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CAP-XX Limited
13 March 2024

Dissemination of a Regulatory Announcement that contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310.

13 March 2024

CAP-XX Limited
("CAP-XX" or the "Company")
Corporate update

CAP-XX, a world leader in the design and manufacture of supercapacitors and energy management systems, provides the following update in relation to its working capital position.

On 1 February 2024, CAP-XX announced its interim results for the six months ended 31 December 2023 ("Interim Results"). In the Interim Results announcement, it was stated that the Company had cash reserves as at 31 December 2023 of A\$0.3m and an unused line of credit of approximately A\$1.5m. In that announcement, the Company's Chairman also stated that the legal costs and unexpected expenses in relation to the departure of the former CEO and investment in new product developments had resulted in the Company's adjusted EBITDA remaining negative and the Company's cash position being tight and that the Board was managing the Company's cashflows carefully.

Despite these efforts, the Company's working capital position has continued to deteriorate. This is due to a combination of (i) higher than anticipated legal costs associated with the Company's patent infringement litigation; and (ii) revenue and cash receipts for the first eight weeks of the current calendar year being lower than expected, despite the encouraging order book. In addition, the revolving line of credit associated with the Company's R&D facility is fully drawn down to the extent that expenditure has currently been incurred.

As a result of this, the Board has been exploring raising additional financing. The Board has considered debt and sale/leaseback structures but has established that these are not available to the Group. The Board has also been exploring raising additional equity financing and these efforts continue. However, this process is taking longer than anticipated and, whilst the Board has continued to manage CAP-XX's working capital, the Group is now in a highly constrained financial position as highlighted above and requires additional financing by the end of this month.

There is no guarantee that an equity financing will be achievable and, in the absence of any additional financing being available, the Board would have to take steps to preserve and maximise value for its creditors and should the Company fail to achieve a solution in the short term, the Board would have no option but to place the Company into administration. In this eventuality, it is not known how much, if any, value would be returned to shareholders.

A further update will be provided in due course.

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Notes to Editors:

CAP-XX (LSE: CPX) is a leader in the design and manufacture of thin, flat supercapacitors and energy management systems used in portable and small-scale electronic devices, and to an increasing extent, in larger applications such as automotive and renewable energy. The unique feature of CAP-XX supercapacitors is their very high power density and high energy storage capacity in a space-efficient prismatic package. These attributes are essential in power-hungry consumer and industrial electronics, and deliver similar benefits in automotive and other transportation applications. For more information about CAP-XX, visit www.cap-xx.com

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