

**CAP-XX Limited**  
**ABN 47 050 845 291**

**Interim report**  
**For the half-year ended 31 December 2018**

**Interim report**

<b>Contents</b>	<b>Page</b>
Directors' report	3
Interim financial report	4
Financial statements	5
Directors' declaration	20

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by CAP-XX Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## **Directors' report**

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of CAP-XX Limited (the Company or CAP-XX) and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

### **Directors**

The following persons were directors of CAP-XX Limited during the half-year and up to the date of this report:

Patrick Elliott	Chairman
Bruce Grey	Non-Executive Director
Anthony Kongats	Managing Director

### **Review of operations**

The Group recorded a net loss of \$1,616,372 during the half-year ended 31 December 2018 (2017: loss of \$1,623,379).

Although the net operating loss is on par with the previous year, the material increase in the year on year share based payment expense needs to be taken into account when analysing the year on year operational performance and net loss position for the six months ended December 2018. On a like for like basis, the reported gross margin is increasing as result of the full realisation of the previously announced process and production initiatives.

### **Significant changes in the state of affairs**

There were no significant changes in the Group's state of affairs during the half-year ended 31 December 2018.

### **Events occurring after the reporting period**

The Group received the R&D rebate totalling \$1,596,547 (FY17: \$1,551,838) on November 10, 2018.

### **Unaudited Results**

These results were not subject to an independent audit review.

This report is made in accordance with a resolution of the directors.



Patrick Elliott  
Director

Sydney  
6<sup>th</sup> March 2018

# CAP-XX Limited

## Interim financial report

### 31 December 2018

Contents	Page
Financial statements	
Consolidated statement of profit or loss	5
Consolidated statement of comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	20

This interim financial report covers the consolidated entity consisting of CAP-XX Limited and its subsidiaries. The interim financial report is presented in the **Australian currency**.

CAP-XX Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal place of business is:

Units 9-10  
12 Mars Road  
Lane Cove NSW 2066

Its registered office is:

Suite 126  
117 Old Pittwater Road  
Brookvale NSW 2100  
Australia

The interim financial report was authorised for issue by the directors on 5<sup>th</sup> March 2018. The company has the power to amend and reissue the interim financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available at our Investors' Centre on our website: [www.cap-xx.com](http://www.cap-xx.com).

**CAP-XX Limited**  
**Consolidated statement of profit or loss**  
**For the half-year ended 31 December 2018**

	Notes	Consolidated	
		Half-year 2018	Half-year 2017
<b>Currency: Australian Dollars</b>		\$	\$
Revenue from sale of goods and services	3	1,603,484	1,544,554
Cost of sale of goods and services		(735,147)	(787,318)
<b>Gross margin (loss) on sale of goods and services</b>		<b>868,337</b>	<b>757,236</b>
Other revenue	3	9,519	24,446
Other income	4	884,211	720,000
General and administrative expenses		(1,067,995)	(924,762)
Process and engineering expenses		(552,131)	(839,603)
Selling and marketing expenses		(339,220)	(358,159)
Research and development expenses		(809,812)	(781,754)
Share based payments		(567,813)	(152,789)
Other expenses		(41,468)	(67,994)
<b>(Loss) before income tax</b>		<b>(1,616,372)</b>	<b>(1,623,379)</b>
Income tax benefit/(expense)		-	-
<b>Net loss after income tax for the half year</b>		<b>(1,616,372)</b>	<b>(1,623,379)</b>
<b>(Loss) attributable to members of CAP-XX Limited</b>	5	<b>(1,616,372)</b>	<b>(1,623,379)</b>
<b>Loss per share attributable to the ordinary equity holders of the company</b>		<b>Cents</b>	<b>Cents</b>
Basic loss per share		<b>(0.52)</b>	(0.54)
Diluted loss per share		<b>(0.52)</b>	(0.54)

*The above statement of profit or loss should be read in conjunction with the accompanying notes.  
The comparative information has been restated as per note 1 (c) .*

**CAP-XX Limited**  
**Consolidated statement of comprehensive income**  
**For the half year ended 31 December 2018**

	Notes	Consolidated	
		2018 \$	2017 \$
<b>Currency: Australian Dollars</b>			
<b>Loss for the half year</b>		<b>(1,616,372)</b>	(1,623,379)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		(38,496)	2,411
<b>Other comprehensive loss for the half year, net of tax</b>		<b><u>(38,496)</u></b>	<u>2,411</u>
<b>Total comprehensive loss for the half year attributable to owners of CAP-XX Limited</b>		<b><u>(1,654,868)</u></b>	<u>(1,620,968)</u>

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.  
The comparative information has been restated as per note 1 (c) .*

**CAP-XX Limited**  
**Consolidated statement of financial position**  
**As at 31 December 2018**

	Notes	31 December 2018	Consolidated 30 June 2018	31 December 2017
<b>Currency: Australian Dollars</b>		\$	\$	\$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		4,623,238	1,911,346	1,514,463
Receivables		327,296	823,090	264,839
Inventories		1,998,065	1,404,205	1,668,446
Other	6	921,106	1,784,384	2,430,706
<b>Total current assets</b>		<b>7,869,705</b>	<b>5,923,025</b>	<b>5,878,454</b>
<b>Non-current assets</b>				
Property, plant and equipment		590,138	572,949	420,745
Other		236,507	236,507	236,507
<b>Total non-current assets</b>		<b>826,645</b>	<b>809,456</b>	<b>657,252</b>
<b>TOTAL ASSETS</b>		<b>8,696,350</b>	<b>6,732,481</b>	<b>6,535,706</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables		835,112	1,144,289	1,047,310
Provisions		734,425	760,491	708,167
<b>Total current liabilities</b>		<b>1,569,537</b>	<b>1,904,780</b>	<b>1,755,477</b>
<b>Non-current liabilities</b>				
Provisions		125,018	41,296	86,240
<b>Total non-current liabilities</b>		<b>125,018</b>	<b>41,296</b>	<b>86,240</b>
<b>TOTAL LIABILITIES</b>		<b>1,694,555</b>	<b>1,946,076</b>	<b>1,841,717</b>
<b>NET ASSETS</b>		<b>7,001,795</b>	<b>4,786,405</b>	<b>4,693,989</b>
<b>EQUITY</b>				
Contributed equity	7	101,867,507	98,565,062	98,389,390
Reserves		5,741,487	5,212,170	4,480,173
Accumulated losses		(100,607,199)	(98,990,827)	(98,175,574)
<b>TOTAL EQUITY</b>		<b>7,001,795</b>	<b>4,786,405</b>	<b>4,693,989</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying  
The comparative information has been restated as per note 1 (c) .*

**CAP-XX Limited**  
**Consolidated statements of changes in equity**  
**For the half-year ended 31 December 2018**

	<b>Consolidated</b>			
	<b>Contributed Equity \$</b>	<b>Reserve \$</b>	<b>Accumulated losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2017</b>	98,343,719	4,324,973	(96,552,195)	6,116,497
<b>Loss for the period as reported in the 2018 financial statements</b>	-		(2,438,632)	(2,438,632)
<b>Other comprehensive loss</b>	-	(33,031)	-	(33,031)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs and tax	221,343			221,343
Employee share options - value of employee services	-	920,228	-	920,228
<b>Balance at 30 June 2018</b>	<b>98,565,062</b>	<b>5,212,170</b>	<b>(98,990,827)</b>	<b>4,786,105</b>
<b>Profit for the period as reported in the 2018 interim financial statements</b>	-	-	(1,616,372)	(1,616,372)
<b>Other comprehensive income</b>	-	(38,496)	-	(38,496)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs and tax	3,302,445	-	-	3,302,445
Employee share options - value of employee services	-	567,813	-	567,813
<b>Balance at 31 December 2018</b>	<b>101,867,507</b>	<b>5,741,487</b>	<b>(100,607,199)</b>	<b>7,001,795</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*



**CAP-XX Limited**  
**Consolidated Statement of Cash Flows**  
**For the half-year ended 31 December 2018**

	<b>Consolidated</b>	
	<b>Half-year 2018</b>	<b>Half-year 2017</b>
<i>Currency: Australian Dollars</i>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	2,259,627	1,853,316
Payments to suppliers and employees (inclusive of goods and services tax)	(4,303,597)	(4,163,655)
	<b>(2,043,970)</b>	<b>(2,310,339)</b>
Tax credit received	1,596,547	-
Interest received	9,519	24,446
<b>Net cash (outflow) from operating activities</b>	<b>(437,904)</b>	<b>(2,285,893)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(114,153)	(129,518)
<b>Net cash (outflow) from investing activities</b>	<b>(114,153)</b>	<b>(129,518)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	3,302,445	45,671
<b>Net cash inflow from financing activities</b>	<b>3,302,445</b>	<b>45,671</b>
Net (decrease) in cash and cash equivalents	2,750,388	(2,369,740)
Cash and cash equivalents at the beginning of the half-year	1,911,346	3,881,792
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>(38,496)</b>	<b>2,411</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>4,623,238</b>	<b>1,514,463</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

**CAP-XX Limited**  
**Notes to the Consolidated Interim Financial Statements**  
**Contents of the notes to the interim financial statements**

		<b>Page</b>
1	Significant accounting policies	12
2	Segment information	16
3	Revenue	18
4	Other Income	18
5	Loss for the half-year	18
6	Other Assets	18
7	Contributed equity	19

**CAP-XX Limited**  
**Notes to the Consolidated Interim Financial Statements**  
**31 December 2018**

**Note 1 Significant accounting policies**

a) Basis of preparation of half-year report

This interim financial report for the half-year ended 31 December 2018 has been prepared in accordance with Corporations Act 2001 and Australian Accounting Standard AASB 134 Interim Financial Reporting.

The financial report covers the consolidated entity of CAP-XX Limited and its controlled entities. The financial report has been presented in Australian dollars, the group's presentation currency. The report consists of the financial statements, notes to the financial statements and the directors' declaration.

The interim financial report does not include all the notes of the type normally included in an annual financial report.

Accordingly, this report is to be read in conjunction with the annual report made by CAP-XX Limited for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies have been followed as those applied in the financial report for the year ended 30 June 2018.

b) Continuation as a going concern

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group has sufficient cash to fund operations for more than one year based on anticipated levels of operational cash flow including committed License Fees and the receipt of Australian Tax Office R&D Rebate.

The accounting policies adopted are consistent with those of the previous financial year ended 30 June 2018.

c) Restatement of comparatives

In order to accurately reflect the delivered gross margin, an adjustment has been made to the value of cost of goods and services. This adjustment is necessary to value the expenditure associated with the cost of sale of goods and services which accurately record the Gross Margin generated from the sale of CAP-XX's goods and services. Having revisited the gross margin calculation, it has been found that the value of cost of goods and services being overstated, principally materials, inventory being understated and process and engineering expenses being understated. This is due to the adjustment required in the valuation of work in progress inventory and the reclassification of feedstock expenditure associated with eligible research and development expenditure. This error has been corrected and is reflected in the relevant balances recorded at 31 December 2018 and for the comparative period.

## Note 1 Summary of significant accounting policies (continued)

Extracts, being only those line items affected, are disclosed below:

*Consolidated Statement of profit or loss of the earlier comparative period – 30 June 2018*

Extract	2018 Reported \$	Consolidated Adjustment \$	2018 Restated \$
<b>Expenses</b>			
Cost of sale of goods and services	(2,704,077)	738,155	(1,965,922)
Process and engineering expenses	<u>(1,213,190)</u>	<u>(554,856)</u>	<u>(1,768,046)</u>
<b>Loss before income tax</b>	<u>(2,621,931)</u>	<u>183,299</u>	<u>(2,438,632)</u>
Income tax benefit	-	-	-
<b>Net loss for the year</b>	<u>(2,621,931)</u>	<u>183,299</u>	<u>(2,438,632)</u>
<b>Loss attributable to the owners of CAP-XX Limited</b>	<u><u>(2,621,931)</u></u>	<u><u>183,299</u></u>	<u><u>(2,438,632)</u></u>

*Consolidated Statement of comprehensive income*

Extract	2018 Reported \$	Consolidated Adjustment \$	2018 Restated \$
<b>Loss for the year</b>	<u>(2,621,931)</u>	<u>183,299</u>	<u>(2,438,632)</u>
<b>Total comprehensive income for the year attributable to owners of CAP-XX Limited</b>	<u>(2,621,931)</u>	<u>183,299</u>	<u>(2,438,632)</u>

*Consolidated Statement of financial position at the beginning of the earlier comparative period – 30 June 2018*

Extract	31/12/2018 Reported \$	Consolidated Adjustment \$	31/12/2017 Restated \$
<b>Current assets</b>			
Inventories	1,220,906	183,299	1,404,205
Total current assets	<u>5,739,726</u>	<u>183,299</u>	<u>5,923,025</u>
<b>TOTAL ASSETS</b>	<u>6,549,182</u>	<u>183,299</u>	<u>6,732,481</u>
<b>Net assets</b>	<u>4,603,106</u>	<u>183,299</u>	<u>4,786,405</u>

**Note 1 Summary of significant accounting policies  
(continued)**

**Equity**

Accumulated losses	(99,174,126)	183,299	(98,990,827)
<b>TOATL EQUITY</b>	<b>4,603,106</b>	<b>183,299</b>	<b>4,786,405</b>

Extracts, being only those line items affected, are disclosed below:

*Consolidated Statement of profit or loss of the earliest comparative period – 31 December 2017*

*Consolidated Statement of profit or loss*

	<b>2017 Reported \$</b>	<b>Consolidated Adjustment \$</b>	<b>2017 Restated \$</b>
Extract			
<b>Expenses</b>			
Cost of sale of goods and services	(1,123,455)	336,137	(787,318)
Process and engineering expenses	(569,997)	(269,606)	(839,603)
<b>Loss before income tax</b>	<b>(1,689,910)</b>	<b>66,531</b>	<b>(1,623,379)</b>
Income tax benefit	-	-	-
<b>Net loss for the period</b>	<b>(1,689,910)</b>	<b>66,531</b>	<b>(1,623,379)</b>
<b>Loss attributable to the owners of CAP-XX Limited</b>	<b>(1,689,910)</b>	<b>66,531</b>	<b>(1,623,379)</b>

*Consolidated Statement of comprehensive income*

	<b>2017 Reported \$</b>	<b>Consolidated Adjustment \$</b>	<b>2017 Restated \$</b>
Extract			
<b>Loss for the period</b>	<b>(1,689,910)</b>	<b>66,531</b>	<b>(1,623,379)</b>
<b>Total comprehensive income for the year attributable to owners of CAP-XX Limited</b>	<b>(1,687,499)</b>	<b>66,531</b>	<b>(1,620,968)</b>

## Note 1 Summary of significant accounting policies (continued)

Consolidated Statement of financial position at the beginning of the earliest comparative period – 31 December 2017

Extract	31/12/2017 Reported	Consolidated Adjustment	31/12/2017 Restated
	\$	\$	\$
<b>Current assets</b>			
Inventories	1,601,915	66,531	1,668,446
Total current assets	5,811,923	66,531	5,878,454
<b>TOTAL ASSETS</b>	<b>6,469,175</b>	<b>66,531</b>	<b>6,535,706</b>
<b>Net assets</b>	<b>4,627,458</b>	<b>66,531</b>	<b>4,693,989</b>
<b>Equity</b>			
Accumulated losses	(98,242,105)	66,531	(98,175,574)
<b>TOATL EQUITY</b>	<b>4,627,458</b>	<b>66,531</b>	<b>4,693,989</b>

### d) New, revised or amending Accounting Standards and Interpretations adopted.

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

## **Note 1 Summary of significant accounting policies (continued)**

### **(d) New, revised or amending Accounting Standards and Interpretations adopted (continued)**

#### **AASB 9 Financial Instruments**

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity had adopted this standard from 1 July 2018 and the impact of its adoption is considered to be immaterial.

#### **AASB 15 Revenue from Contracts with Customers**

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but based on a preliminary assessment performed over each revenue stream of the business, the effects of AASB15 are not expected to have a material impact on the Group's operating result. This is based on the current revenue streams whereby the associated revenue from current customers is 100% collectible and revenue is only recognised upon the delivery of goods to customers as per contract requirements. Licensing and associated royalty revenue recognised will be dependent on the specific nature of the negotiated licensing contracts and the impact of AASB 15 has been assessed at the time of when new licensing arrangements are executed.

**CAP-XX Limited**  
**Notes to the Consolidated Interim Financial Statements**  
**31 December 2018**

**Note 2 Segment information**

**Business segments – primary reporting**

Management has determined the operating segment based on the reports reviewed by the Board that are used to make strategic decisions. Management has identified one reportable segment which is the development, manufacture and sale of supercapacitors.

Although the Group is managed on a global basis, it generates revenue in 3 main geographical areas being Asia Pacific, North America and Europe. Segment revenues are allocated based on the country in which the user is located

31 December 2018	Geographical Segment			
	Asia Pacific	Europe	North America	Total
	\$	\$	\$	\$
Revenue	755,997	406,793	440,694	1,603,484
Cost of sales	(735,147)	-	-	(735,147)
<b>Gross Profit/(Loss)</b>	<b>20,850</b>	<b>406,793</b>	<b>440,694</b>	<b>868,337</b>
Interest revenue	9,519	-	-	9,519
Other income	884,211	-	-	884,211
General and administrative expenses	(1,067,995)	-	-	(1,067,995)
Process and engineering expenses	(552,131)	-	-	(552,131)
Selling and marketing expenses	(339,220)	-	-	(339,220)
Research and development expenses	(809,812)	-	-	(809,812)
Share based payments	(567,813)	-	-	(567,813)
Other expenses	(41,468)	-	-	(41,468)
<b>Profit/ (Loss) before income tax</b>	<b>(2,463,859)</b>	<b>406,793</b>	<b>440,694</b>	<b>(1,616,372)</b>
Income tax benefit				
<b>Net profit/(loss) for the half year</b>	<b>(2,463,859)</b>	<b>414,232</b>	<b>417,209</b>	<b>(1,616,372)</b>
<b>Other comprehensive income</b>				
Exchange differences arising in translation of foreign operations	(38,496)	-	-	(38,496)
<b>Total comprehensive income/(loss), net of tax</b>	<b>(2,502,355)</b>	<b>414,232</b>	<b>417,209</b>	<b>(1,654,868)</b>
<b>Total assets</b>	<b>8,696,350</b>	<b>-</b>	<b>-</b>	<b>8,696,350</b>
<b>Total liabilities</b>	<b>1,694,555</b>	<b>-</b>	<b>-</b>	<b>1,694,555</b>
<b>Profit/(Loss) before income tax includes the following specific expenses:</b>				
Interest expense	-	-	-	-
Depreciation	96,964	-	-	96,964
Share based payments	567,813	-	-	567,813



**CAP-XX Limited**  
**Notes to the Consolidated Interim Financial Statements**  
**31 December 2018**

**Note 2 Segment information (continued)**

31 December 2017

	<b>Geographical Segment</b>			<b>Total \$</b>
	<b>Asia Pacific \$</b>	<b>Europe \$</b>	<b>North America \$</b>	
<b>Revenue</b>	713,113	414,232	417,209	1,544,554
Cost of sales	(787,318)	-	-	(787,318)
<b>Gross Profit/(Loss)</b>	(74,205)	414,232	417,209	757,236
Interest revenue	24,446	-	-	24,446
Other income	720,000	-	-	720,000
General and administrative expenses	(924,762)	-	-	(924,762)
Process and engineering expenses	(839,603)	-	-	(839,603)
Selling and marketing expenses	(358,159)	-	-	(358,159)
Research and development expenses	(781,754)	-	-	(781,754)
Share based payments	(152,789)	-	-	(152,789)
Other expenses	(67,994)	-	-	(67,994)
<b>Profit/ (Loss) before income tax</b>	(2,454,820)	414,232	417,209	(1,623,379)
Income tax benefit				
<b>Net profit/(loss) for the year</b>	(2,454,820)	414,232	417,209	(1,623,379)
<b>Other comprehensive income</b>				
Exchange differences arising in translation of foreign operations	2,411	-	-	2,411
<b>Total comprehensive income, net of tax</b>	(2,452,409)	414,232	417,209	(1,620,968)
<b>Total assets</b>	6,535,706	-	-	6,535,706
<b>Total liabilities</b>	1,841,717	-	-	1,841,717
<b>Profit/(Loss) before income tax includes the following specific expenses:</b>				
Interest expense	-	-	-	-
Depreciation	78,551	-	-	78,551
Share based payments	152,789	-	-	152,789

The consolidated entity operates in a single business segment which is the development, manufacture and sale of super capacitors.

**CAP-XX Limited**  
**Notes to the Consolidated Interim Financial Statements**  
**31 December 2018**

**Note 3 Revenue**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Sale of Goods, License Fees & Royalties	<u>1,603,484</u>	<u>1,544,554</u>
	<b><u>1,603,484</u></b>	<b><u>1,544,554</u></b>
<b>Other revenue</b>		
Interest	<u>9,519</u>	<u>24,446</u>
	<b><u>9,519</u></b>	<b><u>24,446</u></b>
<b>Total revenue</b>	<b><u>1,613,003</u></b>	<b><u>1,569,000</u></b>

**Note 4 Other Income**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Foreign Exchanges Gains – (net)	36,620	-
R&D Tax Incentive	822,128	720,000
Government Grants	25,463	-
<b>Total Other Income</b>	<b><u>884,211</u></b>	<b><u>720,000</u></b>

**Note 5 Loss for the half-year**

Loss for the half-year includes the benefits of the Australian Taxation Offices R&D cash offset incentive. The amount included in the December 2018 accounts is \$822k (2017: \$720k). CAP-XX successfully lodged their claim for this incentive in relation to the FY2018 year and received \$1.6m in November 2018. (2017: \$1.5m)

**Note 6 Other Assets**

	<b>Consolidated</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
R&D Rebate – Australian Tax Office (FY17)	-	1,551,489
R&D Rebate – Australian Tax Office (FY18)	751,000	720,000
Royalty Payments – Accrual	80,320	90,000
Prepayments	78,959	58,390
Other	10,827	10,827
<b>Total Other Assets</b>	<b><u>921,106</u></b>	<b><u>2,430,706</u></b>

## Note 7 Contributed equity

### Movement in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
01 July 2017	Opening balance	298,006,055		98,343,719
19 December 2018	Issue of Shares (Exercise of Options)	206,010	\$0.22	45,761
04 May 2018	Issue of Shares (Exercise of Options)	387,508	\$0.09	35,964
27 June 2018	Issue of Shares (Exercise of Options)	1,042,196	\$0.09	92,818
27 June 2018	Issue of Shares	244,318	\$0.15	46,800
30 June 2018	Balance	<u>299,886,087</u>		<u>98,565,062</u>
01 July 2018	Opening balance	299,886,087		98,565,062
23 July 2018	Issue of Shares (Exercise of Options)	937,500	\$0.09	82,608
26 October 2018	Issue of Shares (Exercise of Options)	2,340,886	\$0.09	202,241
09 November 2018	Issue of Shares	20,588,236	\$0.15	2,970,994
31 December 2018	Issue of Shares	263,132	\$0.18	46,602
31 December 2018	Balance	<u>324,015,841</u>		<u>101,867,507</u>

**CAP-XX Limited**  
**31 December 2018**

**Directors' declaration**

The directors of CAP-XX Limited declare that:

- (a) The financial statements and notes, as set out on pages x to xx are in accordance with the Corporations Act 2001 including that they:
  - (i) give a true and fair view of the financial position as at 31 December 2018 and the performance for the half year ended on that date of the consolidated entity; and
  - (ii) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory reporting requirements.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, and is signed for and on behalf of the directors;



Patrick Elliott  
Director

Sydney  
6<sup>th</sup> March, 2019