A$0.08 per share, with conversion mandatory if the Company's share price trades at A$0.20 on a 20 day VWAP basis before maturity. The Notes are secured under a general security deed over substantially all of the Company's assets. Conversion of the A$8.0M principal amount at A$0.08 per share would result in the issue of 100 million ordinary shares, with additional shares issuable on conversion of capitalised interest.

Of the $6.0M of applications, $5.0M has been committed by Bindella Capital, an existing shareholder that would become a substantial shareholder on conversion of the Notes, approximately $0.7M relates to directors, whose participation is subject to shareholder approval under Listing Rule 10.11, approximately $0.1M to members of management and approximately $0.2M to other applicants. The underwriter is to receive an underwriting fee of 7.5%, deducted from the proceeds of the underwritten Notes at settlement. As at the date of this report, $5.3M of the applications has been received, being all applications other than the $0.7M applied for by directors. At the date of entry into the note deeds, the Company had sufficient Listing Rule 7.1 capacity for the shares issuable on conversion of the principal amount. Proceeds will be applied primarily to the Head CT program, the commercial launch of the updated Rover, operating costs and working capital.

No other matter or circumstance has arisen since 30 June 2026 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.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Likely developments and expected results of operations
The Group's main focus moving forward will be the continued development and commercialisation of its medical imaging technology and delivery of its funded development programs, notably:

- Growth in Rover Plus Mobile DR sales through targeted tenders, strategic customer agreements and other sales opportunities, supported by the restructured sales function and the commercial launch of the updated Rover;
- Continued clinical development of the Head CT, including progression of human imaging studies and development of an in-ambulance prototype under the Industry Growth Program;
- Development of the Full Body CT under the ARPA-H contract, including manufacture of the first Full Body CT prototype and progression of the program subject to the ARPA-H down-selection process;
- Delivery of contracted development activities for the Checkpoints and Baggage Scanner programs, while pursuing strategic partnering opportunities to commercialise and monetise the Company's security CT technology; and
- Identification and execution of strategic partnerships to provide market access, commercialisation capability and funding for products in development.

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

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 CE Bartlett and GCQ Funds Management, and a Non-executive Director of The Water and Carbon Group. He is also a Chairman/board member of a number of not-for-profit organisations and foundations. Patrick has over 30 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, Member of Audit and Risk Committee and Member of People and Remuneration Committee
Interests in shares:	12,787,591 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Name:	James McDowell AO
Title:	Non-Executive Director
Qualifications:	LL.B (Hons) D.Univ (honoris causa)
Experience and expertise:	Jim has more than 30 years' senior leadership experience across the private and public sectors, with particular expertise in defence, aerospace, technology and major government programs. Jim is currently Chair of ASC Pty Ltd, having joined the Board as Deputy Chair in September 2025 and commenced as Chair on 1 January 2026. Prior to this, he served as Deputy Secretary of the Naval Shipbuilding and Sustainment Group within the Australian Department of Defence. He was previously CEO of Nova Systems, Chief Executive of the South Australian Department of the Premier and Cabinet, and CEO of BAE Systems' operations in Australia and Saudi Arabia. Jim has also held a number of non-executive and advisory roles, including Chair of the Australian Nuclear Science and Technology Organisation, Chancellor of the University of South Australia and directorships with Austal and Codan.
Other current directorships:	Metal Powder Works Limited (ASX:MPW) - June 2025 to current
Former directorships (last 3 years):	Nil
Special responsibilities:	Member of People and Remuneration Committee and Member of Audit and Risk Committee
Interests in shares:	1,594,466 fully paid ordinary shares
Interests in options:	Nil
Interests in rights:	Nil

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 Executive Vice President - Discover and General Counsel 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:	Nil
Interests in rights:	Nil

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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 options:	Nil
Interests in rights:	Nil

'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.

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 2026, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held*	Attended	Held
Patrick O'Brien	9	9	2	3
James McDowell	8	9	3	3
Ilona Meyer	9	9	3	3
Andrew Hartmann	7	7	-	-

Held: represents the number of meetings held during the time the director held office.

* Following a reduction in the number of Directors from six to four, it was resolved to fulfil People & Remuneration obligations as part of Board meetings. Therefore, no People & Remuneration Committee meetings were held during the period.

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.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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 information
- Additional disclosures relating to key management personnel

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 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 with, and acceptability to, 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 executives' interests with the interests of shareholders 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 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.

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DIRECTORS' REPORT CONTINUED

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, and comparable market remunerations.

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).

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. Short-term incentive awards are dependent on performance against a balanced scorecard of commercial activities, financial performance, project and development activities, and quality, safety, culture and compliance measures. The remaining portion of incentive payments is at the discretion of the People and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Reflecting the Group's financial performance for the year, and as part of the strategic reset announced on 3 August 2026, Management recommended and the Board resolved that no short-term incentive (STI) awards be granted in respect of the year ended 30 June 2026. Accordingly, the STI outcome for all executives, including key management personnel, was nil for FY2026, notwithstanding performance achieved against certain non-financial measures in the balanced scorecard.

Short Term Incentives

STIs are equity-based and not cash-based. STIs' award achievement is assessed on a Balanced Scorecard approach, where Executive performance is measured against key criteria, with weighting attached to each criterion's outcomes. For the year ended 30 June 2026 the criteria against which Executive performance was assessed were:

Criteria	**% of Total STI**
Commercial Activities	25%
Financial Performance	25%
Project and Development Activities	25%
Quality and Safety, Culture and Compliance	25%
	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.

Voting and comments made at the company's 2025 Annual General Meeting ('AGM")
At the 2025 AGM, 98.6% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Details 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)
- James McDowell (Non-Executive Director)
- Ilona Meyer (Non-Executive Director)
- Andrew Hartmann (Non-Executive Director)
- Kingsley Hall (Chief Executive Officer) - Resigned 31 July 2026
- Anthony Skeats (Chief Operating Officer)
- Brian Gonzales (CEO & Chief Scientific Officer) - Appointed Group CEO 3 August 2026
- Peter Dickman (Chief Financial Officer) - Appointed 30 March 2026

	Short-term benefits		Post-employment benefits	Long-term benefits[1]	Share-based payments - rights[2]	
2026	**Cash salary and fees $**	**Non-monetary $**	**Super-annuation $**	**Annual and LS leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:						
P O'Brien	101,818	-	-	-	-	101,818
J McDowell	59,091	-	7,091	-	-	66,182
I Meyer	59,091	-	7,091	-	-	66,182
A Hartmann[3]	-	-	-	-	-	-
Chief Executive Officer:						
K Hall[4]	390,445	-	29,998	47,276	78,995	546,714
Other Key Management Personnel:						
B Gonzales[5]	337,223	-	13,454	(2,553)	71,899	420,023
A Skeats	351,981	-	30,000	17,667	72,599	472,247
P Dickman	72,692	-	7,500	9,816	-	90,008
	1,372,341	-	95,134	72,206	223,493	1,763,174

1 Movement in provisions, does not have any 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 Hall resigned as Chief Executive Officer on 31 July 2026
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. He was appointed Chief Executive Officer on 3 August 2026

Subsequent to year end, the Board reviewed the achievement of the Executives' Short-Term Incentive for the year ended 30 June 2026 and determined that no Short-Term Incentive awards be granted.

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.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

	Short-term benefits		Post-employment benefits	Long-term benefits[1]	Share-based payments - rights[2]	
2025	**Cash salary and fees $**	**Non-monetary $**	**Super-annuation $**	**Annual and LS leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:						
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
Chief Executive Officer:						
K Hall	367,210	-	31,979	2,244	168,013	569,446
Other Key Management Personnel:						
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
	1,264,774	-	86,069	33,208	486,498	1,870,549

1 Movement in provisions, does not have any 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.

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.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2026	2025	2026	2025	2026	2025
Non-Executive Directors:						
P O'Brien	100%	100%	-	-	-	-
J McDowell	100%	100%	-	-	-	-
I Meyer	100%	95%	-	-	-	5%
D Knox[1]	-	100%	-	-	-	-
A Gosling[1]	-	100%	-	-	-	-
A Hartmann[2]	-	-	-	-	-	-
Chief Executive Officer:						
K Hall	86%	73%	-	12%	14%	15%
Other Key Management Personnel:						
B Gonzales	83%	71%	-	17%	17%	12%
A Skeats	85%	72%	-	16%	15%	12%
P Dickman	100%	-	-	-	-	-

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 - Resigned 31 July 2026
Title:	Chief Executive Officer
Agreement commenced:	1 May 2023
Term of agreement:	No fixed term. Micro-X or Mr Hall could terminate the employment contract at any time provided either party gives 6 months' notice.
Details:	Annual salary was $413,000 per annum inclusive of employer superannuation contributions (subject to annual review).
Name:	Brian Gonzales - Appointed Company CEO 3 August 2026
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 either party gives 6 months' notice.
Details:	Annual salary is US$234,000 per annum plus compulsory benefits (subject to annual review).
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 either party gives 3 months' notice.
Details:	Annual salary is $376,000 per annum inclusive of employer superannuation contributions (subject to annual review).

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Name:	Peter Dickman
Title:	Chief Financial Officer
Agreement commenced:	30 March 2026
Term of agreement:	No fixed term. Micro-X or Mr Dickman may terminate the employment contract at any time provided either party gives 1 week's notice during the probationary period and 4 weeks' notice thereafter.
Details:	Annual salary is $330,000 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 2026 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 2025	Granted as Remuneration	Exercised or Lapsed	Held at 30 June 2026	Average Fair Value per Right at Grant Date
Non-Executive Directors:					
I Meyer	127,877	-	(127,877)	-	
	-	-	-	-	
K Hall	8,643,549	3,487,250	(3,510,911)	8,619,888	0.120
A Skeats	7,760,029	2,992,500	(2,975,828)	7,776,701	0.123
B Gonzales	4,994,976	2,361,628	(3,229,079)	4,127,525	0.076
	21,526,431	8,841,378	(9,843,695)	20,524,114	

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:

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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
13 January 2026	31 August 2026	13 January 2041	Short term performance	$0.086	0% of target	N/A
13 January 2026	5 January 2029	13 January 2041	Long term performance	$0.056	To be determined	N/A
13 January 2026	5 January 2029	13 January 2041	Long term service	$0.086	To be determined	N/A
20 April 2026	31 August 2026	20 April 2041	Short term performance	$0.057	0% of target	N/A
20 April 2026	5 January 2029	20 April 2041	Long term performance	$0.031	To be determined	N/A

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

Additional information
The earnings of the consolidated entity for the five years to 30 June 2026 are summarised below:

	2026 $'000	2025 $'000	2024 $'000	2023 $'000	2022 $'000
Sales revenue	15,087	13,053	15,222	15,005	8,970
EBITDA	(7,996)	(11,784)	(7,996)	(8,915)	(15,376)
EBIT	(9,375)	(13,354)	(9,535)	(10,504)	(16,808)
Loss after income tax	(9,876)	(13,895)	(9,765)	(10,754)	(17,089)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year end ($)	0.04	0.05	0.08	0.12	0.14
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(1.41)	(2.28)	(1.85)	(2.17)	(3.71)

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**
Ordinary shares					
P O'Brien	10,287,591	-	2,500,000	-	12,787,591
J McDowell	1,594,466	-	-	-	1,594,466
I Meyer	589,043	-	-	-	589,043
A Hartmann	357,143	-	-	-	357,143
B Gonzales	2,273,799	-	723,381	-	2,997,180
K Hall	428,571	-	-	-	428,571
A Skeats	28,572	-	-	-	28,572
	15,559,185	-	3,223,381	-	18,782,566

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	Lapsed	Balance the end of the year
Options over ordinary shares				
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 4,292,841 ordinary shares of Micro-X Limited issued during the period between 30 June 2026 and up to the date of this report on the exercise of rights granted, increasing the ordinary fully paid shares on issue from 748,032,948 at 30 June 2026 to 752,325,789.

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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.

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 of 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 2026/183, 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 *Corporations Act 2001.*

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DIRECTORS' REPORT CONTINUED

Micro-X Limited
Directors' report
For the year ended 30 June 2026

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 2026

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AUDITOR'S INDEPENDENCE DECLARATION

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Level 19, 30 Pirie Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

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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 2026, 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.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 28 August 2026

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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 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Total Revenue	5	15,087	13,053
Other Income	6	9,020	5,591
Expenses			
Change in inventory/raw materials and consumables		(5,170)	(2,734)
Impairment of assets	7	(12)	(1,871)
Employee and director expenses		(17,690)	(17,252)
Selling and distribution expenses		(946)	(910)
Office and administrative expenses		(759)	(784)
Corporate expenses		(256)	(328)
Quality and regulatory expenses		(156)	(119)
Project development expenses		(4,516)	(4,338)
Depreciation and amortisation expense		(1,379)	(1,570)
Other expenses		(2,580)	(2,072)
Finance expenses		(519)	(561)
Total expenses		(33,983)	(32,539)
Loss before income tax expense		(9,876)	(13,895)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Micro-X Limited		(9,876)	(13,895)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		224	(46)
Other comprehensive income/(loss) for the year, net of tax		224	(46)
Total comprehensive loss for the year attributable to the owners of Micro-X Limited		(9,652)	(13,941)
		Cents	**Cents**
Basic earnings per share	34	(1.41)	(2.28)
Diluted earnings per share	34	(1.41)	(2.28)

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

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STATEMENT OF FINANCIAL POSITION

Micro-X Limited
Statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Assets			
Current assets			
Cash and cash equivalents		3,136	3,242
Trade and other receivables	9	6,766	8,321
Contract assets	10	619	839
Inventories	11	4,020	4,274
Other assets	12	463	404
Total current assets		15,004	17,080
Non-current assets			
Property, plant and equipment	13	1,437	1,928
Right-of-use assets	14	3,264	3,074
Intangibles		12	24
Total non-current assets		4,713	5,026
Total assets		19,717	22,106
Liabilities			
Current liabilities			
Trade and other payables	15	4,626	5,715
Contract liabilities	16	1,284	184
Borrowings	17	3,099	3,375
Lease liabilities	14	636	659
Provisions	18	1,663	1,433
Total current liabilities		11,308	11,366
Non-current liabilities			
Lease liabilities	14	2,744	2,499
Provisions	19	710	693
Total non-current liabilities		3,454	3,192
Total liabilities		14,762	14,558
Net assets		4,955	7,548
Equity			
Issued capital	20	144,672	138,350
Foreign currency translation reserve	21	399	175
Convertible notes		45	65
Share-based payments reserve	22	5,023	4,428
Accumulated losses		(145,184)	(135,470)
Total equity		4,955	7,548

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STATEMENT OF CHANGES IN EQUITY

Micro-X Limited
Statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $'000	Share-based payments 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 loss for the year, net of tax	-	-	(46)	-	-	(46)
Total comprehensive loss for the year	-	-	(46)	-	(13,895)	(13,941)
Issue of shares - Placement	6,365	-	-	-	-	6,365
Capital raising costs	(305)	-	-	-	-	(305)
Transactions with owners in their capacity as owners:						
Issue of rights under Employee Equity Plan (Note 22)	-	1,085	-	-	-	1,085
Expiry of rights under Employee Equity Plan (Note 22)	-	(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	138,350	4,428	175	65	(135,470)	7,548

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STATEMENT OF CHANGES IN EQUITY
CONTINUED

Micro-X Limited
Statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $'000	Share-based payments reserve $'000	Foreign currency translation reserve $'000	Convertible notes $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2025	138,350	4,428	175	65	(135,470)	7,548
Loss after income tax expense for the year	-	-	-	-	(9,876)	(9,876)
Other comprehensive income for the year, net of tax	-	-	224	-	-	224
Total comprehensive loss for the year	-	-	224	-	(9,876)	(9,652)
Issue of shares - Placement	6,180	-	-	-	-	6,180
Capital raising costs	(289)	-	-	-	-	(289)
Transactions with owners in their capacity as owners:						
Issue of rights under Employee Equity Plan (Note 22)	-	1,099	-	-	-	1,099
Expiry of rights under Employee Equity Plan (Note 22)	-	(162)	-	-	162	-
Exercise of rights under Employee Equity Plan (Note 20)	342	(342)	-	-	-	-
Issue of shares in lieu of Cash Payments (Note 20)	20	-	-	(20)	-	-
Issue of shares under Employee Gift Plan (Note 20)	69	-	-	-	-	69
Balance at 30 June 2026	144,672	5,023	399	45	(145,184)	4,955

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STATEMENT OF CASH FLOWS

Micro-X Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Receipts from customers		5,005	2,788
Payments to suppliers and employees		(31,582)	(29,583)
Interest received		17	62
R&D tax incentive refund		1,156	6,414
Grant funding received		3,151	50
Receipts in relation to the ASA MRFF Program		776	514
Receipts in relation to the DHS Checkpoint Program		5,226	5,869
Receipts in relation to the Varex Technology Transfer		-	1,469
Receipts in relation to ARPA-H		5,910	3,193
Receipts in relation to Billion Prima		1,641	964
Other receipts		72	-
Interest and other finance costs paid		(131)	(195)
Lease interest payments		(164)	(136)
Net cash used in operating activities	32	(8,923)	(8,591)
Cash flows from investing activities			
Payments for property, plant and equipment		(144)	(100)
Net cash used in investing activities		(144)	(100)
Cash flows from financing activities			
Proceeds from issue of shares		6,180	6,365
Payments for capital raising costs		(280)	(355)
Proceeds from borrowings		3,780	7,807
Repayment of borrowings		-	(4,568)
Repayment of lease liabilities		(719)	(544)
Net cash from financing activities		8,961	8,705
Net increase/(decrease) in cash and cash equivalents		(106)	14
Cash and cash equivalents at the beginning of the Financial Year		3,242	3,228
Cash and cash equivalents at the end of the Financial Year		3,136	3,242

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 FY26, this has been disclosed differently as reported in Note 17 Borrowings. If the nature of the transaction was similar to the prior year, the net cash (used in)/from operating activities of ($8.9M) would read as net cash from operating activities of ($4.9M), a difference of $4.0M. See Note 17 Borrowings for further details.

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NOTES TO THE FINANCIAL STATEMENTS

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

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

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 2. Material accounting policy information (continued)

Going concern
The Group incurred a net loss after tax for the Financial Year ended 30 June 2026 of $9.9M (2025: $13.9M) and had net cash outflows from operating activities of $8.9M (2025: $8.6M). The Group had net assets of $5.0M as at 30 June 2026 (2025: $7.5M) and held cash and cash equivalents of $3.1M at that date.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The directors have reviewed cash flow forecasts prepared by management covering a period of at least 12 months from the date of signing this financial report. Those forecasts indicate that the Group will be able to pay its debts as and when they fall due. In preparing the forecasts and in concluding that the going concern basis is appropriate, the directors have had regard to the following matters:

- Subsequent to 30 June 2026, on 3 August 2026, the Group announced commitments for $8.0M of unlisted secured convertible notes, comprising $6.0M of applications and a $2.0M underwriting commitment from TIGA Trading Pty Ltd, subject to settlement and issue. The notes have a three-year term, carry interest at 12% per annum compounding monthly, are convertible at $0.08 per share, with conversion mandatory if the share price trades at A$0.20 on a 20-day VWAP basis before maturity, and are secured by a general security deed over substantially all of the Group's assets, subject to agreed exclusions and permitted encumbrances. As at the date of this report, $5.3M has been received, being all applications other than the $0.7M applied for by directors. The issue of notes applied for by directors is subject to shareholder approval, and settlement of the underwritten notes is to occur no later than 2 October 2026. The commitments are a non-adjusting event after the reporting period and are described further in Note 31 Events after the reporting period;
- The Group is due to receive an approximate net $2.4M cash inflow in relation to the FY2026 R&D tax incentive, expected in October 2026. This is net of repayment of the $3.1M of borrowings from Radium Capital secured against the receipt (refer to Note 17), which is repayable on receipt of the refund or 31 December 2026, whichever is earlier;
- On 3 August 2026, the Group announced a strategic reset, being implemented from the beginning of FY2027, under which development priorities have been refocused on medical CT and a new Chief Executive Officer was appointed. A new Chief Financial Officer was appointed at the end of March 2026, during the year ended 30 June 2026. The reset includes annualised cost savings of more than $3.0M identified to date and not yet reflected in the reported results for FY2026, being approximately 15% of the FY2026 core operating cost base and comprising approximately $2.0M in employment costs and $1.0M in corporate overheads. The reset is substantially implemented, with the balance to be actioned progressively during the first half of FY2027. The directors expect the reset, together with the funding and receipts described in this note, to extend the Group's funding runway through FY2027, assuming receipt of the full $8.0M of convertible note commitments, delivery of the reset in full and receipt of the contracted development receipts;
- The Group has $8.1M of contracted receipts for development work due to be received from FY2027 onwards, subject to satisfaction of milestones, under the contracts with ARPA-H for the Full Body CT, the ASA MRFF and IGP for the Head CT, the DHS for the Checkpoint program and Billion Prima;
- The Rover sales function has been restructured following a 10-week review by external revenue growth consultancy Altus Alliance, with improvements spanning CRM, sales pipeline management, tender strategy and the use of scalable resources, ahead of the commercial availability of the updated Rover. A further $0.6M of Rover sales was confirmed after 30 June 2026, comprising $0.4M received in cash and $0.2M invoiced for payment. During the Financial Year, the Group completed the first Rover sale to a hospital under the supply agreement with a major US healthcare group, with further sales under discussion, and continues to target increased Rover sales through several large opportunities that remain ongoing, the outcomes of which are not yet certain; and
- The Group is an ASX-listed entity and 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 2026.

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, these matters, in particular the completion of the convertible note issue in full, the achievement of development program milestones and the delivery of the strategic reset, give rise to 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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 2. Material accounting policy information (continued)

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 as an agent for all or part of a contract, the Group assesses revenue to be recognised on a net basis.

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.

Engineering Contract Services
The Group recognises revenue from Engineering Contract Services over time.

For fixed-price contracts, such as with the ASA 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 costs spent relative to the total expected labour costs. 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 costs and project expenses incurred) and the transfer of service to the customer.

For time and materials contracts, such as the DHS, revenue is recognised based on the actual service provided to the end of the reporting period based on the actual labour costs 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 grants:

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government subsidies:

R&D incentive represents reimbursements received from the Australian Government for eligible research and development expenditure incurred by the consolidated entity. The consolidated entity recognises government grants when it has assessed that it is reasonably assured that the Group has complied with and will receive the R&D tax incentive for the spend incurred. Consistent with prior periods and based on historically successful claims to date, the incentive is recognised on an accruals basis using management's best estimate at 43.5% of the R&D eligible expenses incurred. There have been no changes regarding the process of identifying projects and expenditure eligible for R&D incentive scheme.

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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

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Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 2. Material accounting policy information (continued)

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

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
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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 2. Material accounting policy information (continued)

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2026/183, 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.

Revenue recognition
Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised and disclosed net of trade allowances, duties and taxes paid.

The Group utilises a five-step approach to revenue recognition which requires the Group to identify contracts and performance obligations, determine the transaction price, allocate the transaction price to each performance obligation and recognise revenue as each performance obligation is satisfied.

The Group exercises judgement, taking into consideration all relevant facts and circumstances when applying each step of the model to contracts with its customers, particularly in identifying performance obligations and determining the timing of their satisfaction.

Recognition of revenue over time and contract assets and liabilities

For revenue recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligation has been satisfied.

The Group records progress in relation to its performance obligations satisfied but not yet billed (contract asset) or billed but not yet satisfied (contract liability) at reporting date. Recognised amounts of contract revenues and work in progress reflect management's best estimate of each contract's outcome and stage of completion. Significant judgement is required in making these estimates.

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

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

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 Operations 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			
Sale of Goods	4,448	918	5,366
Engineering Contract Services	764	8,957	9,721
	5,212	9,875	15,087
Other Income			
Government Grants	3,196	-	3,196
Other revenue	5,744	80	5,824
	8,940	80	9,020
Expenses			
Cost of sales and project development expenses	(6,877)	(2,809)	(9,686)
Employee and director expenses	(13,203)	(4,487)	(17,690)
Depreciation and amortisation expense	(1,176)	(203)	(1,379)
Finance expenses	(490)	(29)	(519)
Other Expenses	(3,588)	(1,121)	(4,709)
	(25,334)	(8,649)	(33,983)
(Loss)/Profit before income tax	(11,182)	1,306	(9,876)

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 4. Operating segments (continued)

	Micro-X Limited Australia $'000	Micro-X Inc United States $'000	Total
Total assets	15,268	4,449	19,717
Total liabilities	(8,671)	(6,091)	(14,762)
Net assets	6,597	(1,642)	4,955

Major customers

During the financial year ended 30 June 2026, approximately $5.6M, being 58% of engineering contract services (2025: $3.2M, 31%), was derived from an agreement with the Advanced Research Projects Agency for Health (ARPA-H) to develop a full body CT scanner. Approximately $3.3M, being 34% of engineering contract services (2025: $4.6M, 44%), was derived from services provided to the U.S. Department of Homeland Security (DHS). A further $0.5M, being 5% of engineering contract services (2025: $0.6M, 6%), related to services provided to the Australian Stroke Alliance (ASA). Engineering contract services derived from the Billion Prima agreement for the design, development, testing and validation of the BP MBS reduced to approximately $0.3M, being 3% of engineering contract services (2025: $1.9M, 18%).

The geographical allocation of expenses reflects the location in which the underlying activities and costs are incurred and does not necessarily correspond with the segment in which the associated external revenue is recognised. This contributes to the Australian segment reporting a loss of $11.2M for the year, while the United States segment reported a profit of $1.3M.

Note 5. Revenue

	Consolidated 2026 $'000	Consolidated 2025 $'000
Sale of goods	5,366	2,590
Engineering contract services	9,721	10,463
Revenue	15,087	13,053

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 5. Revenue (continued)

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Major product lines		
Micro-X Rover	4,743	1,561
Spare Parts	413	302
Engineering Contract Services	9,721	10,463
Micro-X Argus	-	246
Micro-X Imaging Chains	210	481
	15,087	13,053
Geographical regions		
United States	10,124	9,040
Asia-Pacific	4,734	2,979
Europe & EMEA	229	1,034
	15,087	13,053
Timing of revenue recognition		
Goods transferred at a point in time	5,366	2,590
Services transferred over time	9,721	10,463
	15,087	13,053

Note 6. Other Income

	Consolidated 2026 $'000	Consolidated 2025 $'000
Interest income	66	62
R&D tax incentive refund	5,673	5,430
Other government grants	3,196	99
Other income	21	-
Insurance proceeds	64	-
	9,020	5,591

Note 7. Impairment of assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Impairment of assets		
Argus inventory write-off	12	1,453
Argus demo units write-off	-	418
	12	1,871

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 7. Impairment of assets (continued)

On 31 January 2025, the Group announced the discontinuation of Argus. During the year ended 30 June 2025, the Group recognised impairment losses of approximately $1.5M relating to Argus inventory and $0.4M relating to Argus demonstration units.

Note 8. Income tax

	Consolidated 2026 $'000	Consolidated 2025 $'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(9,876)	(13,895)
Tax at the statutory tax rate of 25%	(2,469)	(3,474)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	292	292
R&D tax incentive income	(1,418)	(1,358)
Feedstock and clawback adjustment	663	118
Other non-deductible expenses	6	-
R&D expenditure	3,260	3,098
	334	(1,324)
Current year tax losses not recognised	-	795
Current year temporary differences not recognised	(334)	529
Income tax expense	-	-

The Group has tax losses that arose of $42.9M (2025: $42.0M) 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.

	Consolidated 2026 $'000	Consolidated 2025 $'000
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Inventories	366	363
Employee benefits	402	345
Intellectual property	596	596
Right-of-use asset	(604)	(743)
Lease liabilities	625	751
Provisions	142	142
Accrued expenses	132	22
Unearned income	178	-
Plant and equipment	149	52
Other	140	138
	2,126	1,666
AU tax losses carried forward	10,740	11,352
US tax losses carried forward	175	1,374
Derecognition of temporary differences	(13,041)	(14,392)
Deferred tax	-	-

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 9. Current assets - trade and other receivables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Trade receivables	1,071	2,870
R&D tax incentive receivable	5,673	5,390
Other receivables	22	20
	6,766	8,280
GST receivable	-	41
	6,766	8,321

Note 10. Current assets - contract assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Contract assets	619	839

Note 11. Current assets - inventories

	Consolidated 2026 $'000	Consolidated 2025 $'000
Raw materials	4,575	5,153
Less: Provision for impairment	(1,464)	(1,453)
Total Raw materials	3,111	3,700
Finished goods - US	682	348
Finished goods - Australia	227	226
	909	574
	4,020	4,274

Note 12. Current assets - Other assets

	Consolidated 2026 $'000	Consolidated 2025 $'000
Prepayments and deposits	463	404

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Leasehold improvements - at cost	1,772	1,777
Less: Accumulated depreciation	(1,293)	(1,104)
	479	673
Plant and equipment - at cost	3,712	3,640
Less: Accumulated depreciation	(2,991)	(2,613)
	721	1,027
Fixtures and fittings - at cost	247	253
Less: Accumulated depreciation	(192)	(168)
	55	85
Computer equipment - at cost	760	708
Less: Accumulated depreciation	(638)	(565)
	122	143
Work in progress - at cost	60	-
Total property, plant and equipment	1,437	1,928

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 2024	853	1,746	115	204	6	2,924
Additions	11	218	-	22	-	251
Transfers in/(out)	-	6	-	-	(6)	-
Exchange rate movements	-	2	1	1	-	4
Write off of assets	-	(428)	-	-	-	(428)
Depreciation expense	(191)	(517)	(31)	(84)	-	(823)
Balance at 30 June 2025	673	1,027	85	143	-	1,928
Additions	-	271	-	56	189	516
Transfers in/(out)	-	-	-	-	(129)	(129)
Disposals	-	(180)	-	-	-	(180)
Exchange rate movements	-	-	(3)	(1)	-	(4)
Depreciation expense	(194)	(397)	(27)	(76)	-	(694)
Balance at 30 June 2026	479	721	55	122	60	1,437

Note 14. Non-current assets - 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, 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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Right-of-use	7,231	6,304
Less: Accumulated depreciation	(3,967)	(3,230)
	3,264	3,074

	Consolidated 2026 $'000	Consolidated 2025 $'000
As at 1 July	3,074	3,953
Modification to lease agreement	875	(150)
Additions	5	-
Exchange rate movements	(4)	5
Depreciation	(686)	(734)
As at 30 June	3,264	3,074

During the year ended 30 June 2026, the Group entered into an amendment to the lease for its US premises in SeaTac, Washington, extending the lease term by 63 months from 1 June 2026 to 31 August 2031. As a result of the lease modification, the Group recognised an adjustment to the right-of-use asset and remeasured the corresponding lease liability

During the year ended 30 June 2025, a lease adjustment was recognised following a review of the Group's lease calculations. This resulted in a reduction in the right-of-use assets and lease liabilities, with a corresponding adjustment to depreciation expense.

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 2026 $'000	Consolidated 2025 $'000
As at 1 July	3,158	3,990
Modification of lease terms	875	(150)
Additions	5	-
Exchange rate movements	(7)	6
Accretion of interest	164	187
Payments	(815)	(875)
As at 30 June	3,380	3,158
Current	636	659
Non-current	2,744	2,499
	3,380	3,158

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

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

During the year ended 30 June 2026, the Group entered into an amendment to the lease for its US premises in SeaTac, Washington. The amendment extended the lease term by 63 months from 1 June 2026 to 31 August 2031. As a result of the lease modification, the Group remeasured the lease liability and recognised a corresponding adjustment to the right-of-use asset

During the year ended 30 June 2025, a lease adjustment was recognised following a review of lease calculations. This resulted in a reduction in the right-of-use asset and lease liability, with a corresponding adjustment to depreciation expense.

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

The following are the amounts recognised in profit & loss:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Depreciation expense - Right-of-use assets	686	734
Interest expense - Lease liability	164	187
	850	921

Note 15. Current liabilities - trade and other payables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Trade payables	2,379	3,278
Other payables and accrued expenses	2,142	2,437
GST payable	105	-
	4,626	5,715

Note 16. Current liabilities - contract liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Government grant funding in advance (AMGF & MMF)	139	184
Contract liabilities	592	-
Customer payments received in advance	553	-
	1,284	184

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	184	255
Transfer to revenue	(45)	(71)
Payments received in advance	1,145	-
Closing balance	1,284	184

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 16. Current liabilities - contract liabilities (continued)

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 $8.0M as at 30 June 2026 ($14.7M as at 30 June 2025) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Within 6 months	7,416	5,891
6 to 12 months	683	4,874
12 to 18 months	-	3,973
	8,099	14,738

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 2026 $'000	Consolidated 2025 $'000
As at 1 July	3,375	-
Proceeds from FY25 R&D tax incentive loan	748	4,570
Interest accrued and paid in relation to FY25 loan	132	196
Repayment of FY25 R&D tax incentive loan and interest	(4,255)	(4,766)
Proceeds from FY26 R&D tax incentive loan	3,032	3,239
Accrual of interest	67	136
	3,099	3,375

The Company borrowed $4.0M secured against the receipt of the FY25 R&D tax incentive refund, which was repaid on 30 September 2025. During the year, the Company borrowed a further $3.0M secured against the receipt of the FY26 R&D tax incentive refund. The short-term R&D loan was drawn down in two tranches, bears interest at 16% per annum and is due for repayment on receipt of the FY26 R&D tax incentive refund or 31 December 2026, whichever is earlier.

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 the cash received by the Group during the period, being $1.2M.

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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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 17. Current liabilities - borrowings (continued)

	30 June 2026 (Actual) $'000	30 June 2026 (Adjustment) $'000	30 June 2026 (Normalised) $'000	30 June 2025 $'000
Cash flows from operating activities				
R&D tax incentives	1,156	4,255	5,411	6,414
Interest paid	-	(270)	(270)	(136)
Net impact on cash used in operating activities	1,156	3,985	5,141	6,278
Total net cash (used in)/from operating activities	(8,923)	3,985	(4,938)	(8,591)
	-	-	-	-
Cash flows from financing activities	-	-	-	-
Repayment of borrowings	-	(3,985)	(3,985)	(4,568)
Net impact on cash from financing activities	8,961	(3,985)	4,976	(4,568)
Total net cash from financing activities	8,961	(3,985)	4,976	8,705

Note 18. Current liabilities - provisions

	Consolidated 2026 $'000	Consolidated 2025 $'000
Employee entitlements	1,606	1,375
Warranties	57	58
	1,663	1,433

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.

Note 19. Non-current liabilities - provisions

	Consolidated 2026 $'000	Consolidated 2025 $'000
Long service leave	205	188
Lease make good	505	505
	710	693

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.

Note 20. Equity - Issued capital

			Consolidated	
	2026 Shares	2025 Shares	2026 $'000	2025 $'000
Ordinary shares - fully paid	748,032,948	667,202,252	144,672	138,350

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 20. Equity - Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2024	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	22 Apr 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	667,202,252		138,350
Exercise of Rights under Employee Equity Plan	10 Sep 2025	201,785	$0.370	74
Exercise of Rights under Employee Equity Plan	10 Sep 2025	64,530	$0.330	21
Exercise of Rights under Employee Equity Plan	10 Sep 2025	80,073	$0.145	12
Exercise of Rights under Employee Equity Plan	10 Sep 2025	186,492	$0.105	20
Exercise of Rights under Employee Equity Plan	10 Sep 2025	85,865	$0.219	19
Issue of Shares - Placement	24 Dec 2025	37,250,000	$0.080	2,980
Issue of Shares - Placement	30 Dec 2025	18,750,000	$0.080	1,500
Capital Raising Costs	30 Dec 2025	-	$0.000	(289)
Exercise of Rights under Employee Equity Plan	14 Jan 2026	735,185	$0.080	59
Exercise of Rights under Employee Equity Plan	14 Jan 2026	718,479	$0.140	101
Issue of Shares under Employee Equity Plan	14 Jan 2026	802,263	$0.086	69
Exercise of Rights under Employee Equity Plan	20 Apr 2026	612,545	$0.056	34
Issue of Shares - Placement	24 Apr 2026	2,500,000	$0.080	200
Exercise of Rights under Employee Equity Plan	19 May 2026	43,479	$0.045	2
Issue of Shares - Placement	16 Jun 2026	18,750,000	$0.080	1,500
Conversion of Convertible Notes	30 Jun 2026	50,000	$0.400	20
Balance	30 June 2026	748,032,948		144,672

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.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 21. Equity - Foreign currency translation reserve

	Consolidated 2026 $'000	Consolidated 2025 $'000
Exchange differences on translating foreign operations	399	175

Note 22. Equity - Share-based payments reserve

	Consolidated 2026 $'000	Consolidated 2025 $'000
Share-based payments reserve	5,023	4,428

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 13 January 2026 and 20 April 2026. The rights hold various service and performance conditions which will be assessed and potentially vest for the respective holders on 31 August 2026 (short-term performance incentives) and 5 January 2029 (long-term performance and service incentives).

The following assumptions have been used:

Valuation Inputs & Conclusions

Description	LTI Service Rights	STI Performance Rights	LTI Performance Rights	STI Performance Rights	LTI Performance Rights
Valuation Date	13 Jan 2026	13 Jan 2026	13 Jan 2026	20 Apr 2026	20 Apr 2026
Number of instruments issued	9,609,739	8,922,842	8,342,273	300,000	100,000
Spot Price	0.086	0.086	0.086	0.057	0.057
Exercise Price	Nil	Nil	Nil	Nil	Nil
Life (Years)	3	1	3	1	3
Volatility*	N/A	N/A	80%	N/A	80%
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
Risk Free Rate	N/A	N/A	4.10%	N/A	4.80%
Assessed Value	0.086	0.086	0.056	0.057	0.031

*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 2025	Granted as Remuneration	Exercised or Expired	Held at 30 June 2026	Average Fair Value per Right at Grant Date
Rights issued under Employee Equity Plan	21,526,431	8,841,378	(4,969,545)	25,398,264	$0.111

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:

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

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

	2026 Number	2026 WAFV	2025 Number	2025 WAFV
Outstanding at 1 July	54,249,660	$0.118	37,333,550	$0.159
Granted during the Financial Year	27,274,854	$0.076	25,850,742	$0.072
Exercised during the Financial Year	(2,728,433)	$0.125	(1,300,021)	$0.210
Expired during the Financial year	(12,827,614)	$0.086	(7,634,611)	$0.149
Outstanding at 30 June	65,968,467	$0.106	54,249,660	$0.118

The potential number of shares on conversion of performance rights is 65,968,467 which is made up of 15,567,615 vested performance rights on which all relevant performance criteria have been met and 50,400,852 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 years are set out below:

Consolidated	Share-based payments reserve $'000	Total $'000
Balance at 1 July	3,815	3,815
Share rights expense[1]	1,085	1,085
Share rights equity movement[2]	(472)	(472)
Balance at 30 June 2025	4,428	4,428
Share rights expense[1]	1,099	1,099
Share rights equity movement[2]	(504)	(504)
Balance at 30 June 2026	5,023	5,023

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 years.

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 manages financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 24. Financial instruments (continued)

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).

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets 2026	Liabilities 2026	Assets 2025	Liabilities 2025
Consolidated				
US dollars	4,448	3,883	5,428	2,766
GBP	6	8	15	31
Euros	-	56	65	30
	4,454	3,947	5,508	2,827

The consolidated entity had net assets denominated in foreign currencies of $0.5M (assets of $4.5M less liabilities of $3.9M) as at 30 June 2026 (2025: $2.7M (assets of $5.5M less liabilities of $2.8M)). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% (2025: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the consolidated entity's loss before tax for the year would have been $51,000 lower/$25,000 higher (2025: $134,000 lower/$134,000 higher) and equity would have been $51,000 higher/$25,000 lower (2025: $134,000 higher/$134,000 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2026 was $115,000 (2025: gain of $25,000).

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.

Trade and other receivables and trade and other payables are non-interest bearing. The Group's borrowings and lease liabilities bear fixed rates of interest, which exposes the Group to fair value interest rate risk rather than cash flow interest rate risk. 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 $3.1M (2025: $3.2M). The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/-$31,000 (2025: +/-$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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

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Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 24. Financial instruments (continued)

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.

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.

Consolidated - 2026	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
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,379	-	-	-	2,379
Interest-bearing - fixed rate						
Lease liability	5.00%	636	710	1,998	36	3,380
R&D advance Tranche 1	16.00%	2,490	-	-	-	2,490
R&D advance Tranche 2	16.00%	542	-	-	-	542
Total non-derivatives		6,047	710	1,998	36	8,791

Consolidated - 2025	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
Non-derivatives						
Non-interest bearing						
Trade payables	-	3,278	-	-	-	3,278
Interest-bearing - fixed rate						
Lease liability	5.00%	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

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

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 24. Financial instruments (continued)

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 (KMP) of the Company is set out below:

	Consolidated 2026 $	Consolidated 2025 $
Short-term benefits	1,372,341	1,264,774
Post-employment benefits	95,134	86,069
Long-term benefits	72,206	33,208
Share-based payments - rights	223,493	486,498
	1,763,174	1,870,549

Consistent with the prior year, the KMP were granted rights under the Employee Equity Plan on 13 January 2026.

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 2026 $	Consolidated 2025 $
Audit services		
BDO - audit or review of the financial statements	119,338	109,137
Other services - BDO		
Income Tax	35,138	20,128
R&D Tax Incentive	21,535	33,755
	56,673	53,883
	176,011	163,020

Note 27. Contingent liabilities

The Company has no contingent liabilities as at 30 June 2026.

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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 28. Related party transactions (continued)

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

During the Financial Year, purchases totalling $16,379 at market prices have been made by the Company for marketing services provided by companies of which Anthony Skeats' wife is a director.

Receivable from and payable to related parties
Noted as at the reporting date, a $25,455 payable to Patrick O'Brien is included within trade payables for director fees owing as at 30 June 2026.

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.

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	
	2026 $'000	**2025 $'000**
Loss after income tax	(9,918)	(15,014)
Total comprehensive loss	(9,918)	(15,014)

Statement of financial position

	Parent	
	2026 $'000	**2025 $'000**
Total current assets	11,476	14,845
Total assets	19,684	19,622
Total current liabilities	7,078	6,957
Total liabilities	11,007	7,715
Equity		
Issued capital	144,672	138,318
Foreign currency translation reserve	79	451
Convertible notes	45	65
Share-based payments reserve	5,023	4,461
Accumulated losses	(141,143)	(131,387)
	8,676	11,908

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 29. Parent entity information (continued)

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 2026.

Contingent liabilities
The parent entity has no contingent liabilities as at 2026.

Capital commitments - Property, plant and equipment
The parent entity has no capital commitments for property, plant and equipment as at 2026.

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 2, except for the measurement of investments in subsidiaries. These are carried at cost in the parent entity accounts, while fair value is applied for Group accounting purposes.

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:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2026 %**	**2025 %**
Micro-X Incorporated	USA	100%	100%
Micro-X UK Operations Limited	United Kingdom	100%	100%

Note 31. Events after the reporting period

Appointment of Chief Executive Officer
On 3 August 2026, the Company announced the appointment of Dr Brian Gonzales as Chief Executive Officer of Micro-X Ltd, effective from that date. Dr Gonzales succeeded Kingsley Hall, who stepped down as Chief Executive Officer and will remain available to the Company in an advisory capacity until 3 November 2026 to support the transition.

Convertible note financing
On 3 August 2026, the Company announced that it had secured commitments of $8.0 million for the placement of unlisted secured three-year convertible notes to institutional and sophisticated investors. The commitments comprise $6.0 million of applications and a $2.0 million underwriting commitment from TIGA Trading Pty Ltd and are subject to settlement and issue. Of the applications, $5.0 million was committed by Bindella Capital, an existing shareholder that would become a substantial shareholder on conversion. The underwriter is to receive a fee of 7.5%, deducted from the proceeds of the underwritten notes at settlement.

The convertible notes carry interest at 12% per annum compounding monthly, have a conversion price of $0.08 per ordinary share and are secured over substantially all of the Company's assets. Settlement of the underwritten notes is to occur no later than 2 October 2026. Conversion of the $8.0 million principal amount at the conversion price would result in the issue of 100 million ordinary shares, with additional shares issuable on conversion of capitalised interest. On 6 August 2026, the Company issued 5,330,000 convertible notes at a face value of $1.00 each, raising $5.33 million, maturing on 06 August 2029 and convertible at $0.08 per ordinary share. The balance of the commitments, including the notes applied for by directors, remains subject to shareholder approval and settlement. On the same date, the Company also announced a strategic reset of its development priorities and cost base, which is described in the going concern disclosure in the basis of preparation.

No other matter or circumstance has arisen since 30 June 2026 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.

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Loss after income tax expense for the year	(9,876)	(13,895)
Adjustments for:		
Depreciation and amortisation	1,391	2,085
Impairment of inventory	12	1,452
Share-based payments	1,167	1,167
Non-cash finance costs	234	(175)
Net R&D loan repayment	(4,234)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,771	1,118
Increase/(decrease) in trade and other payables	(1,145)	(208)
Increase/(decrease) in employee benefits	248	268
Decrease/(increase) in inventories	255	(332)
Increase/(decrease) in unearned income	1,254	(71)
Net cash used in operating activities	(8,923)	(8,591)

Note 33. Changes in liabilities arising from financing activities

Consolidated	Borrowings $'000	Convertible notes $'000	Lease liability $'000	Total $'000
Balance at 1 July 2024	-	65	3,990	4,055
Net cash from/(used) in financing activities	(4,568)	-	(544)	(5,112)
Other changes	7,943	-	(288)	7,655
Balance at 30 June 2025	3,375	65	3,158	6,598
Net cash (from)/used in financing activities	-	-	(719)	(719)
Other changes	(276)	(20)	941	645
Balance at 30 June 2026	3,099	45	3,380	6,524

Note 34. Earnings per share

	Consolidated 2026 $'000	Consolidated 2025 $'000
Loss after income tax attributable to the owners of Micro-X Limited	(9,876)	(13,895)
	Cents	**Cents**
Basic earnings per share	(1.41)	(2.28)
Diluted earnings per share	(1.41)	(2.28)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	698,790,415	610,308,632
Weighted average number of ordinary shares used in calculating diluted earnings per share	698,790,415	610,308,632

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NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

Micro-X Limited
Notes to the financial statements
For the year ended 30 June 2026

Note 34. Earnings per share (continued)

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 112,500 ordinary shares based on conversion prices of $0.40 (Ceiling Cap).

The potential number of shares on conversion of performance rights is 65,968,467 which is made up of 15,567,615 vested performance rights on which all relevant performance criteria have been met and 50,400,852 unvested rights upon which require further performance criteria to be met before they become convertible.

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.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Micro-X Limited
Consolidated entity disclosure statement
As at 30 June 2026

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 *Corporations Act 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%	No	United Kingdom

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DIRECTORS' DECLARATION

Micro-X Limited
Directors' declaration
For the year ended 30 June 2026

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 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 2026 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 2026

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

BDO

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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 2026, 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 2026 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 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 audits of the financial report of public interest entities 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.

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

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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 for associated disclosures and Note 2 for the accounting policy. For the year ended 30 June 2026, the Group recognised $9.721m (2025: $10.463m) of engineering contract service revenue. Revenue recognition and measurement 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, 9 and 17 of the financial report for associated disclosures and Note 2 for the accounting policy. For the year ended 30 June 2026, the Group recognised a $5.673m receivable (2025: $5.390m) in relation to the R&D Tax Incentive. The R&D Tax Incentive was identified as a key audit matter because of the extent of judgement involved in 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 2026, but does not include the financial report and the auditor's report thereon.

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

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

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.

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

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 38 to 45 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Micro-X Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

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.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 28 August 2026

SHAREHOLDER INFORMATION

SHAREHOLDER INFORMATION

For the year ended 30 June 2026
The shareholder information set out below was applicable as at 19 August 2026.

The total number of shareholders is 3,721 and there are 752,325,789 ordinary fully paid shares on issue.

Unquoted equity securities - Options

There are no options on issue.

Unquoted equity securities - Performance Rights and Service Rights

There are a further 50,870,491 unquoted performance rights and service rights over fully paid ordinary shares issued under the Employee Equity Plan, which are held by 77 participants. During the year ended 30 June 2026 the following grants of performance rights were made:

Grant Date	Exercise Price	Number of Holders	Number on Issue	Number of Restricted Securities	Release Date (If Applicable)
13 January 2026 - Employees[1]	$0.000	85	26,874,854	-	-
20 April 2026 - Employees[1]	$0.000	1	400,000	-	-

1. As part of the Employee Equity Plan including both short-term incentives and long-term incentives for employees, a total of 27,274,854 rights (including performance rights and service rights) were issued on 13 January and 20 April 2026. The rights hold various service and performance conditions which will be assessed and potentially vest for the respective holders on 31 August 2026 (short-term performance incentives) and 5 January 2029 (long-term performance and service incentives).

As at 19 August 2026 there were 50,870,491 unquoted rights over fully paid ordinary shares issued which are held by 77 participants, when taking into account for previous grants of performance rights, as well as conversion and expiry of 15,097,976 performance rights during the Financial Year.

Unquoted equity securities - Convertible Notes

There are 5,330,450 unlisted convertible notes as follows:

Convertible Notes Maturity Date	Note Conversion Price	Number of Holders	Number on Issue	Number of Restricted Securities	Release Date (If Applicable)
Perpetuity	$0.40	2	450	-	-
06 August 2029	$0.08	6	5,330,000	-	-

Unquoted equity securities - Restricted Securities (employee gift shares)

There are 1,696,984 fully paid ordinary shares subject to escrow (employee gift shares), held by 67 holders and included in the total ordinary shares on issue above. Of these, 321,390 shares are escrowed until 1 November 2026, 654,720 until 31 December 2027 and 720,874 until 5 January 2029.

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SHAREHOLDER INFORMATION CONTINUED

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DISTRIBUTION OF SECURITIES

Analysis of number of equitable security holders by size of holding as at 19 August 2026:

	ORDINARY SHARES	
	Number of holders	**% of total shares issued**
1 to 1,000	87	-
1,001 to 5,000	699	0.29
5,001 to 10,000	568	0.60
10,001 to 100,000	1,697	8.55
100,001 and over	670	90.56
Total	**3,721**	**100.00**

Based on a share price of $0.027, there are 1,816 holders (with a total of 13,090,860 shares, amounting to 1.74% of issued capital) 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 as at 19 August 2026 are listed below:

	ORDINARY SHARES	
	Number held	**% of total shares issued**
HSBC Custody Nominees (Australia) Limited	77,047,522	10.24
Billion Prima SDN BHD	64,166,667	8.53
Varex Imaging Corporation	54,130,053	7.20
UBS Nominees Pty Ltd	45,152,777	6.00
Bindella Capital Pty Ltd (Stock Portfolio A/C)	30,679,749	4.08
Citicorp Nominees Pty Limited	20,045,272	2.66
BNP Paribas Nominees Pty Ltd (IB AU Noms Retail Client)	19,641,268	2.61
BNP Paribas Noms Pty Ltd	17,390,944	2.31
J P Morgan Nominees Australia Pty Limited	15,475,738	2.06
Mr Peter Robin Rowland	14,194,697	1.89
TLFTC Pty Ltd (The Lonsdale A/C)	10,885,804	1.45
Mr Mark Anthony McMahon	8,993,136	1.20
Dr Russell Kay Hancock	5,500,000	0.73
Mr David Leroy Boyles	5,000,000	0.66
Mrs Maria David	4,966,867	0.66
Harman Nominees Pty Ltd (Harmanis Investment A/C)	4,816,556	0.64
Kingsley Hall	4,384,799	0.58
Finclear Services Pty Ltd (Superhero Securities A/C)	4,117,731	0.55
Dr Aditya Agarwal	3,904,120	0.52
Code Nominees Pty Ltd (Retail A/C)	3,701,046	0.49
	414,194,746	**55.06**

SHAREHOLDER INFORMATION CONTINUED

Substantial holders in the Company as at 19 August 2026, as disclosed to the Company, are set out below:

	ORDINARY SHARES	
	Number held	**% of total shares issued**
Acorn Capital Limited	72,884,701	9.69
Billion Prima SDN BHD	64,166,667	8.53
Varex Imaging Corporation	54,130,053	7.20
TIGA Trading Pty Ltd and Thorney Technologies Limited	45,152,777	6.00
Perennial Value Management Limited	43,255,267	5.75

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.

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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

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

Level 5

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

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

ANNUAL REPORT 2026

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