Micro-X Limited, ABN 21 153 273 735

MICRO-X COMPLETES $30.5M PLACEMENT & ANNOUNCES $2.5M SHARE PURCHASE PLAN

Funds for strategic growth – US footprint, accelerate sales and marketing and In-sourcing IED camera tube for MBI

Adelaide, Australia, 1st February 2021: 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, is pleased to announce that it has received funding commitments totalling approximately $30.5 million, for new fully paid ordinary shares in the Company at 34 cents per share under a placement to sophisticated and professional investors (the **Placement**) and proposes to undertake an issue of shares under a Share Purchase Plan to raise $2.5 million at 34 cents per share (the **SPP**).

Key Points

- **$30.5m Placement to sophisticated and professional investors**
- **Funds to drive expanded US footprint including Airport Self Screening project, expanded sales and marketing to accelerate Mobile DR sales and strengthen the balance sheet with funding runway into 2023**
- **Funds to also support in-sourcing development and manufacture of new simplified x-ray tube for IED Imaging Camera– saving programme costs of $6.5m and halving the development time. Thales technical collaboration and other arrangements to end, with the Thales $5m convertible loan to be repaid from funds raised**
- **Placement price of 34 cents is 8.1% discount to the last close on 27 January 2021 and the 30 day VWAP**
- **Share Purchase Plan will be launched for existing investors targeting $2.5 million**

Strategic Growth Initiatives - Purpose of the Placement

The Company has undertaken the Placement and will make an offer of shares to existing shareholders under the SPP, to build on its first mover advantage in key global markets for its planned four global production lines across the health and significantly larger security market. The Company's four strategic objectives that it will pursue with the funds raised from the Placement and SPP are:

1. **USA footprint to better access key customers** – establishment of a Seattle Office to support the Airport Self Service Checkpoint project for the US Department of Homeland Security, and to drive US Defense and non military healthcare sales;
2. **Sales and marketing infrastructure to accelerate Mobile DR sales** – this will include both direct sales and a multi-channel partnership sales strategy for the Nano and Rover, Mobile DR products;
3. **Insourcing x-ray tube for IED Camera (MBI) to develop demonstration prototype in 12 months** – this will include bringing tube development and manufacture in-house and the deployment of a sales team to build sales demand ahead of a launch in 2022. This removes the need for the Thales technical collaboration and the Company intends to repay the $5m convertible loan from funds raised;
4. **Strengthening the balance sheet and Company infrastructure to reduce commercialisation risks** – this will include additional senior sales and technical staff to lead product lines and also strengthening of the balance sheet to support activities into 2023.

The Company's presentation for the Placement is attached to this Announcement.

Details of the Placement

The Company has received commitments totalling approximately $30.5 million (the **Placement**) for new fully paid ordinary shares in the Company at 34 cents per share (the **Placement Shares**). The Company is pleased to welcome new institutional and sophisticated investors as shareholders in addition to the support of a number of existing shareholders.

The key terms of the Placement are as follows:

- 89.7 million Placement Shares at 34 cents per Placement Share to raise approximately $30.5 million;
- The issue price of the Placement Shares represents a:
  - 8.1% discount to the last traded price of 37.0 cents on 27 January 2021; and
  - 7.3% discount to the 5-day volume weighted average price (**VWAP**), 8.3% discount to the 15-day VWAP immediately prior to the date of the Placement;
- The Placement was made to investors in Australia who qualified as professional or sophisticated investors under the requirements of the Corporations Act 2001 (Cth) and sophisticated and professional investors in select other jurisdictions;
- Placement Shares will rank equally with existing ordinary shares of the Company; and
- The Placement Shares will be issued on or about Friday 5 February 2021, under the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

Morgans Corporate Limited and Hawkesbury Partners Limited were engaged as Joint Lead Managers for the Placement.

Details of the Share Purchase Plan

The Company is also pleased to announce the terms of an offer to eligible shareholders of the Company with a registered address in Australia (**Eligible Shareholders**) to subscribe for new fully paid ordinary shares in the Company (**SPP Shares**) under a Share Purchase Plan (**SPP**). The SPP will allow Eligible Shareholders to each subscribe for up to $30,000 worth of new ordinary shares in the Company at 34 cents per SPP Share (**SPP Price**), without incurring brokerage or other transaction costs. The SPP Price is the same as the Placement Price.

The SPP is targeted to raise $2.5 million and will not be underwritten. The $2.5 million target is the estimated amount the Company believes balances the likely demand under the SPP and an amount sufficient to provide existing shareholders with a reasonable opportunity to participate in the capital raising at the same price as the Placement. The directors have reserved the right to accept oversubscriptions under the SPP to ensure all Eligible Shareholders have a reasonable opportunity to participate in the SPP. Any level of oversubscriptions not accepted will be scaled back on a pro rata basis to each participant based on the number of securities validly applied for.

Eligible Shareholders

Eligible Shareholders are registered holders of shares in the Company at 7.00pm (ACST) on **Friday, 29 January 2021** with a registered address in Australia, provided that such Shareholder is not in the United States, or acting for the account or benefit of a person in the United States. The SPP is also being extended to Eligible Shareholders who are Custodians to participate in the SPP on behalf of eligible beneficiaries.

The key terms of the SPP are as follows:

- An offer of approximately 7.4 million SPP Shares to raise approximately $2.5 million;
- The offer under the SPP will be extended to shareholders with a registered address in Australia on the record date of Friday, 29 January 2021;
- Each Eligible Shareholder is limited to participating in the SPP to the amount of $30,000 worth of SPP Shares;

- Participation in the SPP is optional and the right to participate in the SPP will not be transferable. All SPP Shares will rank equally with existing fully paid ordinary shares in the Company;
- The issue price of SPP Shares is the same as the issue price of the Placement Shares and represents a:
    - 8.1% discount to the last traded price of 37.0 cents on 27 January 2021; and
    - 7.3% discount to the 5-day volume weighted average price (**VWAP**), 8.3% discount to the 15-day VWAP immediately prior to the date of the Placement.

A SPP Offer Booklet with further details of the SPP is expected to be despatched to shareholders on Thursday, 4 February 2021.

Key dates

The key dates for the Placement and SPP are summarised below and may be subject to change without notice.

Event	Date
Record Date for Share Purchase Plan	Friday, 29 January 2021
Announcement of Placement and Share Purchase Plan	9.00am, Monday, 1 February 2021
Settlement of Placement Shares	Thursday, 4 February 2021
Opening date for Share Purchase Plan Share Purchase Plan Offer Booklet despatched to Eligible Shareholders	Thursday, 4 February 2021
Allotment of Placement Shares	Friday, 5 February 2021
Close of Share Purchase Plan	Wednesday, 17 February 2021
Announcement of results of Share Purchase Plan	Monday, 22 February 2021
Issue of SPP Shares under the Share Purchase Plan	Wednesday, 24 February 2021
Quotation of SPP Shares issued under the Share Purchase Plan on ASX	Thursday, 25 February 2021
Dispatch of holding statements for New Shares issued under the SPP	Thursday, 25 February 2021

Peter Rowland, Managing Director of Micro-X commented:

"We are very pleased to have attracted this level of investor commitments to propel Micro-X in its expansion on multiple commercial and developmental fronts. We look forward to strengthening our sales and marketing teams to accelerate our Mobile DR sales and to growing our US footprint as we embark on our TSA project and drive both military and healthcare sales in the world's largest market.

We are also excited that the funding has enabled us to assume 100% of the development of our breakthrough IED Camera technology by insourcing its x-ray tube to develop a prototype in 12 months. Recent developments made by our team have vastly increased the commercial potential of the technology and reduced the complexity, time and cost of development with a targeted IED Camera product launch in mid CY2022.

At a strategic level, we are planning to build on the business momentum we have built over the past months and maintain our first mover advantage, bringing us closer to our goal of four global production lines operating with high margins within five years.

We'd like to provide all of our existing shareholders the opportunity to be included in this capital raising and we would encourage all who are eligible to consider the SPP offer."

Authorised by the board of Micro-X Limited.

– ENDS –

About Micro-X

Micro-X Limited (the **Company**) is an ASX listed hi-tech company developing and commercialising a range of innovative products for global health and security markets, based on proprietary cold cathode, carbon nanotube (CNT) 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. Micro-X has two mobile digital medical x-ray systems being sold commercially for diagnostic healthcare applications and Micro-X medical products are now in operation in 14 countries around the world.

Micro-X has a portfolio of innovative products in development, including the MBI for imaging Improvised Explosive Devices in security, defence and counter-terrorism applications; a next-generation self-service X-Ray Airport Checkpoint Portal with an integrated body scanner; and a lightweight brain CT imager for early stroke diagnosis in ambulances. Micro-X has its core R&D, engineering and production capability in Adelaide, Australia with a fully in-sourced CNT tube manufacturing line and approximately 95% Australian locally manufactured content.

CONTACTS

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MICRO-X

ACN 153 273 735

ASX: MX1

Capital raising to deliver security products & global sales channels

Building US footprint for health and security products

1 February 2021

Peter Rowland,
Managing Director & CEO

Disclaimer

MICRO-X

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This Presentation has been prepared by Micro-X Limited (**Micro-X** or the **Company**) (ASX.MX1). The Presentation is a summary only and does not contain all the information about the Company's assets and liabilities, financial position and performance, profits and losses and prospects. This material in this Presentation may be supplemented with an oral presentation and/or other more detailed documents and should not be taken out of context. Although the information contained herein is based upon generally available information and has been obtained from third-party sources believed to be reliable, the Company does not guarantee its accuracy, and such information may be incomplete or condensed. The Company also refers to its filings made with the ASX Limited and the Australian Securities & Investments Commission.

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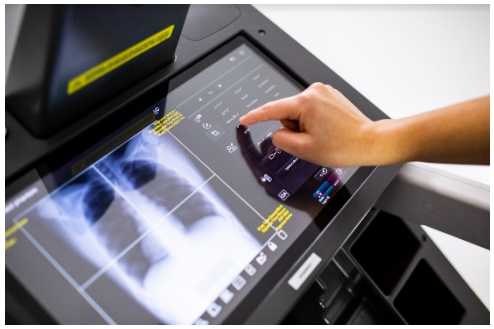
Overview of Micro-X

Next generation X-ray for global health and security markets

- **Next generation, cold cathode, Carbon Nano Tube technology**
  - X-ray products with significant reduction in size, weight and power
  - Patented technology – platform for health and new security applications
  - First to market with proven cold cathode medical x-ray product
- **Mobile DR - proven product performance and reliability**
  - Mobile ultra-lightweight digital x-ray system for bedside imaging
  - Nano, approved for sale in 40 countries, highly portable and easy to disinfect
  - Rover, designed for military market and deployed hospitals
    - US FDA approved
    - First sale achieved in Sept 2020 to support World Health Organisation
    - First military contract for $1.3m to fit out Australian Defence Force Deployable Hospitals
- **IED Imaging Camera** - *MBI*
  - First security focused product to assist with bomb and IED detection
  - Multiple security applications – successful imaging test results
- **Airport Self Service Checkpoint**
  - Selected by TSA to design concept for next generation airport checkpoint for US airports
- **CT Brain Scanner** - *Tomo*
  - New medical imaging technology for diagnosis of strokes in a mobile setting to assist with treatment during 'The Golden Hour

Above: Close up of Rover

Above: Micro-X laboratory in Tonsley facility



Above: Close up of Rover screen

Our Strategy

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Monetise our '**First Mover**' advantage

Commercialise high in the value chain to maximise revenue
- avoid commoditisation as long as possible
- **keep innovating to stay in front of competitors**

Look for the 'low hanging fruit' products where our technology delivers a customer benefit and the best product margins

Expand channel partners & collaborations to create required paths to market at scale

Successful first movers in breakthrough technology move quickly: **early commercial domination becomes a barrier to entry for others**

Our Goal

Four global production lines:
- **common technology platforms**
- **high-margin**
- **operating within five years**

1. **Mobile DR** (Bedside Imaging - Nano, Rover, et al)
2. **IED imaging** camera
3. **Airport self-service** checkpoint
4. **CT Brain Scanner** (in-ambulance stroke imaging)

Significant markets across four production lines

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Planned product roll-outs

Product	First sales	Addressable Market
 Mobile Bedside DR	2018	US$500M pa*
 Backscatter Counter-IED	2022*	US$1.8B
 Airport Checkpoint	2023*	USA: US$8B RoW: US$16B
 Stroke Brain Scanner	2026*	US $5B

* These dates are estimates and may vary

* Pre COVID-19 levels

Experienced Leadership

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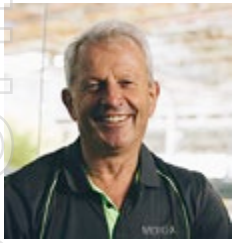
Technical and commercial expertise to support our goals and objectives



Peter Rowland

Managing Director & CEO

- Over 30 years' engineering and management in medical device & and aerospace industries
- Previously BAE Systems, Ellex Medical and Biolase Technology (NASDAQ)

David Knox

Non-Executive Chairman

- Extensive international business experience delivering large energy projects
- Formerly CEO of Santos and Australian Naval Infrastructure
- Chair of Snowy Hydro, Director of CSIRO

Patrick O'Brien

Non-Executive Director

- Over 25 years' business and finance experience in UK, Asia and Australia
- Former Executive Director at Macquarie Group; McKinsey; and Minter Ellison

Yasmin King

Non-Executive Director

- Extensive experience in business, negotiation & procurement and Government
- Currently CEO of Skills IQ, formerly Associate Commissioner of ACCC
- Director of the Australian Healthcare and Hospitals Association

Dr Alexander Gosling, AM

Non-Executive Director

- Over 40 years' business, technology and R&D experience
- A founding Director at Invetech (Vision Systems); strategy for Capstone

Jim McDowell

Non-Executive Director

- Extensive experience in Defence and Aerospace industries
- Current CEO of Nova Group
- Former Chief Executive of the Department of Premier for South Australia

Corporate Snapshot

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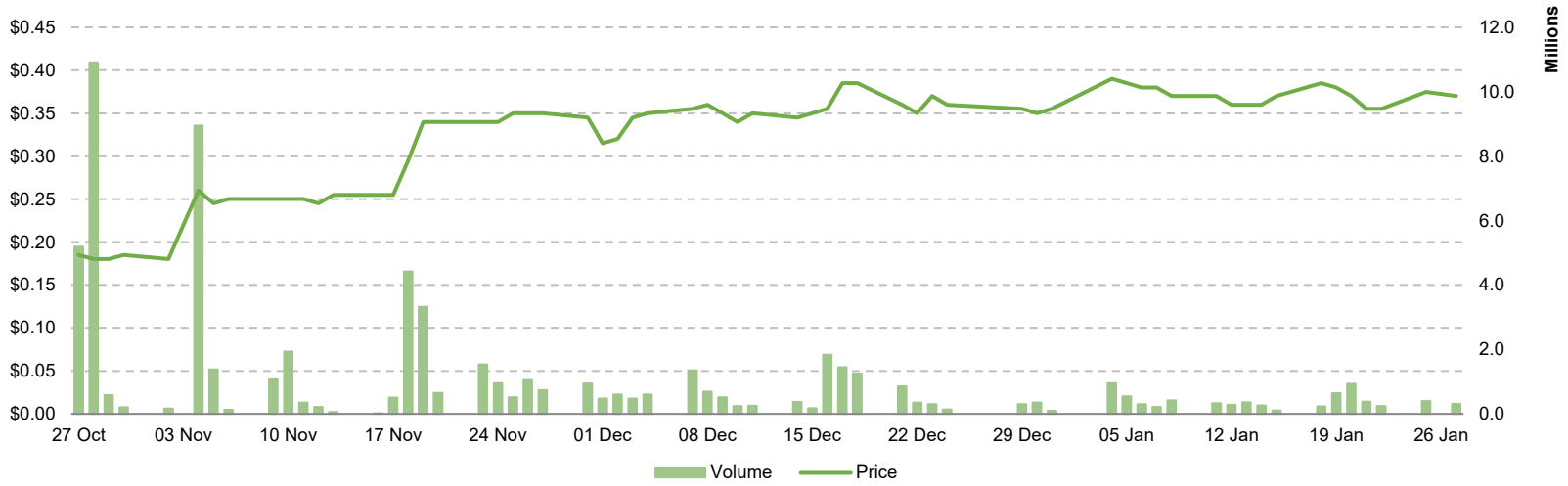
Growth stage company with institutional and strategic investor support

MX1 - Three month share trading (to 27 January 2021)



Share & Trading Statistics (Closing Price on 27 January 2021)	
Share Price	**$0.37 per share**
Total Shares On Issue	359.5 million
Options Issued	2.5 million
Market Cap	**~$133.0 million**

Key Financials & Shareholders	
Current Cash	**$12.8m** (at 31 Dec. 2020) **+ $1.95m** R&D rebate
Loan Facilities	SAFA $3m facility + Thales $5m Con Notes
Institutional Investors	**~30.9%** including Perennial (12.3%), Thorney (7.9%) and Regal (6.3%)
Board & Related Parties	~ 5.9%

Capital raising

Building the footprint and commercial infrastructure

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Strategic objectives of Capital Raise

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Building on first mover advantage in key global markets for our health and security products

01 USA footprint to **better access key customers**

- Seattle Office to support TSA project and drive US military and healthcare sales

02 Sales and marketing infrastructure to **accelerate Mobile DR sales**

- Direct sales and channel partnership approach for Nano and Rover products

03 Insourcing IED camera x-ray tube to **develop MBI security prototype in 12 months**

- Deployment of sales team to build sales demand ahead of launch in 2022
- End of Thales technical collaboration and repayment of $5m convertible loan

04 Strengthening the balance sheet and Company infrastructure to **reduce commercialisation risks**

- Senior Sales and Technical team to lead product lines + Balance sheet to support activities into 2023

Expanded US footprint

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Investment in technical and sales personnel to better service existing commitments and access potential revenue

Service TSA contract

- Micro-X Inc. office being established in Seattle, USA
- US team satisfies security clearances for TSA & military
- Expanding technical capabilities

Strategy to add resources to **support military demonstrations & sales**

US Military Sales

- Rover for military use holds FDA clearance
- Dedicated focus on VA and DoD
- Medical and Veterinary opportunities

Strategy to provide **US base** to **support technical** and **sales efforts**

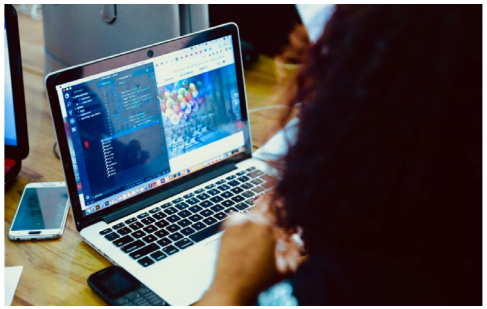
Centre of Excellence

- Access to specialist talent pool
- Supports all programs

Strategy to access **US talent pool** to further improve the Company's development capabilities

Above: US DoD evaluations

Above: Micro-X Inc office to be established



Above: Centre of Excellence with specialist talent pool

Growing sales and marketing infrastructure

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Additional sales resources to accelerate commercialisation of Mobile DR and future product lines

Mobile DR - OEM

- Carestream's Nano has regulatory approval in 40 countries
- Search for additional OEM partners

Strategy to add **distributors and image partners** in **multiple markets**

Rover Sales

- Rover, Micro-X own branded mobile DR for all applications
- Rover, ruggedised for military use has FDA clearance
- Under contract for the Australian Defence Force

Strategy to **incorporate voice of customer and industry demand** ahead of product development completion

Future Products

- Establishment of sales capability early in product development
- Early market awareness and Voice of Customer input

Strategy to in-source product development and **accelerate commercialisation timeframe**

Above: Nano in use at Alfred Hospital, Melbourne

Above: Rover testing conducted by ADF

Above: Rover being used at Veterinary clinic

Accelerate IED camera time to market

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Market opportunity is US$1.8 billion and one year away

Major Technical Breakthrough

- Major technical breakthrough on backscatter imaging design
- Smaller, lighter, faster and higher resolution
- Significantly simpler to manufacture and **COGS reduced to 30% of previous design**

Strategy to **accelerate market entry** with prototype within 12 months

Strong Interest Across Military and Police

- Strong customer interest across military, police and bomb disposal community
- Growing incidence of IEDs and existing technology has major operational limitations

Strategy to add sales resources to **engage with potential customers** and demonstrate the product - **building sales demand leading up to launch**

In-sourcing IED Camera tube

- In-sourced development and manufacture of new CNT tube
- **Cost savings of $6.5m** and **half development time frame**
- Thales technical expertise and second $5m of funding not required

Strategy to **develop in-house and maximise commercial opportunity** - end Thales collaboration - Micro-X will **repay Thales $5m** loan facility

NEW BUDGET OF $3M – DOWN FROM $9.5M (OF WHICH $5M WOULD HAVE BEEN 2nd THALES LOAN)

Matching our infrastructure with our growth

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Rapid growth in major markets will be supported with people and funding

Strengthening Leadership/Team

- Challenges in managing multiple products in multiple markets
- Challenges of scaling up at rapid pace across four product lines

Strategy Adding senior sales and technical management to match increasing capability

Board Enhancement

- Board refresh process is ongoing
- David Knox appointed Chairman
- Jim McDowell re-joined Board

Strategy to continue to evolve the Board with new directors with strong commercial expertise

Accelerate Identified Growth Strategies

- Current cash of $13m provides runway to early 2022 - focus on Mobile DR platform
- SAFA $3m loan will be extended and Thales $5m facility will be repaid in early 2021

Capital raising will support identified growth strategies in the significantly larger security markets with a global footprint – funding the business into 2023

Key terms of Placement & SPP

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Structure

Private Placement of **A$30.5 million or ~89.7m shares** by way of an excluded offer under Chapter 6D of the Corporations Act 2001 (Cth).
New shares issued through the Placement will be fully paid ordinary shares, ranking pari passu with existing shares.
Morgans Corporate Limited and Hawkesbury Partners are acting as Joint Lead Managers of the Placement.

Use of proceeds

USE OF FUNDS	$000	Notes
Expansion of Micro-x Inc. in US	5,000	Includes: US office and US based imaging team, US based sales team for military and medical products, product protypes
Accelerated Sales activities for Mobile DR and MBI	5,000	Includes: Sales activities & travel, Global Sales director, product managers, sales team for medical, veterinary and MBI
Marketing & Promotion	1,800	Includes: Marketing staff, marketing and promotional activities
Scaled up of Infrastructure	1,000	Incudes: Allocated to support demand in regulatory, technical service, manufacturing and finance resources
MBI - In-Sourcing of tube development	800	Overall MBI Project cost is now reduced to $3.0m. $0.8m is additional MBI capex to in-source tube manufacturing
MBI - Repayment of Thales convertible loan	5,000	Repayment of convertible loan security principal
Working Capital	10,020	Does not include inflows R&D rebate or gross profit from product sales
Costs of the Issue	1,880	
Total	**$30,500**	

Pricing

The Placement and SPP will be undertaken at a Price of **$0.34 per share** which represents a discount of:

- 7.3% to the 5-day VWAP
- **8.3% to the 15-day VWAP**
- 8.1% to the 30-day VWAP
- **8.1% to the last traded price** of $0.37 per share on 27 January 2021

Timing^ & Settlement

Trading Halt	28 Jan 2021	DvP Settlement of Offer	4 Feb 2021
SPP record date	29 Jan 2021	SPP Offer opens & SPP Booklet dispatched	4 Feb 2021
Announcement of Placement and SPP	**1 Feb 2021**	**Allotment of Placement Shares**	**5 Feb 2021**
MX1 Recommences Trading	**1 Feb 2021**	^Timing is subject to change at the Company's discretion	

Approvals

Placement Shares shall be issued in accordance with the Company's capacity under ASX Listing Rule 7.1 and 7.1A

Capital Structure

Current Shares on Issue:	359.5m +2.5m options
Placement shares:	89.7m
Shares on Issue post Placement:	**449.2m + 2.5m options**

SPP

Share Purchase Plan (**SPP**) to shareholders on the **record date of 29 January 2021** at a price of $0.34 per share. The SPP will be capped at $2.5 million and the Company reserves right to accept oversubscriptions and close the SPP Offer early.

Expected Milestones & News flow

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Accelerating key initiatives to deliver commercial outcomes for all stakeholders

CY 2021

- First IED Camera Demonstration
- Grow Nano and Rover paths to market
- First Rover U.S. Army sale
- High Power Generator Complete
- Rover Mk II - High Power Launched
- Airport Security Contracts Signed
- Expansion of Micro-X Inc *(US Operations)*
- In-sourcing IED camera tube

BEYOND

- Ongoing Nano and Rover Sales
- Brain Tomo Prototype
- IED Imaging Camera Commercialisation
- Airport Security Scanner Protype
- Airport Security Portal Prototype
- Adelaide manufacturing IED camera tube

Product Portfolio and Capabilities

First to market advantage with CNT

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Mobile DR: **Nano** Mobile X-ray for Healthcare

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Approved for sale in 40 countries – significant COVID-19 related sales demand

$4.2m purchase orders in CY 2020

- **Bedside imaging** – hospitals & temporary facilities
- **Small & portable** – 95kg compared to 350-600kg
- **Approvals** – FDA, CE Mark and TGA
- **Installations in global markets ~** 14 countries already
- **Proven reliability** + Positive **customer feedback**
- Addressable **market ~ $500 million**
- **Orders growing - $4.2m in CY2020**

Above: Nano being used in The Alfred Hospital, Melbourne

Mobile DR: **Rover** for Military & Remote Users

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Strong military interest responding to their unmet need – FDA approved

$1.3m sales via WHO in Oct 2020 + $1.3m contract for ADF

- Rover is an **adapted version of the Nano** for military use
  - Deployed medical facilities treat injured military personnel
  - Higher power for trauma use in development
  - For use in combat support, disaster relief & humanitarian aid
- **Unmet need** – military currently using small-animal vet X-ray
- **Limited competition** - means higher potential gross margins
- Achieved FDA Approval - seeking CE mark and TGA approvals
- **$1.3m contract** to supply Rover for **new ADF** deployable hospital
- **Addressable market in NATO countries ~$170M**

Above: Rover testing in deployed hospital setting

Mobile DR: Expanding **Rover** Markets

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The extreme mobility and low weight of Rover opens up possible new uses

Point-of-Care x-ray imaging

- Avoiding x-ray outpatient department in hospitals
- Door-to-door x-ray service with tele-radiology
- Aged-care homes
- Home visits

Small-animal veterinary hospitals

- Increasingly upgrading from film to digital imaging
- Improve workflow & productivity
- Reduced regulatory environment

MBI: IED Imaging Camera

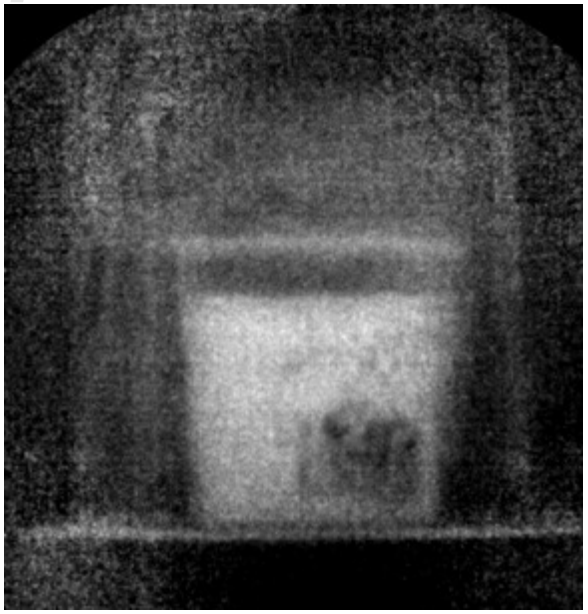
Backscatter X-Ray Assessment of IEDs via robot

- X-Ray Camera takes images without separate detector– **one sided viewing**
- Bomb disposal technicians face life threatening situation when placing conventional X-ray detector behind target
- Australian Defence Force **proof of concept imaging completed**
- Customer support - **military and FBI / bomb disposal** interest
- **No competition = high gross margins**
- **Addressable market ~$1.8B**

Illustration of MBI in action

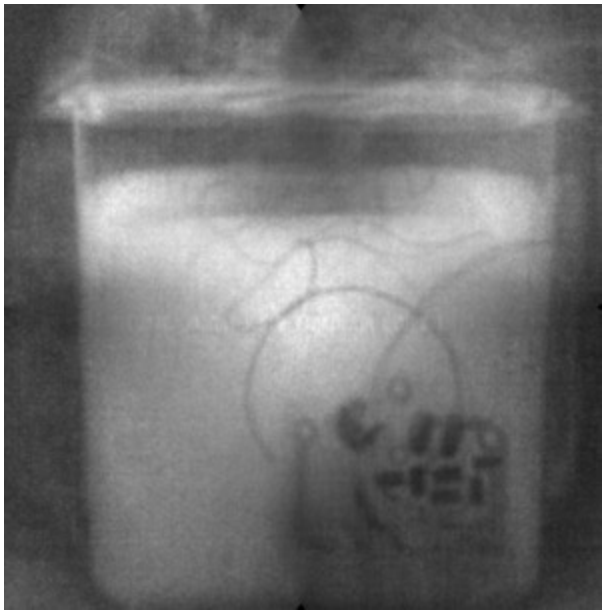
MBI: Imaging test success

New Backscatter Imaging Approach confirmed for project - new architecture for IED Camera



10 second image
Explosive material easily visible inside backpack

Bomb / No Bomb Assessment



60 second image
High Resolution Scan

Detailed Threat Assessment

Resolving easily:

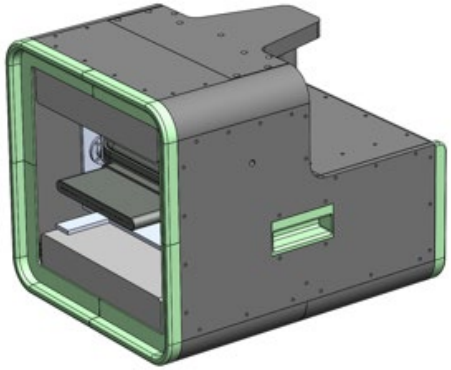
- Thin red wires 0.32mm diameter
- Electronic circuits

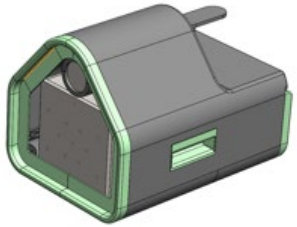
MBI: Major architecture change now adopted

MICRO-X

*New Backscatter Imaging Approach – **smaller**, **lighter**, and **faster** with **higher resolution**, **larger field-of-view**, **configurable design, faster to market**, and **lower development risk .***

New product COGS is 30% of previous





Feature	Previous Configuration	New Configuration
Dimensions of System	43.5cm x 43.5cm x 54cm	34cm x 34cm x 47cm
Weight	36kg	22kg
Field of View	**18cm x 18cm**	**40cm x 40cm**
Resolution	0.5mm	0.33mm
Imaging Speed	30 second (low resolution) 180 second (high resolution)	10 second (low resolution) 60 second (high resolution)
Time to Market	**30 months**	**12 months**
Development Risk	**High**	**Low**

Airport Self-service Checkpoint

MICRO-X

Micro-X Inc. in Seattle selected by **US Dept of Homeland Security** for **two contracts totalling US$4m** – commence April 21

Airport Checkpoint security

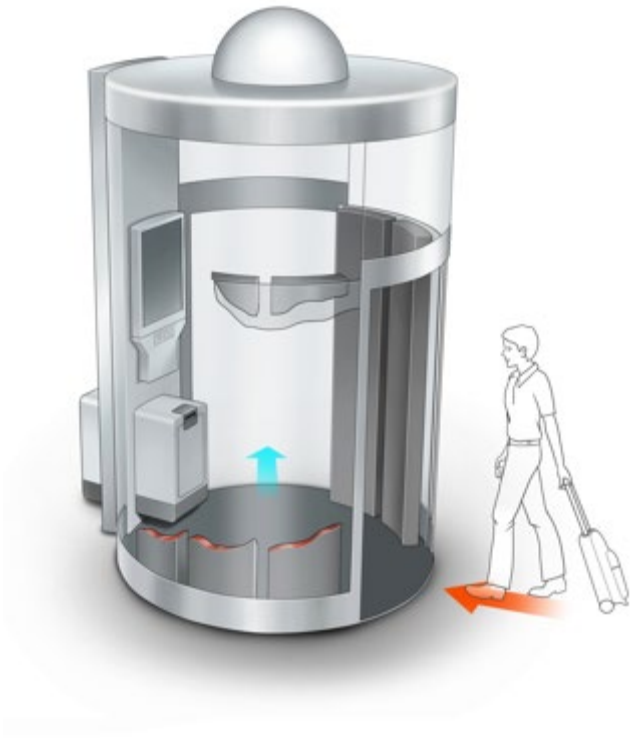
A blend of backscatter and transmission X-ray to provide **three dimensional imaging of carry on luggage**

Integrated body scanner and passport reader

Based on work Micro-X is undertaking with the UK Government's Department for Transport

Concept reimagines the future of airport checkpoints based on self-service model

Addressable global market ~US$24B
TSA alone US$8B market opportunity



Above: Illustration of Future Airport Checkpoint Portal

Brain Imaging for Strokes

MICRO-X

Point-of-care diagnosis inside the Golden Hour

Brain Tomography for Stroke diagnosis

New medical imaging technology for enhanced diagnosis of strokes in a mobile setting such as a road or air ambulance

Curved detector will be the first of its kind and be built in collaboration with **Fujifilm**

Awaiting decision on funding under Second Phase of Australian Stroke Alliance Project

Potential to be a game changer in modern stroke management with addressable market ~$5bn

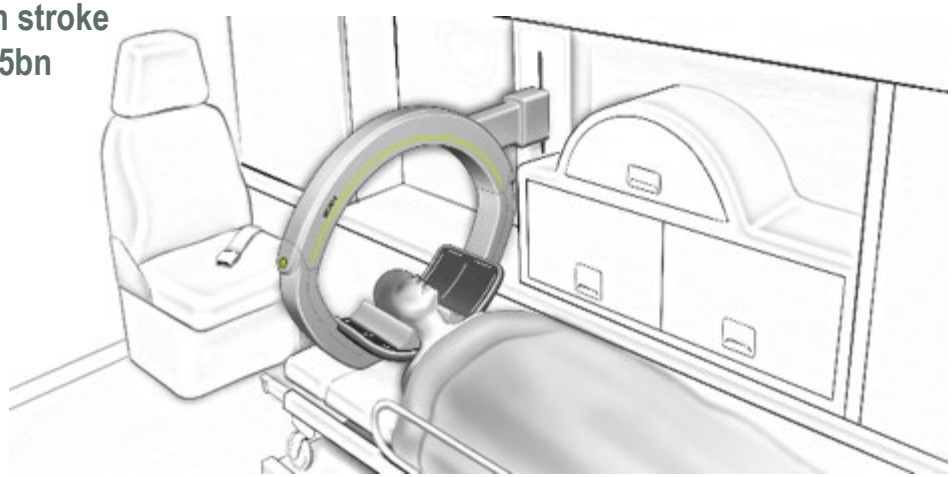
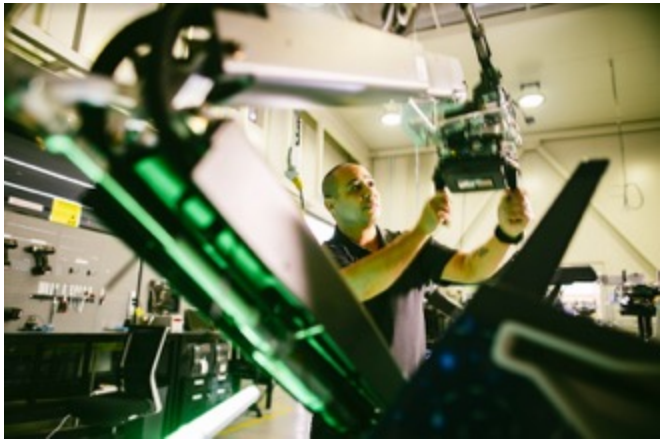


Illustration of curved ring scanner in ambulance setting

Established Capability: **Manufacturing Operations**

World-class manufacturing with efficiency learned from the automotive industry

- State of the art manufacturing facility spanning over 2,000m^2
  - South Australian Tonsley Innovation District
- ISO 13485 certified Quality Management System
- $4 million invested since April 2020
  - Capacity now 2 units (Nano/Rover) per day
  - Component inventory supports Nano or Rover product
- Local supply chain – heading towards 95% Australian with huge reduction in cycle time
- Nano and Rover build on same line with 95% parts commonality



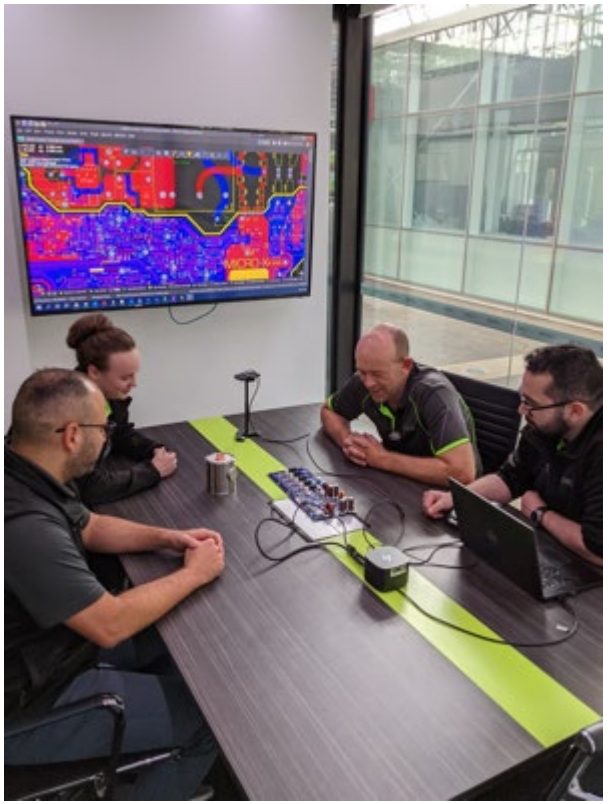
Above: Assembly of Rover units prior to shipment

bsi. ISO 13485:2016 Medical Device Quality Management

Established Capability: **Engineering Design**

World-class capability in multi-disciplinary systems design

- Customer-led design methodology; proven fast track development process
- ISO13485 accredited design processes
- 24 engineers and scientists covering: Mechanical & Materials; Electronics & Control; Software & Systems; Vacuum physics; High Voltage engineering; Ergonomics & workflow
- Centre of Excellence in software & Image processing to be established in Micro-X Inc. in Seattle WA
- 2 key patents granted 2020 plus 1 new patent filing
- In-house, proprietary, image re-construction software algorithms for 3D backscatter and transmission
- TSA contract award recognises systems design, project management & prime contracting capability - not just CNT technology

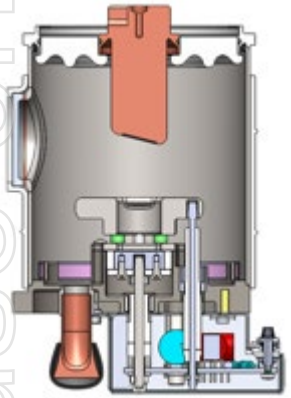


Platform Technologies: **Next Gen CNT x-ray**

MICRO-X

Summit: Next generation mini-tube for multi-source applications – designed for mass production

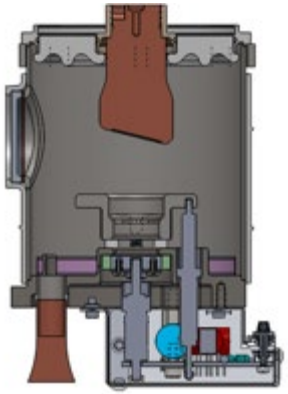
NUGGET



Specification	Value
Voltage Range	40kV – 110kV
Current Range	30mA – 70mA
Size (cm)	16.3 x 11 x 10
Weight (kg)	1.5

Our first in-house X-ray tube for NANO

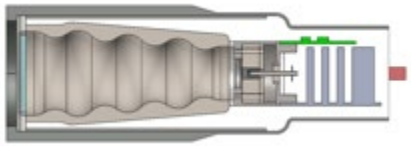
MOSAIC



Specification	Value
Voltage Range	40kV – 120kV
Current Range	30mA – 100mA
Size (cm)	16.3 x 11 x 10
Weight (kg)	1.5

High Power X-ray tube for ROVER

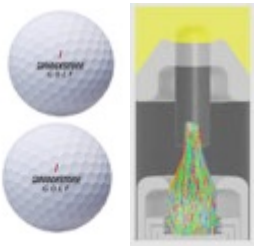
FUGGLES



Specification	Value
Voltage Range	160kV
Current Range	1mA
Size (cm)	
Weight (kg)	0.5

Integrated Tube and Generator for MBI

SUMMIT



Specification	Value
Voltage Range	60kV-120kV
Current Range	60mA
Size (cm)	8.2 x 3.8 x 4.2
Weight (kg)	0.5

Next Generation Mini-Tube

- Mass production for multi-source gantry applications:
  - Airport Security
  - Brain CT

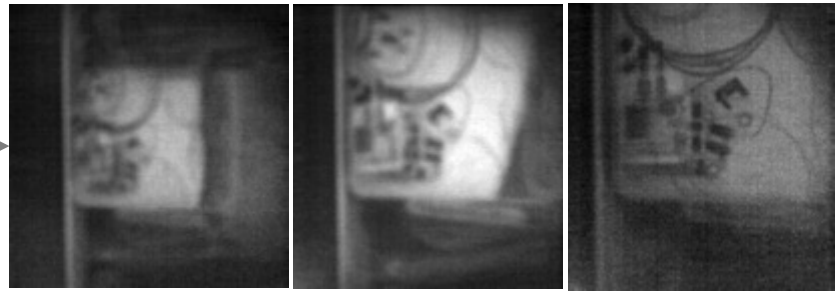
Platform Technologies: **Image processing**

MICRO-X

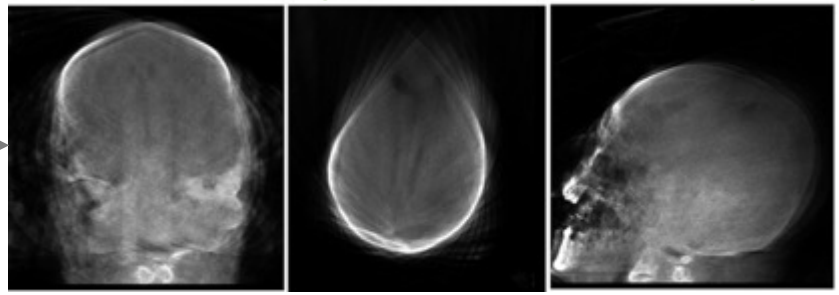
Image Reconstruction & Processing

Core Property Imaging Software and Algorithms

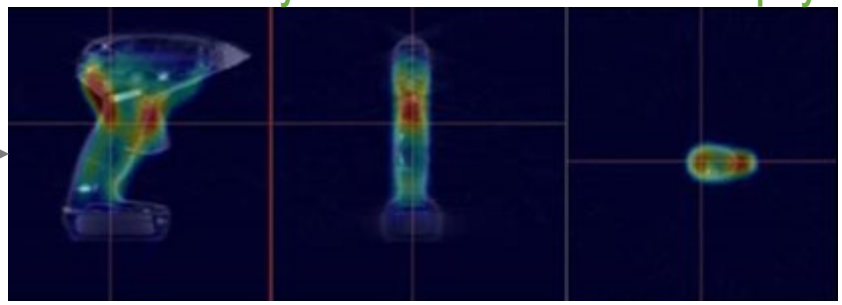
- Platform Imaging software leveraging unique properties of CNT x-ray tubes.
- Combines conventional x-ray 3D imaging with unique backscatter imaging.
- Developed in-house during MRFF phase 1 grant, UK DFT grant, and MBI development.
- Continue to develop in TSA funded program.



Backscatter Image Reconstruction and Display



Stroke Tomosynthesis Reconstruction and Display



Explosives Imaging CT Reconstruction and Detection

Platform Technologies: **High Voltage Supplies**

MICRO-X

In-house High Power generator project – central to all future x-ray tubes

Objective: Complete in-house design & manufacture of high power generator by mid 2021
- **reduce manufacturing costs** and enable **high-power Rover product for sale**

Design work for in-house generator largely completed

Project investment is **$3.5m over 10 months**

- Build samples, test, certify and develop manufacturing infrastructure
- $1.6m in materials and Capex; $1.9m on engineering services

Production of generators targeted by **end of 2Q 2021**

- Enable control of supply chain and reduced manufacturing costs
- **Platform technology** for all future products

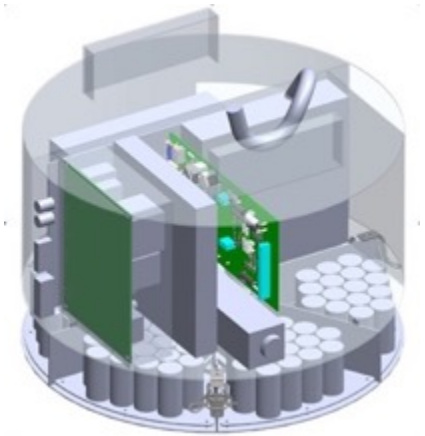
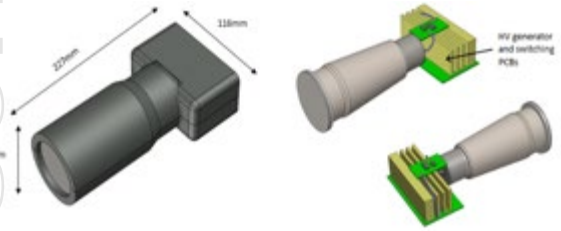
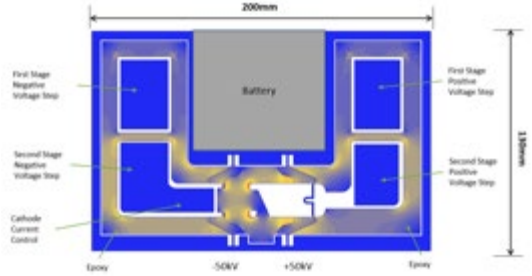


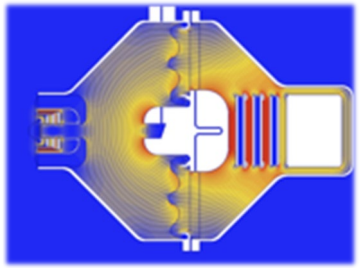
Illustration of High Powered 120kV Generator



Monoblock 160kV



Bi-Polar hand held Monoblock 100kV



Multi-Source high voltage switching for MBS/Brain Tomo

Conclusion

MICRO-X

Unlocking value from our revolutionary CNT technology

- Own the **proven technical edge**
- **Massive addressable markets**
- **Customer pull** – not technology push
- Products with **revenues + Multiple products** in design
- Demonstrated **design & manufacturing capability** to deliver
- Continuous **innovation** to **drive value**
- **Funding accelerates opportunities and strengthens balance sheet**

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Risk Factors

MICRO-X

Risk Factors

MICRO-X

This Risk Factors section includes details of the key risks attaching to an investment in shares in Micro-X Limited (Micro-X or the Company). These risks may affect the future strategy, operating and financial performance of Micro-X and the value of Micro-X Shares. The key risks are not set out in any particular order. Additional risks and uncertainties that Micro-X is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Micro-X's strategy, operating and financial performance. You should note that 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. Further, you should note that this section focuses on the potential key risks and does not purport to list every risk that Micro-X may have now or in the future. Potential investors should consider their individual circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Business Specific Risks

Difficulties encountered with early commercialisation of new technology

There are a number of risks associated with the early commercialisation of new technology, which is the Company's current stage of development, 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, fail to be developed prior to the successful marketing of alternative products by competitors, or fail to achieve the support of the targeted industry. Accordingly, the Company gives no guarantee that the development and commercialisation of its intellectual property will be successful, that development and commercialisation milestones will be achieved, or that product commercialisations will be successful. Projects can be delayed or fail to demonstrate any performance advantage over existing solutions or may cease to be viable for a range of scientific and commercial reasons. Product development expenditures may be much higher than forecast, and the manufacturing cost of products may preclude successful sales exploitation. The commercialisation risk is also high when developing new medical technologies and also new security applications. These risks include the Company's ability to:

- transition into a commercialisation-stage company, and implement and execute its business strategy as planned;
- increase awareness of its brand and market acceptance of its products;
- obtain and maintain regulatory registrations and market clearances;
- manage expanding operations in multiple markets;
- respond effectively to competitive pressures and developments;
- manage costs and margins to deliver projected returns;
- manage scale up of manufacturing and supply chain logistics;
- manage working capital requirements; and
- access the necessary capital to fund the business.

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.

The mobile diagnostic x-ray market contains a number of mobile x-ray devices (with others likely to be in development) which compete directly with the Mobile DR range. These competing products are manufactured and or sold by well established, large and well-resourced competitor companies including Canon, FujiFilm, Sedecal, Siemens, Konica-Minolta, Shimadzu, GE, Philips, Samsung and AGFA (**Competitors**). These Competitors may react to the Company's Mobile DR product through aggressive pricing or other strategies that may diminish the competitiveness of the Mobile DR range, the Company's ability to sell its Mobile DR units, and/or the Company's ability to achieve the sales price for its Mobile DR range.

The Company does not believe that it has notable competitors for the Rover product for the mobile military X-ray market, however this is no guarantee that a competitor will not enter the market. The military market generally is dominated by large contractors and multi-nationals who can exert significant influence within the market, and the corresponding end-users, which may adversely affect the Company and its ability to sell the Rover. Since the Company is planning to sell the Rover directly, it will not have the benefit of a large partner or distributor to assist against any anti-competitive behaviour. The Company is not currently a registered vendor to military customers in the United States of America and may need to become registered to enable sales of its Rover product to the military. There is a risk of higher than budgeted non-recurring engineering costs and engagement in a successful contracting process with the United States Materiel Defence Agency. In order for the Rover product to be approved for release to the European and Australian markets, the Company must comply with requirements set out to obtain CE Mark and TGA approval, respectively. Delays in the approval process, or potential setbacks may result in a delay for the Rover release in those markets and therefore result in delays to the timing of revenue received by the Company from Rover sales. This may adversely affect the Company's ability to achieve its forecasted growth. To mitigate these risks, the Company has engaged experienced external contractors and partner experts to assist with the regulatory approval process.

MBI development may be delayed or face technical issues

The MBI is being designed for detection of improvised explosive devices (IEDs), and is intended for sale primarily to government security organisations such as the military and police. While the Company's approach is novel and the Company believes its product will provide significant advantages, there are existing technologies in use for IED detection, and therefore there is a risk that established competitors will develop competing technology that may diminish the commercial success of the MBI. The Company has internal processes to monitor and measure expenditure, however there is the risk of higher than budgeted non-recurring engineering costs being incurred during the course of product development. Similar to the Rover, there is a risk of a delay to revenue as a result of delays related to cyber security compliance and contracting processes with customers given the Company is required to engage with local authorities, and state and federal government departments in specific countries.

Risk Factors

MICRO-X

Business Specific Risks (Cont/..)	
MBI (cont')	To mitigate the risks associated with the product's development, the Company has engaged external contractors that specialise in cyber security compliance and contracting processes in the US, and have similar engagement plans with other customers. The current technology has not been patented but an application has been made regarding the new imaging architecture used. This issue is further addressed under the **'Intellectual Property'** section. There are risks associated with the updated design of the MBI and therefore reduced scope of work for Micro-X's partnership with Thales. The reduction in the scope of work will impact the existing arrangements between the two Companies and will have a material impact on the current funding facility provided to the Company from Thales. There is a risk that the Company may be required to repay the drawdown facility amount on the Thales loan alongside interest fees and potential penalty charges. There is also a further risk that legal action may be taken by Thales in respect of any potential termination or amendment to the current contract between the two parties. This may have a direct impact on the Company's cash reserves, reputation and disclosure requirements. The Company intends to repay the outstanding amount of the Thales loan, with the proceeds of the proposed Placement. Refer to page 14 of this Presentation for further information.
Airport Self Service Check Point	The Company has been selected by the US Government's Department of Homeland Security (DHS) for two contracts totaling up to US$4 million associated with a new concept for a Self-Service Airport Passenger Security Checkpoint . This programme relates to the Transportation Safety Administration's (TSA) future vision of replacing conventional CT and projection x-ray luggage imaging at checkpoints with a bank of multiple 'self service' security portals similar to current photometric identity portals but with the integrated addition of millimetre-wave body-scans and x-ray screening operating with automated threat detection. While the Company believes it provides a superior solution, there are existing technologies in use for Self Service Checkpoints in Airports and therefore there is a risk that established competitors will develop competing technology that may diminish the commercial success of the Company's Self-Service Airport Passenger Security Checkpoint solution. Similar to the MBI, the Company has internal processes to monitor and measure expenditure, however there is the risk of higher than budgeted non-recurring engineering costs being incurred during the course of product development. There is also a risk of a delay to revenue as a result of delays related to security clearances, cyber security compliance and contracting processes with government departments in the USA. The project poses development and design risk as well as third party and subcontracting risk required to create a fully integrated system. To limit risk, the Company is actively expanding its US footprint and is working alongside external advisers to meet the DHS requirements. The Company also plans to manage the systems integration for this project and establish a centre-of-excellence for security-sensitive threat detection software at its Seattle base. New premises suitable for this expansion have been identified near SeaTac Airport and recruitment of a number of high calibre imaging algorithm and software engineers has commenced which will assist the project's delivery.
Brain Tomography	The Brain Tomography for stroke diagnosis project involves developing a miniaturised brain imaging CT scanner which is able to fit into any land or air ambulance. The aim is to allow pre-hospital diagnosis of strokes to enable treatment to commence in an ambulance setting within the 'Golden Hour' which minimizes the risk of long-term disability. The Company has been included in the Stage Two proposal of the 'Frontier Health Program' to the Federal Government's Medical Research Future Fund (MRFF) for potential funding as an imaging technology provider in the ASA research consortium led by the Melbourne Brain Centre of the Royal Melbourne Hospital alongside The Johns Hopkins University in the USA and Fujifilm in Japan, who will support the Company in the product's development. The new imaging solution presents design and development risk as a novel product with no predecessors utilising Micro-X's cold cathode technology. Initial tests conducted by the Company's internal team have demonstrated a capability of resolving 4mm-5mm bleeds. Currently the standard of care used in pre-hospital stroke management by the Melbourne Brain Centre, as part of the Royal Melbourne Hospital is to be able to image bleeds as small as 2-3 millimetres. Risk associated with developing the products algothrithm and collaborating with its current partners are present in the products development to meet or surpass the current standard of care. The Company has not factored in the project's cost and revenues in its current forecast and expect to continue with the project's development upon successful receipt of grant funding from the MRFF. The funding has not been granted to the Company and the assurance, timing and amount of this funding remains uncertain. There is a potential Micro-X will not receive the MRFF funding and be required to self fund the project if it chooses to continue its development. To mitigate risk the Company has been in active engagement with the Australian Stroke Alliance and has explored potential options to continue the project's development if unsuccessful.
USA Expansion	Expansion of Micro-X's US footprint through the growth of its subsidiary, Micro-X Inc., presents additional risk for the Company. As apart of its expansion, the Company may be subject to additional employment, tax, regulatory, and compliance requirements. The Company will also be subject to managing foreign currency risk through the expected larger overhead cost carried out in USD. The Company will also be exposed to policy change, political risk and any trading restrictions with the USA.

Risk Factors

MICRO-X

Business Specific Risks (Cont/..)	
Removal of exclusivity clause with Carestream for sale of Nano	The removal of the Company's exclusivity clause with their sole distribution partner, may have an impact on outreach and sales and marketing of the Nano product through the Distributor. The Company's Distribution partner may not sell the Company's products to the extent forecasted, may change strategy, discontinue or reduce sales of the Company's products, may be acquired by another entity, become insolvent or otherwise cease to trade with the result that the Company's sales revenues will be reduced. To minimise risk, the Company is engaging with a number of potential distribution partners globally and strengthening its sales capacity to carry out direct sales.
Growing sales and marketing experience and resources	The Company currently sells its Rover product directly to customers and is planning a similar direct sales model for its MBI product. The Company has secured two direct sales contracts for the Rover since its FDA approval in September 2020 and is still at an early stage with its direct sales efforts. There is a risk that the Company will be unable to develop sufficient sales and marketing capabilities despite its planned expansion and investment to effectively commercialise its products.
Hospitals and healthcare organisations are facing budget constraints	The Company's ability to generate revenue from the Mobile DR will depend on how effectively its distribution partners and sales team can market and sell units, which is not a reimbursed product, to organisations within the healthcare industry. Hospitals, veterinarian practices and healthcare organisations face regular and significant budget constraints; the competition for limited capital budgets is intense and the budget allocation process and approvals for spending on medical equipment is complex and time-consuming. As a result, marketing and sales to hospitals and other healthcare organisations is competitive, and the revenue cycle for medical equipment can be lengthy and unpredictable with highly variable results. These factors may cause the Company's sales of Mobile DR to fluctuate or adversely affect the Company's ability to achieve its forecasted growth.
Contractual risk dealing with military customers	Delivery of the first batch of Rover units to the Australian Defence Force (**ADF**) is expected in FY2023. The time lag between the signing of the contract (17 December 2020) and delivery of units may present future delivery risk and reduce the impact or ability of the ADF to comment about the utility of the Rover product as a reference for potential military sales. The Company is planning to sell its Rover product directly to the military including the UK Ministry of Defence and the United States Army Medical Materiel Agency (**Agency**). The Company is not a registered vendor to the UK and USA defence forces and this may impact the ability to compete in tenders or provide products to these customers. Military procurement processes can take an extensive period of time to complete and are subject to change, delay or cancellation for a number of factors including global military activity, policy change and change in the political climate. While the Rover and MBI are diagnostic devices not weapons, weapons systems, vehicles or munitions and therefore are not considered arms, agreeing to sell to particular militaries, including the United States, may impose further restrictions on trade with other nations' militaries. To minimise risk, the Company has made adjustments in the Rover software and operating system used and to its own internal processes to be compliant with the new Cyber Security Risk Management Framework for the US Military. These activities may require an external audit to verify compliance and there is a risk that this may cause delays or prevent the Company being able to sell the Rover to military buyers.
Single site for manufacturing activities and research	The Company performs its manufacturing activities and the majority of its research and development (**R&D**) at its facility in Tonsley, Adelaide. Should operations at the facility be disrupted or production halted for any reason (for example, due to labour strikes, extreme weather or other events outside the Company's control), the Company may not have enough products available to satisfy customer demand in a timely manner. While alternative arrangements could be made to transfer the manufacturing process to a different facility, this would take some time and may involve other risks. If such disruption were to occur, it would adversely affect the Company's ability to sell its products and customers might instead purchase products from competitors. There may also be an ongoing sales impact in the form of a reduction of goodwill as a result of the Company ceasing sales for a period of time.
Manufacturing risk and low margins	While the Company has strong internal capabilities in manufacturing operations and supply chain management including scaling of production to meet higher volume, there is a risk of delays or issues in the manufacturing processes. The Company is currently developing cost reduction initiatives including its own high voltage generator platform. Each of these development projects are required to be completed to enable the planned insourcing of manufacturing of these items. Each of these components are required to deliver planned margin improvement. There is a risk that these projects may not be successful and the Company may not be able to improve its margins to a satisfactory level.
Reliance on key personnel and ability to recruit additional personnel	The Company's future depends significantly on its ability to attract and retain key personnel, particularly those with highly specialised skillsets in areas of technology central to the Company's future products. The Company may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. The Company's future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Risk Factors

MICRO-X

Business Specific Risks (Cont/..)	
Regulatory approvals to be received and maintained	Medical devices and products which emit ionising radiation exist in a highly regulated environment. The Company's operations are reliant on maintaining regulatory certifications, including ISO13485. Whilst the Company has processes in place and a culture of quality, there is a risk that operations may be impacted if incidents of non-compliance are identified in audit findings by regulatory bodies. Commercialising the Company's products requires regulatory approvals for medical devices, including a CE Mark for the European market, TGA for the Australian market and 510(k) for the US market, amongst others. Regulatory approvals may take longer than planned or may not be able to be achieved in one or more markets, impacting the Company's ability to commercialise those products. There is also a risk of regulatory approvals being withdrawn due to an issue of non-compliance. Future products may not be able to rely on a predicate device to accelerate regulatory approvals and may involve lengthy and costly clinical trials, which may not succeed. The regulatory environment globally is not homogeneous and is subject to change which is outside the Company's control. Changes to the regulatory environment may drive significant changes, including delays or cancellation, to the Company's project schedules. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial position of the Company. As an x-ray device manufacturer, the Company must retain certification by the South Australian Environmental Protection Authority to operate and manufacture ionizing radiation emitting devices. While the Company has strong radiation control processes in place, any impact to those certifications could impact the Company's ability to manufacture devices and commercialise.
Product liability	In medical markets, the Company's Mobile DR products are used for diagnostic imaging. For the Mobile DR, the clinical diagnostic decision is made by a qualified radiologist based on an image provided by a qualified radiographer. The imaging software is the Distributor's certified imaging software. As such, the potential contribution of the Company's product to an incorrect diagnosis is a very low risk for the Company. The Company's Mobile DR products are independently certified and compliant to IEC60601 medical device safety standard. The Company's manufacturing and quality system ensures products manufactured meet the standard. There is risk that injury may occur to a patient or operator from misdiagnosis or through a quality defect in manufacturing, or possibly a failure introduced by misuse. As with all medical devices, these could be reportable issues resulting in a product recall. In security markets and medical markets, Company products pose a radiation and high voltage hazard. All products meet the applicable test standards but risk resides from a failure of protections in place to prevent radiation exposure or electroshock. Failure to meet compliance or safety for radiation and/or high voltage poses a significant risk to patient or operator safety. The likelihood of occurrence is very low, however an incident could represent a serious risk in the safety of the Company's products and thus their viability. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.
Reliance on third party technology vendors and partners	The Company's products include components that are manufactured and supplied by third parties. The Company currently relies, and may in the future rely, on partners to supply key technology or manufacturing services. There are inherent risks in relying on third party suppliers for these product components, since any change to the manufacturing process of an approved medical device requires extensive documentation and, in many cases, supplemental testing. Such partners may not supply to the required price, quality or volume, may change their strategy and discontinue supply, may become insolvent or otherwise cease to trade and the effect of any of these on the Company would be for the Company to incur significant costs and delays in securing replacement services which would interrupt the Company's revenue. The Company does not have second source suppliers for many of these components. A disruption at a key supplier could therefore cause a substantial delay in the availability of the Company's products, leading to a potential loss of sales and reputation in the market. Where partner companies have access to the Company's confidential information, intellectual property or know-how, there is a risk of a whole or partial loss of the confidential information, intellectual property or know-how to competing organisations. The performance of the Company's partners may also be impacted by either related or unrelated regulatory changes or breaches and other actions of other sovereign governments. To minimise risk, the Company has targeted to have 95% of its materials sourced from Australia.
Intellectual property	The Company strategy for protecting intellectual property is to obtain legal coverage through patents and registrations using the international patent cooperation treaty (PCT) and completing national filings in Australia, USA, Europe, Japan and China. Company owned patents are held on innovative elements of the Company's products as a barrier to duplication. The Company holds two core patents for high current density field emitters and RF modulation of field emitters. The Company has also submitted an application for its imaging architecture used in the MBI – IED x-ray camera. These patents are intended to provide the Company with a barrier to competition, however a published patent can enable an expert in the field to replicate or reverse engineer the technology. Notwithstanding the patents, there is a risk that competitors will replicate this intellectual property and produce competing small x-ray tubes. This risk may also be higher in countries where intellectual property laws may not adequately protect the Company. The Company has a published patent for the CNT technology. This patent has passed the examination phase and has been published but this patent has not yet been granted. There is a risk that an objection may be lodged to the patent and that the patent may not be granted. If the patent was not ultimately granted, the Company may not be able to protect its intellectual property. There is a risk that (i) third parties may circumvent intellectual property, particularly from the leaking of trade secrets from current or ex-employees, or by carrying out intellectual property theft including cyber security attacks; (ii) patents may be challenged for validity; or (iii) there may be an inadvertent breach of third party patents of which the Company has not researched in its freedom to operate. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.

Risk Factors

MICRO-X

Business Specific Risks	
Cyber security	As with most companies, and particularly high-technology companies, the Company stores much of its data electronically. There is a risk that the Company's electronic storage systems may suffer a data breach or attack through hacking, trojans, viruses or other cyber-attacks. Such a breach or attack could cause loss, damage or theft of information relating to intellectual property, trade secrets, product development, company employee data, contract information, strategic and financial information, and regulatory information, causing a disruption to business operations and/or eroding competitive advantage. The occurrence of any of these events could have a material adverse effect on the operations of the business, and in turn the financial performance and financial position of the Company.
International trade and foreign exchange risk	The Company operates in a global market and its business operations are subject to trade agreements. Changes to international trade agreements, including free trade agreements, 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. Global markets have seen volatility in United States trade recently and there is a risk the Company's business including commercialisation of product or supply of components could be adversely affected. 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.
Business Interruption	The Company operates using a global supply and customer base. This global supply and customer base may be exposed to hazards outside of the Company's control including changing political climates and natural disasters which could interrupt business. In the event of such an interruption, the Company cannot guarantee that it will be able to source appropriate replacement components or find alternate customer pathways with a commercially viable arrangement or within a required timeframe to prevent interruption to its operations. Such an interruption may have a material adverse effect on the financial position and financial performance of the Company.
Current capital reserves and ability to raise additional capital	The Company is at an early revenue stage and there is no guarantee that the Company will achieve cashflow breakeven or profitability. As at 31 December 2020, the Company's bank balance was approximately $12.8 million. Furthermore, the Company has secured debt facilities from the South Australian Government Financing Authority (**SAFA**) and Thales AVS France SAS (**Thales**) (together, the **Lenders**). These facilities prevent the Company from raising additional finance, either by way of a loan or debt instrument, without the prior approval of the Lenders. Furthermore, the security granted to the Lenders prevents the Company from dealing with, licensing or selling its intellectual property without the Lenders' prior permission. Accordingly, the Company requires significant 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. There can be no assurance 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. The occurrence of any of these events could have a material adverse effect on the Company's financial performance and financial position.

General Risks	
COVID-19	COVID-19 is a major community and economic concern which is having an impact on business operations in the areas affected by the outbreak. While Micro-X has created processes and strategies to manage the situation, there is a risk that there may be a major disruption to Micro-X's supply chain and/or internal operations which could impact on Micro-X's ability to deliver its strategy. Whilst over 85% of parts used in the Mobile DR are domestically sourced, Micro-X is dependent on supply chains with countries affected by the outbreak for some components. Some of Micro-X's suppliers, subcontractors or customers may also be dependent on such supply chains or have such links. If suppliers in their supply chains have had to cease or reduce operations, it may take time for suppliers in their supply chains to resume work or return to the same capacity that they were operating at prior to the outbreak. If so, there is a risk that Micro-X's suppliers or subcontractors may not be able to deliver supplies or their contracted scope of works within the scheduled timeframe to complete works or that Micro-X's customers may suspend or delay works. These business interruptions may have a material adverse effect on the profitability of Micro-X and the ability of Micro-X to satisfy product orders. There is also a risk that employees and other persons whom Micro-X is reliant on to conduct its business (such as production, supply chain and quality employees) may be unable to work for a period if they contract COVID-19 or are quarantined after visiting an area affected by COVID-19. Further, there is a risk that if one or more of Micro-X's employees contracts COVID-19, there would need to be a temporary shutdown of Micro-X's manufacturing facilities for cleaning and testing of staff. This could create delays to Micro-X's activities such as manufacturing x-rays tubes and Nano products to meet the increased demand relating to the COVID-19 pandemic, which could increase Micro-X's costs, delay receipt of revenue, result in the loss of revenue for products sold and in turn, could have a material adverse effect on Micro-X's financial position and prospects.