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If you have sold or transferred, or subsequently sell or transfer, all of your shares in CAP-XX Limited, please send this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is effected for onward transmission to the purchaser or transferee.

The Directors, whose names appear on page 3 of this document, and the Company accept responsibility, collectively and individually, in accordance with the AIM Rules, for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (each of whom have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM. It is anticipated that First Admission will become effective, and that dealings in the First Placing Shares will commence, at 08:00 a.m. (GMT) on 28 March 2024 and that Second Admission will become effective, and that dealings in the Second Placing Shares, Subscription Shares and Retail Offer Shares will commence at 08:00 a.m. (BST) on 25 April 2024.

CAP-XX Limited

(Incorporated and registered in Australia with Australian Company Number 050 845 291)

Fundraise of up to 2,235,000,000 New Ordinary Shares to raise up to approximately £2.2 million

and

Notice of General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 10 to 16 of this document and which recommends Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Allenby Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this document. Persons receiving this document should note that Allenby Capital Limited will not be responsible to anyone other than the Company for providing the protections afforded to customers of Allenby Capital Limited or for advising any other person on the arrangements described in this document. Allenby Capital Limited has not authorised the contents of, or any part of, this document and makes no representation or warranty, express or implied, as to the contents of this document and Allenby Capital Limited does not accept any liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any information. Allenby Capital Limited, as nominated adviser and joint broker to the Company, owes certain responsibilities to the London Stock Exchange which are not owed to the Company or the Directors or any other person.

Allenby Capital Limited has given and not withdrawn its consent to the inclusion in this document of the references to its name in the form and context in which they appear.

Notice of a General Meeting of the Company, to be held at the offices of CAP-XX Limited, Unit 1/13A Stanton Road, Seven Hills, NSW 2147, Australia at 5p.m. AEST on 23 April 2024, is set out at the end of this document. To be valid the accompanying Form of Proxy for use in connection with the General Meeting should be completed, signed and returned in accordance with the instructions printed on it as soon as possible and, in any event, so as to reach the Company's registrars, Computershare Investor Services Pty Ltd, by 5 p.m. AEST on 21 April 2024 or two working days before any adjourned meeting. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting in person should they so wish.

Holders of Depositary Interests should complete a Form of Instruction or give an instruction via the CREST system. To be valid the accompanying Form of Instruction for use in connection with the General Meeting should be completed, signed and returned as soon as possible and, in any event, so as to reach Computershare Investor Services PLC by 8 a.m. (BST) on 21 April 2024. To give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 8 a.m. on 20 April 2024. This document does not constitute an offer of securities and is accordingly not an approved prospectus for the purposes of, and as defined in, section 85 of the Financial Services and Markets Act 2000 (as amended) and has not been prepared in accordance with the Prospectus Rules, nor has it been approved by, or filed with, the FCA or by any other authority which could be a competent authority for the purpose of the Prospectus Rules. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking

statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

NOTICE TO OVERSEAS PERSONS

The distribution of this document and/or the Form of Proxy in certain jurisdictions may be restricted by law and therefore persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "US Securities Act") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of New Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Russia, Canada, the Republic of Ireland, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from any Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any New Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

BASIS ON WHICH INFORMATION IS PRESENTED

Various figures and percentages in the tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data. In this document, references to "sterling", "£", "pence" and "p" are to the lawful currency of the United Kingdom

DIRECTORS AND ADVISERS

Directors	Patrick Elliott Steen Feldskov Lars Stegmann	<i>(Non-Executive Chairman)</i> <i>(Non-Executive Director)</i> <i>(Chief Executive Officer)</i>
Registered Office	Unit 1, 13A Stanton Road Seven Hills NSW 2147 Australia	
Nominated Adviser and Broker	Allenby Capital Limited 5 St Helen's Place London EC3A 6AB UK	
Solicitors to the Company as to Australian Law	Dentons Australia Limited Level 16 77 Castlereagh Street Sydney NSW 2000 Australia	
Solicitors to the Company as to English Law	DAC Beachcroft LLP The Walbrook Building 25 Walbrook London EC4N 8AF UK	
Solicitors to Allenby Capital Limited	Haynes and Boone CDG, LLP 1 New Fetter Lane London EC4A 1AN UK	
Registrar	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford Victoria 3067 Australia	
Depository	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE UK	

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STATISTICS

Issue Price	0.1p
Number of Existing Ordinary Shares	720,188,327
Number of Placing Shares	2,000,000,000
Number of Subscription Shares	35,000,000
Number of Retail Offer Shares	up to 200,000,000
Gross proceeds of the Placing and Subscription at the Issue Price	£2.2 million
Number of Ordinary Shares in issue following the Placing and Subscription	2,755,188,327
Placing and Subscription Shares as a percentage of the Enlarged Ordinary Share Capital	73.9%
ISIN of the Ordinary Shares	AU0000XINAS1

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Placing	21 March 2024
Announcement of Retail Offer	21 March 2024
Announcement of results of the Placing	22 March 2024
Date of this document	25 March 2024
Announcement of results of the Retail Offer	25 March 2024
Admission and commencement of dealings in the First Placing Shares	28 March 2024
Expected date for CREST accounts to be credited with Depository Interests in respect of First Placing Shares in uncertificated form	28 March 2024
Posting of share certificates for the First Placing Shares by the Company's registrar (where applicable)	by no later than 4 April 2024
Latest time and date for receipt of Forms of Instruction	8.00 a.m. (BST) on 21 April 2024
Latest time and date for receipt of Forms of Proxy	8.00 a.m. (BST) on 21 April 2024
General Meeting	8.00 a.m. (BST) on 23 April 2024
Admission and commencement of dealings in the Second Placing Shares, Subscription Shares and Retail Offer Shares	8.00 a.m. (BST) on 25 April 2024
Where applicable, expected date for CREST accounts to be credited with Depository Interests in respect of Second Admission Shares in uncertificated form	25 April 2024
Posting of share certificates for the Second Placing Shares by the Company's registrar (where applicable)	by no later than 2 May 2024

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service. All events listed in the above timetable following the General Meeting are conditional on the passing, at the General Meeting, of the Resolutions contained in the Notice of General Meeting.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"A\$"	the Australian dollar, the legal currency of Australia;
"Admission"	First Admission and/or Second Admission, as the context requires;
"AEST"	Australian Eastern Standard Time;
"AIM"	a market operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange from time to time;
"Allenby Capital"	Allenby Capital Limited;
"Board" or "Directors"	the directors of the Company whose names are set out on page 10 of this document;
"BST"	British Summer Time;
"Company" or "CAP-XX"	CAP-XX Limited, registered in Australia with Australian Company Number 050 845 291;
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear UK & International Limited which facilitates the transfer of title to shares in uncertificated form;
"Computershare"	Computershare Investor Services PLC or Computershare Investor Services Pty Ltd, as appropriate;
"Depository Interests"	depository interests representing Ordinary Shares;
"Enlarged Ordinary Share Capital"	the entire issued ordinary share capital of the Company immediately following the issue and allotment of the Placing Shares and Subscription Shares;
"Existing Ordinary Shares"	the 720,188,327 Ordinary Shares in issue as at the date of this document;
"FCA"	the UK Financial Conduct Authority;
"First Admission"	admission of the First Placing Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
"First Placing"	the conditional placing of the First Placing Shares at the Issue Price pursuant to the Placing Agreement;
"First Placing Shares"	the 103,854,880 new Ordinary Shares to be issued pursuant to the Placing without being conditional on the passing of the Resolutions;

"Form of Instruction"	the form of written instruction for use by Depositary Interest holders in connection with the General Meeting;
"Form of Proxy"	the form of proxy for use by Shareholders at the General Meeting, which accompanies this document;
"Fundraise"	together the Placing, Subscription and Retail Offer of a total of up to 2,235,000,000 New Ordinary Shares at 0.1p per share to raise up to approximately £2.2 million before expenses;
"General Meeting"	the general meeting of the Company to be held at the offices of CAP-XX Limited at Unit 1/13A Stanton Road, Seven Hills, Australia at 5 p.m. AEST on 23 April 2024 or any adjournment thereof, notice of which is set out at the end of this document;
"GMT"	Greenwich Mean Time;
"ISIN"	International Securities Identification Number;
"Issue Price"	0.1 pence per New Ordinary Share
"London Stock Exchange"	the London Stock Exchange Group plc
"MAR" or "UK MAR"	Market Abuse Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April 2014 which has effect in English law by virtue of the European Union (Withdrawal) Act 2018
"New Ordinary Shares"	together, the Placing Shares, the Subscription Shares and Retail Offer Shares, representing a total of up to 2,235,000,000 new Ordinary Shares;
"Notice of General Meeting"	the notice convening the General Meeting, which is set out at the end of this document;
"Ordinary Shares"	ordinary shares of no par value in the capital of the Company;
"Participating Directors"	the Directors of the Company participating in the Fundraise, being Lars Stegmann, Patrick Elliott and Steen Feldskov;
"Placees"	subscribers for Placing Shares pursuant to the Placing;
"Placing"	the First Placing and Second Placing;
"Placing Agreement"	the conditional agreement entered into on 21 March 2024 between the Company and Allenby Capital;
"Placing Shares"	The First Placing Shares and the Second Placing Shares;
"Prospectus Rules"	the Prospectus Rules issued by the FCA;
"Resolutions"	the resolutions to be proposed at the General Meeting set out in the Notice of General Meeting;
"Restricted Jurisdiction"	each and any of the United States of America, Australia, Belarus, Canada, Japan, New Zealand, Russia, the Republic of Ireland and the Republic of South Africa and any other

	jurisdiction where any offer of New Ordinary Shares or the distribution of this document would breach any applicable law or regulations;
“Retail Offer”	conditional retail offer to existing shareholders via the REX platform to raise up to £0.2 million (before expenses) at the Issue Price;
“Retail Offer Shares”	the Ordinary Shares to be issued and allotted pursuant to the Retail Offer;
“Second Admission”	admission of the Second Placing Shares, Subscription Shares and Retail Offers Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
“Second Placing”	the conditional placing of the Second Placing Shares at the Issue Price pursuant to the Placing Agreement;
“Second Placing Shares”	the 1,896,145,120 new Ordinary Shares to be issued pursuant to the Placing conditional, <i>inter alia</i> , upon the passing of the Resolutions;
"Shareholders"	persons who are registered as holders of Ordinary Shares from time to time;
"Subscription"	the conditional subscription by the Participating Directors, for the Subscription Shares at the Issue Price;
"Subscription Shares"	the 35,000,000 new Ordinary Shares to be issued to subscribers pursuant to the Subscription;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
"UK Prospectus Regulation"	the EU Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018;
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction;
US\$	US dollars, the legal currency of the United States; and
"£" or "Sterling"	pounds sterling, the lawful currency of the United Kingdom.

PART 1
LETTER FROM THE CHAIRMAN OF CAP-XX LIMITED

(Registered and incorporated in Australia with Australia Company Number 050 845 291)

Directors:

Patrick Elliott (Non-Executive Chairman)

Steen Feldskov (Non-Executive Director)

Lars Stegmann (Chief Executive Officer)

Registered Office:

Unit 1, 13A Stanton Road

Seven Hills NSW

2147Australia

To Shareholders and, for information only, to the holders of options over Ordinary Shares

25 March 2024

Dear Shareholder

Fundraise of New Ordinary Shares at 0.1p each and Notice of General Meeting

Introduction

The Company announced on 22 March 2024 that it has conditionally raised gross proceeds of approximately £2.0 million (before expenses) by the issue of 2,000,000,000 Placing Shares and 35,000,000 Subscription Shares at a price of 0.1p per Ordinary Share.

The Placing will be carried out in two tranches:

- 103,854,880 Placing Shares (being the First Placing Shares) will be allotted and issued utilising the Company's existing authority granted to the Directors in accordance with the Company's dilution policy; and
- 1,896,145,120 Placing Shares (being the Second Placing Shares) will be allotted and issued conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting to be held at 5 p.m. AEST on 23 April 2024.

The allotment and issue of the First Placing Shares will not be conditional upon the passing of the Resolutions or the allotment and issue of the Second Placing Shares.

Patrick Elliott, Lars Stegmann and Steen Feldskov (the "**Participating Directors**") have subscribed for a total of 35,000,000 Subscription Shares at the Issue Price (the "**Subscription**"). In aggregate, director participation totals £35,000.

In addition to the Placing and the Subscription, the Company has announced that there is a separate conditional retail offer via the REX Platform to raise up to £0.2 million (before expenses) at the Issue Price (the "**Retail Offer**", and together with the Placing and the Subscription, the "**Fundraise**"). This is to provide existing UK retail shareholders in the Company an opportunity to participate in the Fundraise. Those investors who subscribe for new Ordinary Shares pursuant to the Retail Offer (the "**Retail Offer Shares**") will do so pursuant to the terms and conditions of the Retail Offer contained in that announcement and the Retail Offer Shares will form part of the second tranche of the Fundraise. The Retail Offer is not subject to any minimum fundraising and will be open only to existing shareholders of the Company within the United Kingdom. The Retail Offer will be conditional on completion of the Placing and Subscription.

The purpose of this document is, amongst other things, to explain the background to and reasons for the Fundraise and to explain why the Directors believe that the Fundraise will allow the

survival and growth of the Company for the benefit of the Shareholders as a whole, and seek Shareholders' approval to the passing of the Resolutions at the General Meeting.

This document also contains the Directors' recommendation that Shareholders vote in favour of the Resolutions. Notice of the General Meeting, at which the Resolutions will be proposed, is set out at the end of this document.

The Directors intend to vote in favour of the Resolutions in respect of their own beneficial holdings in the Company which, together with the beneficial holdings of their spouses, amount in aggregate to 16,180,544 Ordinary Shares and represent approximately 2.25 per cent. of the Company's Existing Ordinary Shares.

Background to and reasons for the Fundraise

It has been a difficult period for CAP-XX and its Shareholders.

The interim results announced on 1 February 2024 highlighted that product sales generated by the Company in the six months ended 31 December 2023 were 59 per cent. higher than in the same period in the prior half year. The announcement also stated that the sales order book as at 31 December 2023 was 33 per cent. higher than as at 1 January 2023. The Board believes this growth in the sales order book was achieved in the face of industry challenges in the passive electronic market. The Board also stated that the Company's adjusted EBITDA remained negative and the cash position was tight, with reserves of A\$0.3 million.

On 13 March 2024, CAP-XX made a further announcement in which the Company stated that CAP-XX's working capital position continued to deteriorate and that the Board was exploring a number of additional fundraising options, including raising additional equity financing which was required by the end of March 2024.

The Fundraise, for which Shareholder approval is being sought, is necessary to avoid the Company being placed into administration.

Circumstances which led to the need for the Fundraise

There are two key factors which have contributed to the Company's deteriorating working capital position:

- The Company initiated patent infringement legal action that proved to be not only unsuccessful but much more expensive than predicted. In addition, CAP-XX was always advised by its US lawyers that the Company would not be responsible for certain costs of Maxwell in relation to the litigation. That advice proved incorrect, and the Company is required to pay some costs incurred by the other party; and
-
- Revenue and cash receipts for the first eight weeks of the current calendar year were lower than expected despite the encouraging growth in the order book.

The effect of these factors conspired to almost totally exhaust the Company's working capital, despite a drawdown on the Company's R&D facility, which is based on eligible expenditure that has been incurred in the financial year to date.

Actions taken by the Board

The Board has taken a number of actions to seek to address the Company's financial position:

- Legal cost exposure – the Company announced on 21 March 2024 that it had reached an agreement with Maxwell/Tesla to settle all outstanding matters related to the historic litigation by way of a series of payments that the Board considers are not material amounts in the context of CAP-XX;

- Revenue and cash receipts – these are now recovering, reflecting normal seasonal patterns; and
- CAP-XX’s operating costs have been significantly reduced, further details of which are set out below.

Operational developments at CAP-XX

The Company appointed Lars Stegmann as its CEO on 11 May 2023.

Under Lars Stegmann’s leadership, the CAP-XX team has set about completely re-engineering the business in all areas.

Firstly, CAP-XX is shifting from a ‘build and they will come’ mindset to one that has the customer as the focus. This approach is reflected in a complete change in the sales approach and the appointment of a range of distributors and sales representatives. This is very much a work-in-progress and there are more appointments and initiatives to come. The Board believes that the impact of these changes is already being reflected positively in the product revenue and order booking.

Secondly, costs have been rigorously scrutinised, with reductions of approximately A\$750,000 per annum having been achieved to date. The Board believes there are potentially further cost reductions available, for example, in the areas of purchasing and improved factory production through operational improvements.

Thirdly, despite the cash constraints, the Company has continued its development of new products, albeit at a reduced pace. These include:

- DMH – 0.3 mm thin supercapacitors – scheduled to begin production in volume from May 2024;
- Surface Mount Device (“SMD”) Supercapacitors – the development of this product is nearing completion, with optimisation trials underway. The Board believes surface mount technology is ideal for mass production as SMDs can be used in automatic pick and place machines and can withstand reflow soldering. The Board is optimistic, based on its understanding of the market, about potential order volumes for this product, though these will be subject to customary trial and design-in times of each customer; and
- 3V supercapacitors – CAP-XX has these available and is waiting for a number of customers to complete their trial and design-in phases.

The Board expects these new products to have a positive impact on CAP-XX over the next 12 to 36 months and offer the potential for future revenue growth. However, this will take some time to become evident as customers require time for product evaluation and to design CAP-XX’s supercapacitors into their end products. Much of these normal time lags between product release and orders of volume is beyond the Company’s control. However, the Board believes that the change in CAP-XX’s sales and distribution approach means that the Company is closer to its customers and therefore better understands their requirements and timelines.

Finally, the Company’s previously disclosed joint venture with Ionic Industries to develop their graphene technology for the supercapacitor and battery industries continues. There are further technical collaborations under discussion that are aimed at further enhancing the Company’s innovation roadmap. The Board believes that these collaborations are low cash cost ways of leveraging the Company’s strengths in energy storage technologies.

The Company looks forward to providing updates in relation these developments in the coming months.

Sales pipeline

CAP-XX's total net sales pipeline currently stands at approximately US\$9.2 million. This pipeline has been calculated by reviewing each project the Company is currently pursuing to arrive at a total gross sales pipeline and applying a probability of success from initial enquiry (0%) through to mass production (100%) in relation to each project. The average probability of success for the entire gross sales pipeline is approximately 32 per cent, though there can be no guarantee that this level will occur. The Board believes this analysis is more reflective of possible order intake in a one to three-year timeframe. This potential sales pipeline does not include any volume potential associated with the new products highlighted above, albeit there are a number of customers that are evaluating samples in relation to these. The trend in the sales pipeline leads to the Board being optimistic for the potential future growth in product revenues.

Use of proceeds

It is intended that the proceeds from the Fundraise will be used to stabilise the Company's financial position and provide working capital for CAP-XX. The Company will use the proceeds in the following main areas:

- to continue the expansion of its sales representative and distribution network; and
- to commence the market introduction of the new products highlighted above, in which the vast bulk of the development costs have already been incurred. This includes some final costs to bring the DMH production line onstream.

Apart from the final settlement of legal costs associated with the Maxwell litigation, which the Board does not consider material, the only payments for legal costs will be normal ongoing corporate legal expenses, including, for example, those associated with applications for patents.

Details of the Fundraise

The Company has conditionally raised gross proceeds of £2.2 million (approximately £2.0 million net of estimated expenses) through the issue of the Placing Shares and Subscription Shares at a price of 0.1p per Ordinary Share. The Issue Price represents a discount to the closing mid-market price of 0.17p on 21 March 2024, being the latest practicable date prior to the publication of the Announcement. The Placing Shares and Subscription Shares will represent approximately 73.9 per cent. of the Enlarged Ordinary Share Capital.

The New Ordinary Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made, or paid in respect of the Ordinary Shares after the date of Admission and will otherwise rank *pari passu* in all respects with the Existing Ordinary Shares. The Placing Agreement contains provisions entitling Allenby Capital to terminate the Placing Agreement at any time prior to Admission in certain circumstances. If this right is exercised the Fundraise will lapse.

The Placing is being conducted in two tranches.

The first tranche of the Placing, to raise a total of £0.1 million by the issue of the First Placing Shares, has been carried out within the Company's existing Dilution Policy (further details of which are set out below).

The allotment of the First Placing Shares is conditional, *inter alia*, upon First Admission and the Placing Agreement becoming unconditional in respect of the First Placing Shares and not being terminated in accordance with its terms prior to First Admission. The First Placing is not conditional on the second tranche of the Placing and will proceed whether or not the Second Placing occurs. Application has been made for the First Placing Shares to be admitted to trading on AIM and it is expected that First Admission will take place on 28 March 2024.

The second tranche of the Placing, to raise a total of approximately £1.9 million by the issue of the

Second Placing Shares, is conditional upon, *inter alia*, the passing of the Resolutions to be put to Shareholders at the General Meeting. In addition, the allotment of the Second Placing Shares is conditional, *inter alia*, on the Placing Agreement becoming unconditional in respect of the Second Placing Shares and not being terminated in accordance with its terms prior to Second Admission. It is expected that Second Admission will take place on 25 April 2024.

The Placing is conditional, so far as concerns the Second Placing Shares upon, *inter alia*, Second Admission occurring by no later than 8.00 a.m. on 25 April 2024 (or such later time and/or date as the Company and Allenby Capital may agree, not being later than 8.00 a.m. on 20 May 2024). If such condition is not satisfied or, if applicable, waived, the issue of the Second Placing Shares will not proceed.

The first tranche of the Placing is not conditional on issue of the Second Placing Shares, the Subscription Shares or the Retail Offer Shares. Should the Resolutions not be passed at the General Meeting, the second tranche of the Placing, the Subscription and the Retail Offer will not proceed. The first tranche of the Placing will not be affected by any or all of the Second Placing, the Subscription and Retail Offer failing to complete for any reason.

The Placing Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared on or after the date on which they are issued.

It is expected that CREST accounts will be credited on the relevant day of Admission and that share certificates (where applicable) will be despatched within five working days of Admission.

The Directors believe that the Placing is the most appropriate way to raise additional funds for the Company. The Directors consider that the Placing provides greater certainty than other available means of raising additional funds in a timely fashion and minimises transactional costs.

In relation to its role in the Fundraise, Allenby Capital will be receiving 200,000,000 warrants to subscribe for an equivalent number of Ordinary Shares. These warrants will have an exercise price of 0.15p, being a 50 per cent. premium to the Placing Price and will be capable of being exercised until the date falling five years after the day on which Second Admission occurs.

Details of the Retail Offer

The Company has announced that there is a separate conditional retail offer via the REX Platform to raise up to £0.2 million (before expenses) at the Issue Price. This is to provide existing UK retail shareholders in the Company an opportunity to participate in the Fundraise. Those investors who subscribe for new Ordinary Shares pursuant to the Retail Offer will do so pursuant to the terms and conditions of the Retail Offer contained in that announcement and the Retail Offer Shares will form part of the second tranche of the Fundraise.

The Retail Offer is not subject to any minimum fundraising and will be open only to existing shareholders of the Company within the United Kingdom. The Retail Offer will be conditional on completion of the Placing and Subscription.

Directors' participation in the Fundraise

Certain Directors have entered into subscription agreements with the Company, in aggregate, for 35,000,000 Subscription Shares under the Subscription as follows:

<i>Director</i>	<i>Current beneficial shareholdings</i>	<i>Number of Subscription Shares</i>	<i>Number of Ordinary Shares held following Second Admission</i>
Patrick Elliot	14,364,421	21,500,000	35,864,421

Lars Stegmann	-	8,500,000	8,500,000
Steen Feldskov	1,816,123	5,000,000	6,816,123

Reason for the Resolutions

CAP-XX is a company whose shares are admitted to trading on AIM but is not incorporated in the UK, and therefore the rights of shareholders are different from the rights of shareholders of a UK incorporated company.

The Companies Act 2006 (UK legislation) provides that the directors of a company incorporated in the UK may not allot shares unless authorised to do so by shareholders of such company.

While CAP-XX is not incorporated in the UK, the Directors are mindful of the requirements of UK law and of the expectations that UK institutional and other investors may have when they invest in CAP-XX. Accordingly, the Directors of CAP-XX have adopted a **Dilution Policy** as follows:

“the Company will not, without the approval of shareholders, issue further securities for cash unless:

- (i) such issues do not result in the aggregate number of securities issued for cash in the 12 months before the issue date exceeding 15 per cent. of the entire issued capital of CAP-XX; or*
- (ii) such issues are done by way of a rights issue or offering in favour of all holders of securities”.*

Under its dilution policy, CAP-XX may currently issue, within the 15 per cent. limit, approximately 103,854,880 shares without shareholder approval. The intentions of the proposed resolutions set out in the Notice of General Meeting is to:

- a) seek Shareholders’ approval for authority to issue up to 2,131,145,120 new Ordinary Shares at 0.1p per share which will raise up to approximately £2.1 million (before the deduction of expenses), via the issue of the Second Placing Shares, Subscription Shares and Retail Offer Shares; and
- b) seek shareholder approval and ratification for the issue of 103,854,880 new Ordinary Shares at 0.1p per share which will raise up to approximately £0.1 million (before the deduction of expenses) via the First Placing Shares.

General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of CAP-XX Limited at Unit 1/13A Stanton Road, Seven Hills, Australia at 5.00 p.m. AEST on 23 April 2024 for the purposes of considering and, if thought fit, passing the Resolutions. The General Meeting will also be held via the Investor Meet Company platform (www.investormeetcompany.com)

The Resolutions will be proposed as ordinary resolutions. It is to authorise the Directors (conditionally upon Admission) to allot the New Ordinary Shares and provide the Directors with the authority to issue further shares up to the 15 per cent. limit pursuant to CAP-XX’s dilution policy.

The attention of Shareholders is also drawn to the voting intentions of the Directors as set out in the paragraph entitled “Recommendation” below.

Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions printed on it and returned to the Company's registrars, Computershare Investor Services Pty Ltd, as soon as possible and, in any event, so as to be received by no later than 5.00 p.m. AEST on 21 April 2024. The completion and return of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

In respect of Depository Interests, a Form of Instruction is also attached. If required it should be completed, signed and returned to Computershare Investor Services PLC in accordance with the instructions on that form. This form must be received by 5.00 p.m. AEST on 21 April 2024.

Please note that it is important that you complete the Form of Instruction if you hold Depository Interests and the Form of Proxy if you hold Ordinary Shares in certificated form.

To give an instruction via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 8.00am BST on 20 April 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid an appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Recommendation

In order for Second Admission to proceed, among other things, Shareholders will need to approve the Resolutions to be put to Shareholders at a General Meeting. If the Resolutions are not approved by Shareholders, the Second Placing Shares, the Retail Offer Shares and the Subscription Shares will not be able to be issued. If that were to occur, the Company would receive significantly less funding than anticipated from the Fundraise and the Directors believe they would have little alternative but to put CAP-XX into administration.

The Directors therefore consider that the Fundraise is in the best interests of the Company and the Shareholders as a whole. The Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings amounting, in aggregate, to 16,180,544 Existing Ordinary Shares representing approximately 2.25 per cent of the Existing Ordinary Shares.

Yours faithfully,

Patrick Elliott
Non-Executive Chairman

CAP-XX LIMITED
ACN 050 845 291
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of shareholders of CAP-XX Limited will be held at CAP-XX's offices, Unit 1/13A Stanton Road, Seven Hills, 2147, Australia, at 5.00 p.m. AEST on 23 April 2024. The General Meeting can also be accessed via the Investor Meet Company platform (www.investormeetcompany.com).

AGENDA

BUSINESS

Resolution 1 – Authorisation of issue of Second Placing Shares, Subscription Shares and Retail Offer Shares

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That the directors of the Company be and are generally and unconditionally authorised to exercise all the powers of the Company to allot the Second Placing Shares, the Subscription Shares and the Retail Offer Shares, provided that this authority shall be conditional upon Admission becoming effective on or before 8:00am BST on 25 April 2024 (or such later time and/or date as the Company and Allenby Capital Limited may agree, but in no event no later than 8:00 a.m. BST on 20 May 2024) and shall be limited to the allotment of the Second Placing Shares, the Subscription Shares and the Retail Offer Shares up to a maximum number of 1,896,145,120 new Ordinary Shares.

Resolution 2 – Ratification of issue of First Placing Shares – Issued Share Capital – Dilution Policy

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of the Dilution Policy (as defined in the attached Explanatory Statement) of the Company, the allotment of the First Placing Shares is generally and unconditionally approved and authorised, and that notwithstanding the issue of the First Placing Shares, and notwithstanding the Dilution Policy, the directors of CAP-XX are hereby authorised to exercise all or any of the powers of the Company to issue for cash an aggregate number of securities up to 15% of the entire issued capital of CAP-XX, provided that such authority will expire on the date 12 months after the passing of this resolution.

NOTES

- Shareholders may either attend the General Meeting in person at the Company's address or may register to view and/or participate at the General Meeting by registering in advance for the event via the following link :
- <https://www.investormeetcompany.com/cap-xx-limited/register-investor>
- An opportunity will be given also to those shareholders to ask questions. The time for the Meeting equates with 5.00 p.m. AEST or 8.00 a.m. BST on 23 April 2024.
- The Letter from the Chairman which accompanies and forms part of this Notice, describes the business to be considered at the General Meeting.
- A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.

- The proposed Chairman of the meeting intends to vote undirected proxies in favour of the resolution.
- For the determination of voting entitlements, the directors have set a time to determine the identity of those entitled to attend and vote at the meeting. The time is 5.00 p.m. AEST on 21 April 2024 (48 business hours prior to commencement of the meeting) which equates with 8.00 a.m. BST on 21 April 2024.
- A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Computershare Clearing Pty Ltd in accordance with the proxy instructions on that form. This form must be received by 5.00 p.m. on 21 April 2024 which equates with 8.00 a.m. BST 21 April 2024.
- In respect of Depositary Interests a Form of Instruction must be lodged at the office of the Depositary at: Computershare Investor Services PLC, The Pavilions, Bridgwater Rd, Bristol BS99 6ZY by 21 April 2024 at 8.00 a.m. BST.
- Unless the context requires otherwise, any capitalised term used but not defined in this notice shall have the meaning given to such term in the document of which this notice forms part.

By order of the Board

Lars Stegmann

Director

Date: 25th March 2024