

CAP-XX Limited
ABN 47 050 845 291

Interim report
For the half-year ended 31 December 2021

Interim report

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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 31 December 2021 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 2021.

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 \$1,736,448 during the half-year ended 31 December 2021 (2020: loss of \$1,244,305).

Significant changes in the state of affairs

None to report

Events occurring after the reporting period

None to report

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
23rd February 2022

CAP-XX Limited

Interim financial report

31 December 2021

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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:

Unit 1
13A Stanton Road
Seven Hills NSW 2147
Australia

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 23rd February 2022. 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.

CAP-XX Limited
Consolidated statement of profit or loss
For the half-year ended 31 December 2021

	Notes	Consolidated	
		Half-year 2021	Half-year 2020
Currency: Australian Dollars		\$	\$
Revenue from sale of goods and services	3	2,428,416	2,126,564
Cost of sale of goods and services		(1,604,829)	(1,158,340)
Gross margin (loss) on sale of goods and services		823,587	968,224
Other revenue	3	3,120	501
Other income	4	1,169,442	2,292,781
General and administrative expenses		(1,484,788)	(944,949)
Process and engineering expenses		(490,505)	(229,994)
Selling and marketing expenses		(392,564)	(437,791)
Research and development expenses		(729,501)	(740,021)
Project Expenses		-	(2,017,614)
Share based payments		(435,053)	(68,192)
Other expenses		(200,186)	(67,250)
(Loss) before income tax		(1,736,448)	(1,244,305)
Income tax benefit/(expense)		-	-
Net loss after income tax for the half year		(1,736,448)	(1,244,305)
(Loss) attributable to members of CAP-XX Limited	5	(1,736,448)	(1,244,305)
Loss per share attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.35)	(0.28)
Diluted loss per share		(0.35)	(0.28)

The above statement of profit or loss should be read in conjunction with the accompanying notes.

CAP-XX Limited
Consolidated statement of comprehensive income
For the half year ended 31 December 2021

	Notes	Consolidated	
		2021 \$	2020 \$
Currency: Australian Dollars			
Loss for the half year		(1,736,448)	(1,244,305)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(33,476)	102,943
Other comprehensive loss for the half year, net of tax		<u>(33,476)</u>	<u>102,943</u>
Total comprehensive loss for the half year attributable to owners of CAP-XX Limited		<u>(1,769,924)</u>	<u>(1,141,362)</u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CAP-XX Limited
Consolidated statement of financial position
As at 31 December 2021

	Notes	31 December 2021	Consolidated 30 June 2021	31 December 2020
<i>Currency: Australian Dollars</i>		\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents		5,055,747	182,601	469,472
Receivables		1,123,331	802,299	455,454
Inventories		1,076,799	1,066,265	1,041,169
Other	6	1,203,308	3,196,976	5,698,264
Total current assets		8,459,185	5,248,141	7,664,359
Non-current assets				
Property, plant and equipment		2,872,517	3,039,208	2,624,744
Right of Use Assets		2,727,890	2,906,473	3,059,608
Other		397,063	204,808	204,808
Total non-current assets		5,997,470	6,150,489	5,889,160
TOTAL ASSETS		14,456,655	11,398,630	13,553,519
LIABILITIES				
Current liabilities				
Payables		1,050,141	980,708	1,489,078
Lease Liabilities		134,546	165,852	268,051
Advance payments		-	1,400,000	1,442,900
Provisions		795,164	734,051	1,401,354
Total current liabilities		1,979,851	3,280,611	4,601,383
Non-current liabilities				
Lease Liabilities		2,348,248	2,414,646	2,241,620
Provisions		761,529	746,734	53,332
Total non-current liabilities		3,109,777	3,161,380	2,294,952
TOTAL LIABILITIES		5,089,628	6,441,991	6,896,335
NET ASSETS		9,367,027	4,956,639	6,657,184
EQUITY				
Contributed equity	7	114,511,789	108,766,530	108,153,306
Reserves		6,835,441	6,433,864	6,461,120
Accumulated losses		(111,980,203)	(110,243,755)	(107,957,242)
TOTAL EQUITY		9,367,027	4,956,639	6,657,184

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

CAP-XX Limited
Consolidated statements of changes in equity
For the half-year ended 31 December 2021

	Consolidated			
	Contributed Equity \$	Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2020	108,010,106	6,289,985	(106,712,937)	7,587,154
Loss for the period as reported in the 2020 financial statements	-		(3,530,818)	(3,530,818)
Other comprehensive loss	-	38,766	-	38,766
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	756,424			756,424
Employee share options - value of employee services	-	105,113	-	105,113
Balance at 30 June 2021	108,766,530	6,433,864	(110,243,755)	4,956,639
Profit for the period as reported in the 2020 interim financial statements	-	-	(1,736,448)	(1,736,448)
Other comprehensive income	-	(33,476)	-	(33,476)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	5,745,259	-	-	5,745,259
Employee share options - value of employee services	-	435,053	-	435,053
Balance at 31 December 2021	114,511,789	6,835,441	(111,980,203)	9,367,027

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 2021

	Consolidated	
	Half-year 2021	Half-year 2020
Currency: Australian Dollars	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	2,565,957	2,460,431
Payments to suppliers and employees (inclusive of goods and services tax)	(5,191,497)	(5,397,193)
	(2,625,540)	(2,936,762)
Tax credit received	3,211,314	-
Interest received	3,121	501
Net cash (outflow) from operating activities	588,895	(2,936,261)
Cash flows from investing activities		
Payments for property, plant and equipment	(27,532)	(1,178,792)
Net cash (outflow) from investing activities	(27,532)	(1,178,792)
Cash flows from financing activities		
Proceeds from issue of shares	5,745,259	143,200
Proceeds from advance payments	(1,400,000)	1,442,900
Net cash inflow from financing activities	4,345,259	1,586,100
Net (decrease) in cash and cash equivalents	4,906,622	(2,528,953)
Cash and cash equivalents at the beginning of the half-year	182,601	2,895,482
Effects of exchange rate changes on cash and cash equivalents	(33,476)	102,943
Cash and cash equivalents at the end of the half-year	5,055,747	469,472

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
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CAP-XX Limited
Notes to the Consolidated Interim Financial Statements
31 December 2021

Note 1 Significant accounting policies

a) Basis of preparation of half-year report

This interim financial report for the half-year ended 31 December 2021 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 31 December 2021 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 2021.

b) **Continuation as a going concern**

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. During the half year ended 31 December 2021, the Group incurred a net loss of \$1,736,448 (2021: \$1,244,305). In the same period, the Group had positive operating cash outflows of \$588,895 (2020: (\$2,936,261)). As at 31 December 2021, the Group holds cash and cash equivalents of \$5,055,747. (2020: \$469,472). These cash reserves are considered sufficient to sustain the ongoing operations of the Group for at least the 12-month period from the date of authorisation of this financial report.

The accounting policies adopted are consistent with those of the previous financial year ended 30 June 2021.

CAP-XX Limited
Notes to the Consolidated Interim Financial Statements
31 December 2021

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 2021	Geographical Segment			
	Asia Pacific	Europe	North America	Total
	\$	\$	\$	\$
Revenue	1,157,740	1,060,971	209,705	2,428,416
Cost of sales	(1,604,829)	-	-	(1,604,829)
Gross Profit/(Loss)	(141,313)	1,060,971	209,705	823,587
Interest revenue	3,120	-	-	3,120
Other income	1,169,442	-	-	1,169,442
General and administrative expenses	(1,484,788)	-	-	(1,484,788)
Process and engineering expenses	(490,505)	-	-	(490,555)
Selling and marketing expenses	(392,564)	-	-	(392,564)
Research and development expenses	(729,501)	-	-	(729,501)
Project expenses	-	-	-	-
Share based payments	(435,053)	-	-	(435,053)
Other expenses	(200,186)	-	-	(200,186)
Profit/ (Loss) before income tax	(3,007,124)	1,060,971	209,705	(1,736,448)
Income tax benefit				
Net profit/(loss) for the half year	(3,007,124)	1,060,971	209,705	(1,736,448)
Other comprehensive income				
Exchange differences arising in translation of foreign operations	(33,476)	-	-	(33,476)
Total comprehensive income/(loss), net of tax	(3,040,600)	1,060,971	209,705	(1,769,924)
Total assets	14,456,655	-	-	14,456,655
Total liabilities	5,089,628	-	-	5,089,628
Profit/(Loss) before income tax includes the following specific expenses:				
Interest expense	183,779	-	-	183,779
Depreciation	380,395	-	-	380,395
Share based payments	435,053	-	-	435,053

CAP-XX Limited
Notes to the Consolidated Interim Financial Statements
31 December 2021

Note 2 Segment information (continued)

31 December 2020

	Geographical Segment			
	Asia Pacific	Europe	North America	Total
	\$	\$	\$	\$
Revenue	1,017,027	536,933	572,604	2,126,564
Cost of sales	(1,158,340)	-	-	(1,158,340)
Gross Profit/(Loss)	(141,313)	536,933	572,604	968,224
Interest revenue	501	-	-	501
Other income	2,292,781	-	-	2,292,781
General and administrative expenses	(944,949)	-	-	(944,949)
Process and engineering expenses	(229,994)	-	-	(229,994)
Selling and marketing expenses	(437,791)	-	-	(437,791)
Research and development expenses	(740,021)	-	-	(740,021)
Project expenses	(2,017,614)	-	-	(2,017,614)
Share based payments	(68,192)	-	-	(68,192)
Other expenses	(67,250)	-	-	(67,250)
Profit/ (Loss) before income tax	(2,353,842)	536,933	572,604	(1,244,305)
Income tax benefit				
Net profit/(loss) for the year	(2,353,842)	536,933	572,604	(1,244,305)
Other comprehensive income				
Exchange differences arising in translation of foreign operations	102,943	-	-	102,943
Total comprehensive income, net of tax	(2,250,899)	536,933	462,973	(1,141,362)
Total assets	13,553,519	-	-	13,553,519
Total liabilities	6,896,335	-	-	6,896,335
Profit/(Loss) before income tax includes the following specific expenses:				
Interest expense	47,375	-	-	47,375
Depreciation	234,910	-	-	234,910
Share based payments	68,192	-	-	68,192

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 2021

Note 3 Revenue

	Consolidated	
	2021	2020
	\$	\$
Sales revenue		
Sale of goods (recognised at a point in time)	2,428,416	1,728,563
Licence Fees & Royalties (recognised at a point in time)	-	398,001
	<u>2,428,416</u>	<u>2,126,564</u>
Other revenue		
Interest	<u>3,120</u>	<u>501</u>

Note 4 Other Income

	Consolidated	
	2021	2020
	\$	\$
Foreign Exchanges Gains – (net)	76,308	15,630
R&D Tax Incentive – FY20	1,093,134	1,789,205
Bad Debt Provision	-	100,044
Government Grants	-	387,902
Total Other Income	<u>1,169,442</u>	<u>2,292,781</u>

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 2021 accounts is \$1,093k (2020: \$1,789k). CAP-XX successfully lodged their claim for this incentive in relation to the FY2021 year and received \$3.2m in November 2021. (2020: \$3.1m)

Note 6 Other Assets

	Consolidated	
	2021	2020
	\$	\$
R&D Rebate – Australian Tax Office (FY20)	-	3,120,324
R&D Rebate – Australian Tax Office (FY21)	-	1,789,205
R&D Rebate – Australian Tax Office (FY22)	990,000	-
Royalty Accrual	-	391,255
Prepayments	201,891	386,063
Other	11,417	11,417
Total Other Assets	<u>1,203,308</u>	<u>5,698,264</u>

CAP-XX Limited
Notes to the Consolidated Interim Financial Statements
31 December 2021

Note 7 Contributed equity

Movement in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
1 July 2020	Balance	439,929,199		108,010,106
3 September 2020	Issue of Shares	2,186,612	\$0.07	143,200
15 December 2020	Exercise of Options	6,913,460	\$0.09	613,224
15 December 2020	Exercise of Options	7,774,812	\$0.09	-
30 June 2021	Balance	456,804,083		108,766,530
1 July 2021	Balance	456,804,083		108,766,530
4 August 2021	Issue of Shares	51,629,100	\$0.10	5,335,475
4 August 2021	Exercise of Options			771,109
4 August 2021	Issue of Shares (Costs)			(456,053)
30 November 2021	Issue of Shares	740,308	\$0.13	94,728
31 December 2021	Balance	509,173,491		114,511,789

CAP-XX Limited
31 December 2021

Directors' declaration

The directors of CAP-XX Limited declare that:

- (a) The financial statements and notes, as set out on pages 4 to 15 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 2021 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
23rd February, 2022