

AMENDMENT TO TERMS OF APRIL 2018 CONVERTIBLE NOTES

Adelaide, Australia, 31 October 2019: Australian high-tech company Micro-X Ltd (ASX: MX1) (**Micro-X** or the **Company**) a leader in cold cathode x-ray technology for health and security markets globally, advises that it has amended the terms of the convertible notes (**April 2018 Notes**) issued under the Unsecured Convertible Note Deed Poll dated 3 April 2018 (**Deed**) in accordance with the terms of the Deed.

Background to Convertible Notes

The Company issued \$5 million of the April 2018 Notes following shareholder approval which was obtained on 30 May 2019. The terms of the April 2018 Notes (previously disclosed in the Notice of Meeting dated 27 April 2018) included amongst other things, an ability for the holders of the April 2018 Notes (each a **Noteholder** and collectively the **Noteholders**) to convert their April 2018 Notes to ordinary shares in the Company. As a complying raising did not occur by the required date, the conversion price of the April 2018 Notes is fixed at 40 cents per share. The April 2018 Notes are in perpetuity and do not have a right of redemption.

The Company also issued unsecured Convertible Notes to the value of \$3 million on 1 October 2019 on different terms (**October 2018 Notes**). As a qualifying capital raising did not occur before 30 April 2019, in accordance with the terms of the October 2018 Notes, those notes can be converted at (i) the greater of 23 cents per share and (ii) the lesser of 40 cents per share and a 20% discount to the volume weighted price in the 20 days prior to conversion.

The Company currently has on issue 39,770 April 2018 Notes with a face value of \$3.977 million and 5,000 October 2018 Notes with a face value of \$0.5 million.

Amendment of terms of the April 2018 Notes

In accordance with the terms of the Deed, the Company has amended the Deed to allow the Company to redeem at its election, April 2018 Notes held by a Noteholder and repay the face value of those notes and any amounts then due under the Deed.

A mandatory redemption of the April 2018 Notes must also occur if a Noteholder subscribes for at least 200% of the face value of April 2018 Notes held by a Noteholder, in a capital raising undertaken by the Company that raises at least \$6 million in aggregate (by way of a placement either separately or together with a contemporaneously announced underwritten rights issue or share purchase plan), after 31 October 2019 and before 30 June 2021 (**Future Capital Raising**). In the event of a mandatory redemption the Company is required to redeem the April 2018 Notes within five business days of completing the Future Capital Raising.

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About Micro-X

Micro-X Limited (the **Company**) is an ASX listed hi-tech company developing and commercialising a range of innovative products for the global health and security markets, based on proprietary cold cathode, carbon nanotube emitter technology. The electronic control of emitters with this technology enables X-ray products with significant reduction in size, weight and power requirements, enabling greater mobility and ease of use in existing x-ray markets and a range of new and unique security and defence applications. The Company has its core R&D, engineering and production capability at its facility in Adelaide, Australia.

The Company's first product, the *Carestream DRX Revolution Nano*, is an ultra-lightweight digital medical x-ray system for the rapidly expanding mobile x-ray market in hospitals and healthcare. The *Carestream DRX Revolution Nano* holds 510(k) and CE Mark certifications and is sold commercially in a number of global markets by the Company's exclusive distributor, Carestream Health, Inc. The Company has a portfolio of innovative products in development, aimed at customer solutions where there is little or no competition. This includes the Mobile Backscatter Imager or MBI which will image Improvised Explosive Devices for airport security, defence and counter-terrorism applications. The MBI is being jointly

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developed in partnership with Thales, a global supplier of defence and security technology systems, who are providing technical support and \$10 million of funding.

CONTACTS

Micro-X Limited	Investor Enquiries
Peter Rowland Managing Director Tel: +61 8 7099 3966 E: admin@micro-x.com	David Allen / John Granger Hawkesbury Partners Tel: +61 2 9103 9494 E: dallen@hawkesburypartners.com jgranger@hawkesburypartners.com

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