

Wednesday 21st November 2018

ASX Announcement – MICRO-X LIMITED (ASX: MX1)

2018 AGM Chairman's Address

Ladies and Gentlemen

My name is Patrick O'Brien and as Chairman of Micro-X Limited I welcome you to the company's 2018 Annual General Meeting.

Micro-X was founded with a vision centred on the commercialisation of proprietary carbon nanotube technology via both medical and security applications. In 2018, having created the world's first electronically-controlled x-ray products, we now have a unique platform technology for the creation of numerous x-ray imaging products for the global medical and security markets.

There are three key topics that I will discuss in my address this morning and after the conclusion of the formal meeting I will ask our CEO, Peter Rowland to provide us with a more detailed overview of the company's commercial progress and roadmap.

Expanded Product Roadmap

First, I want to provide some context to the expanded product roadmap that is the focus of much of Peter's presentation.

Shareholders would recall that when Micro-X listed on the ASX almost three years ago we did so with plans for just three products, although we always recognised the possibility to expand into other areas.

Subsequent to the IPO, Micro-X has invested a great deal to solve a myriad of technology challenges to bring the world's first carbon nanotube x-ray system to market. We are now poised to capitalise on this unique technology platform and its future is very much focused on prioritising products with the strongest customer needs. The outstanding examples here are:

- Airport checkpoint x-ray (for the UK Government's Future Airport Security Solutions)
- Brain perfusion CT imaging (enabling early stroke diagnosis and treatment in the ambulance); and
- 3D breast screening imaging

These opportunities are, of course, in addition to Micro-X's ongoing development of the 'Rover', a mobile medical imager for Deployed Army Medical Facilities. We have completed and proven an x-ray tube redesign for the more demanding, higher-energy exams used in trauma medicine and the Rover is currently under tender procurement action with the Australian Defence Force (**ADF**). Following a request from the US Joint Medical Command, just yesterday Micro-X presented Rover at their headquarters in Fort Detrick near Washington.

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Development also continues of our Mobile Backscatter Imager (**MBI**) for counter-IED assessment in conjunction with end-user input from the ADF and a number of US Government agencies.

The exciting point in Micro-X's development at which we now stand is well illustrated by the fact that all the new opportunities in our product roadmap have been identified from customer needs which are uniquely satisfied by the technology which we have developed and mastered.

Indeed many of these opportunities have the promise of external funding to bring them into being. This reflects the strong 'market pull' for the x-ray imaging solutions which our technology facilitates.

Developing a detailed understanding of the universe of opportunity for our technology has been of critical importance to the Board. It assists with prioritising from both a resourcing and capital management perspective as we focus on opportunities that provide the highest expected return relative to their risk profile. The product roadmap also guides our approach to corporate development and partnering initiatives.

Grand alliance

Importantly, as we developed the product roadmap, and informed by our experience with the Nano, we recognised that it would be best for the company and its shareholders if we were able to secure an appropriately structured 'grand alliance' with a major international technology group. The proposed collaboration would potentially include technology and product development, investment and international product distribution.

We have made significant progress towards finalising such an alliance. Collaboration discussions have been held with a number of global radiology companies and the level of interest shown has been highly encouraging. However, the multi-faceted nature of our preferred relationship necessarily makes for a complex negotiation if for no other reason than the number of elements that need to be agreed.

Our target to conclude a deal in this fourth quarter of CY18 remains in place but has been made more challenging by this complexity. We are exploring a number of different deal structures simultaneously as we seek to ensure the best possible long-term outcome for the company. The proposals under negotiation at present will drive shareholder value for many years to come and getting them right is much more important than getting them quickly.

DRX Revolution Nano

Thirdly, I'm pleased to provide an update on the Nano – our ultra-lightweight, fully integrated digital imaging mobile X-ray unit for medical use.

Our distribution partner Carestream Health Inc (**Carestream**) received approval from the US Food & Drug Administration (**FDA**) in 2017 and, more recently, CE Marking, the regulatory approval required in the EU.

While our production team has been frustrated considerably during the last year, firstly by some supply chain issues and then more recently by technical issues associated with air shipment, Micro-X has worked closely with Carestream to resolve these and is now delivering Nano units to Carestream for hospital customer demonstrations in North America as part of the sales pipeline development activity.

Early feedback from this everyday clinical use is very positive with almost all demonstration activity generating procurement action. The Carestream sales and marketing effort will intensify on Sunday with the

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start of the Radiological Society of North America's annual Meeting in Chicago, the most critical trade show in the radiology calendar. Nano will have pride of place on the Carestream exhibition stand and expectations for sales activity are high.

Finally, before I conclude, I would like to acknowledge the departures of David Symons and Jim McDowell from our Board as announced on 22 August.

As advised at that time, Jim had accepted an offer to become the Chief Executive of the Department of Premier and Cabinet in the South Australian State Government. This role required that he resign from his other commercial appointments. David is also transitioning to a new executive role which precludes external directorships.

We are most grateful for their insightful contributions to Micro-X and wish them every success in their new roles.

We have commenced a process of assessing the skills that we need around the Board table in light of these departures and, if judged appropriate, we will look to recruit an additional Director with the requisite attributes in coming months.

I will now proceed with the formal matters for today.

About Micro-X: Micro-X Limited ("MX1") is an Australian Securities Exchange listed company developing and commercialising a range of highly innovative products based on proprietary carbon nanotube emitter technologies exclusively licensed and sourced from XinRay Systems Inc., a US based technology developer. These technologies enable the miniaturisation of a number of X-ray applications relevant to large global markets.