

CAP-XX Limited
ABN 47 050 845 291

Interim report
For the half-year ended 31 December 2023

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 30 June 2023 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 2023.

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 (Resigned November 3 rd , 2023)
Steen Feldskov	Non-Executive Director
Lars Stegmann	Chief Executive Officer

Review of operations

The Group recorded a net loss of \$3,431,562 during the half-year ended 31 December 2023 (2022: loss of \$2,572,828).

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
1st February 2024

CAP-XX Limited

Interim financial report

31 December 2023

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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:

Unit 1
13A Stanton Road
Seven Hills NSW 2147
Australia

The interim financial report was authorised for issue by the directors on 1st February 2024. 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 2023

	Notes	Consolidated	
		Half-year 2023	Half-year 2022
Currency: Australian Dollars		\$	\$
Revenue from sale of goods and services	3	2,263,636	1,613,684
Cost of sale of goods and services		(1,455,452)	(1,015,774)
Gross margin (loss) on sale of goods and services		808,184	597,910
Other revenue	3	4,869	456
Other income	4	1,038,810	1,103,384
General and administrative expenses		(1,298,477)	(1,063,597)
Legal expenses		(1,624,502)	(727,918)
Process and engineering expenses		(703,248)	(676,629)
Selling and marketing expenses		(405,728)	(407,085)
Research and development expenses		(885,494)	(900,223)
Share based payments		(206,251)	(387,326)
Other expenses		(159,725)	(111,800)
(Loss) before income tax		(3,431,562)	(2,572,828)
Income tax benefit/(expense)		-	-
Net loss after income tax for the half year		(3,431,562)	(2,572,828)
(Loss) attributable to members of CAP-XX Limited	5	(3,431,562)	(2,572,828)
Loss per share attributable to the ordinary equity holders of the company		Cents	Cents
Basic loss per share		(0.46)	(0.57)
Diluted loss per share		(0.46)	(0.57)

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 2023

	Notes	Consolidated	
		2023 \$	2022 \$
Currency: Australian Dollars			
Loss for the half year		(3,431,562)	(2,572,828)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		57,871	(5,108)
Other comprehensive loss for the half year, net of tax		<u>(57,871)</u>	<u>(5,108)</u>
Total comprehensive loss for the half year attributable to owners of CAP-XX Limited		<u>(3,373,691)</u>	<u>(2,577,936)</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 2023

	Notes	31 December 2023	Consolidated 30 June 2023	31 December 2022
		\$	\$	\$
<i>Currency: Australian Dollars</i>				
ASSETS				
Current assets				
Cash and cash equivalents		328,630	2,643,810	494,839
Receivables		608,212	959,515	567,760
Inventories		2,396,026	2,201,906	2,300,272
Other	6	1,234,018	2,429,946	1,097,305
Total current assets		4,566,886	8,235,177	4,460,176
Non-current assets				
Property, plant and equipment		2,238,246	2,428,233	2,626,643
Right of Use Assets		2,019,071	2,193,777	2,372,360
Other		204,808	204,808	204,808
Total non-current assets		4,462,125	4,826,818	5,203,811
TOTAL ASSETS		9,029,011	13,061,995	9,663,987
LIABILITIES				
Current liabilities				
Payables		1,902,848	1,833,557	1,035,285
Lease Liabilities		178,953	194,888	205,128
Provisions		732,672	632,655	801,016
Interest bearing liabilities		-	1,038,054	-
Total current liabilities		2,814,473	3,699,154	2,041,429
Non-current liabilities				
Lease Liabilities		1,920,194	2,024,584	2,095,836
Provisions		785,862	803,910	770,957
Total non-current liabilities		2,706,056	2,828,494	2,866,793
TOTAL LIABILITIES		5,520,529	6,527,648	4,908,222
NET ASSETS		3,508,482	6,534,347	4,755,765
EQUITY				
Contributed equity	7	119,317,434	119,175,769	114,615,217
Reserves		8,364,352	8,100,320	7,895,991
Accumulated losses		(124,173,304)	(120,741,742)	(117,755,443)
TOTAL EQUITY		3,508,482	6,534,347	4,755,765

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 2023

	Consolidated			
	Contributed Equity \$	Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2022	114,511,790	7,513,773	(115,182,615)	6,842,948
Loss for the period as reported in the 2023 financial statements	-		(5,559,127)	(5,559,127)
Other comprehensive loss	-	(27,433)	-	(27,433)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	4,663,979			4,663,979
Employee share options - value of employee services	-	613,980	-	613,980
Balance at 30 June 2023	119,175,769	8,100,320	(120,741,742)	6,534,347
Profit for the period as reported in the 2024 interim financial statements	-	-	(3,431,562)	(3,431,562)
Other comprehensive income	-	57,871	-	57,871
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs and tax	141,665	-	-	103,428
Employee share options - value of employee services	-	206,251	-	387,326
Balance at 31 December 2023	119,317,434	8,364,352	(124,173,304)	3,508,482

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 2023

		Consolidated	
<i>Currency: Australian Dollars</i>	Notes	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		2,632,618	2,180,265
Payments to suppliers and employees (inclusive of goods and services tax)		<u>(5,971,050)</u>	<u>(5,108,521)</u>
		(3,338,432)	(2,928,256)
Tax credit received		2,078,233	2,043,384
Interest paid on lease liabilities		(96,476)	(105,356)
Interest received		4,869	456
Net cash (outflow) from operating activities		<u>(1,351,806)</u>	<u>(989,772)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(4,541)</u>	<u>(119,937)</u>
Net cash (outflow) from investing activities		<u>(4,541)</u>	<u>(119,937)</u>
Cash flows from financing activities			
Proceeds from issue of shares		141,665	103,428
Costs associated with the issue of shares		-	-
Proceeds from / (repayment of) borrowings		(1,038,054)	-
Principal repayments for lease liabilities		<u>(120,316)</u>	<u>(109,086)</u>
Net cash inflow from financing activities		<u>(1,016,704)</u>	<u>(5,658)</u>
Net increase/(decrease) in cash and cash equivalents			
		(2,373,051)	(1,114,767)
Cash and cash equivalents at the beginning of the financial year		2,643,810	1,614,714
Effects of exchange rate changes on cash and cash equivalents		<u>57,871</u>	<u>(5,108)</u>
Cash and cash equivalents at the end of the financial year		<u>328,630</u>	<u>494,839</u>

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 2023

Note 1 Significant accounting policies

a) Basis of preparation of half-year report

This interim financial report for the half-year ended 31 December 2023 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 2023 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 2023.

b) **Continuation as a going concern**

During the half year ended 31 December 2023, the Group incurred an operating loss before tax and net cash outflows from operating activities as disclosed in the statement of profit or loss and the statement of cash flows, respectively. Due to these operating losses and net cash outflows, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Group being successful with respect to the following factors:

- i. The number and size of several business development opportunities from existing and emerging markets are converted into sales revenue with the Group needing to ensure that product development and manufacturing capacity is available to satisfy the customers product specifications and timing demands for existing and new products;
- ii. Ongoing technology license disputes with several existing and new customers need to be finalised to ensure that ongoing revenue and cash flow is generated in a timely manner and associated legal expenditure is minimised;
- iii. Continue the close and effective monitoring of the Group's operating expenditure, including the continued realisation of identified operating cost initiatives. The Board approves an annual budget and regularly receives forecasts from management to monitor performance against budget and to consider longer term prospects; and
- iv. The ability of the Group to raise additional funds from shareholders, new investors and debt markets. The Group has successfully conducted a number of small equity placements in recent years and therefore there is a reasonable expectation that alternate sources of funding can be sourced.

The Directors believe that the Group will be successful in achieving favourable outcomes on the above matters and that it will have sufficient funds to pay its debts and meet its commitments for at least the next 12 months from the date of this financial report, and accordingly, have prepared the financial report on a going concern basis. At this time, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 December 2023. As such, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the Group not continue as a going concern.

The accounting policies adopted are consistent with those of the previous financial year ended 30 June 2023.

CAP-XX Limited
Notes to the Consolidated Interim Financial Statements
31 December 2023

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 three 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 2023	Geographical Segment			
	Asia Pacific	Europe	North America	Total
	\$	\$	\$	\$
Revenue	648,484	1,293,939	321,213	2,263,636
Cost of sales	(1,455,452)	-	-	(1,455,452)
Gross Profit/(Loss)	(806,968)	1,293,939	321,213	808,184
Interest revenue	4,869	-	-	4,869
Other income	1,038,810	-	-	1,038,810
General and administrative expenses	(1,298,477)	-	-	(1,298,477)
Legal Expenses	(1,624,502)	-	-	(1,624,502)
Process and engineering expenses	(703,247)	-	-	(703,247)
Selling and marketing expenses	(405,728)	-	-	(405,728)
Research and development expenses	(885,494)	-	-	(885,494)
Share based payments	(206,251)	-	-	(206,251)
Other expenses	(159,725)	-	-	(159,725)
Profit/ (Loss) before income tax	(5,046,714)	1,293,939	321,213	(3,431,562)
Income tax benefit				
Net profit/(loss) for the half year	(5,046,714)	1,293,939	321,213	(3,431,562)
Other comprehensive income				
Exchange differences arising in translation of foreign operations	57,871	-	-	57,871
Total comprehensive income/(loss), net of tax	(4,988,843)	1,293,939	321,213	(3,373,691)
Total assets	9,029,011	-	-	9,029,011
Total liabilities	5,520,529	-	-	5,520,529
Profit/(Loss) before income tax includes the following specific expenses:				
Interest expense	159,725	-	-	159,725
Depreciation	369,234	-	-	369,234
Share based payments	206,251	-	-	206,251

CAP-XX Limited
Notes to the Consolidated Interim Financial Statements
31 December 2023

Note 2 Segment information (continued)

31 December 2022

	Geographical Segment			
	Asia Pacific	Europe	North America	Total
	\$	\$	\$	\$
Revenue	440,432	802,395	370,857	1,613,684
Cost of sales	(1,015,774)	-	-	(1,015,774)
Gross Profit/(Loss)	(575,432)	802,395	370,857	597,910
Interest revenue	456	-	-	456
Other income	1,103,384	-	-	1,103,384
General and administrative expenses	(1,063,597)	-	-	(1,063,597)
Legal Expenses	(727,918)	-	-	(727,918)
Process and engineering expenses	(676,629)	-	-	(676,629)
Selling and marketing expenses	(407,085)	-	-	(407,085)
Research and development expenses	(900,223)	-	-	(900,223)
Share based payments	(387,326)	-	-	(387,326)
Other expenses	(111,800)	-	-	(111,800)
Profit/ (Loss) before income tax	(3,746,080)	802,395	370,857	(2,572,828)
Income tax benefit				
Net profit/(loss) for the year	(3,746,080)	802,395	370,857	(2,572,828)
Other comprehensive income				
Exchange differences arising in translation of foreign operations	(5,108)	-	-	(5,108)
Total comprehensive income, net of tax	(3,751,188)	802,395	370,857	(2,577,936)
Total assets	9,663,987	-	-	9,663,987
Total liabilities	4,755,765	-	-	4,755,765
Profit/(Loss) before income tax includes the following specific expenses:				
Interest expense	125,999	-	-	125,999
Depreciation	366,059	-	-	366,059
Share based payments	387,326	-	-	387,326

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 2023

Note 3 Revenue

	Consolidated	
	2023	2022
	\$	\$
Sales revenue		
Sale of goods (recognised at a point in time)	2,263,636	1,426,675
Licence Fees & Royalties (recognised at a point in time)	-	187,009
	<u>2,263,636</u>	<u>1,613,684</u>
Other revenue		
Interest	4,869	456

Note 4 Other Income

	Consolidated	
	2023	2022
	\$	\$
Foreign Exchanges Gains – (net)	198,892	-
R&D Tax Incentive	839,918	1,103,384
Bad Debt Provision	-	-
Government Grants	-	-
Total Other Income	<u>1,038,810</u>	<u>1,103,384</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 2023 accounts is \$840k (2022: \$1,103k). CAP-XX successfully lodged their claim for this incentive in relation to the FY2023 year and received \$2.1m in November 2023. (2022: \$2.0m)

Note 6 Other Assets

	Consolidated	
	2023	2022
	\$	\$
R&D Rebate – Australian Tax Office	839,918	1,042,575
Prepayments	373,778	43,165
Other	20,322	11,565
Total Other Assets	<u>1,234,018</u>	<u>1,097,305</u>

CAP-XX Limited
Notes to the Consolidated Interim Financial Statements
31 December 2023

Note 7 Contributed equity

Movement in ordinary share capital:

Date	Details	Number of shares	Issue price	\$
1 July 2022	Balance	509,173,491		114,511,790
12 July 2022	Issue of Shares	1,062,343	\$0.10	103,427
12 May 2023	Exercise of Options	76,535,370	\$0.02	1,860,322
6 June 2023	Issue of Shares	129,243,754	\$0.02	3,111,201
6 June 2023	Issue of Shares	-		(410,971)
30 June 2023	Balance	716,014,958		119,175,769
1 July 2023	Balance	716,014,958		119,175,769
5 December 2023	Issue of Shares	4,173,369	\$0.02	141,665
31 December 2023	Balance	720,188,327		119,317,434

CAP-XX Limited
31 December 2023

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 2023 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
1st February, 2024