

NEXT STAGE EXPANSION OF MICRO-X PRODUCTION FACILITY IN ADELAIDE

80% increase in facility to support future production requirements of Carestream DRX Revolution Nano

Adelaide, Australia, 11 July 2019: Australian hi-tech company Micro-X Ltd (ASX:MX1) (**Micro-X** or the **Company**), a leader in cold cathode x-ray technology for the health and security markets globally, is pleased to announce completion of the next stage expansion of its production and development facility at the Tonsley Innovation District in Adelaide.

Micro-X took possession today of an additional 700 m² of production and office premises connected to the existing production and office facility. This latest expansion has been designed to meet the medium term production requirements for the *Carestream DRX Revolution Nano* (Nano) currently being built by Micro-X and sold by Carestream Health Inc, and the need to include production capacity for the new Micro-X Rover military bedside imager currently in development. The expansion also provides new facility space for development and test activities for the Mobile Backscatter Imager (MBI) product now gearing up as a result of the finalisation of the partnership with Thales. The Company can now also bring in-house its engineering prototyping which previously had to be outsourced due to space constraints.

Other features of the new Tonsley expansion include:

- Increased area for production materials flow to support increased Nano throughput
- New dedicated area for Rover and MBI production lines
- Expanded mechanical and electrical engineering laboratory space
- Walk-in shielded room for customer demonstrations
- Pre-production and prototype assembly area
- X-ray shielded room for high-dose stand-off imaging tests
- Increased office space to support growth of engineering team
- Continuation of ISO13485 certification for the original facility and this latest expansion

Micro-X's facility at Tonsley was built to the company's specification by Renewal SA, an agency of the South Australian Government, and is leased to the Company for ten years with an option for a further ten years.

The Company first established its operations in the Tonsley Innovation District in Adelaide's south in 2015. The facility is under the 5-hectare roof of the Main Assembly Building of a former automotive assembly plant, which has been converted into a major hub for high-tech industries. Created with the support of the South Australian Government, this precinct now includes Zeiss, Sage Automation, Siemens, Tesla and the Biomedical Engineering Faculty of Flinders University.

"We are delighted that Micro-X has grown its capability at Tonsley." said Philipp Dautel, Tonsley Precinct Director for Renewal SA. *"The company, a founding tenant at the Innovation Precinct, is a leading example of the globally focused advanced manufacturing industries that South Australia is attracting and growing at Tonsley"*

Peter Rowland, Managing Director said:

"This increase in facility space at Tonsley will greatly expand our production capacity and also support the development activities for our future products including the MBI project with Thales. This expansion also comes at a key time for us to ensure we can meet projected demand for Carestream DRX Revolution Nano for the medium term. We now have 42

highly skilled staff across the production, engineering, development and administration teams at Tonsley and this expanded facility allows the team the benefit of working together at a single integrated site.”

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About Micro-X

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

The Company's first product, the *Carestream DRX Revolution Nano*, is an ultra-lightweight digital medical x-ray system for the rapidly expanding mobile x-ray market in hospitals and healthcare. The *Carestream DRX Revolution Nano* holds 510(k) and CE Mark certifications and is sold commercially in a number of global markets by the Company's exclusive distributor, Carestream Health, Inc.. The Company has a portfolio of innovative products in development, aimed at customer solutions where there is little or no competition. This includes the Mobile Backscatter Imager or MBI which will image Improvised Explosive Devices for airport security, defence and counter-terrorism applications. The MBI is being jointly developed in partnership with Thales, a global supplier of defence and security technology systems, who are providing technical support and \$10 million of funding.

CONTACTS

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