MICRO-X Ltd

ACN 153 273 735

Nano – Preparing for Production and Sales

Capital Raising Presentation
10 April 2017

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This presentation has been prepared by Micro-X Limited ACN 153 273 735 (ASX : MX1) (**Micro-X** or **the Company**) in relation to a pro rata non-renounceable entitlement offer of new fully paid ordinary shares (**Shares**) in Micro-X (**Entitlement Offer**).

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Financial data

All dollar values are expressed in Australian dollars ($) unless otherwise stated. The Company has a 30 June financial year-end.

Investors should note that financial information in or referred to in this presentation has not been audited and is based on management estimates and not on financial statements prepared in accordance with applicable statutory requirements. Accordingly, investors should treat this information with appropriate caution.

The pro forma financial information provided in this presentation is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Statements made in this presentation are made only at the date of the presentation. Micro-X is under no obligation to update this presentation. The information in this presentation remains subject to change by Micro-X without notice. Micro-X reserves the right to withdraw or vary the timetable for the Entitlement Offer without notice.

Offer Overview

Offer Structure and Size	• 1 for 10 non-renounceable entitlement offer to raise up to approximately A$4.8 million ("Entitlement Offer") • A placement to institutional investors and sophisticated and sophisticated/professional investors raising A$5.2 million at $0.40 per share was successfully completed on 07 April 2017 ("Placement") • Approximately 24.9 million new Micro-X shares will be issued under the Placement and Entitlement Offer
Offer Price	• The offer price under the Entitlement Offer is A$0.40 per new share ("Offer Price"), which represents a: – 16.7% discount to the last closing price of A$0.48 on 5 April 2017; – 14.6% discount to the 10 day volume weighted average price ("VWAP") to and including 5 April 2017; and – 14.2% discount to the theoretical ex-rights price ("TERP"), based on the closing price of Micro-X's shares on 5 April 2017[1];
Use of Proceeds	• Proceeds from the Placement and Entitlement Offer will be used to: – Support the commercialisation of the DRX Revolution Nano; – Provide general working capital; – Advance and complete the development of the Rover; – Advance the development of the Mobile Backscatter Imager; and – Pay the costs associated with the Placement and Entitlement Offer

1. The closing price on 5 April 2017 was $0.48 per share. TERP is the theoretical price at which shares in Micro-X should trade immediately after the ex-date of the Entitlement Offer and reflects shares issued under the Placement and Entitlement Offer. The actual price at which Micro-X shares trade will depend on many factors and may not be equal to TERP.

Offer Overview continued

Entitlement Offer	• The Entitlement Offer is open to eligible shareholders as at 7.00pm (AEST) on the Record Date on 13 April 2017 • Any shortfall under the Entitlement Offer will be offered to eligible shareholders in Australia and New Zealand who apply for additional shares (”Top up Facility”) and any remaining shares may be allocated by the Directors to other investors • Micro-X retains final discretion regarding allocations for the Entitlement Offer shortfall • Fractions arising in the calculation of entitlements will be rounded up to the nearest whole number of shares
Ranking	• New shares issued under the Placement and Entitlement Offer will rank equally with existing Micro-X shares. However new shares issued under the Placement do not have rights to participate in the Entitlement Offer
Underwriting	• Entitlement Offer partially underwritten to $2.8 million

Offer Timetable

Event	Date
Announcement of Rights Issue by Micro-X	Monday, 10 April 2017
Settlement of new shares issued under the Placement	Thursday, 13 April 2017
"Ex date" – the date on which Shares are quoted ex-entitlements	Wednesday, 12 April 2017
Entitlement offer record date (7:00pm AEST)	Thursday, 13 April 2017
Allotment and normal trading of New Shares issued under the Placement	Wednesday, 18 April 2017
Entitlement Offer opens and despatch of offer materials and Entitlement and Acceptance Forms to Shareholders	Thursday, 20 April 2017
Entitlement Offer closes (5:00pm AEST)	Tuesday, 2 May 2017
Shares quoted on a deferred settlement basis	Wednesday, 3 May 2017
Allotment and issue of new shares issued under the Entitlement Offer and deferred settlement trading ends	Tuesday, 9 May 2017
New shares issued under the Entitlement Offer commence normal settlement trading	Wednesday, 10 May 2017

*** The dates above are indicative only and are subject to change**

Micro-X Limited Capital Structure

The table below illustrates the impact of the Placement and Entitlement Offer on the capital structure of the Company

	Number	
Ordinary shares currently on issue	119,409,725	
New shares issued under Placement (1)	13,000,000	10.9%
	132,409,725	
New Shares issued under Entitlement Offer (2)	**11,940,973**	
Total ordinary shares on issue post Entitlements Offer	144,350,698	
Options currently on issue (ESOP)	12,829,340	
(1) New shares issued under the Placement will not be eligible to participate in the Entitlements Issue Offer		
(2) Assumes full subscription under the Entitlements Offer. The exact number of new shares issued under the Entitlement Offer depends on fractional entitlements on the record date.		

MX1 Technology Advantage : Miniaturising X-Ray Tubes

26kg

1kg

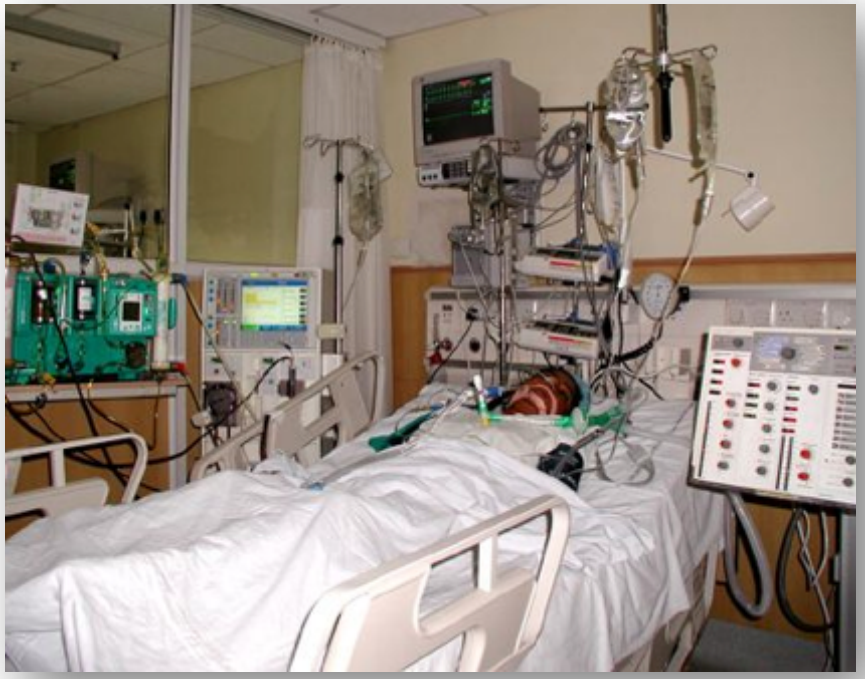
MX1 Core Business Model

Developing & manufacturing innovative, ultra-lightweight, X-ray imaging products for global medical and security markets

- Core technology is Carbon Nano-Tube (CNT) emitters
  - Exclusively licensed from technology partner XinRay Systems
  - Enables small size and electronic control of X-Ray tubes
- Path-to-market Partnership with global brand name, Carestream Health
  - OEM supply ex-works Adelaide
  - Follow-on product opportunities under discussion
- Leverage contract with Australian Department of Defence
  - Unfulfilled need for deployable medical X-ray and stand-off IED imaging
  - ADF as reference customer for MX1 brand development
  - Prove new electronic beam 3-D imaging modality
- New products pioneer unique x-ray modality

Market Need: The Nano

Current Mobile X-Ray Units pose risks in cramped ICU environments



Current Mobile X-Ray Units are clumsy and 500-600kg

Micro-X's First Product: 'DRX Revolution Nano'

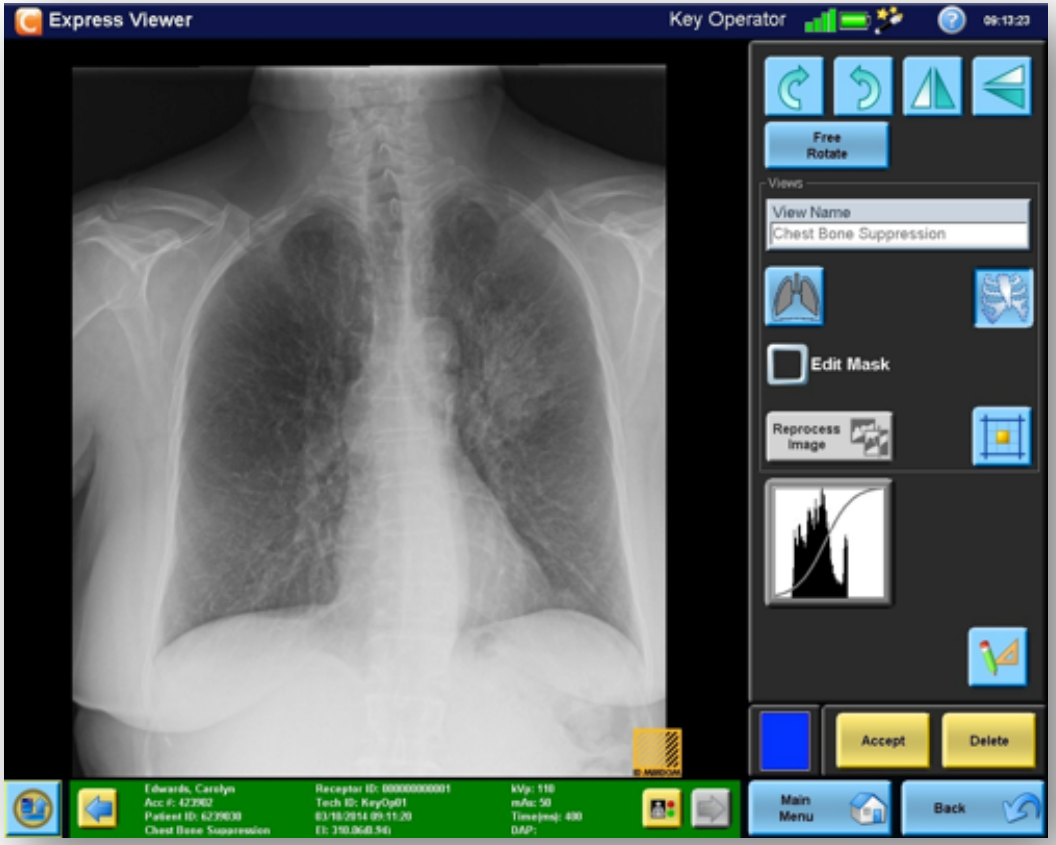
Competitive Features:

- Ultra lightweight (85kg)
- Fully integrated Digital Imaging
- Aggressive pricing
- Small footprint
- Easily maneuverable
- Wireless image transmission
- 4 hour continuous endurance
- Multi-Focus

Carestream Health Inc

Exclusive Global OEM Distribution Partner

- Sales of US$2.4Billion
- 7,500 employees in 150 countries
- Formerly Kodak Medical Imaging
- Leader in Digital Medical Imaging
- ‘Revolution’ is #1 ranked mobile X-Ray



RSNA: Kevin Hobert, CEO of Carestream Health, shows off the Nano X-ray tube

‘Nano’ - Designed for simplicity of Final Assembly

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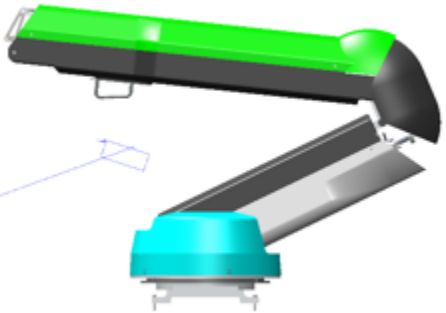

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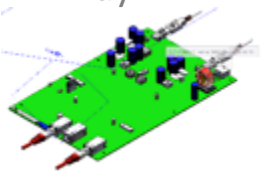

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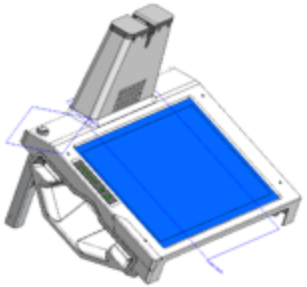

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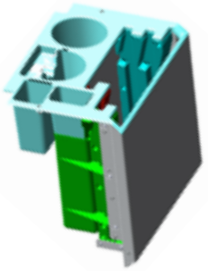

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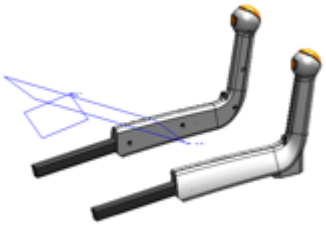

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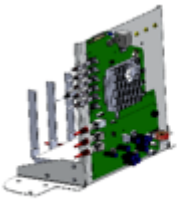

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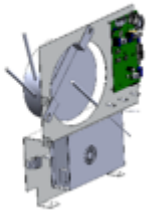

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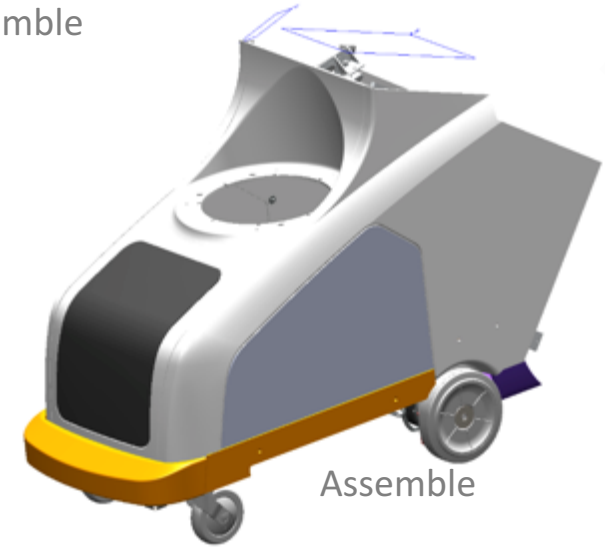

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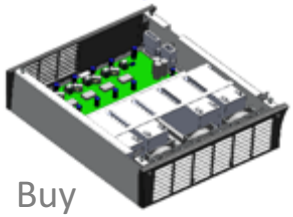

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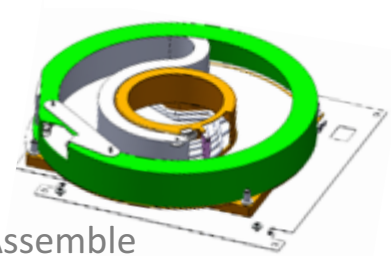

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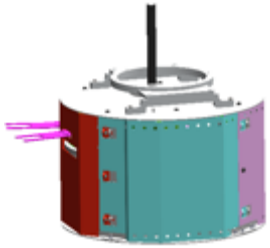

Buy

Buy

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Manufacturing Process – design influence from Holden

Company Quality Accreditation :

ISO 13485 Accreditation

- BSI Stage Two Audit successful - Certificate of Registration received 7th April 2017
- Company-wide Quality Management System is recognised to meet Medical Device Directorate standards for all company processes operating in:
  - Design
  - Manufacturing
  - Quality
  - Supply chain management
- Necessary for CE Marking

Regulatory Approvals:

'K' Number received from FDA: 15th March 2017.

- FDA acknowledge receipt of a complete & valid 510(k) submission
- Product marketing can now commence
- Approval time normally 90 days
- Health Canada Licence Application submitted to Therapeutic Products Directorate
- Declaration of Conformity (for CE Marking) data preparation well advanced

Reliability Growth Testing:

Achieved RG Target 8th March 2017.

- Normal Operation:
  - 60 x-ray shots/day = 22,000 per annum
  - Target for Mean Time Between Failures is 11,000 cycles

- RGT Program
- 3 carts, 50 circuits/shift, 3 shifts/day

- Reliability Target set at 130,000 cycles
- **Currently at 180,000 cycles (8 years life)**
- Continuing to add 1500 cycles per day

Generating Strong Market Interest

- Enthusiastic customer interest shown at recent Trade Shows
- Carestream regional sales offices requesting additional units for demo/sale

European Congress of Radiology,
Vienna, 2nd March 2017

Arab Health,
Dubai, 30th January 2017

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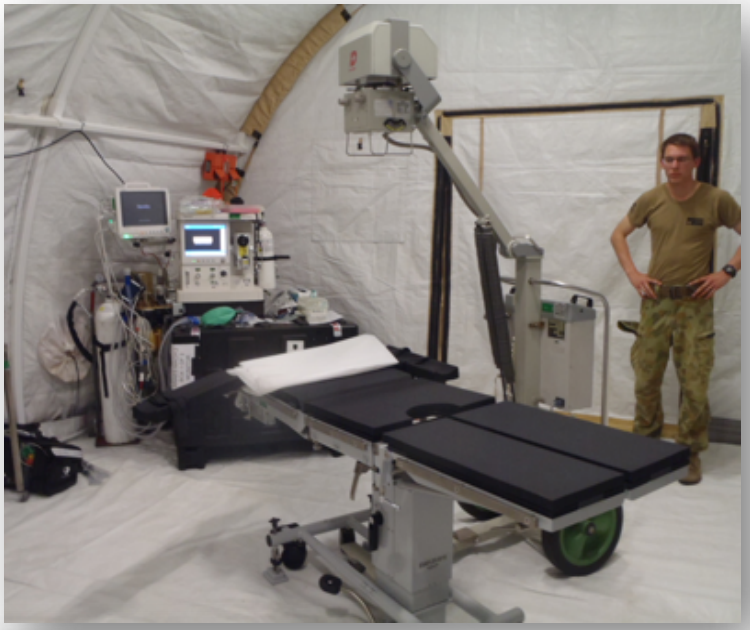
Pathway to Launch of the Nano:

- Service Training under way at Carestream HQ
- Hospital Trade Trials in Canada on receipt of TPD Licence
- Nano featured in more major Trade Shows:
  - Genoa, Italy, 6th April
  - Sao Paulo, Brazil, 4th May
  - Leipzig, Germany, 24th May
  - Manchester, UK, 12th June
- Nano production rate increases for Carestream:
  - Reliability demonstration
  - International Service & End-User Training
  - QA Evaluation
  - Internal Trials
  - Market Development
- Regulatory Approvals

‘Rover’ : Nano variant for Deployed Military Hospitals



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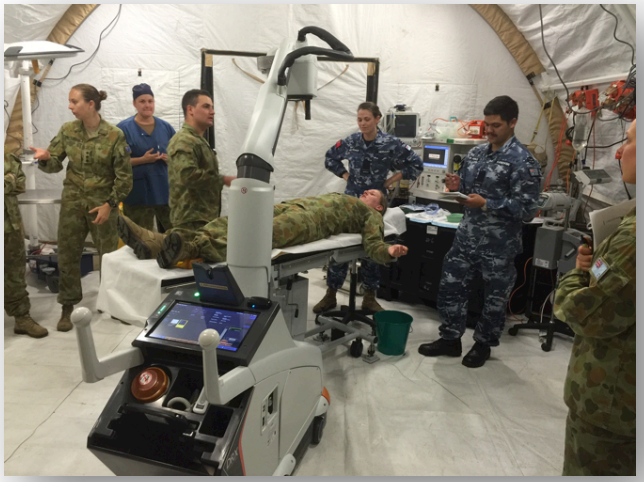
‘Rover’: Ruggedised and up-rated for military trauma exams

‘Rover’: Nano Useability Trials at exercise ‘Giant Viper’



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MBI: Market Need from ADF Counter-IED Task Force

Avoiding 'The Long Walk'

Current Counter-IED X-Ray Imaging Technology

Conventional transmission X-Ray requires manual positioning

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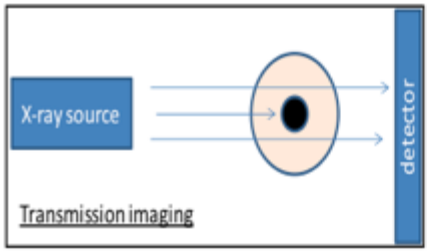
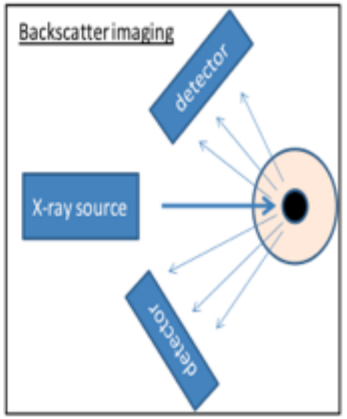
Mobile Backscatter Imaging (MBI)

The dream of Bomb Technicians everywhere





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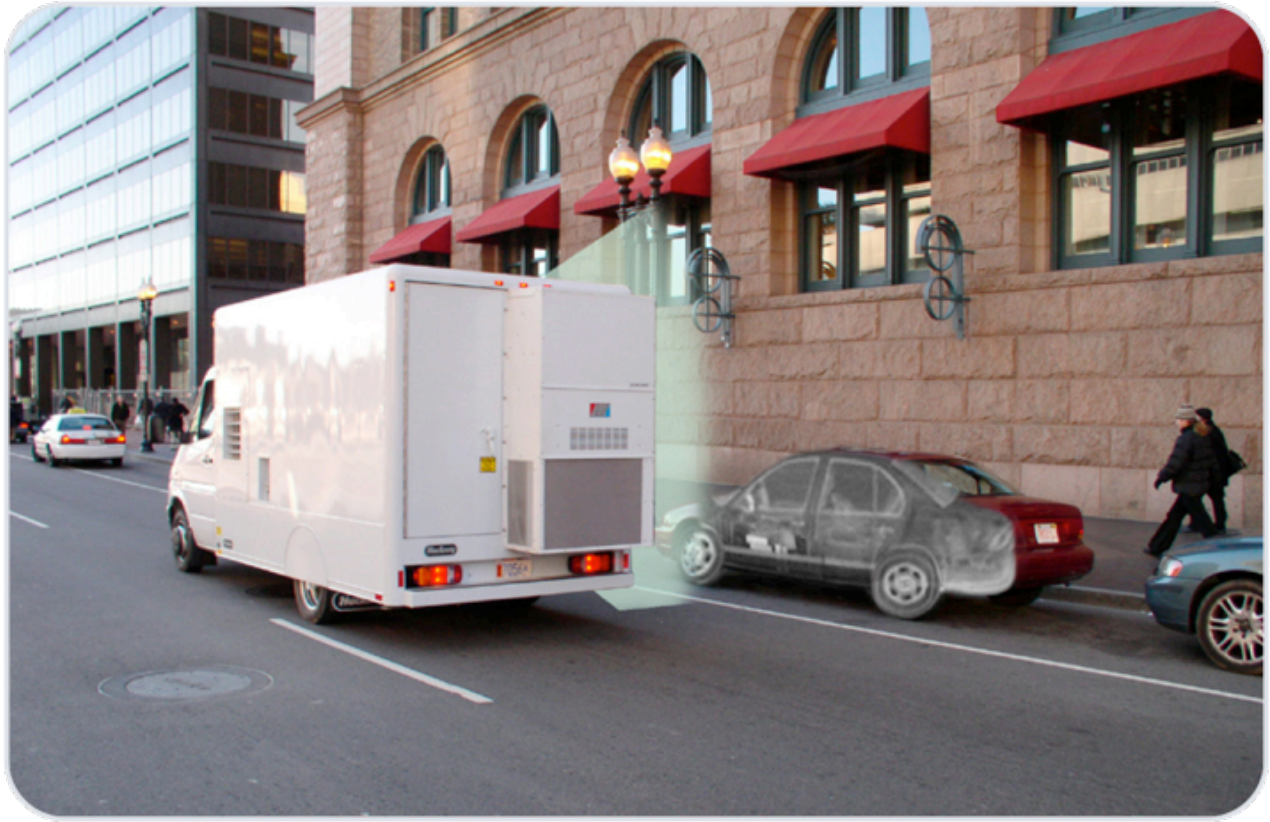
Mobile Backscatter Imaging: Current technology limit of miniaturisation



'Drive-by' ZBV Backscatter Imaging Van

(American Science & Engineering)

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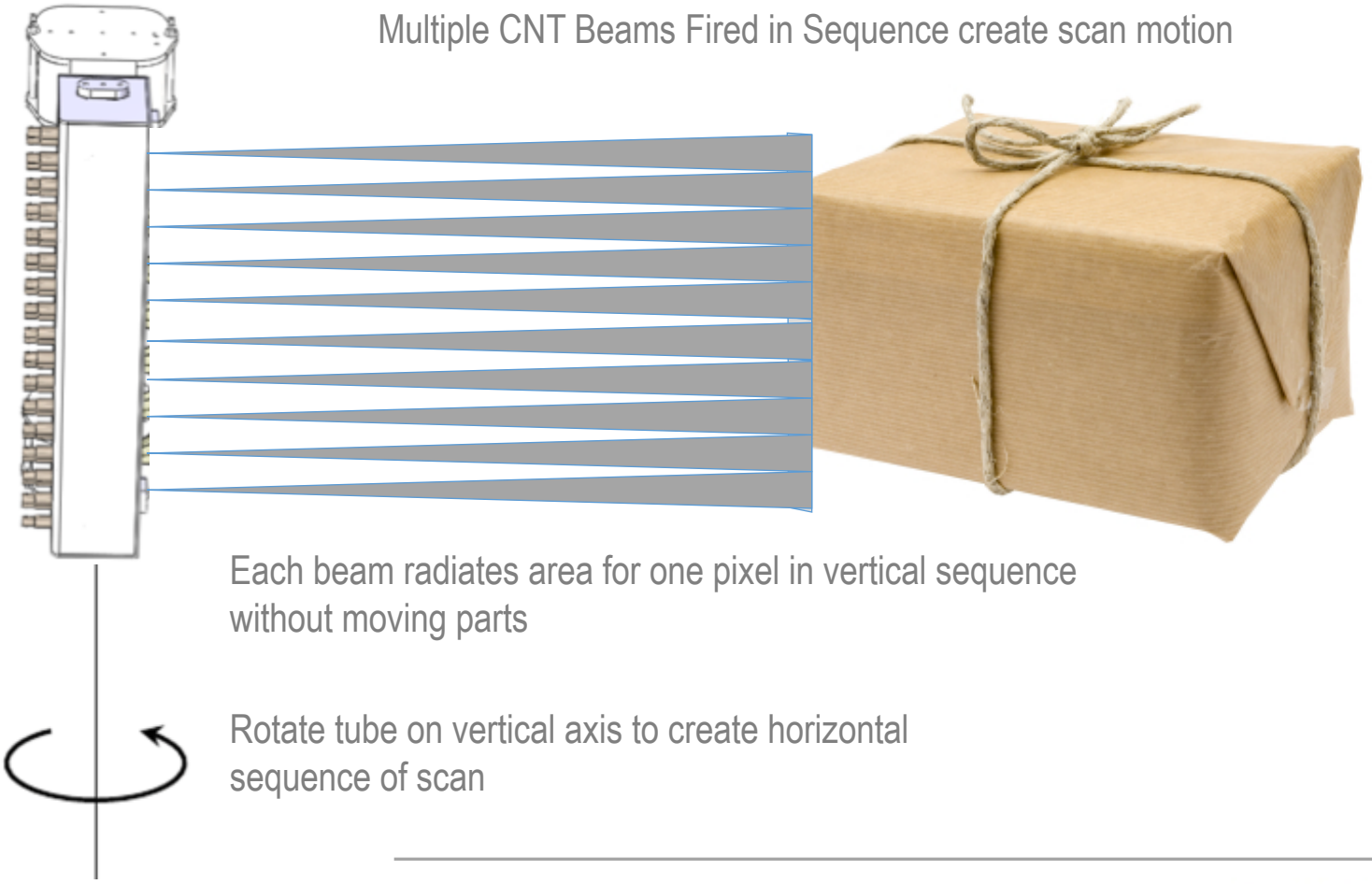
Only CNT Technology can miniaturise Backscatter Imaging

No moving parts



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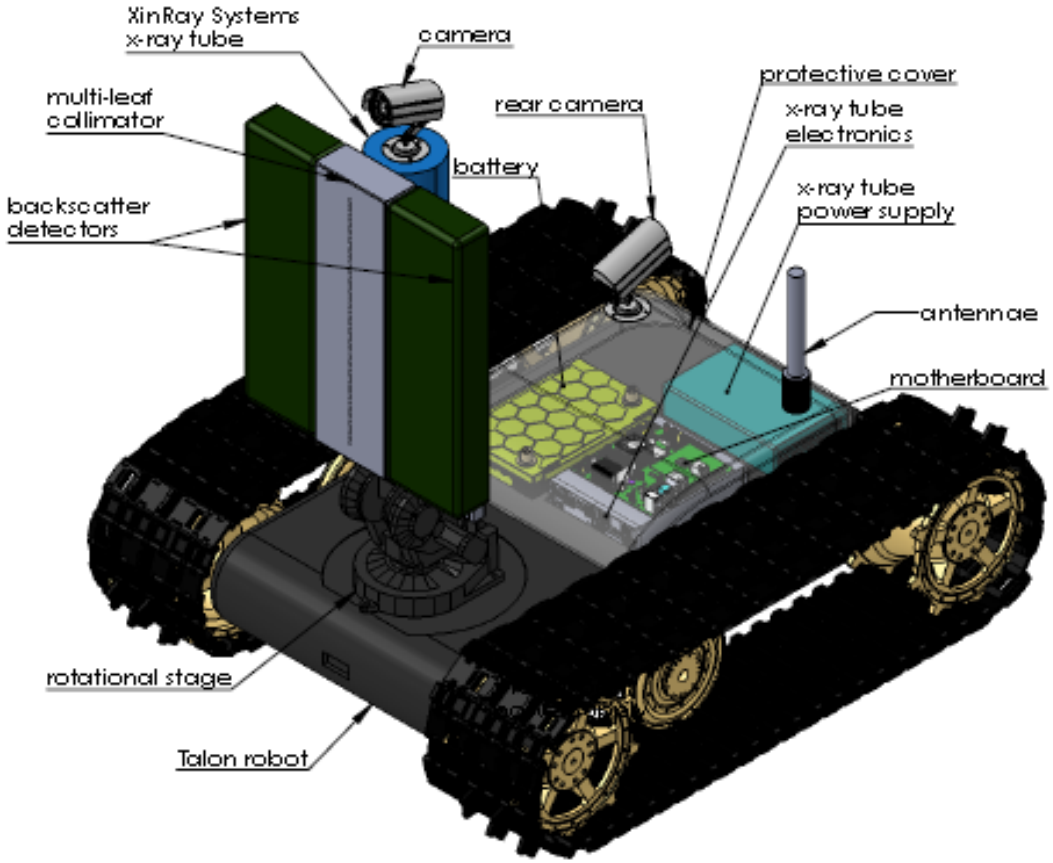
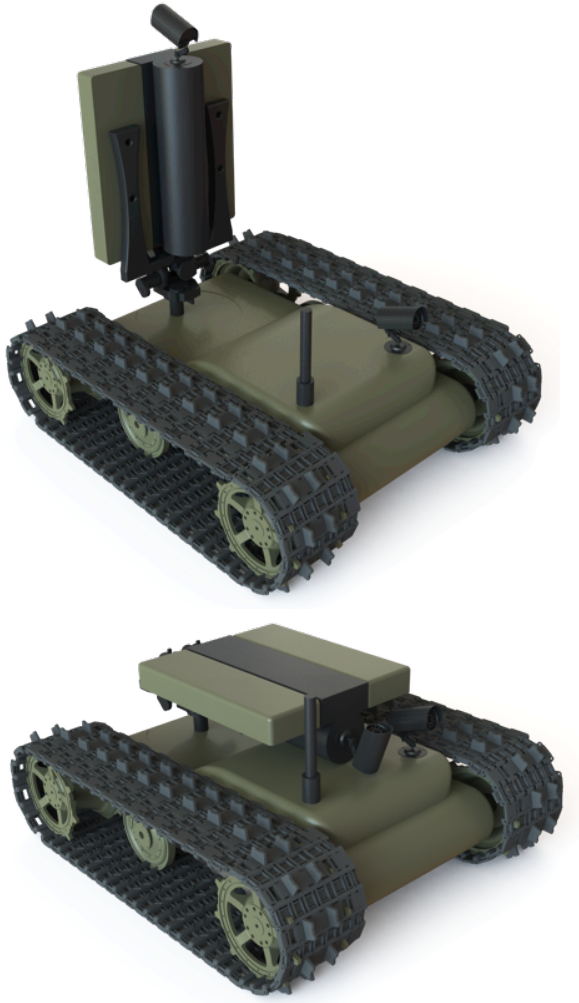
Mobile Backscatter Imager - Product Concept





Product Development Pipeline:

First three products expected to address a >$100M per annum sales opportunity
Company targeting **25-30% EBITDA margin**

Nano

- OEM manufacture - branded Carestream distribution in 130 countries
- $40M pa sales opportunity expected

Rover

- Leverages clinical acceptance of Nano
- Potential to be a turnkey supplier direct to customers at substantial margins

MBI

- Unique Micro-X product without competitor
- $50M pa sales opportunity expected
- Growth into new imaging modality

Upcoming Anticipated Milestones / Newsflow Events

Indicative Date	Event
May 2017	First order commitment from Carestream
May 2017	Nano Trade trials
June 2017	510(K) Approval
July 2017	Nano Declaration of Conformity
July 2017	MBI imaging demonstration to ADF
July 2017	Rover imaging demonstration to ADF
August 2017	Nano first customer shipments

Why invest in Micro-X ?

A compelling investment proposition

1. Unique technology of electronically controlled X-ray tubes creates opportunity to develop a range of potentially game-changing new products – providing function in areas with limited (if any) competitors

2. Focus on medical and security markets with anticipated market dynamics

3. First product is low risk path to prove technology; launch within the next quarter; global category leader has validated product competitiveness; DRX Revolution brand may deliver high sales velocity; **low regulatory approval risk is expected**

4. Outstanding delivery team; innovative and talented people in management, engineering and production focused on execution and delivery – strong culture of partnership, passion and 'equity ownership'

5. Anticipated long term product development pipeline exploiting CNT technology benefits

6. Our goal is to achieve **a billion dollar market value company** in lightweight X-ray

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Appendix 1 – Risk Factors

Risk Factors

The Company is in the process of developing and commercialising its products

There are inherent uncertainties that exist in any development and commercialisation program for new technologies and products.

The Company's products are at varying stages of development, and none of the Company's products are currently at a commercialised stage. The Company (and/or parties with whom the Company has contracted) are in the process of applying for the necessary regulatory authorisations, registrations or approvals for the sale and distribution of the Company's products, including in the USA and in other jurisdictions.

There is no assurance that:
•the development and commercialisation of new technologies and products will be successful;
•all necessary regulatory registrations or approvals for the sale and distribution of the Company's products will be obtained (and on terms acceptable to the Company); or
•the Company's products will achieve market acceptance.

Uncertain future demand for the Company's products

As part of its business, the Company is utilising new technology, utilising existing technology in an innovative manner and developing new products. Accordingly, the information currently available in relation to existing products and markets may not be reliable, comparable or useful in determining whether the Company's products will be successful and the extent to which the Company's products may or may not be successful.

Accordingly, the Company's estimates, analysis and expectations of future demand for its technology and products may be incorrect and may not be able to be achieved. There is also no assurance that any assumptions or other factors on which the Company bases its various technical or commercial decisions will ultimately prove to be valid or accurate.

The failure by the Company to appropriately anticipate market demand and achieve customer acceptance of its technology and products may adversely affect the Company.

Risk Factors continued

The Company's business is, in the short to medium term, dependent on the commercial success of a single product – the DRX Revolution Nano

The Company expects to derive a significant majority of its revenue in the short to medium term from sales of the DRX Revolution Nano.

Under the Company's current Development Agreement and Supply Agreement, Carestream is responsible for obtaining all necessary regulatory approvals for the sale and distribution of the DRX Revolution Nano.

There is no guarantee that Micro-X or Carestream will be able to obtain all necessary regulatory approvals for the sale and distribution of the DRX Revolution Nano.

If the Company is unable to successfully launch the DRX Revolution Nano (including because the necessary approvals cannot be obtained) and achieve meaningful market penetration (including because of the ineffectiveness of the marketing and distribution) of the DRX Revolution Nano, the Company may not successfully achieve its commercial strategy and may need to reconsider its business model of working with Carestream for potential future products. The Supply Agreement has an initial term of Five (5) years from the date of the Supply Agreement (August 2016) and thereafter is renewable for successive one-year terms.

The Company is reliant on its key existing and proposed customers, suppliers and business partners

The Company is reliant on arrangements with third parties in relation to the sale and distribution of its products, the supply of components required for the manufacture of its products and the development of future products.

There is an inherent risk in relying on contractual arrangements with third parties. These inherent risks include that the third parties do not adequately comply with their contractual obligations, or that key existing and proposed suppliers, customers and business partners of the Company cease to operate in the future.

To the extent that any existing or proposed key supplier, customer or business partner arrangements do not occur as expected, or lapses, terminates, is breached, or is replaced or altered, then failure to negotiate suitable amendments or find replacements in a timely manner may have adverse effects on the Company's business and financial position.

Risk Factors continued

Ability to rely on and protect the Company's intellectual property

The Company's success depends at least in part on its use of its intellectual property, as well as third party intellectual property which is licensed or otherwise granted to the Company through the procurement of key components used in its products.

The intellectual property rights on which the Company is reliant may be subject to claims, including third party infringement claims which may adversely affect the commercialisation of the Company's products or result in the Company incurring expenses or damages. Defending against allegations and litigation could be expensive, take significant time and divert management's attention.

Similarly, if the Company is not able to adequately protect its know-how, expertise, trade secrets and intellectual property rights, including where the Company cannot obtain patent protection in a timely manner, or if existing patents are inadequate to prevent competitors developing competing products, then the Company's business and financial performance may be adversely affected.

Product performance

The performance of the Company's technologies and products is important to its reputation and ability to achieve market acceptance of those technologies and products.

Any product performance failure or failure of a product to meet a customer's needs and requirements or the environmental conditions faced at a particular site could have a material adverse effect on the Company's reputation, result in loss of sales and have financial consequences such as the creation of a liability to provide replacement products or compensation.

Insufficient or disruptions to the Company's manufacturing ability or capacity

The Company will be assembling and testing its products at one facility in Tonsley, South Australia.

If the Company is unable to keep up with demand for its products, or if there is a disruption at the Company's assembling and testing facility, then the Company's production and earnings capacity may be adversely affected.

Risk Factors continued

Insufficient or disruptions to the Company's manufacturing ability or capacity continued

In addition, if the Company is unable to keep up with demand for its products, including as a result of disruptions at its assembling and testing facility and particularly at the early stages of a product's commercialisation, this may adversely affect the product's market acceptance.

Limited operational history and experience

The Company has a limited operating history on which an evaluation of the Company can be based. In assessing the Company's business prospects, you should consider the various risks and difficulties frequently encountered by companies at an early stage of commercialisation in competitive markets, particularly companies that develop and sell medical equipment.

In addition, the Company's limited operating history may result in the Company not having the necessary expertise or experience to execute its business strategy from time to time, or in specific areas. Under the Development Agreement and Supply Agreement, Carestream will be responsible for sales and marketing of the Carestream DRX Revolution Nano, however, in relation to other products, which the Company may market by itself, the Company has limited sales, distribution and marketing experience.

In relation to assembling and testing, the Company has limited experience in the manufacture of medical equipment and defence equipment at a commercial scale.

Diminution in reputation or brand

The Company is reliant on its reputation and the reputation of its products and brands.

Any factors or events that diminish the reputation of the Company, its products, its brands, trademarks or intellectual property may adversely affect the Company.

The DRX Revolution Nano will be distributed under the Carestream brand. Any adverse impacts on Carestream's brand, which may be outside of the Company's control, may have consequential effects for the Company (including its brand and its products), its customers and investors in the marketplace.

Risk Factors continued

XinRay may not continue its relationship with the Company

Micro-X considers XinRay to be a key supplier of the Company.

A number of agreements exist between the Company and XinRay, including in relation to exclusivity and the supply of the CNT X-ray tubes which Micro-X is to use in its products.

There is no assurance that the XinRay arrangements will be maintained or renewed from time to time. There is a risk that the Company could be adversely impacted if the XinRay arrangements are terminated.

Pursuant to the XinRay arrangements, Micro-X may enforce a technology transfer of the XinRay production process to a third party nominated by Micro-X should Micro-X terminate the Production Supply Agreement following a material breach of the agreement by XinRay.

Carestream may not continue its relationship with the Company

Micro-X considers Carestream to be a potential key customer of the Company.

There is no assurance that the above agreements will be maintained or renewed from time to time.

There is a risk that the Company could be adversely impacted if:

•the conditions precedent under the Carestream Arrangements are not satisfied; or

•the Carestream Arrangements:

i. are terminated;
ii. expire and are not renewed; or
iii. are renegotiated on less favourable terms.

The Supply Agreement has an initial term of Five (5) years from the date of the Agreement (August 2016) and thereafter is renewable for successive one-year terms.

Risk Factors continued

Change of control

Micro-X is a party, or may become a party, to agreements which contain a change of control provision.

For example, the Supply Agreement includes a provision providing that the Company grants to Carestream the right to make, have made and sell the DRX Revolution Nano if there is a Micro-X change of control or sale to a Carestream competitor in the medical, dental, veterinary or non-destructive testing field. Should there be a change in control of Micro-X it may result in the DRX Revolution Nano (or product substantially similar thereof) being supplied into the market in competition.

Whether there is a change of control of Micro-X may be beyond the control of Micro-X.

In accordance with the terms of the relevant agreements, adverse consequences may result if there is a change of control of Micro-X.

Competition may increase

The Company's earnings, and the market acceptance of the Company's products may be adversely affected by competitor activity, new competitors entering the market, or if competitors release more advanced products that result in reduced market share for the Company's products.

Increased competition and new products may have the effect of rendering the Company's previous developments obsolete, decreasing the financial value of products or intellectual property and reducing pricing and profit margins.

Adverse movements in exchange rates may occur

Revenue and expenditure denoted in foreign currency are subject to the risk of fluctuations in foreign exchange markets. The Company's payment obligations and receivables, many of which are in USD may give rise to exchange rate risk for the Company.

The Company has a natural hedge for its USD currency payments and receivables.

Risk Factors continued

Product recalls and product liability

The Company has procedures and policies in place to ensure compliance with quality standards and to ensure its products comply with applicable legal and regulatory requirements.

Unforeseen problems or poor product quality of one or more of the Company's products may lead to product recalls or liabilities to customers. Adverse events may expose the Company to product liability claims or litigation, result in the loss of regulatory approvals for the relevant products and/or monetary damages being awarded against the Company.

Sufficiency and allocation of funding/capital

The Company has limited financial resources and may need to raise additional funds from time to time to finance and complete development and commercialisation of its technologies and products and its other longer-term objectives. There is no assurance that future funds, whether debt or equity, can be raised by the Company on favourable terms, if at all, or that the Company will have the funding that it requires to fully complete its development and commercialisation program of future products.

The Company's strategy may not be effective

There are a number of strategies which relate to the development and commercialisation of the Company's products.

To date, the Company has not commenced commercial scale production, distribution or sale of its products, and accordingly, the Company's strategies in that respect are untested, and may, in time, prove to be misguided, or may be implemented ineffectively and result in an outcome that may adversely affect the performance of the Company. Ineffective implementation of these and other strategies adopted by the Company may adversely impact the market acceptance of its products and the performance and growth of the Company.

Risk Factors continued

Reliance on key personnel

The medical equipment industry has strong competition for highly skilled workers due to the limited number of people with the appropriate skill set. The Company currently employs, or engages as consultants, a number of key management personnel.

The Company has structured incentive programs for its key personnel and it has also established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with the Company. Despite these measures, there is no guarantee that the Company will be able to attract and retain suitable qualified personnel, and a failure to do so could materially and adversely affect the business, operating results and financial prospects.

Litigation

Micro-X may be the subject of complaints or litigation by customers, suppliers, employees or officers, shareholders, government agencies or other third parties. Such matters may have an adverse effect on Micro-X's reputation, divert its financial and management resources from more beneficial uses, or have a material adverse effect on Micro-X's future financial performance or position.

Changes in political and regulatory environments

The Company is subject to various federal and state-based laws and regulations in Australia as well as other jurisdictions in which the Company operates.

The introduction of new laws and regulations (including in relation to medical or X-ray emitting devices) may result in increased expenses for the Company, as it establishes new compliance procedures, retrains its employees and reviews or redevelops products.

New regulatory environments create risk that the regulations will have unintended consequences, or that interpretations may change over time, which could adversely affect the Company's operations and ability to manufacture, sell or distribute some products.

Risk Factors continued

Failure to meet health and safety regulations

The Company currently operates in Australia and is subject to laws and regulations in respect of health and safety in Australia (including workplace health and safety, and product safety laws and regulations). In addition, it is proposed that the Company's products will be sold or distributed in the US and other countries, and accordingly, may be subject to laws and regulations in respect of health and safety in those jurisdictions. Additional or amended laws and regulations may increase the cost of compliance, adversely impact the Company's ability to comply, or expose the Company to greater potential liabilities where, for example, changes to the regulatory framework result in higher or more complicated regulatory standards, which may adversely affect the financial and operational performance of the Company.

Doing business internationally

There are certain risks inherent for any company seeking to do business on an international level, such as the potential need to obtain licences to operate and/or sell or distribute products. This may increase the regulatory compliance cost which is applicable to the Company and its business.

As the Company's business partners and customers will be primarily outside Australia, the Company faces a number of risks, any of which could adversely impact on the success of the Company's present and future proposed international operations.

The market price of our Shares may be volatile and fluctuate significantly

The Offer Price for new shares ("New Shares") may vary from the market price of the New Shares at the time of being tradable on the ASX. Among the factors that may cause the market price of our Shares to fluctuate are the risks described in this "Risk Factors" section and other factors. Since listing on ASX the trading volume liquidity of Micro-X's Shares on the ASX has been small and as a result large movements in Micro-X's Share price may occur on relatively little trading volume.

In addition, the stock market in general, the ASX and the market for early stage medical device/technology companies in particular, may experience a loss of investor confidence. A loss of investor confidence may result in extreme price and volume fluctuations in our Shares that are unrelated or disproportionate to the operating performance of our business, financial condition or results of operations. These broad market and industry factors may materially harm the market price of our Shares and consequently adversely impact on our financial performance and ability to raise further capital for our operations.

Risk Factors continued

Other risks

Other risk factors that apply generally in the conduct of a business, including litigation resulting from the breach of agreements or in relation to employees or contractors (through personal injuries, industrial matters or otherwise), loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may all interfere with the Company's business and adversely affect its performance.

Risks associated with the Entitlement Offer

The market price of Micro-X's Shares may fluctuate due to various factors including those outlined above. The above factors are not an exhaustive list of risks faced by Micro-X or by investors in Micro-X. The above factors, and others not specifically referred to in this presentation, may in the future materially affect the financial performance of Micro-X and the value of the New Shares.

The market price of New Shares could trade on ASX at a price below their issue price. New Shares offered under the Entitlement Offer carry no guarantee in respect of profitability, dividends, return of capital or liquidity on the ASX. No assurances can be given that the New Shares will trade at or above the issue price under the Entitlement Offer. Neither Micro-X, its directors nor any other person guarantees the market performance of the New Shares.

If existing shareholders do not take up all or part of the New Shares offered to them under the Entitlement Offer, then their percentage shareholding in Micro-X will be diluted.

The payment of dividends by Micro-X is determined by the board of Micro-X from time to time at its absolute discretion, dependent on the profitability, gearing position (if applicable) and cash flow needs of Micro-X's business. There is no guarantee that any dividend will be paid by Micro-X.

Any future changes in taxation laws, including changes in the interpretation or application of those laws by the court or taxation authorities, may affect the taxation treatment of an investment in Micro-X's Shares, or the holdings and disposal of those Shares. As tax considerations may differ between shareholders, prospective investors and existing shareholders are encouraged to obtain professional tax advice in connection with an investment in New Shares.

Risk Factors continued

Partial underwriting

The Entitlement Offer is partially underwritten by Wilson Corporate Finance Ltd for an amount of $2.8 million. The underwriting agreement is subject to customary termination events. If the underwriting agreement were to be terminated, the funds raised under the Entitlement Offer may be significantly less than the total amount disclosed in this presentation. Any shortfall of funds expected to be raised from the Entitlement Offer could delay or suspend Micro-X's business strategy and could have a material adverse effect on Micro-X's activities and its financial performance.