

MARKET UPDATE

\$1m of additional sales orders of DRX Revolution Nano since 13 February 2020, 200% increase over PcP

Adelaide, Australia, 5 March 2020: Australian hi-tech company Micro-X Ltd (ASX:MX1) (**Micro-X** or the **Company**), a leader in cold cathode x-ray technology for the health and security markets globally, provides the following Market Update in relation to additional sales of the *Carestream DRX Revolution Nano* (the **Nano**) secured since 14 February 2020 by the Company's distributor Carestream Health, Inc.

Additional \$1.0 million in Sales Orders for Nano

Following the Market Update provided on 13 February 2020, Micro-X has now received additional purchase orders for Nano units totalling approximately A\$1.0 million, bringing the total sales orders to \$1.8 million for the current Quarter. The majority of these sales orders will be recognised as revenue this Quarter and the balance in the June 2020 Quarter. These \$1.8 million of orders demonstrate strong growth and uptake as compared to \$0.2M sales for the December 2019 Quarter and \$1.9M sales for the whole of FY2019. These additional purchase orders are for delivery to Asia and Europe.

As with the previous purchase orders there is a requirement for urgent delivery within a 4 week time frame. The orders do not specify the end customer use although it is understood that due to the size and urgency of the orders, some of these Nano units are to be deployed in connection with the ongoing COVID-19 (formerly 2019-nCoV or Coronavirus) epidemic.

Micro-X continues to work with its supply chain partners to maximise its ability to respond to any future such requirements to deliver Nano units in a very short time frame. While the standard lead time for the delivery of a Nano is between 8-12 weeks from order date, Micro-X has been able to deliver its recent February orders within a time frame of approximately 4 weeks from order date.

As previously announced, early-stage diagnosis of Coronavirus is by a blood test to confirm the infectious agent, and a chest x-ray is used as an essential part of diagnosis of the development and progression of the severity of the illness. Like with pneumonia, a chest x-ray is used to detect fluid in the lungs, particularly with patients presenting with severe acute respiratory distress. The World Health Organisation has defined a criterion for diagnostic progression of the Coronavirus infection from 'Confirmed Case' to 'Severe Illness' as a chest x-ray with multi-lobar infiltrates or pulmonary infiltration which has progressed more than 50% within 24-48 hours.

South Australian Health Minister

On 20 February 2020, Micro-X hosted the South Australian Health Minister, the Honourable Stephen Wade, MLC at its Tonsley facility for a site visit to view Nano production activities. This coincided with the Minister's press release related to the involvement in Adelaide of technology such as Micro-X's in the detection of the coronavirus. The visit received extensive television and media coverage.

Micro-X's Managing Director, Peter Rowland, commented:

"With the alarming state of this growing epidemic, we are pleased that our Nano mobile X-ray units are being used to assist in diagnosis and management of this new respiratory virus. For most patients, COVID-19 begins and ends in their lungs because, like the flu, coronaviruses are respiratory diseases and chest X-rays remain a key tool in monitoring the progression of the pneumonia-like symptoms of severe coronavirus infection."

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The number of countries now ordering the Nano also illustrates a growing awareness of the product and its capabilities which has longer term benefits for increasing adoption.”

This announcement is authorised by the Board.

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

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