
CAP-XX



A Case Study in Commercialising Nanotechnology

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- Introduction to CAP-XX Ltd
- Brief history
- Examples: value proposition for mobile phones and solid state drives
- Issues encountered
- Lessons learnt
- What's next?
- Q&A

- Australian “Born Global” supercapacitor manufacturer
- Founded 1997
- IPO on LSE (AIM) in April 2006
- A unique technology position - World’s best thin prismatic supercapacitors with strong IP
- Focused on space-constrained electronic devices
- Sold over 3 million devices
- Non-exclusive licence to Murata Manufacturing Co.
- Achieving mobile phone and solid state drive design wins



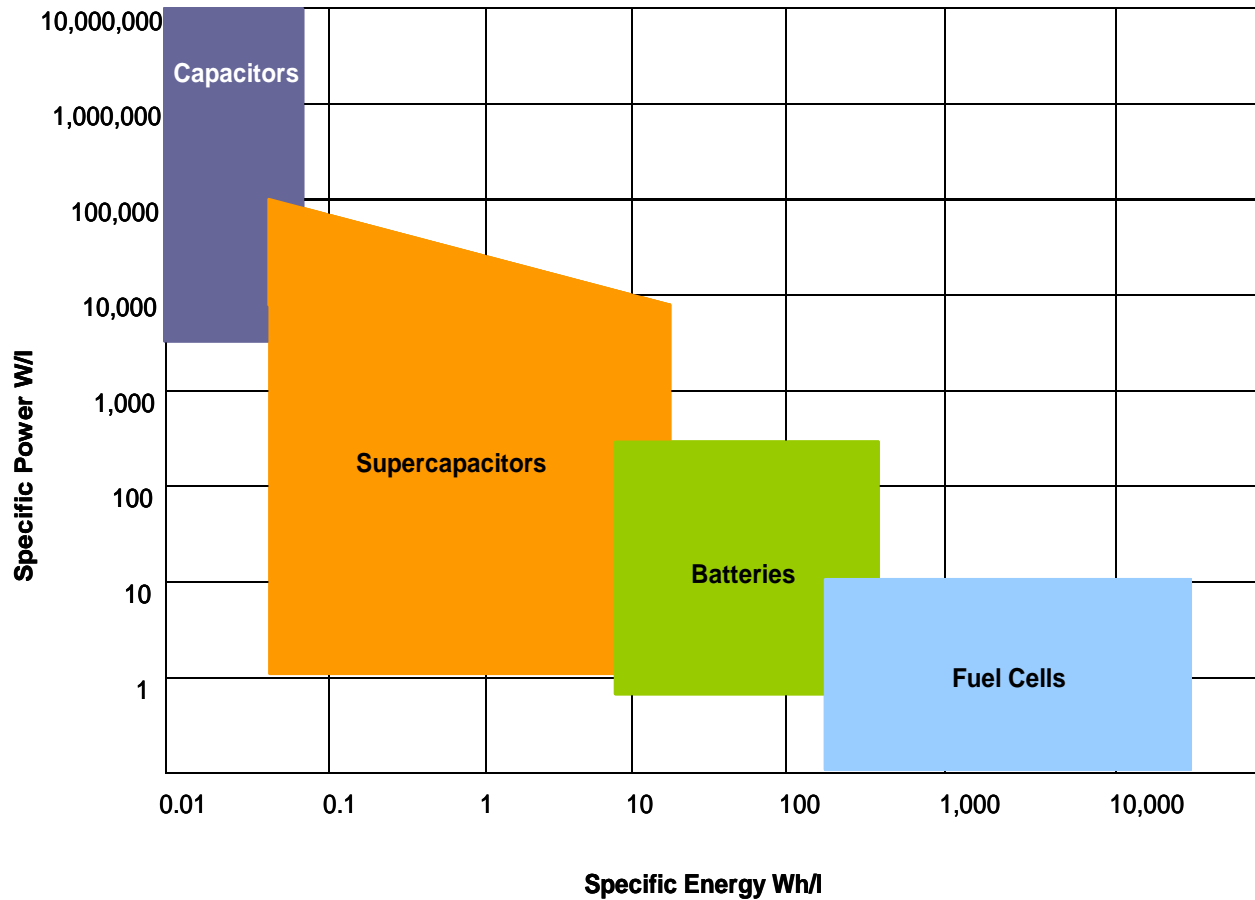
HQ in Sydney, Australia

Approx. 50 direct employees

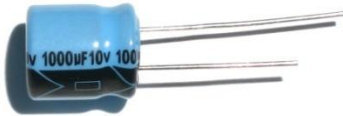
Volume Manufacturing outsourced employing around 500 people

Extensive network of sales representatives consisting of 200 people

Global coverage via local sales offices and distributors



Capacitor



- Stores a small amount of electrical energy
- Static electricity
- Releases energy very quickly i.e. very high power

Supercapacitor



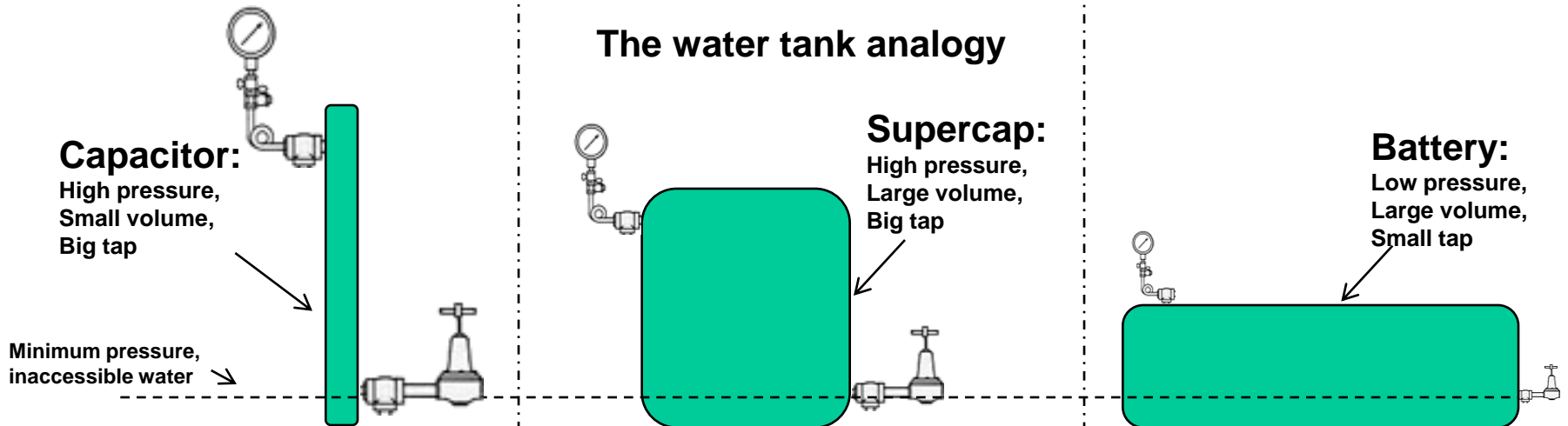
- Stores a moderate amount of electrical energy
- Static electricity
- Releases energy quickly i.e. high power

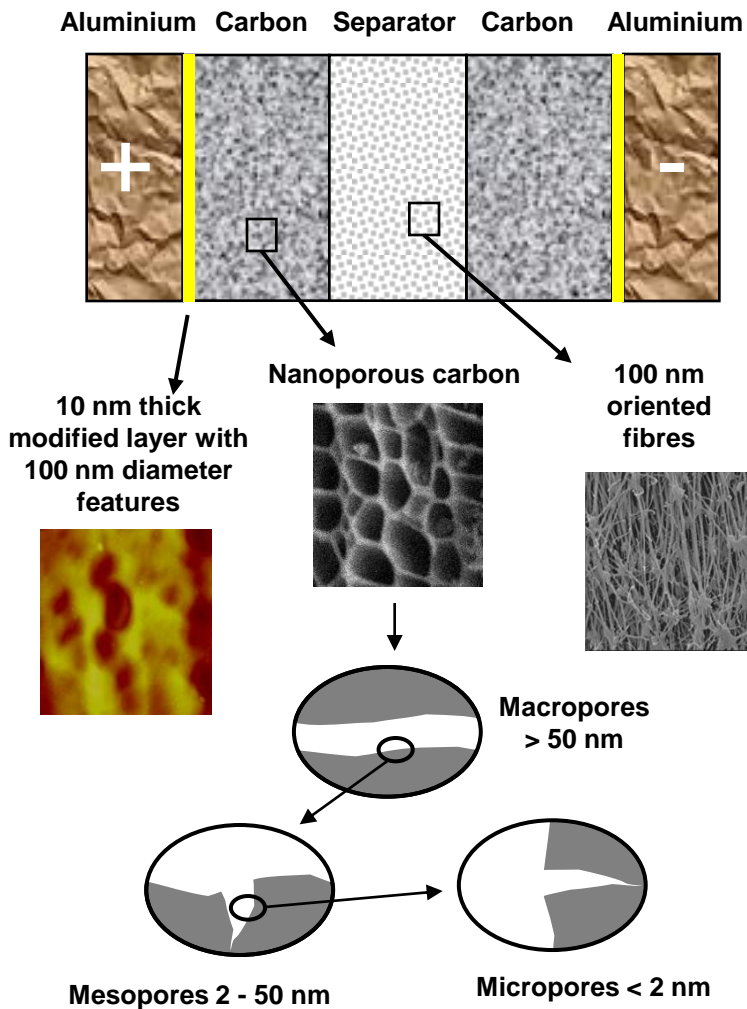
Battery



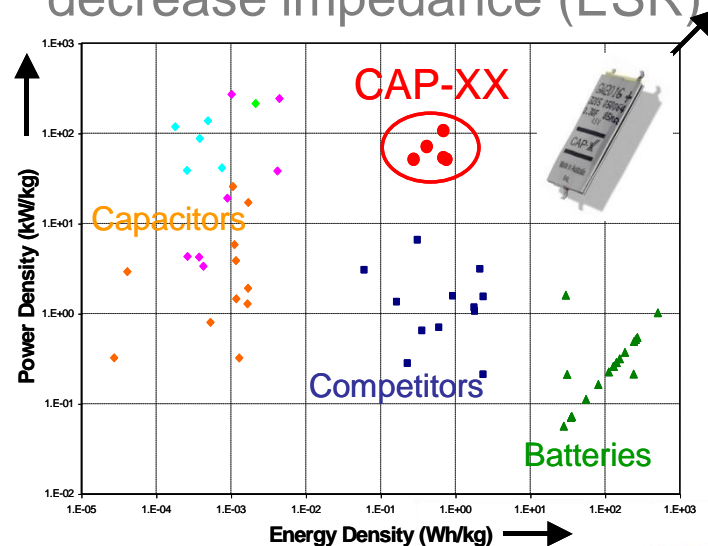
- Stores a large amount of electrical energy
- Chemical reaction
- Releases energy slowly i.e. low power

The water tank analogy





Nano-structured materials increase energy (capacitance) and decrease impedance (ESR)



- 1994-99 Partner with CSIRO to research supercapacitors; US\$2.5m in seed capital & grants
- 2000 Raise US\$6.6m from VCs; First mobile wireless product; Business agreement with Intel for Notebook PCs
- 2001 Raise US\$17m from Intel, Acer & VCs; Develop pilot production plant with Invetech; US\$3.2m R&D grant
- 2002 Focus shifts from Notebook PCs to wireless; Open US & Taiwan sales offices

- 2004 Establish contract manufacturing in Malaysia; Shipping production quantities; Nokia contacts us re LED flash; First distributors appointed
- 2005 Toshiba demos CAP-XX at 3GSM; Focus moves to camera phones
- 2006 US\$31m IPO on London Stock Exchange (AIM)
- 2007 Open UK office; Close Taiwan Office; BriteFlash™ camera phone solutions released
- 2008 Sell manufacturing license to Murata for small prismatic supercapacitors

CAP-XX Improving mobile phone performance

- Brilliant flash photographs – BriteFlash™
 - Xenon performance
 - Ultra thin, small size flash solution
 - Familiar “true flash” appearance
 - Simple integration into camera phone Industrial Design
- Captivating audio performance – BriteSound™
 - Louder, cleaner music, speakerphone and ringtones
 - Robust audio with less noise issues
 - Extensive audio power headroom for processing or special effects
- Better power management – BritePower™
 - Supports existing batteries to drive power-hungry features
 - Extracts more energy from batteries to increase battery life
 - Enables use of alkaline & next generation battery technology



BriteFlash™: The best flash option



Standard Nokia N73



BriteFlash™ N73
(N73 refitted with CAP-XX
Supercapacitor)



SonyEricsson K800i
(xenon strobe)

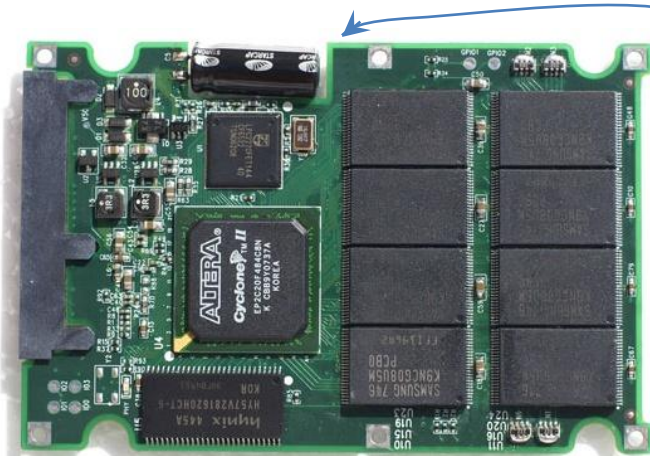




SonyEricsson K800i



- SSDs (Solid State Drives) are replacing HDDs (Hard Disk Drives) in computers etc., offering faster access, improved reliability & smaller size
- Market size estimated at close to 100m units by 2010
- Problem is that if power fails (battery or mains) the cache memory will be lost.
- Need a supercapacitor to provide backup power

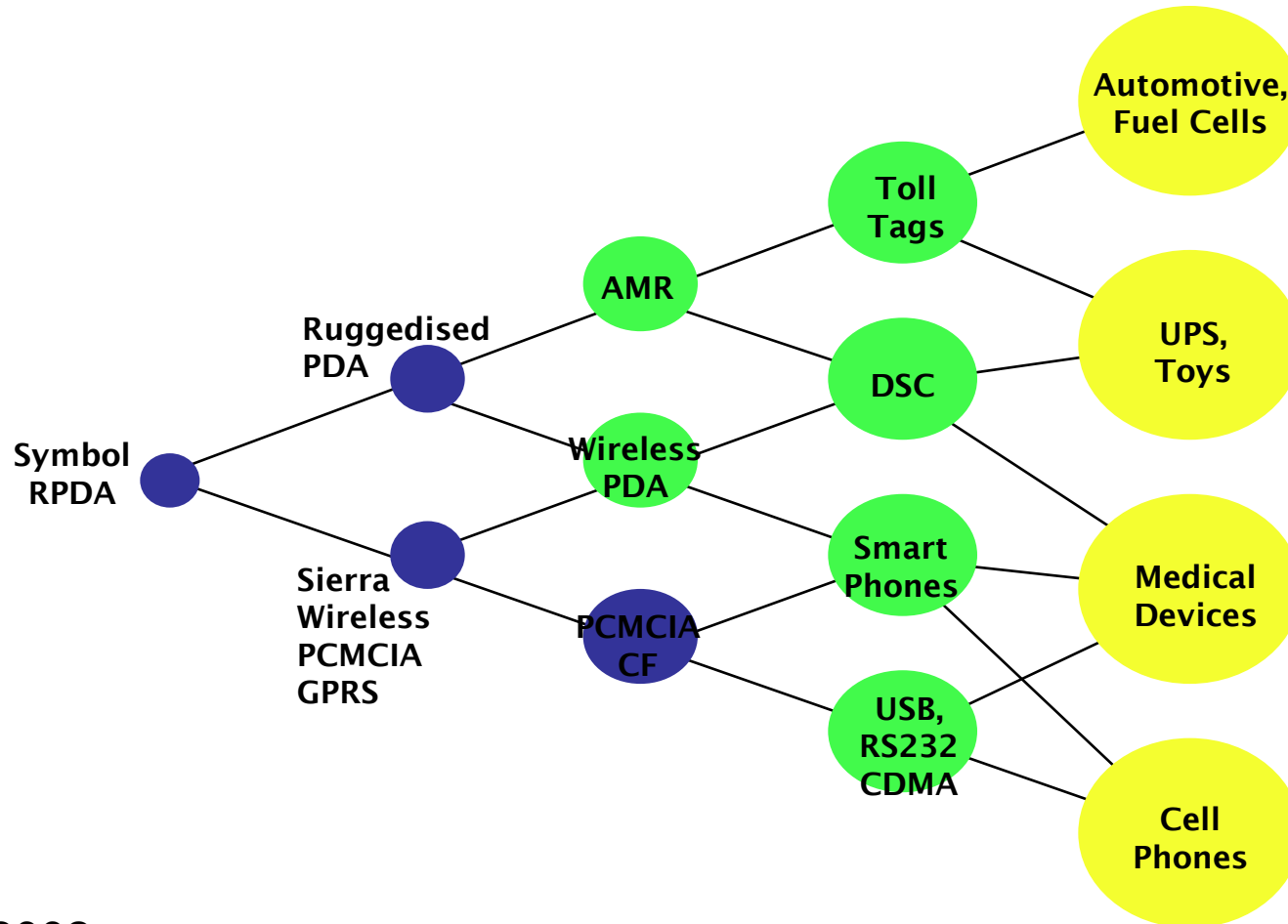


- Early after-market 128GB SSD modification in an Apple MacBook Pro.
- CAP-XX to replace bulky cylindrical supercapacitor used for power backup
- Why CAP-XX? Thinner form factor & superior operating temperature range (-40°C to +85°C).

CAP-XX Some of the issues encountered so far

- Raising capital – seed / VC / public
- Dealing with “Investment Bubbles”
- Time taken to find the right people
- Turning R&D into a product ready for mass production
- Building custom production processes & lines
- Selling a new technology into a new application
- Changing the direction of the business
- Changes in Government Policy

1. R&D is just a v small part of the effort required for commercialisation
2. Focus on an end market - Don't push a technology
3. Keep the business plan simple & flexible
4. It will take longer & cost more than forecast
5. Take the funding when offered – it may not be available when you want it
6. Government money is expensive even when its “free”
7. The right team is more important than the business plan
8. Be realistic about the capabilities of the business – partner as appropriate



circa 2002

CAP-XX Why the LSE: AIM Stock Exchange?

- Australian Stock Exchange is dominated by resource & financial stocks – poor coverage of technology
- Cost of NASDAQ prohibitive post-SOX
- AIM is the largest technology exchange in terms of available capital & analyst coverage after NASDAQ
- Cost of listing on AIM & ongoing compliance is significantly less than NASDAQ

The Deal in Brief

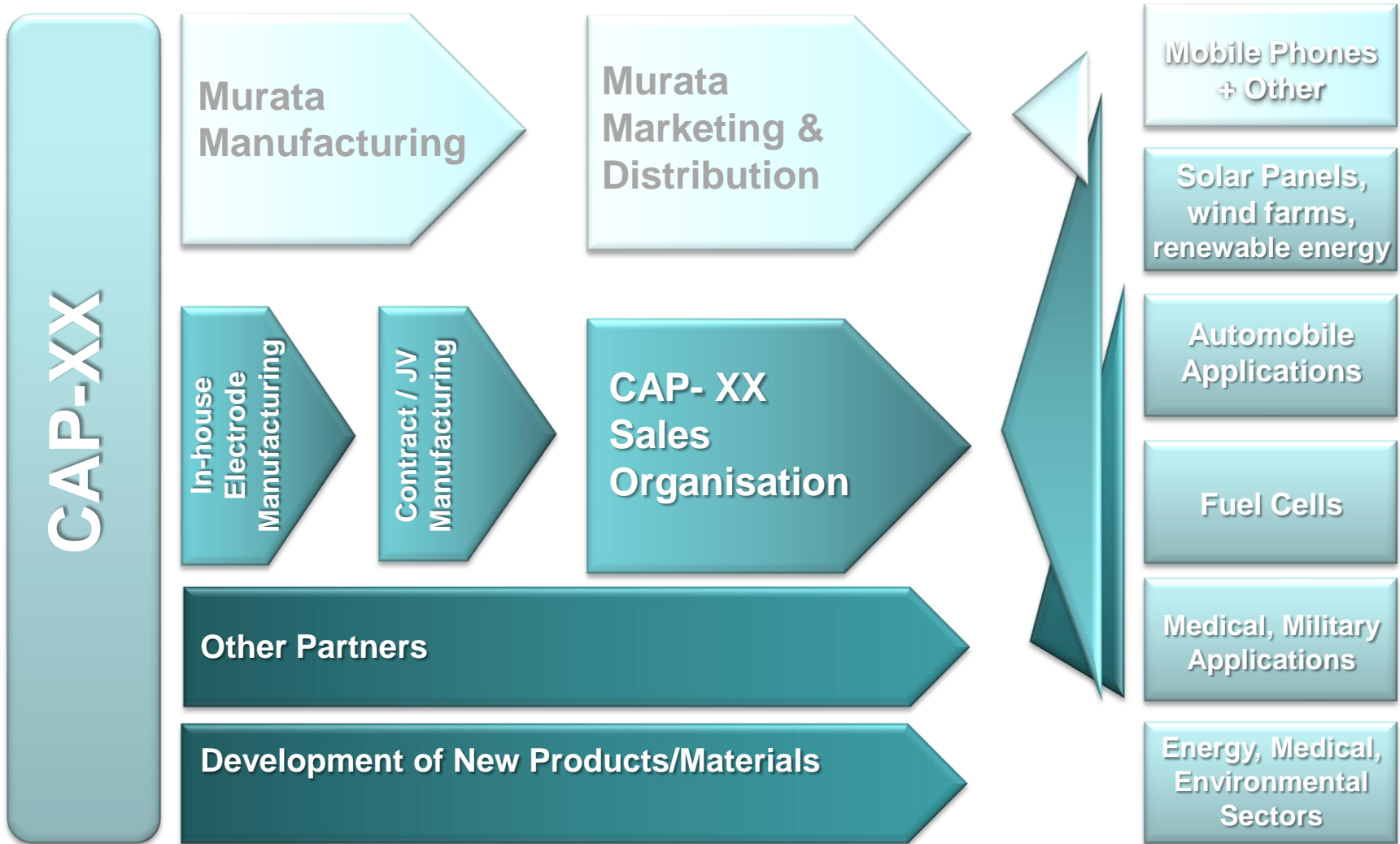
- Non-exclusive licence
- Licence is for small prismatic supercapacitors only
- Term is for life of current patents
- Cash up-front
- Royalty fee as a % of sales plus a share of operating profit over a threshold
- On-going cooperation thru R&D and cross sales

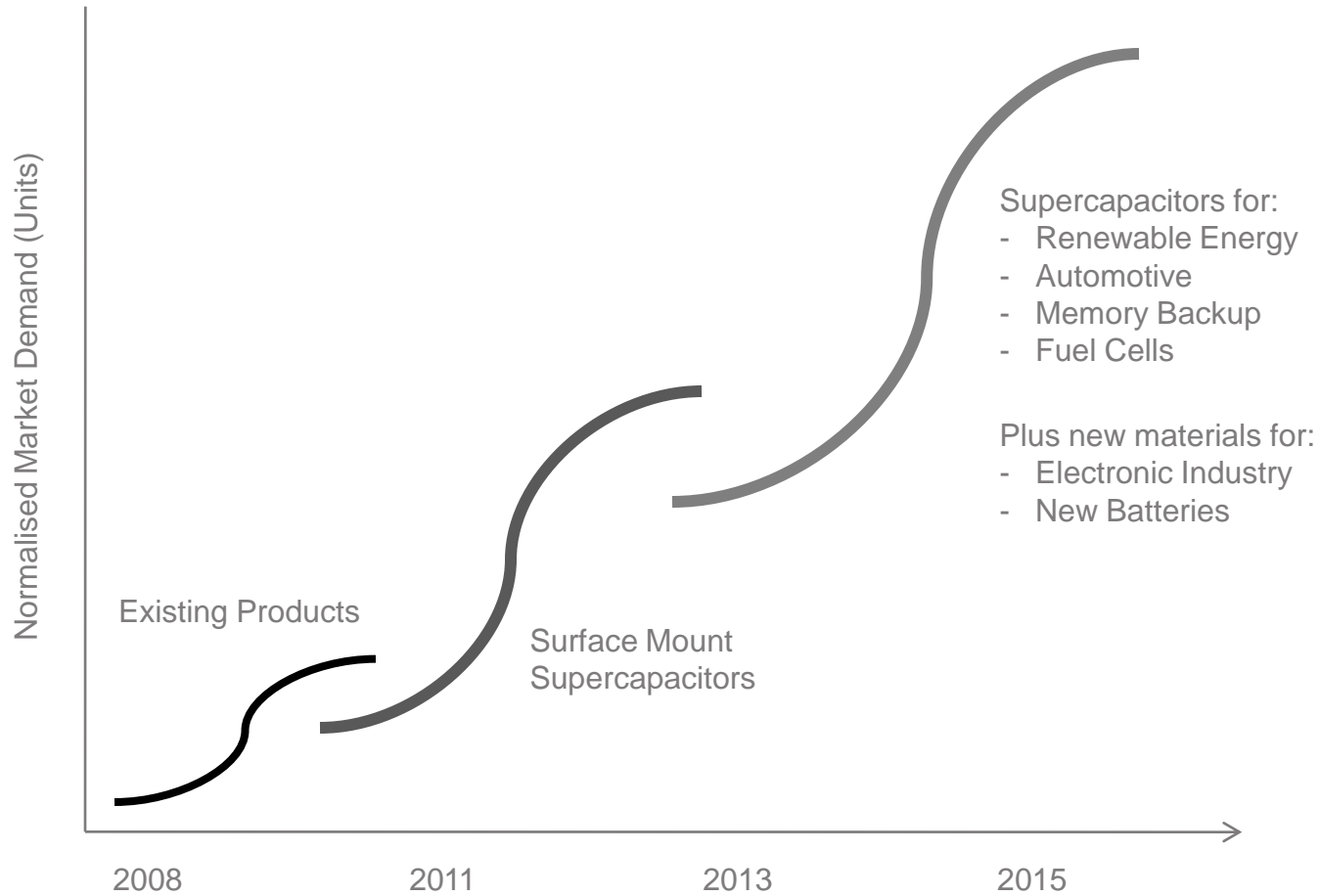
KEY POINTS - The partnership with Murata addresses two major issues: It provides integrity of supply to our mobile handset customers, & materially de-risks the process of scaling output for CAP-XX

The partnership with Murata secures CAP-XX's future

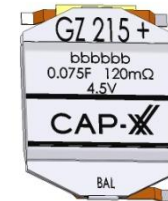
About Murata

• Established	1944
• Listed on Tokyo & Singapore Stock Exchanges	
• Market Capitalisation	£5.8b
• Sales	£2.4b
• R&D expenses (p.a.)	£200m
- as % of sales	7%
• Capacitors produced / day	1.3B
• Employees	29,000





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