

12 March 2025

capAI Plc (the "Company")

Board Appointment of Professor Ronjon Nag, Strategy Update, Conditional Placing and Subscription, Directors' Remuneration and Grant of Share Options

Highlights

- Proposed appointment to the Board as Executive Director of Professor Ronjon Nag, a leading Silicon Valley based investor, inventor and entrepreneur.
- Professor Nag, who has dual US and UK citizenship, has over 40 years of industry leading experience with long-term relationships and partnerships with world-class corporations and universities including Stanford University, Massachusetts Institute of Technology, UC Berkeley and Cambridge University.
- He is the Managing Director and Founder of R42, a Silicon Valley based investment fund which has developed a unique model of both inventing and investing in Artificial Intelligence ("AI"), Longevity and Deep Tech companies.
- Appointment offers capAI a unique opportunity to leverage off Professor Nag's and R42's contacts, connectivity, investment activity and international investment 'reach'. The aim is to establish with R42 a proprietary framework of co-invention, investment and co-operation initiatives.
- Professor Nag's proposed remuneration will be entirely performance related, demonstrating his commitment to delivering real returns to all stakeholders and to fully align his interests with those of the Company's.
- Conditional placing and subscription (the "Fundraising") of £275,000 at £0.0004 per ordinary share (the "Issue Price"), undertaken by the Company's Broker, Peterhouse Capital Limited. Issue Price represents a 6.7% premium to the closing mid-price of the Company's shares of £0.000375 on 11 March 2025, being the last practical date before this announcement. Current and prospective Directors' have invested £112,500 in the Fundraising.

Richard Edwards, capAI's Chairman comments "The appointment of Professor Nag to the Board represents a major coup for the Company. Ronjon has an exceptional track record of inventing, investing and creating significant value over many years and the Board is absolutely delighted that he has agreed to bring this expertise to the European marketplace through capAI. Utilising both Ronjon's and R42's deep and wide-reaching expertise and connectivity in the AI and associated space, within Silicon Valley and beyond, capAI will aim to be flexible, agile and unconstrained in pursuing strategic opportunities. Shareholders can look forward to further news regarding these matters in the near future."

Ronjon Nag, comments "I am so pleased to join the Board of capAI, with the aim of developing a public entity to access next level advancements in AI and deep science developed by myself and others."

Board Appointment of Professor Ronjon Nag

The Board of capAI Plc (LSE: CPAI) is very pleased to announce the immediate appointment of Professor Ronjon Nag as an adviser to the Company prior to joining the Board as an Executive Director on 1 April 2025.

Professor Nag is a Silicon Valley based inventor and entrepreneur, and Adjunct Professor in Genetics at Stanford Medicine, who has been at the forefront of AI for over 40 years.

As previously announced, capAI is committed to becoming the leading UK listed company in the nascent but burgeoning AI space. Today's appointment of Professor Nag, a world-renowned pioneer investor, expert and innovator in AI, underlines this commitment.

R42, the flagship investment vehicle of Professor Nag, has a current investment portfolio of over 75 companies, the majority of which are US-domiciled. The strategic tie-up between capAI and Professor Nag announced today, is intended to allow capAI to become the primary European focus for both Professor Nag and R42, giving capAI a transformational opportunity to benefit from a unique individual with a collective track record and connectivity in the world's most advanced AI investment arena.

No information is required to be disclosed by Professor Nag pursuant to paragraph 9.6.13R of the Listing Rules.

Details of the proposed Fundraising

Peterhouse Capital has conditionally raised gross proceeds of £137,500 for the Company through a placing of 343,750,000 ordinary shares (the "Placing Shares") at the Issue Price and £137,500 through a subscription for 343,750,000 ordinary shares (the "Subscription Shares") at the Issue Price (together the "Fundraising Shares").

The Fundraising has not been underwritten and is conditional upon:

- a) the passing of the resolutions to be proposed at the Annual General Meeting to be held on 31 March 2025 (the "AGM");
- b) the Fundraising Shares being admitted to listing on the Equity Shares (transition) category of the Official List and to trading on the London Stock Exchange's main market for listed securities ("Admission") on or around 8:00 a.m. on 7 April 2025 (or such later time and/or date as the Company and Peterhouse may agree, not being later than 6 May 2025) ("Admission").

If these conditions are not met, then the Fundraising will not proceed.

Warrants

Participants of the Fundraising will receive one warrant for every Fundraising Share subscribed for as part of the Fundraising ("Fundraising Warrants") which will result in the issue of 687,500,000 Fundraising Warrants.

The Fundraising Warrants are valid for one year from the date of Admission, exercisable at £0.0008 per ordinary share. The Fundraising Warrants can only be exercised into ordinary shares, if the Company has regulatory authority to do so.

Existing and Prospective Directors participation in the Fundraise

The current and prospective Directors of the Company have participated in the Fundraise as follows:

- Professor Ronjon Nag - £50,000
- Richard Edwards - £50,000
- Sarah Davy - £12,500

156,250,000 Fundraising Shares and Fundraising Warrants will be issued to the existing Board, in accordance with the above allocations. The remaining balance of 531,250,000 Fundraising Shares and Fundraising Warrants will be issued to Marcus Yeoman, a director of the Company as the Company is currently unable to admit new shares to trading on the Main Market without either the publication of an FCA approved prospectus or relying upon an exemption to the requirement to issue a prospectus. Immediately following Admission of the Fundraising Shares, Marcus Yeoman has agreed to sell 531,250,000 Fundraising Shares and 531,250,000 Fundraising Warrants, at the Issue Price to unconnected investors including Professor Nag. The issuance of the Fundraising Shares is subject to the approval of the Resolutions and Admission.

Directors' Remuneration and Grant of Share Options

Professor Nag and Richard Edwards will neither accrue, nor be paid, any salary for their roles instead their remuneration will be entirely performance related and they will only therefore be rewarded in the event of significant share price appreciation.

The Board considers the appointment of someone of the stature of Professor Nag on purely a performance related basis as a transformational moment for a micro-cap company, such as capAI.

In light of this, the Company has today granted options ("Options") over its ordinary shares on the following terms, to incentivise Professor Nag and Richard Edwards, and to also acknowledge the contribution of Richard Edwards in appointing Professor Nag and bringing the Company to this transformational moment. The Option package, assuming all share appreciation targets have been met and the Options have vested, represents 38.98% of the enlarged issued share capital following Admission ("Enlarged Issued Share Capital").

Share Option Terms	Ronjon Nag Executive Director Number	Richard Edwards Executive Director Number	Total Number
Vesting if closing mid-market price exceeds £0.0005*	500,000,000	125,000,000	625,000,000
Vesting if closing mid-market price exceeds £0.00125 **	500,000,000	125,000,000	625,000,000
Vesting if closing mid-market price exceeds £0.0030 ***	500,000,000	125,000,000	625,000,000

*Vesting if closing mid-market price exceeds £0.0005 and has no performance conditions attached other than continued employment by the Company (or other Group company).

**Vesting if closing mid-market price exceeds £0.00125 and the appropriate Director has been in continuous employment for six months. There are no performance conditions attached other than continued employment by the Company (or other Group company).

***Vesting if closing mid-market price exceeds £0.0030 and the appropriate Director has been in continuous employment for twelve months. There are no performance conditions attached other than continued employment by the Company (or other Group company).

The exercise price of the Options is £0.00001 per share, being the nominal value of the Company's shares.

In the event that the Company's current outstanding warrants (including those issued as part of the Fundraising above) (the "Current Outstanding Warrants") and previous options (as set out in the RNS dated 29 January 2025) (the "Previous Options") are exercised, Professor Nag and Richard Edwards will be granted further Options proportionately on the same terms as above so that their Options represent the same proportion of the Enlarged Issued Share Capital following the exercise of the Current Outstanding Warrants and Previous Options, as that before.

Following the grant of the Options and the Previous Options, the Company now has options outstanding over a total of 2,375,000,000 ordinary shares. Assuming all share appreciation targets have been met and all of the options have vested, this is equivalent to 44.73% of the Company's Enlarged Issued Share Capital.

Further Share Issuances

In addition to the issuance of the Fundraising Shares, the Company will, subject to the passing of the Resolutions and Admission, issue the following ordinary shares to Richard Edwards, a director of the Company:

- 83,000,000 ordinary shares to convert his outstanding convertible loan notes as per the RNS dated 17 October 2024 (the "CLN Shares"); and
- 50,793,650 ordinary shares to settle outstanding professional fees as per the RNS dated 29 January 2025 (the "Fee Shares").

Following Admission, Richard, his wife Charlotte and their SIPPs will hold 755,793,650 ordinary shares which equates to 25.75% in the Enlarged Issued Share Capital.

Admission and Total Voting Rights

The Fundraising Shares, the CLN Shares and the Fee Shares (the "New Ordinary Shares") will rank pari passu in all respects with the Company's ordinary shares following the approval of the Resolutions.

An application will be made to the FCA and to the London Stock Exchange for Admission in respect of the New Ordinary Shares and it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on or around 7 April 2025. Following Admission, the Company will have 2,934,610,273 ordinary shares of £0.00001 each in issue, none of which are held in treasury. Therefore, the total number of voting rights in the Company will be 2,934,610,273. With effect from Admission, this figure may be used by shareholders as the denominator for the calculation to determine if there is a requirement under the FCA's Disclosure Guidance and Transparency Rules to notify an interest in, or a change of interest in, the share capital of the Company.

For further information, please contact:

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Peterhouse Capital Limited Tel: +44 (0) 207 469 0930

Appendix One

Professor Ronjon Nag

Professor Ronjon Nag is an inventor and entrepreneur. He is an Adjunct Professor in Genetics at the Stanford School of Medicine, becoming a Stanford Distinguished Careers Institute Fellow in 2016.

He is a founder and advisor/board member of multiple start-ups. His companies have been sold to Apple, BlackBerry, and Motorola. More recently he has worked on the intersection of AI and Biology.

He has been awarded the Mountbatten Medal by the Institution of Engineering and Technology where he is a Trustee, and has been winner of the 1m Verizon Powerful Answers Award. He has been a pioneer of smartphones and the 'app stores' they depend on. He was awarded the 2021 IEEE-SCV Outstanding Engineer Award, the 2024 COGXAi Lifetime Achievement Award and Professor Nag was inducted into the Silicon Valley Engineering Council Hall of Fame in 2024. He was also awarded the COGX Best AI investor award.

He has a Ph.D. from Cambridge, an M.S from M.I.T and a B.Sc. from Birmingham in the UK, and is an Adjunct Professor in Genetics at the Stanford School of Medicine.

Professor Nag's Wikipedia page can be viewed at https://en.wikipedia.org/wiki/Ronjon_Nag.

Professor Nag is the Managing Director and Founder of R42, a Silicon Valley based vehicle which has a unique model of both inventing and investing in AI, Longevity and Deep Tech companies.

Further details of R42's activities can be found at www.r42group.com and Appendix 2.

Major Achievements

1. First laptop with speech recognition built-in (with Apricot, 1984)
2. First selling cursive handwriting recognition (with Lexicus, 1991)
3. First speech recognition phones (with Lexicus/Motorola, 1996)
4. First large-vocab Chinese speech recognition (with Lexicus/Motorola, 1996)
5. First Chinese predictive text system on a phone (Lexicus/Motorola, 1997)
6. First predictive text systems on Motorola phones, (Lexicus/Motorola, 1997)
7. First touch screen phone with handwriting recognition (Lexicus/Motorola, 1999)
8. First combined mobile search engine and directory (with Cellmania, 2000)
9. First private label downloadable operator billable apps store (Cellmania, 2000)
10. First BlackBerry Operator Billing apps store (Cellmania, 2010)
11. First Neural Network AI System in the Cloud (Ersatz Labs, 2014)
12. First Throwable 360 Ball Camera (Bounce Imaging, 2015)
13. First Android powered smart light switch (Brightswitch 2017)
14. First continuous blood pressure wearable prototype (GTCardio 2020)
15. First AutoML Drug and Drop Bioinformatics Platform (Superbio.ai 2021)

Appendix Two



Seasoned Expertise in AI and Science

R42 was established out of Professor Ronjon Nag's Family Office. Professor Ronjon Nag is a seasoned entrepreneur and AI pioneer who cofounded and advised companies that were sold to Motorola, BlackBerry and Apple. With his family office and his high powered team of seasoned scientific advisors, R42 invests as an LP in funds as well as directly in companies to supercharge their growth.

Early Stage Companies

R42 lead, and invest early. They help entrepreneurs turn their own ideas and visions into successful companies, and have done so with some 50 companies. They will work at the earliest stages when it's just an idea with no team, to existing early stage teams.

Companies receive personal guidance from the very first stages, and are provided with all the resources and expert advice they need from their expert advisors.

Early Stage Funds

They invest in funds who align in similar values to them. In addition to investing in funds, they will co-invest with our investee funds into interesting companies.

R42 Institute

R42 Institute is the think tank part of R42 Group. They work on cutting edge topics taking on board R42 Fellows who are taught AI and placed on R42 projects. They have R42 lectures, workshops and events such as the R42 Longevity Series. Everything is for free and mentors graciously give their time so everyone can learn about deep science. The R42 Institute is not an accelerator and is intended to be educational for all participants. However, some companies have come out of the program.

Appendix Three

Strategies for Deal Flow and Access to Experts

Professor Nag has deep integrations across the world's top universities including Stanford University, Massachusetts Institute of Technology, UC Berkeley and Cambridge University:

Stanford University

Professor Nag is an Adjunct Professor at Stanford Medicine and became an Interdisciplinary Stanford Distinguished Careers Institute Fellow in 2016. He teaches courses in AI, genes, ethics, longevity science and venture capital. He teaches some 2000 students a year.

Massachusetts Institute of Technology

Professor Nag (MIT SM' 91) has been MIT alumni angels director since 2015, and on the board of the MIT Club of Northern California.

UC Berkeley

Professor Nag has been an advisor to Skydeck accelerator companies, and investor in the Skydeck Fund.

Cambridge University

Professor Nag (Cambridge PhD '88) is an active investor in Cambridge Angels and supporter of entrepreneurial activities at Wolfson College Cambridge. He is on the Board of the Bay Area Committee of Cambridge in America.

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