

**Monday 13<sup>th</sup> August 2018**

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

## **EXPECTED IMPAIRMENT CHARGE**

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In advance of Micro-X Limited's (ASX: MX1) annual results announcement the Board wishes to provide an update regarding a potential impairment of the carrying value of Micro-X's investment in XinRay Systems Inc. (XinRay). A potential impairment charge has been identified during the company's annual intangible asset impairment testing process.

Micro-X owns 30% of XinRay Systems, Inc. which is based in North Carolina and provides the carbon nano-tube emitter technology and x-ray tubes for Micro-X under an exclusive licencing agreement.

The potential impairment arises as a consequence of the terms of agreement between XinRay and NuRay Technology Co. Ltd, a joint venture company based in Jintan, China in which XinRay has a 30% ownership. There is currently insufficient clarity regarding the future revenues expected to be earned by XinRay through the NuRay Technology joint venture and whether they will support the current carrying value of Micro-X's investment in XinRay. Therefore, the Micro-X Board prefers that a conservative approach be taken in respect of the underlying calculations supporting the carrying amount.

At the time of the Board's initial review of the potential impairment, all of the required information had not yet been received from XinRay to complete XinRay's future cash flow assessment. A more detailed assessment of future cash flows will be undertaken in coming weeks, at which time the amount of any potential impairment charge will be quantified and this will be subject to the finalisation of the audit and the full year results, which are expected to be released on 31<sup>st</sup> August 2018.

The impairment has no effect on current or future product development activities by Micro-X.

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For further information please contact:

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**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.