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10 July 2025



capAI plc

(the "**Company**" and, together with its subsidiaries and subsidiary undertakings, the "**Group**" or "**capAI**")

Incorporation of capMedia Inc and US Operational Plans

capAI (LSE: CPAI) announces the incorporation of capMedia Inc, a wholly-owned US subsidiary of the Company to support the Company's broader media-focused activities in the United States.

The incorporation of capMedia Inc in the State of Delaware represents an operational milestone in the strategic development of the Company's media division, known as capMedia. It lays the foundation for future commercialisation efforts, including the proposed deployment of the Author42 platform ("**Author42**"), a generative AI publishing platform, subject to regulatory consents and the execution of definitive agreements.

The Company intends to apply for an operational licence for capMedia Inc to do business in the State of California.

Once licensed, capMedia Inc will serve as the principal US vehicle for media initiatives under the capMedia division.

The Company shall seek further operational licenses for capAI Inc to do business in additional US States as necessary from time to time.

Strategic Rationale

Delaware has been selected for incorporation due to its established legal framework for corporate governance and investment. California has been selected for operational licensing to align with the Company's objective of accessing the innovation and talent ecosystem of Silicon Valley, where strategic partner R42 Group LLC ("**R42**") is based.

This structure reflects the commercial intention to operate in the US market and supports the transatlantic positioning of the capAI-R42 strategic alliance (the "**Alliance**"), which brings together UK-listed capital discipline with US innovation.

Next Steps

The Company envisages the following upcoming newsflow:

- Updates regarding regulatory clearance for the licence and option agreement in connection with Author42 ("**LOA**");
- Subject to such clearance being obtained, entry into a definitive LOA; and

- caplMedia Inc beginning commercial operations in California.

For the purposes of UK MAR, the person responsible for arranging release of this Announcement on behalf of capAI is Richard Edwards, Executive Chairman.

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This Announcement may include forward-looking statements, which are based on current expectations and projections about future events, including about the Groups operations, strategy, financial performance, development milestones, and the future prospects of its business divisions, including capMedia Inc and the Author42 platform. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof.

Forward-looking statements are based on current expectations and are subject to various risks and uncertainties that could cause actual outcomes to differ materially. These risks include, but are not limited to: successful execution of definitive agreements; regulatory approvals; development timelines; market acceptance; technological shifts; and broader economic conditions. No representation or warranty is made or will be made that any forward-looking statement will come to pass, and no assurance can be given that any forward-looking statement will prove accurate. Except as required by law, capAI undertakes no obligation to revise or update any forward-looking statement. The forward-looking statements in this Announcement speak only as at the date of this Announcement.

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