Capability X Limited
ACN 663 606 237

REPLACEMENT PROSPECTUS

For offers of fully paid ordinary shares in the Company (Shares)

This Prospectus has been issued to provide information on the offer of 60,000,000 Shares at an offer price of A$0.20 per Share to raise A$12,000,000 (before associated costs) (**Offer**).

This is a replacement prospectus dated 2 October 2026. It replaces a prospectus dated 25 September 2026 relating to offers by Capability X Limited.

It is proposed that the Offer will close at 5:00pm (Perth time) on Monday, 19 October 2026. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus. Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Shares.

Thomsons

Australian Legal Adviser

WESTAR CAPITAL
INVESTMENT BANKING | CORPORATE ADVISORY

Lead Manager

Not for release to US wire services or distribution in the United States

CORPORATE DIRECTORY

Directors

Hon. Ian Campbell AM – Non-Executive Chairman
Mr Christopher Eastwell – Managing Director & CEO
Mr Shane Bransby – Non-Executive Director
Mr Daniel Rohr – Non-Executive Director

Company Secretary

Mr Chris Achurch

Registered Office

35 Oxford Close
West Leederville WA 6007
Phone: + 61 429 020 090
Email: info@capabilityx.com

Principal Place of Business

620 Gnangara Road
Cullacabardee WA 6067

Proposed Stock Exchange Listing

Australian Securities Exchange (ASX)
Proposed ASX Code: CX8

Company website

https://capabilityx.com

Australian Legal Adviser

Thomsons
Level 29, Central Park Tower
152-158 St Georges Terrace
Perth WA 6000

Auditor*

RSM Australia Partners
Level 32, 3 The Esplanade
Perth WA 6000

Investigating Accountant

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco WA 6008

Lead Manager

Westar Capital Ltd
Level 4, 216 St Georges Terrace
Perth WA 6000

Share Registry*

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000

Phone: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

* These entities are included for information purposes only. They have not been involved in any part of this Prospectus.

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IMPORTANT NOTICE

Offer

This Prospectus is issued by the Company for the purposes of Chapter 6D of the Corporations Act. The offers detailed in this Prospectus are the Offer and the Lead Manager Offer.

Prospectus

This Prospectus is dated, and was lodged with ASIC on, Friday, 2 October 2026. This Prospectus is a replacement prospectus and makes changes to the original prospectus dated 25 September 2026. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5:00pm (Perth time) on that date which is thirteen (13) months after the date of this Prospectus. No Shares will be issued on the basis of this Prospectus after that expiry date.

An application will be made to ASX within seven (7) days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offer.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Not Investment Advice

The information detailed in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its Shares or any other financial products.

Disclaimer

The lead manager of the Offer, being Westar Capital Ltd ACN 009 372 838 (**Lead Manager**) and its related bodies corporate and affiliates, and officers, directors, employees, agents and advisers (collectively, **Lead Manager Parties**), take no responsibility for the Offer and make no recommendations as to whether any person should participate in the Offer nor do they make any representations or warranties (express or implied) concerning the Offer, and they disclaim (and by accepting this Prospectus you disclaim) any fiduciary relationship between them and the recipients of this Prospectus, or any duty to the recipients of this Prospectus or participants in the Offer or any other person. The Lead Manager Parties have not authorised, permitted or caused the issue, submission, dispatch or provision of this Prospectus. The disclaimer above does not purport to disclaim any warranty or liability which cannot be disclaimed by law.

Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Lead Manager. The Company and Lead Manager and their respective affiliates, officers, employees and advisers disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Consider Risks of Investments

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Shares. There are risks associated with an investment in Shares and some of the key risks are detailed in Section 3. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares.

No person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

As detailed in Section 1.17, the Company will apply for the Shares to be quoted on the ASX. The Company, the Company's share registry, Computershare Investor Services Pty Limited (**Share Registry**) and the Lead Manager, disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

Foreign Investors

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit an offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The Shares are not being offered to any investor outside Australia, other than certain institutional and professional investors in certain jurisdictions detailed in Section 1.19 (or as may otherwise be permitted by law and accepted by the Company).

The Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold in the United States, except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws.

Refer to Section 1.19 for more details on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside Australia.

Financial Information

The financial information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles prescribed by Australian Accounting Standards (which are consistent with International Financial Reporting Standards), except where otherwise stated.

The financial information is presented in abbreviated form. It does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports. The financial information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information detailed in Section 5.

Past Performance

This Prospectus includes information regarding past performance of the Company. Prospective investors should be aware that past performance should not be relied upon as being indicative of future performance.

Electronic Prospectus and Application Forms

This Prospectus will be made available in electronic form only to persons in Australia by being posted on the Company's website at https://capabilityx.com. Eligible persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) during the Offer Period by contacting the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (Melbourne time) Monday to Friday (excluding public holidays). The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia (unless otherwise determined by the Board, subject to applicable laws).

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include an Application Form. Applicants must complete and return the Application Form with the requisite Application Monies by following the instructions detailed on the Application Form.

By returning an Application Form with the requisite Application Monies or making a payment of Application Monies you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer as detailed in this Prospectus.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

Cooling Off Rights

Cooling off rights do not apply to an investment in Shares acquired under this Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus once it has been accepted.

No incorporation by reference

No document or information (such as is included on the Company's website) is incorporated by reference into this Prospectus.

Speculative Investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Shares.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

Privacy Statement

To apply for Shares you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold, use, disclose and otherwise handle your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, and to carry out appropriate administration in relation to your Application and your needs as an investor. The Corporations Act and taxation law require some of this personal information to be collected. If you do not provide the information requested, the Company may not be able to accept or process your Application.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate,

agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities and as otherwise permitted or required by law.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

In some cases, your personal information may be disclosed by the Company to recipients located in other countries such as storage of subscribers' data for the purpose of web mail broadcasts. Otherwise, your personal information is not generally disclosed to recipients located overseas except with your consent or where otherwise permitted or required by law.

The Company's Privacy Policy at https://capabilityx.com includes additional information about the way the Company handles personal information, including how to seek access or correction of your personal information, and how to complain if you believe we have breached our privacy obligations and how we will handle your complaint. For further information you may also contact our Privacy Officer by email at info@capabilityx.com or by mail to Privacy Officer, Capability X, 35 Oxford Close, West Leederville, WA 6007.

Your personal information will be provided to the Share Registry to assist in managing the Company's Share register. The Share Registry's Privacy Policy is available on the Share Registry's website, http://www.computershare.com/au. Questions about the Share Registry's Privacy Policy can also be emailed to privacy@computershare.com.au.

Forward-Looking Statements and Information

This Prospectus contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include (without limitation) expectations regarding industry growth and other trend projections, forward-looking statements about the future strategies, results and outlook of Capability X and the opportunities available to Capability X. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "outlook", "scheduled", "target", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgments of Capability X regarding future events and results. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, targets, performance or achievements of Capability X to be materially different from any future results, targets, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

Forward-looking information and statements are (further to the above) based on the reasonable assumptions, estimates, analysis and opinions of Capability X made in light of its perception of trends, current conditions and expected developments, as well as other factors that Capability X believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Although Capability X believes that the assumptions and expectations reflected in such forward-looking statements and information (including as described throughout this Prospectus) are reasonable, readers are cautioned that this is not exhaustive of all factors which may impact on the forward-looking information. Capability X does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking information or statements detailed in this Prospectus will

actually occur and prospective investors are cautioned not to place undue reliance on these forward-looking information or statements.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data detailed in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "$", "AUD" or "A$" are references to Australian dollars.

Effect of rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to the time in Perth, Western Australia, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 8.

Replacement Prospectus

This Prospectus is a replacement prospectus and makes changes to the original prospectus dated 25 September 2026. The material changes made to the original prospectus are as follows:

- updated disclosure in respect of the Company's total addressable market;
- Sections 1.6 and 2.5 provide a breakdown of the administrative and working capital costs contained in the allocation of funds table;
- Sections 1.7, 4.4, 4.6 and 6.7 provide additional disclosure in respect of the valuation of performance rights proposed to be issued to directors and management; and
- the Industry Overview Report contained in Annexure C has been replaced with an updated Industry Overview Report.

LETTER FROM THE CHAIRMAN

Dear Investor,

On behalf of the Board of Directors, it is my pleasure to offer you the opportunity of becoming a shareholder in Capability X Limited ("Capability X" or "the Company").

Capability X was incorporated in Perth, Western Australia on 4 November 2022, with an objective of delivering a bespoke, real-time intelligence and control solution that enables more efficient and safer operations at remote and hazardous sites.

Industrial environments are dynamic and unpredictable, with people, machinery and autonomous systems constantly moving and interacting, making it difficult for any individual to see the full picture of activity and risk, let alone predict what happens next.

These sites are associated with high risks of injury to personnel and damage to equipment, which can, in turn, weigh on operating costs and productivity. Globally, an estimated 2.93 million people die from work-related factors each year, while a further 395 million people sustain non-fatal injuries.[1]

In addressing this problem, Capability X developed 'CX Edge', its quick-to-deploy devices running our Edge AI control systems (comprising rugged hardware, software and communications) that provides an intelligent, live view of people, machinery and risk.

Capability X has developed and built its bespoke software and hardware alongside industry, to solve challenges that were already real and persistent. The Company's goal is simple: keep people out of harm's way while helping businesses operate more safely, efficiently and productively.

The Company has submitted two provisional patent filings to protect its technology[2] which leverages the Company's core capabilities in software and AI development and deployment; remote robotic command and control; communications network design, deployment and operation; and edge hardware device design and deployment.

CX Edge sees what humans cannot, understands how people and machines interact, identifies emerging risk and enables businesses to preempt and prevent incidents. The system is deployed in a number of hazardous and complex operations and is generating recurring revenue under an "as a service" subscription model.

The Edge AI-enabled technology integrates sensing, operational intelligence, situational awareness, and autonomous decision capabilities within an integrated platform. This high-quality data provides businesses with unprecedented insights that enable optimisation of their operations delivering enhanced efficiency and productivity.

Capability X's technology is differentiated by its integrated AI, computer vision, edge computing, and real-time digital twin capabilities, which enable remote monitoring, operational visibility, risk understanding and autonomous decision-making across high-risk industries.

The global Edge AI control system market sits at the intersection of AI, edge computing, industrial automation, Industrial Internet of Things (IIoT), computer vision, digital twins, and remote operations technologies.

Independent analysis by Frost & Sullivan estimates Capability X's total addressable market (TAM) exceeds A$280 billion per year,[3] with further growth expected as additional use cases emerge within existing end-markets and the Company extends into adjacent sectors, such as smart cities, healthcare, retail, smart manufacturing, utilities, and autonomous connected vehicle ecosystems. Given the current size and scale of Capability X, the Company does not operate across all market segments and sectors.

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[1] Safety and Health at Work, International Labour Organization (ILO), https://www.ilo.org/topics-and-sectors/safety-and-health-work, accessed 8 September 2026.

[2] Capability X has submitted provisional patent applications to protect its core technology.

[3] Refer to Industry Overview Report in Annexure C. TAM should be regarded as indicative rather than exact. While TAM opportunity reflects potential revenues across identified end-markets and applications assuming full penetration, in practice certain portions of the market may not be addressable due to factors such as geographic limitations, customer accessibility, regulatory requirements, procurement restrictions, competitive dynamics, geopolitical considerations and other market constraints.

The Company's capabilities are currently focused on the market segments and sectors described in Section 2 of this Prospectus, but the Company has identified specific opportunities for growth. While Capability X is seeing growth in the Asia-Pacific region, there is no guarantee that expansion into other markets, including Europe and the United States, will be successful. Expansion may be affected by tariffs, local legislation, regulatory and procurement requirements, competition, geopolitical considerations and other risks that have not yet been identified. Similarly, additional use cases and opportunities in adjacent sectors may emerge, but their development and successful commercialisation are uncertain.

This reflects a broader shift in industrial operations. Edge AI enables data to be processed at the point of activity rather than in a remote data centre, reducing latency, bandwidth requirements, and connectivity dependence – supporting the real-time analytics and local decision-making increasingly required in industrial environments.

Organisations across oil and gas, mining, ports, and defence are adopting remote operating models to improve workforce safety, reduce exposure to hazardous environments, address skilled labour shortages, and improve operational efficiency.

The Company is led by a high-performing, founder-driven team with deep industry and technology expertise, backed by an experienced Board with complementary corporate finance and government experience.

Founder and Managing Director, Chris Eastwell, brings 20 years' experience developing and executing technology roadmaps. He is supported by management which includes Chief Commercial Officer Lex Simons, a Geophysicist who was most recently at Woodside Energy for 14 years and Chief Technology Officer Adrian Kirk-Burnnand, who brings over 23 years of software and technology product development, analytics and product management experience across multiple industries including mining and financial technology markets.

Together, the management team and Board have a strong track record in technology commercialisation, particularly in energy and resources. Whilst the Company has contracted revenue, it is currently loss-making. Further information on the Company's historical financial position and performance is set out in Section 5 of the Prospectus.

Through this Prospectus, Capability X is inviting investors to acquire 60 million shares at the offer price of 20 cents per share to raise A$12 million.

The purpose of the Offer is to provide the Company with the financial flexibility to fund its growth strategy, including: domestic and international sales expansion, engineering capability, continued research and development as well as working capital.

I invite you to review this Prospectus carefully and consider joining us as a shareholder.

This Prospectus contains detailed information about the Offer, the industry sectors Capability X currently operates within and the financial position of the Company, including the key risks associated with an investment in the Company.

These key risks are set out in Section 3 of this Prospectus, including the ability to scale the business and hardware protection, protection and enforcement of intellectual property and attraction and retention of specialist AI and technical staff. We encourage you to read that section carefully.

Capability X’s current operations span marine and offshore energy, ports and logistics, with near-term plans to extend into government, mining and defence.

Thank you for your consideration and potential support.



Yours sincerely,
Hon. Ian Campbell AM

KEY OFFER INFORMATION

Indicative Timetable

Lodgement of this Prospectus with ASIC[1]	Friday, 2 October 2026
Opening Date of the Offer	Monday, 5 October 2026
Closing Date of the Offer	Monday, 19 October 2026
Allotment Date	Monday, 2 November 2026
Despatch of holding statements	Thursday, 5 November 2026
Admission to Official List of the ASX	Tuesday, 10 November 2026
Commence trading of Shares on ASX	Thursday, 12 November 2026

Note 1: The original prospectus was lodged with ASIC on 25 September 2026 and this replacement prospectus was lodged with ASIC on 2 October 2026.

The above dates (and where applicable, the times) are indicative only and may change. The Company, in consultation with its advisers, reserves the right to amend any and all of the above dates without notice (including, without limitation, subject to the Listing Rules and the Corporations Act, to close the Offer or any part of it early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company). If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Eligible Applicants are encouraged to submit their Applications as soon as possible after the Offer opens. Admission to the Official List of ASX is subject to ASX's discretion and is not guaranteed.

Indicative Capital Structure on Admission

Offer Price per Share	**A$0.20**
Total Shares on issue upon Admission	**171,902,790**
Shares on issue as at the date of this Prospectus	111,902,790
Shares offered under the Offer	60,000,000
Total Options on issue upon Admission	**31,853,450**
Existing Options[1]	19,853,450
Placement Options[2]	12,000,000
Total Performance Rights on issue upon Admission	**9,437,005**
Director and Management Performance Rights[3]	6,850,000
Employee Performance Rights[4]	2,587,005

Notes:

1. Comprises 12,353,450 Options exercisable at A$0.20 on or before 31 January 2031 and 7,500,000 Options exercisable at A$0.25 on or before 20 June 2031. Refer to Section 6.3 for terms and conditions of the Existing Options on issue.
2. Each Placement Option is exercisable at A$0.30 with a 3 year expiry date from the date of issue, issued at a cost of A$0.0001 per Placement Option. Refer to Section 6.4 for terms and conditions of the Placement Options which will be offered under the Lead Manager Offer detailed in Section 1.10.
3. Refer to Section 6.6 for terms and conditions of the Director and Management Performance Rights.
4. Refer to Section 6.5 for terms and conditions of the Employee Performance Rights.

Questions

All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 850 505 (within Australia) from 8:30am to 5:00pm (Melbourne time), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 3 9415 4000 from 8:30am to 5:00pm (Melbourne time), Monday to Friday (excluding public holidays).

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

INVESTMENT OVERVIEW

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of Shares.

Topic	Summary	More Information
A. Introduction		
Who is issuing this Prospectus?	Capability X Limited (**Capability X** or **Company**). Capability X was incorporated on 4 November 2022 in Western Australia as a proprietary limited company and converted into an unlisted public company on 14 August 2026.	Section 2.2
What is the Offer?	The Offer is an initial public offering of 60,000,000 Shares at an offer price of A$0.20 per Share to raise A$12 million (before associated costs). The Shares issued pursuant to the Offer will rank equally with existing Shares on issue. For details relating to the rights and liabilities of the Shares, refer to Section 6.1.	Section 1.1
Why is the Company issuing this Prospectus?	The purpose of this Prospectus is to: • raise A$12 million pursuant to the Offer (before associated costs); • assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission; • position the Company to seek to achieve the objectives detailed in Section 2.5; • provide a liquid market for the Shares to trade and an opportunity for others to invest in the Company; and • provide the Company with the benefits of an increased profile that arises from being a listed entity.	Section 1.5
B. Company and business overview		
What does the Company do?	Capability X is an industrial technology company that develops and deploys mobile hardware and software systems for remote operations, situational awareness, risk control and safety in high-risk environments.	Section 2.1
What are the Company's strategy and objectives?	Capability X's objective is to build a profitable industrial technology business by using its hardware, software, AI and remote operations systems to make high-risk operations safer, more efficient and more productive. The Company's strategy is to focus on difficult operating environments such as marine, ports and logistics, generate recurring revenue through subscription-style technology contracts, and use the proposed ASX listing to fund further growth, research and development and expansion into new markets and sectors.	Sections 2.5 and 2.6

Topic	Summary	More Information
How does the Company expect to fund its operations?	The Company believes that the funds proposed to be raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives during the two year period following Admission, as detailed in Sections 1.6 and 2.5 of this Prospectus.	Sections 1.6 and 2.5
How does the Company generate revenue and what are its key costs?	The Company generates revenue primarily by providing its technology under hardware and software subscription, or "as a service", arrangements across its Protect, Remote and Connect business lines, with existing contracted customers, being Qube Ports, GO Offshore and Bhagwan Marine. The Company's key costs include research and development, business development, inventory and command centre infrastructure.	Sections 1.6, 2.5 and 2.7
What are the key strengths and competitive advantages of the Company?	Capability X provides investors with exposure to Capability X's proprietary technology and platform, backed by contracted revenue from oil & gas and logistics customers, and an experienced independent Board and management team with deep domain expertise. Capability X's key strengths include: • Leading technical team - control and AI software developed in-house by a highly experienced technical team focused on industrial-grade solutions. • Unique, deployed IP software - proprietary software deployed in real industrial applications across Australia and the broader region. • In-house R&D centre and manufacturing - dedicated research and development facilities enabling rapid prototyping, testing and iteration of new capabilities and internal manufacturing capability supports quality control, faster delivery cycles and greater control over the supply chain. • Operation centres - established Remote Operations and Command Centre (**ROC**) providing remote operational infrastructure and Security Operations Centre (**SOC**) and Network Operations Centre (**NOC**). • Experienced leadership - led by corporate professionals with senior experience in multi-national public companies across technology, energy and industrial sectors. • CX Edge smart device - technology is packaged within the Company's own industrial 'smart devices' (**CX Edge**), which are being developed to enable rapid, standardised deployment to any site globally.	Section 2.4
What are the Company's objectives which it is seeking to achieve from admission to ASX and the Offer and why is the	The Company is seeking a listing on ASX to provide a platform from which it could gain broad investment support to implement its growth strategy. A listing on ASX will: • provide access to capital markets which will improve financial flexibility to support the ongoing development and commercial deployment of the Company's technology and fund growth opportunities;	Sections 1.5 and 2.5

Topic	Summary	More Information
Company seeking to raise funds?	• increase the profile of the Company and ability of the Company to expand its operations and market presence in Australia and internationally; • assist to accelerate the development of the Company's intellectual property, including software, AI and robotics capability; • support the Company's objective of scaling its business and converting existing commercial opportunities into longer-term profitable growth; and • provide a liquid market for its Shares and an opportunity for others to invest in the Company.	
What are the Company's financial prospects and position?	The pro forma historical consolidated statement of financial position of the Company as at 30 June 2026 is set out in Section 5. Further relevant financial information in respect of the Company is detailed in Section 5.	Section 5
How will the Company report to Shareholders on the performance of its activities?	The Company will send to Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules. Further information regarding the Company will be available on the ASX announcements platform at www.asx.com.au and will also be available on the Company's website at https://capabilityx.com.	Section 0
Will the Company pay dividends?	As the Company is currently focused on growth, development, and research, the Company makes no forecast of whether it will generate profits in the future. Accordingly, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future. Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. The Company has no dividend reinvestment plan.	Section 2.12
C. Key risks		
What are the key risks of investing in the Company?	Selected key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 3. • **Ability to Scale the Business and Hardware Protection** Capability X is experiencing growing demand for its technology. A material risk is the Company's ability to scale the production and delivery of its industrial hardware in a timely and cost-effective manner to meet this demand. Scaling hardware involves supply-chain management, manufacturing capacity, quality control, inventory, logistics and working capital. Any inability to increase production	Section 3

Topic	Summary	More Information
	volumes while maintaining quality and margins could constrain revenue growth, delay customer deployments, increase unit costs or damage customer relationships. • **Protection and Enforcement of Intellectual Property** The Company's competitive position depends significantly on its proprietary software, systems, provisional patents, trade secrets and trademarks. Capability X currently has two provisional patents lodged and significant secret and operational intellectual property. While the Company has undertaken an intellectual property audit confirming ownership, there is no guarantee that existing or future intellectual property will provide complete or lasting protection, or that competitors will not develop similar or superior technologies. Enforcement of intellectual property rights, particularly as the Company expands internationally, can be costly, time-consuming and uncertain. Different jurisdictions have varying levels of intellectual property protection and enforcement. Unauthorised use, reverse engineering, or challenges to the Company's intellectual property could adversely affect its business, competitive position and financial performance. • **Attraction and Retention of Specialist AI and Technical Staff** Capability X's technology is built on advanced computer vision, AI, distributed sensing and robotic control systems. The Company depends on a relatively small number of highly specialised technical staff with scarce skill sets. Competition for experienced AI, software and systems engineers is intense, both in Australia and globally. The loss of key technical personnel, or an inability to attract and retain additional talent as the business scales, could delay product development, reduce the quality or pace of innovation, or impair the Company's ability to support existing deployments and pursue new opportunities. Remuneration costs for such talent are high and may increase further. • **Emerging Competition** While Capability X currently holds a differentiated position with deployed industrial-grade remote operations and safety technology, the broader fields of computer vision, AI-enabled industrial automation, remote operations and safety systems are attracting increasing attention and investment. Larger technology companies, industrial automation firms, defence primes or well-funded start-ups may develop competing solutions. New entrants or existing players with greater financial, technical or distribution resources could erode Capability X's market share, pressure pricing, or accelerate the need for continuous innovation. The Company's ability to maintain technological and commercial leadership is not assured. • **Dependence on Key Management Personnel** The Company is currently dependent on a small number of key executives, including the Managing Director & CEO and other members of the senior management team who	

Topic	Summary	More Information
	hold critical knowledge of the technology, customer relationships and strategic direction. The unexpected departure of one or more of these individuals could disrupt operations, delay strategic initiatives or adversely affect relationships with customers, partners and investors. • **Customer Concentration and Counterparty Risk** A material portion of current and near-term revenue is derived from a relatively small number of customers. The loss of a major customer, reduction in the scope of existing contracts, delays in contract renewals, or financial difficulty of a key counterparty could have a significant adverse effect on revenue and cash flow. Many of the Company's customers operate in cyclical industries (oil & gas, marine and ports) that can be affected by commodity prices, capital expenditure cycles and broader economic conditions. • **Technology Development, Performance and Integration Risk** Capability X's products operate in complex, dynamic and often safety-critical industrial environments. There is a risk that technology may not perform as expected in all conditions, may require further development or customisation, or may encounter integration challenges with customer systems. Any material performance issues, software defects, hardware failures or cybersecurity vulnerabilities could result in customer dissatisfaction, contractual claims, reputational damage, or additional development costs. Continuous investment in R&D is required to maintain competitiveness; the outcomes and commercial returns from that investment are inherently uncertain. • **Supply Chain, Manufacturing and Component Risk** As a company that designs and supplies industrial hardware devices, Capability X is exposed to risks associated with the availability, cost and quality of electronic components, manufacturing capacity and logistics. Global supply-chain disruptions, component shortages, price inflation, or reliance on a limited number of suppliers or contract manufacturers could delay deliveries, increase costs or affect product quality. The planned transition to higher-volume, cost-optimised manufacturing introduces additional execution risk. • **Regulatory, Compliance and Industry-Specific Risks** Capability X operates and seeks to expand in highly regulated sectors including oil & gas, ports, government and defence. These industries are subject to strict safety, security, environmental, privacy, organised labour / unions, export-control and procurement regulations that can change. Failure to meet customer or regulatory requirements, delays in obtaining necessary approvals or certifications, or changes in government policy (including defence or industrial capability priorities) could restrict market access or increase compliance costs. International expansion may bring additional regulatory complexity across multiple jurisdictions.	

	• **Cybersecurity and Data Security Risk** The Company's systems handle operational, video and potentially sensitive industrial data and support remote command-and-control functions. A successful cyber-attack, data breach, or system compromise could result in operational disruption for customers, loss of confidential information, regulatory penalties, reputational harm and potential liability. While Capability X operates Security and Network Operations Centres and invests in security measures, no system is completely immune to sophisticated threats. • **Litigation and Legal Risk** Like any commercial enterprise, Capability X may become involved in legal proceedings, including contractual disputes, intellectual property claims, employment matters, product liability or regulatory investigations. Litigation can be expensive and time-consuming and may divert management attention. Adverse outcomes could result in financial liability, injunctions or reputational damage. The Company may also face warranty or indemnity claims arising from the deployment of its technology in operational environments. • **Funding, Liquidity and Capital Requirements** As a growth-stage technology company investing in R&D, product development, manufacturing scale-up and market expansion, Capability X may require additional capital in the future. There is no assurance that further funding will be available on acceptable terms, or at all. Any inability to raise sufficient capital when needed could constrain growth plans, force the Company to scale back activities, or dilute existing Shareholders. Cash flow is also dependent on the timing of customer payments and the successful conversion of pipeline opportunities into contracted revenue. • **Macroeconomic, Market and Geopolitical Conditions** Capability X's customers and target markets can be affected by broader economic conditions, commodity price cycles (particularly oil and gas), interest rates, inflation, and capital expenditure decisions by industrial and government customers. A sustained economic downturn or reduction in industry investment could slow sales cycles and reduce demand. International expansion exposes the Company to geopolitical risks, currency fluctuations, trade policy changes and country-specific political or economic instability (including in markets such as Timor Leste and China). • **Reputational Risk** The Company's technology is intended to improve safety and operational outcomes in high-risk environments. Any incident involving a Capability X system (whether caused by the technology or not), or any perception that the technology failed to perform as expected, could damage the Company's reputation and customer confidence. Negative publicity, even if unfounded, could adversely affect the ability to win new business or retain existing customers.	

<table>
<tr><th>Topic</th><th>Summary</th><th>More Information</th></tr>
<tr><td colspan="3">D. Directors and related party interests and arrangements and other significant interests</td></tr>
<tr><td>Who are the Directors of the Company?</td><td>At the date of this Prospectus and upon Admission, the Board will comprise:
Hon. Ian Campbell AM – Non-Executive Chairman
Mr Christopher Eastwell – Managing Director & Chief Executive Officer
Mr Shane Bransby – Non-Executive Director
Mr Daniel Rohr – Non-Executive Director</td><td>Sections 4.1 and 4.2</td></tr>
<tr><td>Who is the management team of the Company?</td><td>At the date of this Prospectus and upon Admission, the senior management team will comprise:
Mr Christopher Eastwell – Managing Director & Chief Executive Officer
Mr Adrian Kirk-Burnnand – Chief Technology Officer
Mr Lex Simons – Chief Commercial Officer
Mr Ryan Fitzgerald – Financial Controller
Mr Chris Achurch – Company Secretary</td><td>Section 4.3</td></tr>
<tr><td>What interests in the Company are held by Directors and are they participating in the Offer?</td><td>Securities held by, or in which each Director has a relevant interest in, as at the date of this Prospectus are as follows:
<table>
<tr><th>Director</th><th>Shares</th><th>Performance Rights[1]</th><th>Options</th></tr>
<tr><td>Hon. Ian Campbell and his associates</td><td>328,125[2]</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Christopher Eastwell and his associates</td><td>43,811,493[3]</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Shane Bransby and his associates</td><td>1,500,000[4]</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Daniel Rohr and his associates</td><td>1,593,862[5]</td><td>Nil</td><td>Nil</td></tr>
</table>
Notes:
The Performance Rights to be issued to the Directors are subject to Shareholder approval. A general meeting to approve the issue of the Performance Rights will be held prior to Admission.
Held directly by Hon. Ian Campbell.
Comprising 30,847,715 Shares held by CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust and 12,963,778 Shares held by Subsea Investments Holdings Pty Ltd, an entity in which Christopher Eastwell holds a 49% shareholding.
Comprising 1,000,000 Shares held by Shane Bransby as trustee for the Cote D Azure Family Account and 500,000 Shares held by Balmoral Hiday Pty Ltd, an entity controlled by Shane Bransby.
Comprising 1,281,362 Shares held by Bearnick Pty Ltd as trustee for the DR Family Trust and 312,500 Shares held by LAHL Pty Ltd as trustee for the DR Family Account, entities controlled by Daniel Rohr.
On completion of the Offer, based on the intentions of the Directors as at the date of this Prospectus, the direct and indirect interest of the Directors in Securities is anticipated to be as follows:</td><td>Section 4.4</td></tr>
</table>

<table>
<tr><th>Topic</th><th>Summary</th><th>More Information</th></tr>
<tr><td></td><td>
<table>
<tr><th>Director</th><th>Maximum Shares[1]</th><th>Maximum Performance Rights[2]</th><th>Maximum Voting Power in Company upon Admission</th></tr>
<tr><td>Hon. Ian Campbell and his associates</td><td>328,125[3]</td><td>600,000</td><td>0.19%</td></tr>
<tr><td>Christopher Eastwell and his associates</td><td>43,811,493[4]</td><td>2,000,000</td><td>25.49%</td></tr>
<tr><td>Shane Bransby and his associates</td><td>1,500,000[5]</td><td>600,000</td><td>0.87%</td></tr>
<tr><td>Daniel Rohr and his associates</td><td>1,593,862[6]</td><td>600,000</td><td>0.93%</td></tr>
</table>
Notes:
1. Includes the existing interests of Directors in Shares as at the date of this Prospectus. The Directors do not intend to participate in the Offer.
2. The Performance Rights to be issued to the Directors are subject to Shareholder approval. A general meeting to approve the issue of the Performance Rights will be held prior to Admission.
3. Held directly by Hon. Ian Campbell.
4. Comprising 30,847,715 Shares held by CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust and 12,963,778 Shares held by Subsea Investments Holdings Pty Ltd, an entity in which Christopher Eastwell holds a 49% shareholding.
5. Comprising 1,000,000 Shares held by Shane Bransby as trustee for the Cote D Azure Family Account and 500,000 Shares held by Balmoral Hiday Pty Ltd, an entity controlled by Shane Bransby.
6. Comprising 1,281,362 Shares held by Bearnick Pty Ltd as trustee for the DR Family Trust and 312,500 Shares held by LAHL Pty Ltd as trustee for the DR Family Account, entities controlled by Daniel Rohr.
</td><td></td></tr>
<tr><td>What benefits and interests are payable to Directors and other persons connected with the Company or the Offer?</td><td>
At the time of Admission, the remuneration of the Directors will be as follows:
<table>
<tr><th>Director</th><th>Annual remuneration (A$)</th></tr>
<tr><td>Hon. Ian Campbell</td><td>90,000[1]</td></tr>
<tr><td>Mr Christopher Eastwell</td><td>300,000[2]</td></tr>
<tr><td>Mr Shane Bransby</td><td>50,000[1]</td></tr>
<tr><td>Mr Daniel Rohr</td><td>50,000[1]</td></tr>
</table>
Notes:
1. Inclusive of director's fees and superannuation (where applicable).
2. Exclusive of superannuation.
Refer to Section 4.4(a) for further information.
Other senior executives' remuneration at the time of Admission is detailed in Section 4.4(c).
Advisers and other service providers are entitled to fees for services and other interests detailed in Section 6.12.
</td><td>Sections 4.4 and 6.12</td></tr>
</table>

<table>
<tr><th>Topic</th><th>Summary</th><th>More Information</th></tr>
<tr><td>Who are the significant existing Shareholders and what will their interests be after completion of the Offer?</td><td>As at the date of this Prospectus, based on the Company's register of Shareholders, the following persons have an interest in 5% or more of the Shares on issue:
1. Christopher Eastwell; and
2. Subsea Investments Holdings Pty Ltd.
The persons who may hold an interest in 5% or more of the Shares upon admission of the Company to the Official List are currently unknown. However, based on the information known as at the date of this Prospectus, upon Admission the following Shareholders are expected to have an interest in 5% or more of the Shares on issue (noting that substantial shareholdings may be impacted by allocations of Shares under the Offer):
<table>
<tr><th>Shareholder</th><th>Number of Shares</th><th>% of Shares on Admission[1]</th></tr>
<tr><td>Christopher Eastwell</td><td>43,811,493[2]</td><td>25.49%</td></tr>
</table>
Notes:
1. Assumes no Shares will be issued to Christopher Eastwell under the Offer.
2. Comprising 30,847,715 Shares held by CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust and 12,963,778 Shares held by Subsea Investments Holdings Pty Ltd, an entity in which Christopher Eastwell holds a 49% shareholding.</td><td>Section 6.10</td></tr>
<tr><td>Who is the Lead Manager?</td><td>Westar Capital Ltd ACN 009 372 838 has been appointed as the lead manager to the Offer.</td><td>Section 6.8(a)</td></tr>
<tr><td>What fees are payable to the Lead Manager?</td><td>The Company has agreed to pay the Lead Manager a fee equal to 6% of the gross proceeds raised from the issue of the Shares under the Offer and a corporate adviser fee of A$10,000 per month for 24 months following Admission.
The Company has agreed to issue up to 12,000,000 Options to the Lead Manager (and/or its nominee(s)), exercisable at A$0.30 per Option on or before 3 years from the date of issue, at an issue price of A$0.0001 each. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options.
Refer to Section 6.8(a) for further information regarding the Lead Manager Mandate.</td><td>Section 6.8(a)</td></tr>
<tr><td>What are the Lead Manager's interests in the securities of the Company?</td><td>As at the date of this Prospectus, the Lead Manager does not hold any securities of the Company.
The Company has agreed to issue up to 12,000,000 Options to the Lead Manager (and/or its nominee(s)), exercisable at A$0.30 per Option on or before 3 years from the date of issue, at an issue price of A$0.0001 each. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options.</td><td>Sections 1.9 and 6.8(a)</td></tr>
<tr><td colspan="3">E. Summary of the Offer and Application information</td></tr>
</table>

<table>
<tr><th>Topic</th><th>Summary</th><th>More Information</th></tr>
<tr><td>What is the Offer?</td><td>The Offer is an initial public offering for 60,000,000 Shares at an offer price of A$0.20 per Share to raise A$12,000,000 (before associated costs).</td><td>Section 1.1</td></tr>
<tr><td>Who is eligible to participate in the Offer?</td><td>The Offer is open to all investors with a registered address in Australia and certain institutional and professional investors in Hong Kong, Malaysia, New Zealand, Singapore, Switzerland and Thailand (or as may otherwise be permitted by law and accepted by the Company).</td><td>Sections 1.1 and 1.19</td></tr>
<tr><td>What is the effect of the Offer on the capital structure of the Company?</td><td>The Shares issued under the Offer would be approximately 34.9% of the enlarged issued Share capital of the Company immediately following completion of the Offer.

The Company has also agreed to issue up to 12,000,000 Options to the Lead Manager (and/or its nominee(s)) on completion of the Offer. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options.</td><td>Section 1.7</td></tr>
<tr><td>What is the minimum subscription to the Offer?</td><td>The Offer is subject to a minimum total subscription of 60,000,000 Shares to raise A$12,000,000 (before associated costs).</td><td>Section 1.3</td></tr>
<tr><td>Will the Company accept over subscriptions?</td><td>The Company will not be accepting oversubscriptions for Shares under the Offer.</td><td>Section 1.4</td></tr>
<tr><td>Is the Offer underwritten?</td><td>The Offer is not underwritten.</td><td>Section 1.2</td></tr>
<tr><td>What is the Company’s proposed use of funds raised under the Prospectus?</td><td>The Company proposes to use the funds raised under the Offer as set out in Section 1.6.</td><td>Section 1.6</td></tr>
<tr><td>What will be the capital structure of the Company on Admission?</td><td>The Company's indicative capital structure at the time of Admission is outlined below:
<table>
<tr><th>Description</th><th>Shares</th><th>Options</th><th>Performance Rights</th></tr>
<tr><td>On issue as at the date of this Prospectus</td><td>111,902,790</td><td>19,853,450</td><td>2,587,005</td></tr>
<tr><td>Number of Shares to be issued under the Offer</td><td>60,000,000</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Number of Placement Options to be issued</td><td>Nil</td><td>12,000,000</td><td>Nil</td></tr>
</table></td><td>Section 1.7</td></tr>
</table>

Topic	Summary	More Information
	Number of Performance Rights to be issued: Nil / Nil / 6,850,000 **Total: 171,902,790 / 31,853,450 / 9,437,005** Following completion of the Offer, the Company's free float (as defined in the Listing Rules) will not be less than 20%. The Directors reserve the right to vary the Company's capital structure, subject to applicable laws.	
What is the allocation policy for the Offer?	The allotment of Shares under the Offer will be determined by the Directors in consultation with the Lead Manager. The Directors reserve the right to issue Shares in full for any Application or any lesser number or to decline any Application. Any decision on allocation will be made after the Exposure Period.	Section 1.13
What rights and liabilities attach to the Shares being offered?	All new Shares issued under the Offer will rank equally in all respects with existing Shares on issue.	Section 6.1
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched on or around Thursday, 5 November 2026.	Indicative Timetable
What is the minimum Application size?	Applications for Shares under the Offer must be for a minimum of 10,000 Shares (for Application Monies of A$2,000) and thereafter in multiples of 5,000 Shares (for Application Monies of A$1,000) and payment for the Shares must be made in full at the issue price of A$0.20 per Share (although the Company reserves the right to accept Applications for different numbers of Shares).	Section 1.13
What are the Offer terms and conditions?	The terms and conditions of the Offer are set out in this Prospectus, primarily in Section 1 and in the relevant Application Form for the Offer. Section 1.17 sets out information in relation to the Company's application to ASX for admission to the Official List and the Company's application for the Shares, including those offered by this Prospectus, to be granted Official Quotation.	Section 1
When can I sell my Shares on the ASX?	It is anticipated that trading of Shares on the ASX may commence on or about Thursday, 12 November 2026, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	Indicative Timetable and Section 1.17

Topic	Summary	More Information
What is the cost of the Offer?	The expenses of the Offer (including ASX listing fees) to be paid from the proceeds of the Offer are estimated to be approximately A$1,491,365. Refer to Section 6.15 for the estimated total expenses of the Offer.	Section 6.15
What material contracts is the Company a party to?	The material contracts of the Company are detailed in Sections 4 and 6.8 of this Prospectus. These material contracts include (among others disclosed in this Prospectus): • Lead Manager Mandate; • Executive Agreements with Christopher Eastwell, Adrian Kirk-Burnnand and Lex Simons; • Non-Executive Director Appointment Letter with Hon. Ian Campbell, Shane Bransby and Daniel Rohr; • Services Agreement with Bhagwan Marine; • Hardware and Software Services Agreement with Qube Ports; • Lease Agreement with Go Offshore; and • Deeds of Indemnity, Insurance and Access between the Company and each of its Directors and the Company Secretary.	Sections 4 and 6.8
Will any securities be subject to escrow?	The following Securities are (subject to ASX's discretion) expected to be subject to ASX escrow for a period of 24 months commencing on the date on which Quotation of the Shares commences on ASX (the figures are approximate): • 53,613,219 Shares; • 11,479,149 Options; • up to 12,000,000 Options to the Lead Manager (and/or its nominee(s)); and • 3,800,000 Performance Rights issued to the Directors. 29,896,761 Shares are expected to be subject to escrow for a period of 12 months from the date of issue. None of the Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. In addition, it is anticipated that (subject to ASX's discretion) approximately 28,392,810 Shares already on issue in the Company will not be subject to any ASX imposed escrow restrictions.	Section 1.20
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares pursuant to the Offer.	Section 1.13
What are the tax implications of	The tax consequences of any investment in Shares will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest.	Section 1.21

Topic	Summary	More Information
making an investment?		
Can the Offer be withdrawn?	The Company may at any time (in the Board's discretion) decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act. No interest will be repaid on any Application Monies refunded as a result of the withdrawal of the Offer.	Section 1.15
F. Further information		
How can I obtain further information?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (Melbourne time) Monday to Friday (excluding public holidays). If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant, or other independent and qualified professional adviser before deciding whether to invest.	Corporate Directory

1 DETAILS OF OFFER

1.1 Offer

The offer under this Prospectus invites eligible investors to apply for 60,000,000 Shares at an offer price of A$0.20 per Share to raise A$12 million (before associated costs) (**Offer**).

The Offer is open to all investors with a registered address in Australia and certain institutional and professional investors in Hong Kong, Malaysia, New Zealand, Singapore, Switzerland, and Thailand (or as may otherwise be permitted by law and accepted by the Company).

Applications under the Offer must be made using the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date.

The Shares to be issued pursuant to the Offer are of the same class and will rank equally with the existing Shares on issue. Refer to Section 6.1 for a summary of the rights attaching to Shares.

Investors wishing to apply for Shares under the Offer should refer to Section 1.11 for further details and instructions.

1.2 Underwriting

The Offer will not be underwritten.

1.3 Minimum Subscription

The Offer is subject to a minimum total subscription of 60,000,000 Shares to raise A$12 million (before associated costs) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if valid applications for Shares are not received for the Minimum Subscription.

Should valid applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

1.4 Oversubscriptions

The Company will not be accepting oversubscriptions of Shares under the Offer.

1.5 Purpose of the Offer

The purpose of the Offer is to:

(a) raise A$12 million pursuant to the Offer (before associated costs);

(b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;

(c) provide funding for the Company's near term objectives as detailed in Section 2.5;

(d) provide a liquid market for the Shares to trade and an opportunity for others to invest in the Company; and

(e) provide the Company with the benefits of an increased profile that arises from being a listed entity.

1.6 Proposed use of funds

The Offer will have an effect on the Company's financial position, being receipt of funds of A$12,000,000 (before associated costs).

The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives during the two year period following Admission, as detailed in this Prospectus (refer to the remainder of this Section and to Section 2.5).

The Company's expected use of funds in the two-year period following Admission is as follows:

Funds Available

Table 1: Source of funds

Source of funds	(A$)
Funds raised under the Offer	12,000,000
Total funds available[1]	12,000,000

Note:

1. The funds available do not include any revenue generated by the Company from the date of this Prospectus until the two-year period following Admission.

Indicative allocation of funds

Table 2: Indicative allocation of funds

Indicative allocation of funds	Year 1 (A$)	Year 2 (A$)	Total (A$)	%
Capitalised Research and Development Costs[1]	474,886	547,728	1,022,614	8.52
Research and Development Salary and Wages	1,871,924	1,890,023	3,761,947	31.35
Inventory	1,000,000	1,100,000	2,100,000	17.50
Costs associated with the Offer	1,491,365	Nil	1,491,365	12.43
Working Capital	1,780,917[2]	1,843,157[3]	3,624,074	30.20
TOTAL	**6,619,092**	**5,380,908**	**12,000,000**	**100.0**

Note:

1. Capitalised Research and Development Costs includes prototype parts, components and control room expenses.
2. The breakdown of working capital costs for Year 1 includes corporate salaries and wages of $690,900 (39%), rent of $212,175 (12%), marketing costs of $261,747 (15%) and other costs of $616,095 (34%) including listing compliance costs, share registry costs, insurance and professional services fees, administration and office costs.
3. The breakdown of working capital costs for Year 2 includes corporate salaries and wages of $633,194 (34%), rent of $222,784 (12%), marketing costs of $250,070 (14%) and other costs of $737,109 (40%) including listing compliance costs, share registry costs, insurance and professional services fees, administration and office costs.

The above estimated expenditures are indicative only and will be subject to modification on an on-going basis. Due to market conditions and the development of new opportunities or any number of other factors (including the risk factors detailed in the Investment Overview and Section 3), actual expenditure levels may differ significantly to the above estimates.

The Company may also pursue further business opportunities, such as those (without limitation) which may complement the Company and there may be a need to direct funds for this purpose or to raise additional equity capital or debt capital. These new business opportunities may include project acquisitions, joint ventures, direct equity participation and/or other transaction structures.

The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred that are not included in these summaries. To capitalise on future opportunities (and depending on the success of its activities or whether the Company continues its activities beyond the two-year period following admission) the Company will require debt or further equity fundraisings.

If the Company receives future revenue from its operations, the Company will allocate the funds received proportionately across its business as required.

1.7 Capital Structure

The Company's indicative capital structure at the time of Admission is outlined below:

Table 3: Indicative capital structure at admission

Description	Shares	Options	Performance Rights
On issue as at the date of this Prospectus	111,902,790	19,853,450	2,587,005
Number of Shares to be issued under the Offer	60,000,000	Nil	Nil
Number of Placement Options to be issued[2]	Nil	12,000,000	Nil
Number of Performance Rights to be issued to Directors and management[3]	Nil	Nil	6,850,000
Total on Admission	**171,902,790[1]**	**31,853,450**	**9,437,005**

Notes:

1. Assumes that no further Shares are issued prior to Admission.
2. The Placement Options are valued at $1,068,753. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).
3. The Performance Rights to be issued to Directors and management have a total value of $1,254,639. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).

Information on the effect of the Offer on control and substantial Shareholders is detailed in Section 6.10.

The maximum number of securities proposed to be issued under the Employee Incentive Plan or any successor incentive plan (in addition to the Existing Options, Employee Performance Rights, Director and Management Performance Rights and any Shares which may be issued upon their exercise) within the three year period from the date of Admission is indicatively proposed to be up to 17,190,279 additional Employee Incentives (as defined in Section 6.2) plus any Shares which may be issued upon the exercise or conversion of such Employee Incentives. However, this figure is only an estimate and there are no agreements to issue such additional 17,190,279 Employee Incentives, as at the date of this Prospectus. That maximum number is not intended to be a prediction of the actual number of Employee Incentives to be issued under the Employee Incentive Plan, but rather is simply an indicative ceiling for the purposes of giving flexibility for the Board to issue up to that number of additional Employee Incentives in the Company during the three years from Admission, without utilising the Company's 15% placement capacity under Listing Rule 7.1.

The Company reserves the right to issue further securities from time to time, such as (without limitation) to raise further capital or pursuant to its Employee Incentive Plan summarised in Section 6.2.

The Company additionally reserves the right to also utilise its 15% annual placement capacity under Listing Rule 7.1 after Admission, and to seek Shareholders' approval to issue further securities from time to time.

1.8 Forecasts

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and, while the Company has generated some revenue, believe that they do not have a reasonable basis to forecast future earnings on the basis that the Company is at an early commercial and operational stage with a relatively small number of customers. The Company accordingly makes no forecast of whether it will generate revenue or profits in future.

The Directors consequently believe that, given the inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 2 for further information in respect of the Company's existing and proposed activities.

1.9 **Interest of the Lead Manager (and its associates) in the Offer and the Company**

Westar Capital has been appointed as the Lead Manager for the Offer. The Lead Manager and the Company are parties to the Lead Manager Mandate that is summarised in Section 6.8(a).

(a) **Fees payable to the Lead Manager in connection with the Offer**

The Company has agreed to pay the Lead Manager a fee equal to 6% of the gross proceeds raised from the issue of the Shares under the Offer and a corporate adviser fee of A$10,000 per month for 24 months following Admission.

The Lead Manager is also entitled to be reimbursed by the Company for reasonable out of pocket expenses incurred in connection with the Offer.

(b) **Fees paid to the Lead Manager in connection with the Pre-IPO Capital Raise**

In connection with the pre-IPO capital raisings, the Company paid, or has agreed to pay, the Lead Manager a capital raising fee of A$197,000 plus GST.

(c) **Placement Options**

The Company has agreed to issue up to 12,000,000 Placement Options to the Lead Manager (and/or its nominee(s)), exercisable at A$0.30 each on or before 3 years from the date of issue, at an issue price of A$0.0001 per Placement Option. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options.

(d) **Lead Manager interest in Securities**

As at the date of this Prospectus, the Lead Manager or its associates have a Relevant Interest in the following Securities:

Table 4: Relevant Interest of Lead Manager and its associates in Securities at the date of the Prospectus

Shares	Options	% of Issued Shares
Nil	Nil	Nil

Based on the information available to the Company, as at the date of this Prospectus, regarding the intentions of the Lead Manager and its associates in relation to the Offer and assuming neither the Lead Manager nor its associates subscribe for Shares under the Offer, the Lead Manager and its associates will have a Relevant Interest in the following Securities on Admission:

Table 5: Relevant Interest of Lead Manager and its associates in Securities at the date of Admission

Shares	Options[1]	% of Issued Shares
Nil	12,000,000	Nil

Note:

1. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options and as at the date of this prospectus, the subscribers have not been determined.

Pursuant to the Lead Manager Mandate, Gary Castledine, Duncan Relf and Byron Schammer comprise the Westar Capital team who will perform its services in connection with the Offer. Mr Castledine, Mr Relf and Mr Schammer have participated in the pre-IPO capital raising, via their associated entities. Mr Castledine has a relevant interest in 1,050,000 Shares and 3,270,833 Options,[1] Mr Relf has a relevant interest in 8,003,938 Shares and 5,708,316 Options[2] and Mr Schammer has a relevant interest in 4,029,456 Shares and 5,708,316 Options.[3] It is noted that Mr Castledine, Mr Relf and Mr Schammer are personnel of Westar Capital, they are not considered related parties or associates of Westar Capital.

Note:

1. The 1,050,000 Shares comprise 50,000 Shares held by Gary Castledine and Candice Castledine as trustees for the Castledine Super Fund Account and 1,000,000 Shares held by Candice Castledine, the spouse of Gary Castledine. The 3,270,833 Options comprise 770,833 Options held by Gary Castledine which are exercisable at A$0.20 on or before 31 January 2031 and 2,500,000 Options held by Gary Castledine which are exercisable at A$0.25 on or before 20 June 2031.
2. The 8,003,938 Shares comprise 4,286,982 Shares held by Slam Consulting Pty Ltd, an entity controlled by Duncan Relf, 1,062,638 Shares held by Charlton WA Pty Ltd, an entity controlled by Colin Relf, father of Duncan Relf, and 2,654,318 Shares held by Ratdog Pty Ltd, of which Duncan Relf is a director and holds 50% of the shares indirectly via Slam Consulting Pty Ltd. The 5,708,316 Options comprise 3,208,316 Options held by Astrid Hill Pty Ltd, of which Duncan Relf is a director and holds 50% of the shares indirectly via Slam Consulting Pty Ltd, which are exercisable at A$0.20 on or before 31 January 2031 and 2,500,000 Options held by Slam Consulting Pty Ltd, an entity controlled by Duncan Relf, which are exercisable at A$0.25 on or before 20 June 2031.
3. The 4,029,456 Shares comprise 1,062,638 Shares held by Schammer Pty Ltd as trustee for the Schammer Family Account, an entity controlled by Byron Schammer, 312,500 Shares held by Schammer Pty Ltd as trustee for the BS Super Fund Account, an entity controlled by Byron Schammer and 2,654,318 Shares held by Ratdog Pty Ltd, of which Byron Schammer is a director and holds 50% of the shares indirectly via Schammer Pty Ltd. The 5,708,316 Options comprise 3,208,316 Options held by Astrid Hill Pty Ltd, of which Byron Schammer is a director and holds 50% of the shares indirectly via Schammer Pty Ltd, which are exercisable at A$0.20 on or before 31 January 2031 and 2,500,000 Options held by Loxton Resources Pty Ltd, an entity controlled by Byron Schammer, which are exercisable at A$0.25 on or before 20 June 2031.

1.10 Lead Manager Offer

The Prospectus includes an offer to the Lead Manager (and/or its nominee(s)) of up to 12,000,000 Options, with an exercise price of A$0.30 per Option and an expiry date of 3 years from the date of issue, issued at a cost of A$0.0001 per Placement Option (**Lead Manager Offer**). Refer to Section 6.4 for the rights and liabilities attaching to the Placement Options.

The Placement Options will be issued to brokers (or their nominees) who assist the Company with the conduct of the Offer. The Lead Manager will not receive a fee from any issue or transfer of the Placement Options. The Placement Options are valued at $1,068,753.

The Lead Manager Offer is an offer to the Lead Manager (and/or its nominee(s)). Only the Lead Manager (and/or its nominees) can accept an offer under the Lead Manager Offer. A personalised Application Form will be issued to the Lead Manager (and/or its nominee(s)), together with a copy of this Prospectus.

No brokerage, commission or stamp duty is payable by the Lead Manager (and/or its nominee(s)) on subscription for the Placement Options pursuant to the Lead Manager Offer.

A completed application form by the Lead Manager (and/or its nominees) should be received by the Company at its registered office prior to 5:00pm (Perth time) on the Closing Date.

1.11 Applications

(a) Offer

Applications for Shares under the Offer can be made using the Application Form attached to or accompanying this Prospectus or otherwise provided by the Company. The Application Form must be completed in accordance with the instructions set out on the form.

Applications under the Offer must be for a minimum of 10,000 Shares (A$2,000) and thereafter in multiples of 5,000 Shares (A$1,000).

No brokerage, stamp duty or other costs are payable by Applicants. All Application Monies will be paid into a trust account.

(i) Submit an online Application Form and pay with BPAY® (for Australian investors)

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (CRN) unique to the online Application once the online Application Form has been completed.

(ii) BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details provided following submission of the online form, Applicants must:

(A) access their participating BPAY® Australian financial institution either via telephone or internet banking;

(B) select to use BPAY® and follow the prompts;

(C) enter the biller code and unique CRN provided, following submission of the online form;

(D) enter the amount to be paid which corresponds to the value of Shares under the online Application Form;

(E) select which account payment is to be made from;

(F) schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and

(G) record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

To make an application under the Offer, investors can visit www.computersharecas.com.au/CX8IPO2026 and follow the instructions provided to make an online application and complete a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

(iii) **Submit an Application Form (for overseas investors)**

Investors within the jurisdictions mentioned in Section 1.19 will receive separate instructions from the Company to submit an Application Form and make payment for their application under the Offer.

An original, completed and lodged Application Form together with confirmation of payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application Form is final, however an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the Application Monies applied for.

(b) **Lead Manager Offer**

The Lead Manager Offer is an offer to the Lead Manager (and/or its nominee(s)). Only the Lead Manager (and/or its nominees) can accept an offer under the Lead Manager Offer. A personalised Application Form will be issued to the Lead Manager (and/or its nominee(s)), together with a copy of this Prospectus.

1.12 **Acceptance of Applications under the Offer**

An Application is an offer by an Applicant to the Company to acquire Shares in the amount specified on the Application Form (or any lesser amount determined by the Company) at the Offer Price on the terms and conditions detailed in this Prospectus (including any supplementary or

replacement prospectus) and the applicable Application Form. To the extent permitted by law, an Application is irrevocable.

An Application may be accepted by the Company in respect of the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants. The Company reserves the right to reject any Application which is not correctly completed, or which is submitted by a person who the Board believes is ineligible to participate in the Offer or any part of it, or to waive or correct any errors made by the Applicant in completing their Application. The Company also reserves the right to reject any Applications in the Board's discretion.

Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any Application Monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. Your Application Monies should be for the entire number of Shares you are applying for.

1.13 Additional Terms and Conditions of the Offer

Table 6: Additional terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Fully paid ordinary shares in the capital of the Company.
What are the rights and liabilities attached to the security being offered?	All new Shares issued under the Offer will rank equally in all respects with existing Shares on issue. For details relating to the rights and liabilities of the Shares, refer to Section 6.1.
What is the consideration payable for each security being offered?	The offer price is A$0.20 per Share.
What is the Offer Period?	Refer to the Indicative Timetable for the Offer which is on page 8 of this Prospectus.
What are the cash proceeds to be raised?	A$12 million (before costs of the Offer).
Is the Offer underwritten?	The Offer will not be underwritten.
Who is the Lead Manager?	Westar Capital Ltd
What is an Applicant applying for?	An Application is an offer by the Applicant to the Company to apply for all or any of the amount of Shares specified in the Application Form on the terms detailed in this Prospectus.
What is the minimum Application size under the Offer?	Applications for Shares under the Offer must be for a minimum of 10,000 Shares (for Application Monies of A$2,000) and thereafter in multiples of 5,000 Shares (for Application Monies of A$1,000) and payment for the Shares must be made in full at the issue price of A$0.20 per Share (although the Company reserves the right to accept Applications for different numbers of Shares).
What is the allocation policy?	The Company has absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or allocate a lesser number of

Topic	Summary
	Shares than applied for. The Company also reserves the right to aggregate any Applications that they believe may be multiple Applications for the same person.
When will I receive confirmation that my Application has been successful?	It is expected that holding statements and allotment confirmation notices will be dispatched on or about Thursday, 5 November 2026. Refunds (without interest) to Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will be made as soon as practicable after completion of the Offer. No refunds pursuant solely to rounding will be provided.
Will the Shares be quoted?	The Company will apply to ASX within seven days of the date of this Prospectus for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities). If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by law) the Offer will be withdrawn and all Application Monies received by the Company will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List and may grant Official Quotation of the Shares being offered is not to be taken as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus. The issue price of all Shares for which the Company seeks quotation will be at least 20 cents in cash (or deemed to be such) in accordance with the Listing Rules.
When are the Shares expected to commence trading?	It is anticipated that trading of Shares on the ASX may commence on or about Thursday, 12 November 2026, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company. It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.
Are there any escrow arrangements?	Yes. Details are provided in Section 1.20 below.
Are there any taxation considerations?	The acquisition, holding and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor and applicable laws. All potential investors in the Company are urged to

Topic	Summary
	obtain independent financial advice about the consequences of acquiring Shares pursuant to the Offer, from a taxation viewpoint and generally. To the maximum extent permitted by law, the Company, its officers and its advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus. Refer also to Section 1.21.
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.
Acknowledgement	Each Applicant under the Offer will be taken to have represented, warranted, agreed and acknowledged as follows: (a) it is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor; (b) it is not acting for the account or benefit of a person in the United States; (c) it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia; and (d) it understands that Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 850 505 (within Australia) from 8:30am to 5:00pm (Melbourne time), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (Melbourne time), Monday to Friday. If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

1.14 Application Monies

Application Monies received under the Offer will be held in a special purpose account until Shares are issued to successful Applicants.

Applicants under the Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will receive (or will otherwise in the Company's discretion be provided with) a refund (without interest) of all or part of their Application Monies, as applicable.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

It is your responsibility to ensure that your payment is received by no later than 5:00pm (Perth time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

1.15 Discretion regarding the Offer

The Company may at any time (in the Board's discretion) decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application (in whole or in part), or allocate to any Applicant fewer Shares than applied for.

1.16 CHESS and Issuer Sponsorship

The Company will apply to participate in the Clearing House Electronic Sub-register System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Settlement Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two (2) sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued to them. A holding statement will also provide details of a Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held by Shareholders. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

1.17 ASX Listing and Official Quotation

Within seven (7) days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by law) the Offer will be withdrawn and all Application Monies received by the Company (if any) will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the Listing Rules.

1.18 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the

Company. Section 3 details (non-exhaustively) key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

1.19 **Overseas Applicants**

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit an offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those discussed below. Any failure to comply with such restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

(a) **Hong Kong**

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

(b) **Malaysia**

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Shares. The Shares may not be offered or sold in Malaysia except to "sophisticated investors" within the meaning of the Guidelines on Categories of Sophisticated Investors as issued by the Securities Commission Malaysia and, as such, are persons prescribed under Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007.

(c) **New Zealand**

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(d) **Singapore**

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(e) **Switzerland**

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

(f) **Thailand**

This document is not intended to be an offer, sale or invitation (directly or indirectly) for subscription or purchase of securities to the public in Thailand. This document has not been registered as a prospectus and registration statement with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this document and any other document relating to the offer, sale or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the securities be offered or sold, or

be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public of Thailand.

This document may be distributed in Thailand solely to institutional investors and in compliance with any applicable notification and regulation regarding filing requirements.

1.20 **Restricted Securities and Escrow Arrangements**

Chapter 9 of the Listing Rules prohibits holders of securities in the Company which ASX classifies as 'restricted securities' from disposing or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods (being escrow restrictions).

ASX may determine that certain Securities on issue prior to the Offer will be classified as restricted securities and may be required to be held in escrow for up to 24 months from the date on which Quotation of the Shares commences. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.

The following Securities are (subject to ASX's discretion) expected to be subject to ASX escrow for a period of 24 months commencing on the date on which Quotation of the Shares commences on ASX (the figures are approximate):

- 53,613,219 Shares;
- 11,479,149 Options;
- up to 12,000,000 Placement Options; and
- 3,800,000 Performance Rights issued to Directors.

29,896,761 Shares are expected to be subject to escrow for a period of 12 months from the date of issue.

None of the Shares to be issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions.

In addition, it is anticipated that (subject to ASX's discretion) approximately 28,392,810 Shares already on issue in the Company will also not be subject to any ASX imposed escrow restrictions.

1.21 **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

1.22 **Withdrawal**

The Directors may (in the Board's discretion) at any time decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) as required by the Corporations Act.

1.23 **Paper Copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement prospectus or documents) and the applicable Application Form to eligible investors upon request and free of charge. Requests for a paper copy should be directed to the Offer

Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (Melbourne time) Monday to Friday (excluding public holidays).

1.24 **Powers of the Company in relation to Applications**

There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant has applied. Without limitation, the Board may in its absolute discretion, without notice to any Applicant and without giving any reason:

(a) withdraw the Offer at any time before the issue of Shares to successful Applicants;

(b) decline an Application;

(c) accept an Application for its full amount or any lower amount;

(d) determine a person to be eligible or ineligible to participate in the Offer;

(e) waive or correct any errors made by an Applicant in completing their Application Form;

(f) amend or waive the Offer application procedures or requirements in compliance with applicable laws; or

(g) aggregate any Applications that they believe may be multiple Applications from the same person.

1.25 **Enquiries**

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

For any questions relating to the Offer and the completion of an Application Form, please call the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8:30am to 5:00pm (Melbourne time) Monday to Friday (excluding public holidays).

2 COMPANY OVERVIEW

2.1 Capability X Overview

Capability X Ltd is an Australian technology company (hardware and software) producing mobile technology (edge computer hardware, control / AI software and operating systems) which is designed to transform how industry understands, controls, and manages their operations, anywhere. The Company's technology aims to reduce risk, improve safety and aids our clients to increase output and productivity from any work site, anywhere.

Safety of personnel and assets is a critical problem across complex industrial sectors, particularly marine, oil and gas, mining, defence facilities and port and logistics. While it is a serious problem that organisations are consistently trying to mitigate, it is difficult to systematically overcome, and increases operating costs and decreases productivity.

GLOBAL

2.93m(1)
FATALITIES A YEAR
Globally recorded work-related deaths every year.

395m(2)
NON-FATAL WORK INJURIES EACH YEAR
The scale of the problem is driving sustained global investment in real-time monitoring and hazard detection.

AUSTRALIA

196 (3)
FATALITIES A YEAR
Average annual Australian work-related fatalities, 2021 to 2025.

~$30bn(4)
ANNUAL GROWTH FOREGONE
Australian economy would have grown about $30 billion each year in the absence of work-related injury, including productivity losses.

1. International Labour Organization, Safety and health at work, accessed 2026.
2. International Labour Organization, Nearly 3 million people die of work-related accidents and diseases, 2023.
3. Safe Work Australia, Preliminary fatalities - 2026, 2026.
4. Safe Work Australia, Innovative study shows that the absence of workplace injury and illness would create a wealthier Australia, 2022.

To assist in addressing these problems, Capability X developed ‘CX Edge’, its quick-to-deploy industrial smart devices (comprising rugged hardware, proprietary software and communications) powered by our Edge AI control systems.

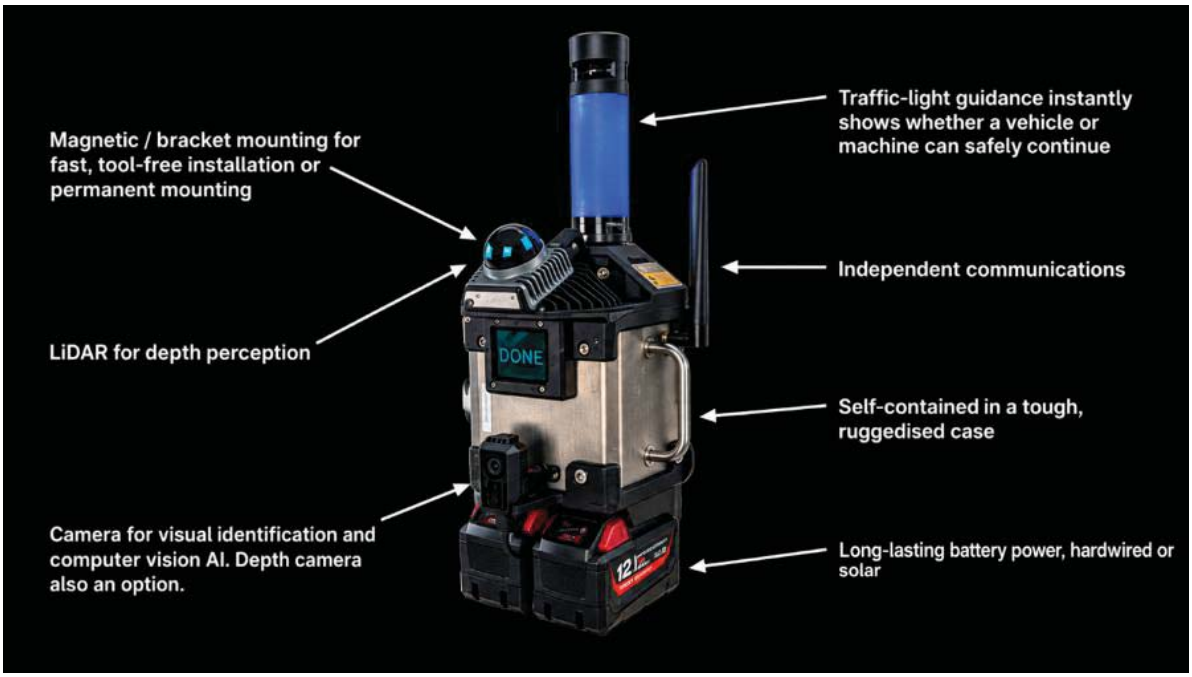


Figure 1: An example of CX Edge Hardware

Our Edge AI control system provides an intelligent, live view of people, machinery and risk across complex industrial environments. It sees what humans cannot, understands how people and machines interact, identifies emerging risk and enables businesses to act before an incident occurs.

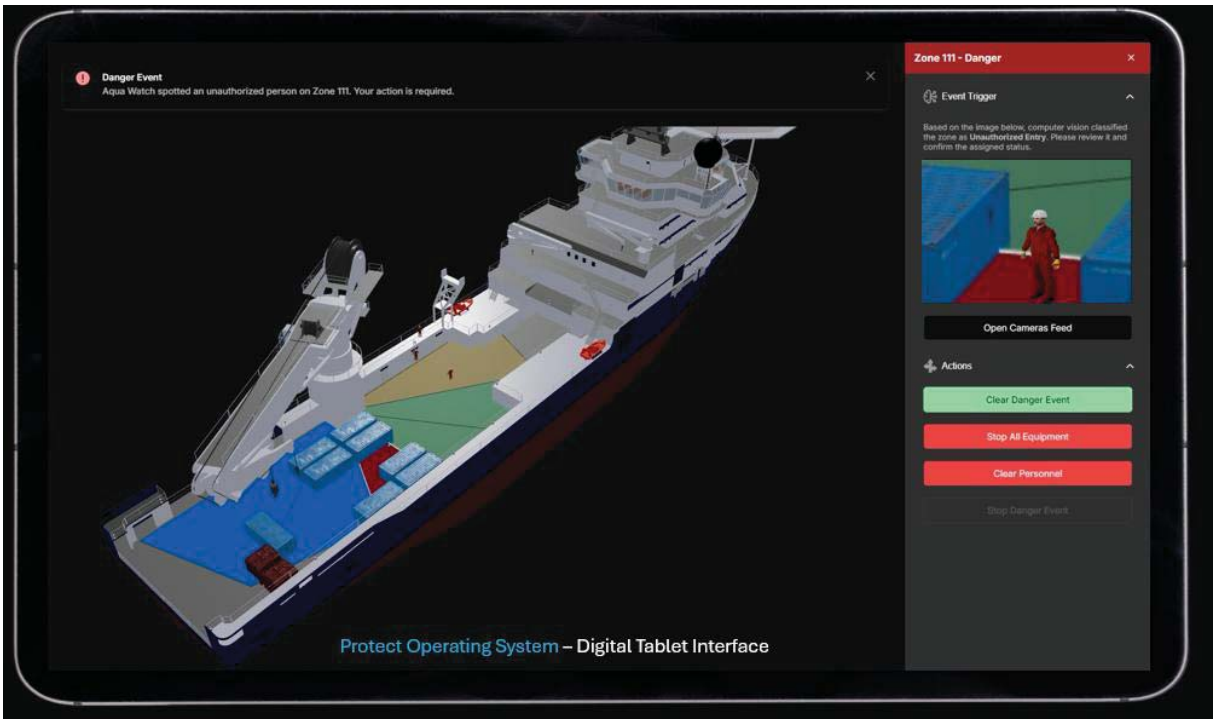


Figure 2: CX Protect Operating System Visualisation - Producing a Live Digital Twin to Identify Potential Danger Events and Non-Compliances and Alert Deck Crew and Supervisors

The technology leverages Capability X's core capabilities in software and AI development and deployment, remote robotic command and control, communications network design, deployment and operation and edge hardware device design and deployment.

Capability X's technology is successfully deployed in a number of hazardous and complex operations and is generating recurring revenue. The purpose of the Offer is to provide Capability X with the financial flexibility to fund its growth strategy, including domestic and international sales expansion, engineering capability, continued research and development as well as working capital.

Product Lines

Capability X currently deploys its technology under four key business lines:

Product	Description
CX Protect	Protect on-site personnel by controlling their interaction with risk and danger.
CX Remote	Mobile Command and Control (C2) technology that enables robotic and operational control from anywhere.
CX Connect	Real-time, remote situational awareness, data analysis and operational management.
CX 1	Undertake complex remote operational management, simply.

These product lines may be deployed independently or in combination, depending on customer requirements and operating conditions.

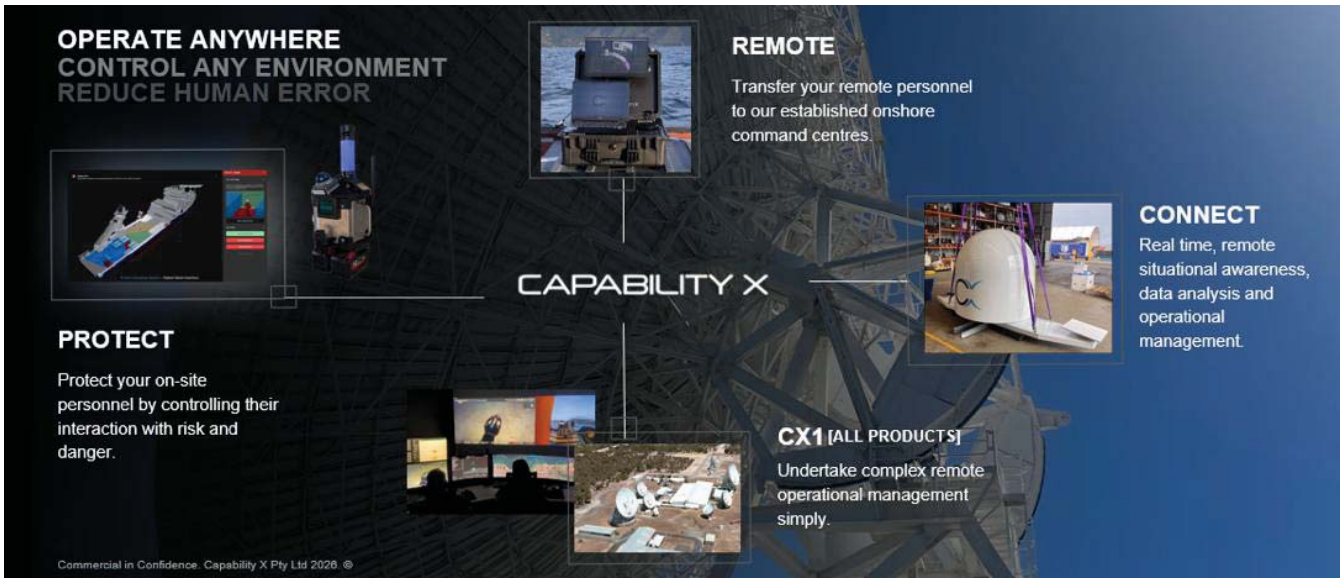


Figure 3: CX Product Lines

CX Connect

CX Connect provides communications networks for remote, offshore and other hard-to-reach operating environments. The service is designed to support reliable transmission of operational data, video and communications between field assets, personnel and remote operations centres. CX Connect may be tailored to customer requirements and is intended to improve visibility, decision-making and continuity of operations where conventional communications infrastructure is limited or unavailable.

CX Remote

CX Remote is a portable, ruggedised remote operations system that enables the control and monitoring of remotely operated vehicles (ROVs), unmanned aerial vehicles (UAVs) and robotic systems. The system can be deployed rapidly and connected to the Company's remote operations centre, allowing customers to undertake operations from a remote location. CX Remote is intended to reduce personnel exposure to hazardous activities and support scalable operations across individual sites, vessels and fleets.

CX Protect

CX Protect is an artificial intelligence and computer-vision safety platform designed for industrial and high-risk environments. Using camera, sensors and edge-computing technology, CX Protect can create a real-time digital representation of an operating environment and identify potential safety risks, including unsafe conditions, proximity events, potential collisions and equipment hazards. The platform can provide alerts to on-site personnel and remote operators, supporting improved situational awareness, incident prevention and response times.

CX 1

CX 1 is the Company's integrated design, build and operate offering. It combines the capabilities of CX Connect, CX Remote and CX Protect to deliver tailored solutions for customers with complex operational requirements.

CX 1 includes consultancy, feasibility studies, engineering design, system build and long-term operational support across remote operations, communications and advanced technology. The Company works with customers to design and integrate robotics, artificial intelligence, monitoring systems, communications networks and operational command structures into a unified operational capability.

Capability X headquarters, technology development site and remote command centre are located within the International Communications Centre (**ITC**) at 620 Gnangara Road, Cullacabardee, WA, 6067. The ITC is a Tier 3 Ground Station and Data Centre and provides Capability X with a unique

value proposition to our clients through the highest level of security and operational resilience (redundant power, communication paths) for our research and development, and product and technology development and deployment.

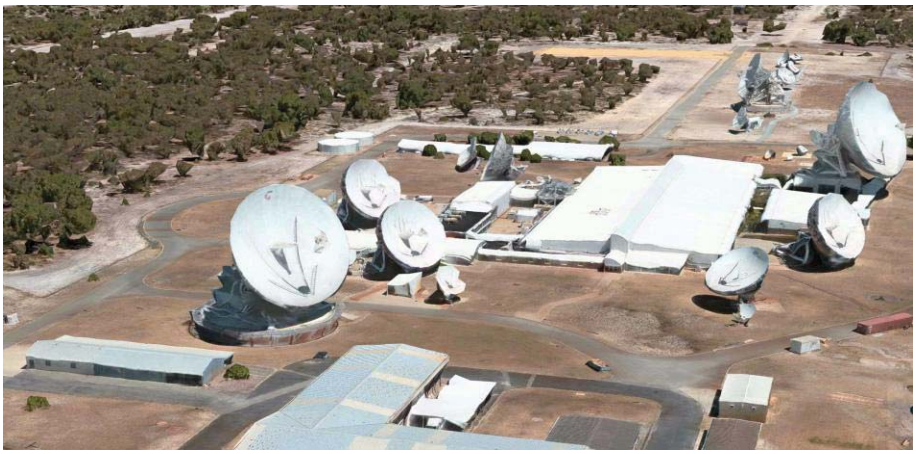


Figure 4: Capability X Headquarters and Technology Centre within the Telstra ITC Facility.

2.2 Company History

Capability X was incorporated on 4 November 2022 in Western Australia as a proprietary limited company and converted into an unlisted public company on 14 August 2026.

Since inception, the business has generated revenue and sales whilst at the same time heavily investing in Research and Development across all product lines with two provisional patents lodged to date.

Capability X has achieved numerous critical milestones, including:

Date	Milestone
November 2022	Capability X was incorporated.
January 2023	Engaged by Western Australian Govt (Police).
August 2023	Established Control / Data Centre and Security Operations Centre within Telstra's International Telecommunications Centre.
October 2023	Engaged by Bhagwan Marine (ASX: BWN) to provide Remote Operations technology (CX Remote) and later managed offshore networks (CX Connect).
June 2024	Awarded Innovation Booster Grant from Western Australian Government.
January 2025	First 'CX Protect' contract with GO Offshore.
April 2025	Letter of Intent signed with Bhagwan Marine for four (4) CX Protect systems.
June 2025	Accepted into Australian Federal Government 'Industry Growth Program'.
November 2025	Second 'CX Protect' contract with GO Offshore.
December 2025	CX Protect engaged for deployment with Qube Ports.
August 2026	Undertook in-country training for CX 1 for Timor Leste Government Agencies.
August 2026	Purchase Order received for technology preparation for CX Protect on two additional GO Offshore Vessels

Strategic Partnerships & Collaborations

In addition to the Company's material contracts with Qube Ports, GO Offshore and Bhagwan Marine, which are listed above and are further described in Section 6.8, the Company has entered into the following strategic partnerships and collaborations:

- Memorandum of Understanding signed with Timor Leste partner for National Data Infrastructure and Remote Operations in Timor Leste;
- MOUs with one Australian and one International Defence Contractor; and
- Collaboration with the University of Western Australia for Data Science and Mathematics.

Intellectual Property

The Company holds several trademarks and has lodged two provisional patents:

- A Distributed Sensing and Robotic Control System (2026900932); and
- Method and System of Transmitting Data (2026903473).

As Capability X continues its research and development program, it expects further patents to be generated. In addition, the Company holds significant secret and operational intellectual property.

The Intellectual Property Report included in Annexure B of this Prospectus sets out the Company's intellectual property rights.

2.3 Corporate Structure

At the date of this Prospectus, Capability X operates as a standalone entity and is not part of a corporate group. The Company has no holding company, subsidiaries, joint venture entities or controlled entities.

The Company has a diversified shareholder base. Since incorporation, Capability X has completed two material capital raisings to fund growth and technology development initiatives. These raisings expanded the Company's shareholder base and provided funding to support commercialisation activities and preparation for the proposed ASX listing.

The business currently has 15 staff, of which 12 are dedicated technical roles.

2.4 Investment Highlights

The Offer provides investors with exposure to Capability X's proprietary technology and platform, which is deployed in complex industrial environments and backed by contracted recurring revenue from established oil and gas and logistics customers.

The Company provides a compelling investment thesis, with the investment highlights including:

(a) Key Strengths of the Company's Assets, Business, Products and Services

Capability X's competitive position is underpinned by a combination of proprietary technology, operational infrastructure and experienced leadership proven in industrial environments.

Key Strength	Description
Leading technical team	Proprietary software and hardware devices developed in-house by a highly experienced technical team focused on industrial-grade solutions.
Unique, deployed IP software	Proprietary software deployed in real industrial applications across Australia and the broader region.

Key Strength	Description
In-house R&D centre	Dedicated research and development facilities enabling rapid prototyping, testing and iteration of new capabilities.
In-house manufacturing	Internal manufacturing capability supports quality control, faster delivery cycles and greater control over the supply chain.
Remote Operations Centre	Established Remote Operations and Command Centre (ROC) providing operational infrastructure.
Security & Network Operations Centres	Security Operations Centre (SOC) and Network Operations Centre (NOC) already in place.
Experienced leadership	Led by corporate professionals with senior experience in multi-national public companies across technology, energy and industrial sectors.
CX Edge smart device	Technology is packaged within the Company's own industrial 'smart devices' (CX Edge), which are continually being developed to enable rapid, standardised deployment to any site globally.

(b) **Market Conditions and Growth Drivers**

An independent report by Frost & Sullivan[4] states Capability X is particularly well positioned to address opportunity in high-risk, remote, and connectivity-constrained operating environments.

Frost & Sullivan's independent analysis views Capability X as occupying a differentiated position in the Edge AI control system market through its combination of AI, computer vision, edge computing, and real-time digital twin capabilities. Unlike many market participants that focus on individual technology layers or specific use cases, or broader industrial players with diversified equipment, software, and services portfolios, Capability X integrates sensing, operational intelligence, situational awareness, and autonomous decision-support capabilities within a unified platform.

The report estimates Capability X's TAM exceeds A$280 billion per year[5], with further growth expected as additional use cases emerge within existing end-markets and the Company extends into adjacent sectors, such as smart cities, healthcare, retail, smart manufacturing, utilities, and autonomous connected vehicle ecosystems. Given the current size and scale of Capability X, the Company does not operate across all market segments and sectors. The Company's capabilities are currently focused on the market segments and sectors described in Section 2 of this Prospectus, but the Company has identified specific opportunities for growth.

Within Capability X's priority markets of oil and gas, mining, ports, and defence, remote operating models are increasingly being adopted as businesses strive to improve workforce safety, reduce exposure to hazardous environments, address skilled labour shortages, and improve operational efficiency.

The Edge AI control systems market is expected to continue expanding, supported by investment growth across these complex industrial sectors.

[4] Refer to Industry Overview Report in Annexure C.

[5] Refer to Industry Overview Report in Annexure C. TAM should be regarded as indicative rather than exact. While TAM opportunity reflects potential revenues across identified end-markets and applications assuming full penetration, in practice certain portions of the market may not be addressable due to factors such as geographic limitations, customer accessibility, regulatory requirements, procurement restrictions, competitive dynamics, geopolitical considerations and other market constraints.

Market growth is also anticipated to be driven by more assets requiring real-time monitoring and control, together with expanding use cases for remote operations, autonomous systems, predictive maintenance, and AI-enabled decision-making.[6]

(c) **Experienced Board and Management Team**

The Company is led by a high-performing, founder-driven team with deep industry and technology expertise, backed by an experienced Board with complementary corporate finance and government experience.

Founder and Managing Director Chris Eastwell brings 20 years' experience developing and executing technology roadmaps. He is supported by management which includes Chief Commercial Officer Lex Simons, a Geophysicist who was most recently at Woodside Energy for 14 years and Chief Technology Officer Adrian Kirk-Burnnand, having completed a Harvard Business School Executive Education, Competing in the Age of Artificial Intelligence 2023.

(d) **Artificial Intelligence**

As global adoption of AI accelerates across sectors, there is growing demand for platforms that can effectively apply these technologies in real-world settings. Capability X's hardware and software is purpose-built to capture this opportunity, placing the Company in a strong position to benefit from the ongoing global expansion of AI investment and use.

(e) **Robotics and Automation**

Industries are accelerating the adoption of robotics and remote/tele-operated systems to remove people from hazardous tasks while maintaining or increasing output. Capability X's distributed sensing and robotic control platform is positioned directly at this intersection of safety and productivity.

(f) **Global Safety Drive and Cost Drive**

Regulators, insurers and operators continue to push for step-change improvements in personnel safety, particularly in offshore, marine, ports and heavy industrial environments. CX Protect and related systems directly address this demand by controlling human interaction with risk.

Operators face intense pressure to reduce unit costs, minimise downtime and extend asset life. Capability X's technology simultaneously improves safety outcomes and operational efficiency, delivering a clear commercial case through reduced incidents, lower insurance costs and higher productive output.

(g) **Factors Supporting Future Growth, Development and Discovery Potential**

Capability X develops unique products with potentially global application, aligned to the structural tailwinds outlined above. The Company's growth potential is supported by substantial R&D investment, a growing intellectual property portfolio and a clear commercial pathway already demonstrated through live deployments.

2.5 **Objectives of Offer**

The Company considers a listing on ASX will provide an appropriate basis from which it could gain broad investment support to implement its ongoing development of its technology and market growth inside and outside of Australia.

A listing on ASX will:

[6] The Future of Multi-Access Edge Computing: Decision-Makers' Spending Priorities and Growth Opportunities, Frost & Sullivan, 2026

(a) provide access to capital markets which will improve financial flexibility to support the ongoing development and commercial deployment of the Company's technology and fund growth opportunities;

(b) increase the profile of the Company and ability of the Company to expand its operations and market presence in Australia and internationally;

(c) assist to accelerate the development of the Company's intellectual property, including software, AI and robotics capability;

(d) support the Company's objective of scaling its business and converting existing commercial opportunities into longer-term profitable growth; and

(e) provide a liquid market for its Shares and an opportunity for others to invest in the Company.

The Company proposes to fund its intended activities as detailed in Section 1.6 (part of which is described in further detail in the table below) from the proceeds of the Offer.

The Offer will advance development of Capability X's intellectual property by:

(a) allowing additional software, AI and robotics team members both in Australia and globally;

(b) allowing additional real world testing and deployment of technology, both in Australia and globally;

(c) accelerating AI / Compute / private Cloud at the Company's development facility; and

(d) accelerating the timeframe for development of full, real-world dynamic worksite autonomy.

Indicative allocation of funds

Table 7: Indicative allocation of funds

Indicative allocation of funds	Year 1 (A$)	Year 2 (A$)	Total (A$)	%
Capitalised Research and Development Costs[1]	474,886	547,728	1,022,614	8.52
Research and Development Salary and Wages	1,871,924	1,890,023	3,761,947	31.35
Inventory	1,000,000	1,100,000	2,100,000	17.50
Costs associated with the Offer	1,491,365	Nil	1,491,365	12.43
Working Capital	1,780,917[2]	1,843,157[3]	3,624,074	30.20
TOTAL	**6,619,092**	**5,380,908**	**12,000,000**	**100.0**

Note:

1. Capitalised Research and Development Costs includes prototype parts, components and control room expenses.
2. The breakdown of working capital costs for Year 1 includes corporate salaries and wages of $690,900 (39%), rent of $212,175 (12%), marketing costs of $261,747 (15%) and other costs of $616,095 (34%) including listing compliance costs, share registry costs, insurance and professional services fees, administration and office costs.
3. The breakdown of working capital costs for Year 2 includes corporate salaries and wages of $633,194 (34%), rent of $222,784 (12%), marketing costs of $250,070 (14%) and other costs of $737,109 (40%) including listing compliance costs, share registry costs, insurance and professional services fees, administration and office costs.

The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives during the two year period following Admission, as detailed in this Prospectus.

2.6 Business Model

The mission of the Company's business is to package its technology in mobile 'edge devices' that include all required hardware, software and networks which enables simple and easy to deploy solutions for the Company's clients anywhere.

Key features of the Capability X business model are to focus on:

(a) high value problems of industrial safety, risk control and automation;

(b) environments and locations where the deployment of technology is extremely difficult or problematic. These locations include marine vessels, ports and rail yards; and

(c) hardware and software 'subscriptions'.

Capability X intends to make a return for investors through leveraging the Company's existing Research and Development spend and scaling technology both within existing industries and into new industries such as Government, Mining and Defence. Once established locally, the Company sees potential opportunities for its technology globally including within the US market.

Existing level of operations:

To date, the Company has contracted its solutions to government agencies, large ASX-listed companies and private-sector customers.



Figure 5: Locations of solutions deployed and in preparation for deployment

2.7 Revenue Generation

Capability X has generated sales revenue of approximately A$3,622,000 from inception to 30 June 2026, including A$1,057,652 for the financial year ended 30 June 2026. Revenue has been generated from the following streams:

(a) CX Remote / Connect - A$2,610,000;

(b) CX Protect - A$367,000; and

(c) Consulting - A$645,000.

Key milestones for the entity to achieve profitability:

(a) convert existing Letters of Intent into deployed contracts;

(b) award of existing Timor Leste tenders / proposals; and

(c) achieve economies of scale in hardware manufacturing.

2.8 **Customers**

(a) **Key Customers & Clients**

Entities for which Capability X has been contracted to date include:

(i) Bhagwan Marine Limited (ASX: BWN);

(ii) Qube Logistics (ASX: QUB);

(iii) Shelf Subsea Pty Ltd (DeepOcean);

(iv) Government of Western Australia (WA Police); and

(v) GO Offshore Pty Ltd.

The Company's current material contracts with Qube Ports, GO Offshore and Bhagwan Marine are described in Section 6.8. The Company's previous contracts with WA Police and DeepOcean involved early consultancy and technology strategy and design opportunities, with defined terms and scopes. Over the past couple of years, the Company has reduced its focus on consultancy and increased its focus on customers using its technology products.

In addition, during March 2026 Capability X signed an MOU with a Timor Leste partner for the advancement of its technology within the Timor Leste Government and oil and gas sectors.

The Company also has MOUs with one Australian and one International Defence contractor, together with a collaboration with the University of Western Australia for Data Science and Mathematics.

(b) **Industries & Market Segments**

Key customers and collaborators which the Company has previously engaged with or currently engages operate across the following segments:

(i) Oil and gas;

(ii) Supply chains, logistics and ports (onshore and offshore);

(iii) Marine services and offshore logistics;

(iv) Government; and

(v) Defence.

(c) **Geography and Markets**

Capability X is actively exploring or engaged in the following international markets:

(i) China – Application of CX Protect in Oil & Gas and Port Operations;

(ii) Brunei – Contracts to supply CX Project in Oil & Gas industry;

(iii) New Zealand – Deployment of CX Protect in Port Operations; and

(iv) Timor Leste – Application of CX 1 for whole-of-government/enterprise solutions.

Within Australia, Capability X is exploring expansion into:

(i) Mining – CX Protect; and

(ii) Defence – CX Remote and CX Protect.

(d) **Customer Concentration**

Historically, Capability X has had material customer concentration with Bhagwan Marine. This concentration has been diluted through subsequent deployments with Qube Ports and GO Offshore. The Company expects this dilution to continue over the next 12–24 months as technology is deployed to additional clients and into new markets.

(e) **Nature and Duration of Key Customer Relationships**

Since October 2023, Capability X has provided Remote Operations technology (CX Remote) and subsequently managed offshore networks (CX Connect) to Bhagwan Marine. This relationship has extended into CX Protect engagement. These are multi-year contracts with the technology now deeply established within the client's operations.

Since December 2025, Capability X has held a contract with Qube Ports for CX Protect. These operate on a three-year term with ability to renew. Growth from this contract base is already being observed.

2.9 **Key Opportunities for Growth and Growth Strategies**

Capability X intends to generate returns for investors by leveraging the Company's existing Research and Development investment and scaling the technology within existing clients, existing industries and into new verticals such as Mining, broader Government applications and Defence.

Capability X has multiple clear and actionable pathways to scale revenue and market presence.

(a) **Growth within existing clients**

Existing customers already have CX technology embedded in their operations. Expanding the number of vessels, ports, sites or use-cases within these accounts represents the lowest-friction and highest-conversion growth path.

(b) **Growth within existing industries**

Government, oil and gas, ports and logistics are the core verticals in which Capability X has demonstrated commercial traction. These sectors remain under-penetrated relative to the addressable opportunity, providing substantial room for further customer acquisition and deeper penetration.

(c) **Conversion of entry strategies into Mining and Defence**

Capability X has established entry points and relationships in mining and defence. Converting these into contracted deployments of CX Protect and CX Remote would open two large additional verticals with strong safety, automation and capability drivers.

(d) **Continued international growth**

Active opportunities exist in China (oil and gas and ports), New Zealand (ports), Timor Leste (whole-of-government and oil and gas), and longer-term the United States market. International expansion leverages the same core technology already deployed in Australia and Brunei.

(e) **Development of New Products, Services and Capabilities**

Capability X is undertaking a device re-design of its industrial device (CX Edge) specifically to unlock opportunities for global-scale manufacturing. The redesign is expected to increase margins and improve the Company's ability to manufacture at the volumes required to meet growing demand.

(f) **Other Initiatives**

Capability X has been selected into the Australian Federal Government's Industry Growth Program and, as part of this program, has submitted a A$4.2 million grant application,

which may or may not be successful. The Company is also collaborating with the University of Western Australia Data Institute and Mathematics department under A$2.18 million CRCP 19 application, supporting continued technical advancement and talent pipeline.

2.10 **Market Overview and Total Addressable Market (TAM)**

An independent report by Frost & Sullivan[7] states Capability X is particularly well positioned to address opportunity in high-risk, remote, and connectivity-constrained operating environments.

The global Edge AI Control Systems market sits at the intersection of artificial intelligence (AI), edge computing, industrial automation, Industrial Internet of Things (IIoT), computer vision, digital twins, and remote operations technologies.[8] The market is increasingly enabling organisations to process operational data at the point of activity, improving situational awareness, workforce safety, and operational efficiency across industrial environments.

Demand for Edge AI Control Systems is being driven by increasing adoption of remote operations, expanding deployment of Edge AI solutions, growth in industrial IoT-connected devices, expansion of private 5G networks, increasing use of autonomous systems, and the need to improve workforce safety, asset utilisation, and operational efficiency across industrial sectors.[9]

The market remains fragmented and comprises semiconductor and AI hardware providers, edge infrastructure vendors, cloud and edge platform providers, industrial automation companies, connectivity providers, systems integrators, and industrial software developers. Competitive success is largely influenced by technology differentiation, deployment expertise, operational data assets, industry positioning, and commercial execution.[10]

Capability X occupies a differentiated position through its combination of AI, computer vision, edge computing, and real-time digital twin capabilities, supporting remote monitoring, operational visibility, risk interpretation, and autonomous decision-making across high-risk industrial environments.[11]

(a) **Market Size**

The report estimates Capability X's total addressable market (**TAM**) exceeds A$280 billion per year,[12] with further growth expected as additional use cases emerge within existing end-markets and the Company extends into adjacent sectors, such as smart cities, healthcare, retail, smart manufacturing, utilities, and autonomous connected vehicle ecosystems. Given the current size and scale of Capability X, the Company does not operate across all market segments and sectors. The Company's capabilities are currently focused on the market segments and sectors described in Section 2 of this Prospectus, but the Company has identified specific opportunities for growth.

(b) **Market Sectors**

(i) Oil and Gas

Within the oil and gas sector, Frost & Sullivan expects growth in offshore infrastructure, production facilities, offshore support vessels and related support assets will increasingly require technologies that enhance operational visibility, improve workforce safety and support efficient management of geographically dispersed assets.

[7] Refer to Industry Overview Report in Annexure C.

[8] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025

[9] The Future of Multi-Access Edge Computing: Decision-Makers' Spending Priorities and Growth Opportunities, Frost & Sullivan, 2026

[10] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025

[11] Refer to Industry Overview Report in Annexure C.

[12] Refer to Industry Overview Report in Annexure C. TAM should be regarded as indicative rather than exact. While TAM opportunity reflects potential revenues across identified end-markets and applications assuming full penetration, in practice certain portions of the market may not be addressable due to factors such as geographic limitations, customer accessibility, regulatory requirements, procurement restrictions, competitive dynamics, geopolitical considerations and other market constraints.

Additionally, growth in offshore support vessel fleets is also driving demand for remote monitoring, operational visibility, and situational awareness technologies.

(ii) Ports and Logistics

Globally, ports continue to invest in modernisation initiatives, security infrastructure, and digital transformation programs to improve operational efficiency, enhance security and support growing trade.

Frost & Sullivan estimates the global maritime port security market will expand from $11.53 billion in 2023 to $15.34 billion by 2030.

Rising deployment of automated container handling systems, intelligent surveillance platforms, vessel traffic management solutions, and autonomous logistics equipment is building demand for Edge AI control systems capable of supporting real-time monitoring, situational awareness, operational control, and remote decision-making.

(iii) Mining

Demand for critical minerals, battery materials and strategic resources continues to increase across the globe.

Mining companies are investing more in digitalisation, automation, and operational technologies to improve productivity, strengthen safety outcomes, and enhance operational resilience.

The increasing deployment of remote and autonomous operations, alongside worker safety solutions is driving demand for Edge AI control systems capable of supporting real-time monitoring, operational visibility, predictive maintenance, and data-driven decision making in these environments.

(iv) Defence

Global defence spending continues to reach record levels as governments respond to geopolitical tensions, regional conflicts, supply chain security concerns, and evolving national security priorities.

Recent conflicts have highlighted the importance of drone warfare, autonomous surveillance platforms, and uncrewed systems – increasing demand for advanced monitoring and edge-based intelligence solutions.

Frost & Sullivan forecasts defence spending will continue to rise steadily, and result in growing demand for Edge AI control systems.

(v) Other

Over the longer-term, additional growth opportunities are expected to emerge across adjacent markets including healthcare, retail and warehousing, smart cities, manufacturing, and power and utilities, further increasing the addressable opportunity for the Company's Edge AI Control Systems.

(c) **Key Barriers to Entry**

Capability X operates in a sector characterised by meaningful barriers that make it difficult for new entrants to quickly replicate the Company's position. These barriers arise from a combination of compliance and procurement hurdles, the time and capital required to develop industrial-grade software and hardware, first-mover advantages already secured, and established customer relationships. Together they support the durability of Capability X's competitive position.

(i) High Compliance, Procurement and HSE Standards

Multi-national oil and gas operators, major ports, government agencies and defence-related customers impose rigorous health, safety, environment (HSE), cybersecurity, quality and procurement standards before any technology can be deployed on their sites or vessels. Achieving approved-vendor or preferred-supplier status typically requires extensive documentation, audits, certifications, track-record evidence and often lengthy trial or pilot periods. These processes can take many months or years and demand significant internal capability and financial resources from any prospective supplier.

Capability X has successfully navigated many of these requirements. This established compliance position represents a barrier for new entrants who must complete the same rigorous qualification processes before they can compete for equivalent work.

(ii) Cost and Time to Develop Industrial-Grade Software and AI

Developing robust, reliable computer vision, distributed sensing, remote command-and-control and AI systems that perform safely and consistently in complex industrial environments is capital-intensive and time-consuming. It requires specialised domain expertise, extensive real-world data, iterative testing in operational conditions, and integration with existing industrial systems and workflows. The Company's cumulative Research and Development investment of approximately A$6 million reflects the scale of effort already undertaken.

New entrants face both the direct cost of building equivalent capability and the opportunity cost of the multi-year development timeline required to reach a commercially deployable standard. Capability X's existing software platform, operational experience and intellectual property (including provisional patents) further raise the threshold for competitors seeking to catch up.

(iii) Cost and Time to Develop Industrial Hardware

Capability X's technology is largely delivered through its own industrial devices (CX Edge) and associated hardware. Designing, prototyping, and manufacturing hardware that meets the environmental, reliability and safety expectations of offshore, marine, ports and industrial customers involves significant engineering effort, component selection, testing regimes and capital outlay. The Company also maintains in-house manufacturing capability and is advancing a device re-design to support higher-volume, lower-cost production.

Replicating this hardware capability requires not only design expertise but also supply-chain relationships, quality systems and the ability to support devices in the field. These factors create both a cost barrier and a time-to-market barrier for potential competitors who would need to develop or source comparable industrial-grade hardware from scratch.

(iv) First-Mover Advantage

Capability X has established an early commercial and operational presence in its target markets. The Company has live deployments, multi-year contracts, operational data, and proven integration experience that later entrants do not yet possess. First-mover status provides advantages in learning curves, reference ability with customers, brand recognition within the niche, and the ability to shape customer expectations around the technology category.

In industries where safety, reliability and proven performance are paramount, customers often prefer suppliers with demonstrated operational history. This preference reinforces the value of Capability X's existing track record and makes it harder for unproven alternatives to displace the Company once systems are embedded in customer operations.

(v) Existing Customer and Partner Relationships

Capability X has developed direct relationships with a number of significant customers and partners.

In industrial and government markets, switching costs and relationship inertia are material. Once technology is integrated into operational workflows, safety systems and network infrastructure, the practical and commercial barriers to replacement increase. Existing relationships therefore act as both a growth platform for Capability X (expansion within accounts) and a defensive barrier against new entrants seeking to displace the Company.

2.11 R&D loan

During the year ended 30 June 2026, the Company entered into a loan facility agreement with Rockford Equity Pty Ltd of A$1,015,000 against its expected 2026 R&D tax incentive refund. The facility comprises A$1,000,000 of principal and a capitalised establishment fee of A$15,000. The loan bears interest at 17% per annum and has an original maturity date of 365 days from the date of the agreement, subject to a minimum term of 90 days. A higher interest rate of 36% per annum may apply in certain circumstances. As at 30 June 2026, the loan balance was A$1,114,067.

The R&D loan is secured by a specified security agreement over the Company's present and future rights, title and interest in the 2026 R&D tax incentive refund, including the proceeds of the refund and any related property. The R&D refund will be sufficient to repay the R&D loan and accrued interest in full. Accordingly, no proceeds from the Offer will be used to repay the R&D loan or interest.

2.12 Dividend Policy

As the Company is currently focused on growth, development, and research, no forecast can be made as to whether it will generate profits in the future. Accordingly, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

The Company has no dividend reinvestment plan.

2.13 Taxation

The Australian tax consequences of any investment in the Shares will depend upon an investor’s particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.

2.14 Employee Incentive Plan

The Company has adopted an Employee Incentive Plan to align the interests of key employees, Directors, and other personnel of the Company with the interests of Shareholders for their long-term mutual benefit. See Section 6.2 for further information.

2.15 Accounting Standards and Auditing Standards

The financial information and Independent Limited Assurance Report in Annexure A of this Prospectus contain Historical and Pro Forma Financial Information which has been derived from the Consolidated Financial Statements of the Company for the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026, which has been audited by RSM Australia Partners in accordance with Australian Standards on Assurance Engagements.

The Consolidated Financial Statements for the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026 included in Section 5 of this Prospectus have been prepared in accordance with the recognition and measurement principles detailed in the Australian Accounting Standards and the Company’s adopted accounting policies. Australian Accounting Standards will continue to apply to the preparation of the Company's financial statements after its Admission.

The Consolidated Financial Statements for the financial year ended 30 June 2024, 30 June 2025 and 30 June 2026 have been audited by RSM Australia Partners in accordance with Australian Standards on Assurance Engagements, and these standards will continue to apply to the Company's financial statements after its Admission. RSM Australia Partners issued unmodified audit opinions on the financial reports with an emphasis of matter on going concern. Refer to Section 5 for further information on the financial position and financial performance of the Company.

2.16 Corporate Governance

The Company's main corporate governance policies and practices as at the date of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 4 of this Prospectus.

In addition, the Company's full suite of Corporate Governance documents, including its Corporate Governance Statement, are available from the Company's website: https://capabilityx.com.

3 RISK FACTORS

The Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

Investors should note that the risks in this Section 3 are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to apply for Shares.

The risks detailed in this Section 3 are not an exhaustive list or explanation of all of the risks faced by the Company or by investors in the Company and should be considered in conjunction with other information in this Prospectus. Additional risks and uncertainties that are not currently known to the Company or are currently considered by the Company to be immaterial, may also, individually or cumulatively have a material adverse effect on the Company's operations, prospects, financial condition and operational results.

The risks detailed in, and others not specifically referred to in, this Section 3 may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Shares.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares which are the subject of the Offer or the market price at which the Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information detailed elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Shares.

3.1 Company and Industry Specific Risks

(a) Ability to Scale the Business and Hardware Production

Capability X is experiencing growing demand for its technology. A material risk is the Company’s ability to scale the production and delivery of its industrial hardware in a timely and cost-effective manner to meet this demand. Scaling hardware involves supply-chain management, manufacturing capacity, quality control, inventory, logistics and working capital. Any inability to increase production volumes while maintaining quality and margins could constrain revenue growth, delay customer deployments, increase unit costs or damage customer relationships. The Company is currently undertaking a device re-design process intended to improve manufacturability and margins, but the successful outcome and timing of that process cannot be guaranteed.

(b) Protection and Enforcement of Intellectual Property

The Company’s competitive position depends significantly on its proprietary software, systems, provisional patents, trade secrets and trademarks. Capability X currently has two provisional patents lodged and significant secret and operational intellectual property. While the Company has undertaken an intellectual property audit confirming ownership, there is no guarantee that existing or future intellectual property will provide complete or lasting protection, or that competitors will not develop similar or superior technologies. Enforcement of intellectual property rights, particularly as the Company expands internationally, can be costly, time-consuming and uncertain. Different jurisdictions have varying levels of intellectual property protection and enforcement. Unauthorised use, reverse engineering, or challenges to the Company’s intellectual property could adversely affect its business, competitive position and financial performance.

(c) Attraction and Retention of Specialist AI and Technical Staff

Capability X’s technology is built on advanced computer vision, AI, distributed sensing and robotic control systems. The Company depends on a relatively small number of

highly specialised technical staff with scarce skill sets. Competition for experienced AI, software and systems engineers is intense, both in Australia and globally. The loss of key technical personnel, or an inability to attract and retain additional talent as the business scales, could delay product development, reduce the quality or pace of innovation, or impair the Company's ability to support existing deployments and pursue new opportunities. Remuneration costs for such talent are high and may increase further.

(d) **Emerging Competition**

While Capability X currently holds a differentiated position with deployed industrial-grade remote operations and safety technology, the broader fields of computer vision, AI-enabled industrial automation, remote operations and safety systems are attracting increasing attention and investment. Larger technology companies, industrial automation firms, defence primes or well-funded start-ups may develop competing solutions. New entrants or existing players with greater financial, technical or distribution resources could erode Capability X's market share, pressure pricing, or accelerate the need for continuous innovation. The Company's ability to maintain technological and commercial leadership is not assured.

(e) **Dependence on Key Management Personnel**

The Company is currently dependent on a small number of key executives, including the Managing Director & Chief Executive Officer and other members of the senior management team who hold critical knowledge of the technology, customer relationships and strategic direction. The unexpected departure of one or more of these individuals could disrupt operations, delay strategic initiatives or adversely affect relationships with customers, partners and investors. While the Board is independent and experienced, succession planning and the depth of the management bench remain important ongoing considerations as the Company grows.

(f) **Customer Concentration and Counterparty Risk**

Although customer concentration has been reducing with the addition of Qube Ports and GO Offshore contracts, a material portion of current and near-term revenue is still derived from a relatively small number of customers. The loss of a major customer, reduction in the scope of existing contracts, delays in contract renewals, or financial difficulty of a key counterparty could have a significant adverse effect on revenue and cash flow. Many of the Company's customers operate in cyclical industries (oil & gas, marine, ports) that can be affected by commodity prices, capital expenditure cycles and broader economic conditions.

(g) **Technology Development, Performance and Integration Risk**

Capability X's products operate in complex, dynamic and often safety-critical industrial environments. There is a risk that technology may not perform as expected in all conditions, may require further development or customisation, or may encounter integration challenges with customer systems. Any material performance issues, software defects, hardware failures or cybersecurity vulnerabilities could result in customer dissatisfaction, contractual claims, reputational damage, or additional development costs. Continuous investment in R&D is required to maintain competitiveness; the outcomes and commercial returns from that investment are inherently uncertain.

(h) **Supply Chain, Manufacturing and Component Risk**

As a company that designs and supplies industrial hardware devices, Capability X is exposed to risks associated with the availability, cost and quality of electronic components, manufacturing capacity and logistics. Global supply-chain disruptions, component shortages, price inflation, or reliance on a limited number of suppliers or contract manufacturers could delay deliveries, increase costs or affect product quality. The planned transition to higher-volume, cost-optimised manufacturing introduces additional execution risk.

(i) **Regulatory, Compliance and Industry-Specific Risks**

Capability X operates and seeks to expand in highly regulated sectors including oil & gas, ports, government and defence. These industries are subject to strict safety, security, environmental, privacy, organised labour / unions, export-control and procurement regulations that can change. Failure to meet customer or regulatory requirements, delays in obtaining necessary approvals or certifications, or changes in government policy (including defence or industrial capability priorities) could restrict market access or increase compliance costs. International expansion may bring additional regulatory complexity across multiple jurisdictions.

(j) **Cybersecurity and Data Security Risk**

The Company's systems handle operational, video and potentially sensitive industrial data and support remote command-and-control functions. A successful cyber-attack, data breach, or system compromise could result in operational disruption for customers, loss of confidential information, regulatory penalties, reputational harm and potential liability. While Capability X operates Security and Network Operations Centres and invests in security measures, no system is completely immune to sophisticated threats.

(k) **Litigation and Legal Risk**

Like any commercial enterprise, Capability X may become involved in legal proceedings, including contractual disputes, intellectual property claims, employment matters, product liability or regulatory investigations. Litigation can be expensive and time-consuming and may divert management attention. Adverse outcomes could result in financial liability, injunctions or reputational damage. The Company may also face warranty or indemnity claims arising from the deployment of its technology in operational environments.

(l) **Funding, Liquidity and Capital Requirements**

As a growth-stage technology company investing in R&D, product development, manufacturing scale-up and market expansion, Capability X may require additional capital in the future. There is no assurance that further funding will be available on acceptable terms, or at all. Any inability to raise sufficient capital when needed could constrain growth plans, force the Company to scale back activities, or dilute existing Shareholders. Cash flow is also dependent on the timing of customer payments and the successful conversion of pipeline opportunities into contracted revenue.

(m) **Macroeconomic, Market and Geopolitical Conditions**

Capability X's customers and target markets can be affected by broader economic conditions, commodity price cycles (particularly oil and gas), interest rates, inflation, and capital expenditure decisions by industrial and government customers. A sustained economic downturn or reduction in industry investment could slow sales cycles and reduce demand. International expansion exposes the Company to geopolitical risks, currency fluctuations, trade policy changes and country-specific political or economic instability (including in markets such as Timor Leste and China).

(n) **Reputational Risk**

The Company's technology is intended to improve safety and operational outcomes in high-risk environments. Any incident involving a CX system (whether caused by the technology or not), or any perception that the technology failed to perform as expected, could damage the Company's reputation and customer confidence. Negative publicity, even if unfounded, could adversely affect the ability to win new business or retain existing customers.

3.2 **General Risks**

(a) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment.

Prior to the Offer, there was no public market for the Shares. There is no guarantee that an active trading market in the Shares will develop or that the price of the Shares will increase. There may be relatively few (or nil) buyers or sellers of Shares on the ASX at any particular time. The prices at which the Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(b) **Economic risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include but are not limited to:

(i) the level of direct and indirect competition against the Company;

(ii) general economic conditions;

(iii) changes in government policies, taxation and other laws;

(iv) the strength of the equity and share markets in Australia and throughout the world;

(v) movement in, or outlook on, exchange rates, interest rates and inflation rates;

(vi) industrial disputes;

(vii) changes in investor sentiment toward particular market sectors;

(viii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and

(ix) natural disasters, social upheaval or war.

(c) **Equity market conditions**

Shares listed on ASX, or any other securities market, and in particular securities of small companies can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Shares regardless of the Company's operating performance.

General factors that may affect the market price of securities include economic conditions both in Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(d) **Infectious diseases**

The outbreak of infectious diseases may have a material effect on the Company’s operations as a result of measures taken by governments (including, but not limited to,

travel bans, quarantining and restrictions on the transportation of supplies and equipment) to limit the transmission of such diseases.

(e) **Taxation risk**

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

(f) **Trading and liquidity in shares and escrowed Shareholders' interests**

In accordance with the escrow requirements in Chapter 9 of the Listing Rules, upon Official Quotation, various Shares will not be able to be traded for certain periods, as estimated in Section 1.20 (although none of the Shares issued pursuant to the Offer will be subject to those ASX imposed escrow restrictions).

Given the number of Shares anticipated to be restricted from trading, only a portion of the Shares on issue at completion of the Offer (including (among others) the Shares to be issued under the Offer) will be available to be traded until such time as applicable escrow periods end. As at the date of this Prospectus, ASX has not made a decision regarding the escrow to be applied to Shares and, as such, the numbers of Shares that will be subject to escrow, and the escrow periods they are subject to, may change from the estimates in Section 1.20.

The Shares that will likely be subject to escrow will reduce liquidity in the market for the Company's Shares and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Company's Shares may have an adverse impact on the Share price.

Following release from escrow, Shares held by escrowed Shareholders may be freely traded on the ASX. There is a risk that a significant sale of Shares by one or more escrowed Shareholders, or the perception that such a sale has occurred or might occur, could adversely affect the market value of the Shares.

(g) **Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government in Australia. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents.

Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

(h) **Research analyst reports**

The market for the trading of the Company's Shares may be influenced by the research and reports which securities or industry analysts publish about its business. Securities and industry analysts may discontinue research on the Company, to the extent such coverage currently exists, or in other cases, may never publish research on the Company. If no or too few securities or industry analysts commence coverage of the Company, the market price for the trading of the Company's Shares may be adversely affected. In the event that securities or industry analysts initiate coverage, if one or more of those analysts publish inaccurate or unfavourable research about the Company, the

market value of the Company's Shares may decline. If one or more analysts cease coverage of the Company or fail to publish regular reports on the Company, demand for the Company's Shares may decrease which may cause a decline in the Company's Share price and trading volumes.

(i) **Publicly Held Company Obligations**

As a publicly listed corporate entity, the Company will be subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organisations, including the ASX, ASIC, the Australian Accounting Standards Board and the International Accounting Standards Board, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity creating many new requirements, which increase compliance costs and the risk of non-compliance. The Company's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and any revenue-generating activities.

(j) **Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial position, results or condition.

(k) **Combination of risks**

The Company may be subject to a combination of risks, including any of the above risks outlined in this Section 3, which could adversely affect the reputation, operational and financial performance of the Company and ultimately impact upon the market value of the Shares.

3.3 **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

The Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares. The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company.

4 BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

4.1 Board of Directors

As at the date of this Prospectus, the Board comprises:

(a) Hon. Ian Campbell AM – Non-Executive Chairman;

(b) Christopher Eastwell – Managing Director and Chief Executive Officer;

(c) Shane Bransby – Non-Executive Director; and

(d) Daniel Rohr – Non-Executive Director.

No changes to the Board are proposed prior to Admission.

4.2 Directors' Profiles

Details of the Directors comprising the Board on Admission are as follows:

(a) **Hon. Ian Campbell AM – Non-Executive Chairman, Independent**

Ian Campbell has served as a director of ASX-listed companies including Austal Ltd, and as Chairman of IT Managed Services Company ASG Group Ltd. He is on the Global Advisory Board of Facilities Management Company BGIS. He served in the Cabinet of the Howard Federal Government, and was a member of the Prime Minister's Leadership Group from 1996-2004. Ian is an Executive at a global alternative asset company working across property, construction, renewables, energy, infrastructure and private equity. Ian is Chairman of North West Infrastructure, a joint venture of Pilbara Iron Ore companies. He is also Chairman of the Perth Children's Hospital Foundation.

(b) **Christopher Eastwell – Managing Director and Chief Executive Officer**

Christopher Eastwell is a strategic leader with 20 years of experience, specialising in crafting and executing innovative technology roadmaps and disruption strategies across diverse industries. Chris has also held executive management roles including being Managing Director of oil and gas service business Greatship Subsea Solutions (Australia) and Director – Marine Asset Integrity Australia and NZ for Fugro Australia Marine.

(c) **Shane Bransby – Non-Executive Director, Independent**

Shane Bransby's background is in mergers and acquisitions across the financial services and IT sectors. Shane led StepChange IT Services through to an ASX listing in 2025 (ASX: STH) and continues as Managing Director in 2026. His past experience includes five years as Strategy/M&A executive with NRI Australia a subsidiary of a large multi-billion dollar Japanese enterprise.

(d) **Daniel Rohr - Non-Executive Director, Independent**

Daniel Rohr is a Chartered Accountant with a Bachelor of Commerce degree and has over 30 years management, corporate advisory, finance and accounting experience across a range of listed and unlisted companies in Australia and overseas. He is currently the CFO of HealthEngine Limited and has extensive experience managing the development of high growth technology companies. Dan served as a director of ASX-listed company Cirrus Networks Limited (ASX: CNW) until it was acquired by Atturra Limited (ASX: ATA).

4.3 Senior Management

(a) **Christopher Eastwell - Managing Director and Chief Executive Officer**

Christopher Eastwell is a strategic leader with 20 years of experience, specialising in crafting and executing innovative technology roadmaps and disruption strategies across diverse industries. Chris has also held executive management roles including being

Managing Director of oil and gas service business Greatship Subsea Solutions (Australia) and Director – Marine Asset Integrity Australia and NZ for Fugro Australia Marine.

(b) **Adrian Kirk-Burnnand - Chief Technology Officer**

Adrian Kirk-Burnnand has over 23 years of experience in digital transformation, data analytics, and enterprise technology. At Hexagon Mining, he successfully led the development and global rollout of analytics products, significantly expanding market adoption and bringing new data-driven solutions to market. He combines deep technical expertise with strong commercial acumen, including financial modelling and infrastructure planning, and specialises in aligning technology strategy with business outcomes. His qualifications include a Bachelor of Commerce (Information Systems), Harvard Business School Executive Education in Artificial Intelligence, and formal training in product management and electronic commerce.

(c) **Lex Simons - Chief Commercial Officer**

Lex Simons is a seasoned energy and infrastructure professional with over 20 years of experience including strategy, portfolio development, and commercialisation of complex projects. He has held key roles at Woodside Energy, including New Energy Technology Opportunity Lead, as well as Chief Digital Officer Advisor and exploration strategy and portfolio roles, leading strategy development and digital transformation initiatives. Lex has a proven track record in building and managing high-value portfolios, aligning technical, commercial and regulatory stakeholders, and delivering projects from concept through to execution in emerging energy markets. His qualifications include a Master of Geoscience and a Bachelor of Medical and Radiation Physics.

(d) **Ryan Fitzgerald - Financial Controller**

Ryan Fitzgerald holds a Bachelor of Commerce in Economics and Finance and a Master's Degree in Accounting from Curtin University of Technology. A CPA with a Public Practice Certificate and Registered BAS Agent, Ryan is deeply adept in financial reporting and accounting standards. He provides financial controller, general accounting and consulting services to a number of ASX-listed companies.

(e) **Chris Achurch - Company Secretary**

Chris Achurch holds a Bachelor of Commerce in Accounting from the University of Western Australia and is a member of the Institute of Chartered Accountants Australia and New Zealand. Chris provides company secretarial, corporate advisory and general consulting services to a number of ASX-listed companies.

From time to time, Mr Achurch works under the banner of Westar Capital (who is the Lead Manager), however he is not an employee or contractor of Westar Capital, and does not receive any remuneration from them.

4.4 **Interests and Benefits**

(a) **Remuneration of Directors**

The Company has entered into an Executive Services Agreement with Christopher Eastwell and Non-Executive Director Appointment Letters with Hon. Ian Campbell, Shane Bransby and Daniel Rohr as detailed in Sections 4.5 and 4.6.

A summary of the fees of the Directors on Admission pursuant to those agreements is as follows:

Table 8: Summary of Directors' fees on Admission

Director	Annual fees
Hon. Ian Campbell[3]	A$90,000[1]
Christopher Eastwell[4]	A$300,000[2]
Shane Bransby[5]	A$50,000[1]

Director	Annual fees
Daniel Rohr[6]	A$50,000[1]

Notes:

1. Inclusive of director's fees and superannuation (where applicable).
2. Exclusive of superannuation.
3. Subject to Shareholder approval, Hon Ian Campbell will receive 600,000 Performance Rights, subject to vesting conditions. Refer to section 4.4(b) for further details regarding Hon Ian Campbell's interests in Securities in the Company.
4. Subject to Shareholder approval, Mr Christopher Eastwell will receive 2,000,000 Performance Rights, subject to vesting conditions. Refer to section 4.4(b) for further details regarding Mr Christopher Eastwell's interests in Securities in the Company.
5. Subject to Shareholder approval, Mr Shane Bransby will receive 600,000 Performance Rights, subject to vesting conditions. Refer to section 4.4(b) for further details regarding Mr Shane Bransby's interests in Securities in the Company.
6. Subject to Shareholder approval, Mr Daniel Rohr will receive 600,000 Performance Rights, subject to vesting conditions. Refer to section 4.4(b) for further details regarding Mr Daniel Rohr's interests in Securities in the Company.

Refer to Sections 4.5 and 4.6 for further details on the Executive Agreements and the Non-Executive Director Appointment Letters (respectively).

Refer also to Section 4.4(b) (immediately below) for details of the Shares, Performance Rights and Options issued to the Directors (or their associates), including as equity remuneration.

(b) **Directors' interests in Securities**

The Directors and their associated entities have the following interests in Securities as at the date of this Prospectus:

Table 9: Summary of Directors' interests in Securities at the date of this Prospectus

Director	Shares	Options	Performance Rights[1]
Hon Ian Campbell and his associates	328,125[2]	Nil	Nil
Christopher Eastwell and his associates	43,811,493[3]	Nil	Nil
Shane Bransby and his associates	1,500,000[4]	Nil	Nil
Daniel Rohr and his associates	1,593,862[5]	Nil	Nil

Notes:

1. The Performance Rights to be issued to the Directors are subject to Shareholder approval. A general meeting to approve the issue of the Performance Rights will be held prior to Admission.
2. Held directly by Hon. Ian Campbell.
3. Comprising 30,847,715 Shares held by CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust and 12,963,778 Shares held by Subsea Investments Holdings Pty Ltd, an entity in which Christopher Eastwell holds a 49% shareholding.
4. Comprising 1,000,000 Shares held by Shane Bransby as trustee for the Cote D Azure Family Account and 500,000 Shares held by Balmoral Hiday Pty Ltd, an entity controlled by Shane Bransby.
5. Comprising 1,281,362 Shares held by Bearnick Pty Ltd as trustee for the DR Family Trust and 312,500 Shares held by LAHL Pty Ltd as trustee for the DR Family Account, entities controlled by Daniel Rohr.

Based on the intentions of the Directors as at the date of this Prospectus in relation to the Offer, the Directors and their associated entities will have the following interests in Securities on Admission:

Table 10: Summary of Directors' interests in Securities at the date of Admission

Director	Maximum Shares[1]	Maximum Performance Rights	Maximum Voting Power in Company upon Admission
Hon Ian Campbell and his associates	328,125[3]	600,000[7]	0.19%

Christopher Eastwell and his associates	43,811,493[4]	2,000,000[8]	25.49%
Shane Bransby and his associates	1,500,000[5]	600,000[9]	0.87%
Daniel Rohr and his associates	1,593,862[6]	600,000[10]	0.93%

Notes:

1. Includes the existing interests of Directors in Shares as at the date of this Prospectus. The Directors do not intend to participate in the Offer.
2. The Performance Rights to be issued to the Directors are subject to Shareholder approval. A general meeting to approve the issue of the Performance Rights will be held prior to Admission.
3. Held directly by Hon. Ian Campbell.
4. Comprising 30,847,715 Shares held by CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust and 12,963,778 Shares held by Subsea Investments Holdings Pty Ltd, an entity in which Christopher Eastwell holds a 49% shareholding.
5. Comprising 1,000,000 Shares held by Shane Bransby as trustee for the Cote D Azure Family Account and 500,000 Shares held by Balmoral Hiday Pty Ltd, an entity controlled by Shane Bransby.
6. Comprising 1,281,362 Shares held by Bearnick Pty Ltd as trustee for the DR Family Trust and 312,500 Shares held by LAHL Pty Ltd as trustee for the DR Family Account, entities controlled by Daniel Rohr.
7. The Director and Management Performance Rights to be issued to Hon. Ian Campbell are valued at $109,890. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b). The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6.
8. The Director and Management Performance Rights to be issued to Mr Christopher Eastwell are valued at $366,300. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6.
9. The Director and Management Performance Rights to be issued to Mr Shane Bransby are valued at $109,890. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6.
10. The Director and Management Performance Rights to be issued to Mr Daniel Rohr are valued at $109,890. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6.

(c) Senior management remuneration

The remuneration of members of the senior management team as at Admission is summarised in the following table:

Table 11: Summary of senior management remuneration at the date of Admission

Name	Role	Annual remuneration (A$)
Christopher Eastwell[4]	Managing Director and Chief Executive Officer	$300,000[1]
Adrian Kirk-Burnnand[5]	Chief Technology Officer	$259,636[1]
Lex Simons[6]	Chief Commercial Officer	$264,444[1]
Ryan Fitzgerald	Financial Controller	$95,000[2]
Chris Achurch[7]	Company Secretary	$60,000[3]

Notes:

1. Exclusive of superannuation.
2. Fee is payable to Carbella Holdings Pty Ltd as trustee for the Fitzgerald Family Trust, an entity controlled by Ryan Fitzgerald. Fee is exclusive of GST. In addition, Carbella Holdings Pty Ltd will receive a cash payment of A$10,000 (excluding GST) on Admission in respect of services performed prior to Admission.
3. Fee is payable to Beaufort Corporate Pty Ltd, an entity controlled by Chris Achurch, commencing on the earlier of 1 November 2026 and Admission. Fee is exclusive of GST. In addition, Beaufort Corporate Pty Ltd will receive a cash payment of A$40,000 (excluding GST) on Admission in respect of services performed prior to Admission.
4. Subject to Shareholder approval, Mr Christopher Eastwell will receive 2,000,000 Performance Rights, subject to vesting conditions. Refer to section 4.4(b) for further details regarding Mr Christopher Eastwell's interests in Securities in the Company.

5. Mr Adrian Kirk-Burnnand will receive 1,300,000 Performance Rights, subject to vesting conditions. The Director and Management Performance Rights to be issued to Mr Adrian Kirk-Burnnand are valued at $238,125. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6.
6. Mr Lex Simons will receive 1,300,000 Performance Rights, subject to vesting conditions. The Director and Management Performance Rights to be issued to Mr Lex Simons are valued at $238,125. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6.
7. Mr Chris Achurch will receive 450,000 Performance Rights, subject to vesting conditions. The Director and Management Performance Rights to be issued to Mr Chris Achurch are valued at $82,419. Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6.

(d) **Related Party Transactions**

Parties are related (among other circumstances) if one party has the ability, directly or indirectly, to control the other party.

The Company has entered into related party transactions, including as disclosed elsewhere in this Prospectus. This includes, without limitation:

(i) Executive Agreements with Christopher Eastwell and Non-Executive Director Appointment Letters with Hon. Ian Campbell, Shane Bransby and Daniel Rohr, being the Directors of the Company (refer to Sections 4.5 and 4.6 for further details);

(ii) Deeds of Indemnity, Insurance and Access with each of its Directors and the Company Secretary (refer to Section 4.7 for further details); and

(iii) Participation by the existing Directors of the Company or their related persons or entities, in various issues of Securities, including as referred to in this Prospectus.

4.5 **Executive Agreements**

The Company has entered into an employment agreement with Christopher Eastwell, Adrian Kirk-Burnnand and Lex Simons in respect of their engagements with the Company (**Executive Agreements**). Details of the Executive Agreements are provided below.

(a) **Executive Services Agreement – Christopher Eastwell**

Mr Eastwell commenced his employment with the Company on 4 November 2022.

On 24 September 2026, the Company entered into an executive service agreement with Christopher Eastwell to formalise the terms and conditions of Mr Eastwell's employment.

Under the terms of the executive services agreement:

(i) Mr Eastwell will act as Managing Director and Chief Executive Officer;

(ii) the Company will pay Mr Eastwell a salary of A$300,000 per annum (exclusive of superannuation);

(iii) either party may terminate the executive service agreement by giving six months' written notice. The Company may make payment in lieu of notice for part or all of the period of notice and the employment will end immediately on such payment being made; and

(iv) the Company may terminate the agreement without notice in circumstances including serious misconduct, failure to comply with or carry out lawful directions given by the Company, breach of confidentiality, misuse of intellectual property, conduct damaging to the Company's reputation, fraud or dishonesty, intoxication at work, conviction for an indictable criminal offence, disqualification from managing corporations, or workplace harassment or discrimination.

The executive services agreement otherwise contains terms and conditions that are considered standard for agreements of this nature.

(b) **Employment Agreement – Adrian Kirk-Burnnand**

Mr Kirk-Burnnand commenced his employment with the Company on 17 September 2024.

On 9 September 2024, the Company entered into a contract of employment with Adrian Kirk-Burnnand and subsequently entered into a letter agreement amending the contract of employment on 23 September 2026.

Under the terms of the employment agreement (as amended):

(i) Mr Kirk-Burnnand will act as Chief Technology Officer;

(ii) the Company will pay Mr Kirk-Burnnand a salary of A$259,636 per annum (exclusive of superannuation);

(iii) either party may terminate the agreement by providing three months' notice; and

(iv) the Company may terminate the agreement without notice in certain circumstances, including serious misconduct, willful neglect in the discharge of Mr Kirk-Burnnand's duties, committing any act that may bring the Company into disrepute, conviction of certain criminal offences or breach of confidentiality or intellectual property obligations under the agreement.

The employment agreement otherwise contains terms and conditions that are considered standard for agreements of this nature.

(c) **Employment Agreement – Lex Simons**

Mr Simons commenced his employment with the Company on 9 June 2025.

On 26 May 2025, the Company entered into a contract of employment with Lex Simons, and subsequently entered into a letter agreement amending the contract of employment on 23 September 2026.

Under the terms of the employment agreement (as amended):

(i) Mr Simons will act as Chief Commercial Officer;

(ii) the Company will pay Mr Simons a salary of A$264,444 (exclusive of superannuation);

(iii) either party may terminate the agreement by providing three months' notice; and

(iv) the Company may terminate the agreement without notice in certain circumstances, including serious misconduct, willful neglect in the discharge of Mr Simons' duties, committing any act that may bring the Company into disrepute, conviction of certain criminal offences or breach of confidentiality or intellectual property obligations under the agreement.

The employment agreement otherwise contains terms and conditions that are considered standard for agreements of this nature.

4.6 **Non-Executive Director Arrangements**

The Company has entered into non-executive director appointment letters with Hon. Ian Campbell, Shane Bransby and Daniel Rohr (**Non-Executive Director Appointment Letters**) pursuant to which each of those Directors will receive annual director fees as follows:

(a) Hon. Ian Campbell will receive a total remuneration package of A$90,000 per annum;

(b) Shane Bransby will receive a total remuneration package of A$50,000 per annum; and

(c) Daniel Rohr will receive a total remuneration package of A$50,000 per annum,

inclusive of director's fees and any mandatory employer superannuation contributions.

Under each Non-Executive Director Appointment Letter, the total remuneration package is deemed to include any fees receivable for service as a Non-Executive Director, including for service on any committees of the Board. However, the Board may determine additional fees or other amounts where a Non-Executive Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a non-executive director of the Company.

The appointment of each Non-Executive Director will cease:

(a) if the relevant Director resigns, by giving at least two months' written notice to the Board;

(b) from the close of any general meeting of Shareholders at which a resolution for that Non-Executive Director's election or re-election is not approved; or

(c) on such date as may otherwise be determined in accordance with the Constitution, the Corporations Act or any other applicable law.

The Non-Executive Director Appointment Letters otherwise contain terms and conditions that are considered standard for agreements of this nature, including in relation to confidentiality and disclosure of interests.

Subject to Shareholder approval, the non-executive Directors will also receive Performance Rights, subject to vesting conditions. Refer to section 4.4(b) for further details regarding each Directors' interests in Securities in the Company.

4.7 Deeds of Indemnity, Insurance and Access

The Company has entered into standard deeds of indemnity, insurance and access with each of the Directors and the Company Secretary. Pursuant to those deeds, the Company will indemnify the Directors and the Company Secretary to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company and for all legal expenses incurred by the officer as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the Directors which insures them against all liabilities incurred by them acting directly or indirectly as an officer of the Company and the Company must also allow them to inspect Board papers and other Company records in certain circumstances.

Certain prohibitions under the Corporations Act limit certain benefits which may be provided by the Company under the deeds of indemnity, insurance and access.

4.8 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent considered appropriate for the Company's size and nature, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's corporate governance policies are available in

a dedicated corporate governance information section of the Company's website at https://capabilityx.com.

(a) **Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

(i) providing leadership and setting the strategic objectives of the Company;

(ii) appointing, monitoring and managing the performance of the Company's executive Directors and senior management;

(iii) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;

(iv) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(v) approving operating budgets and major capital expenditure;

(vi) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;

(vii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares;

(viii) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and

(ix) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. On Admission, the Board will comprise one executive Director (being Mr Eastwell), an independent Non-Executive Chairman (Hon. Campbell) and two independent non-executive Directors (being Mr Bransby and Mr Rohr).

The Board considers the Company's non-executive Directors are free from any interest, position, association or relationship that may influence or reasonably be perceived to influence the independent exercise of their judgement and that each of them is able to fulfil the role of an independent Director for the purpose of the Recommendations. Subject to the Board's discretion and the identification of a suitable candidate, the Board may consider appointing a further independent non-executive Director following Admission. No decision has been made to do so, and no candidate has been identified as at the date of this Prospectus.

If the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Independent professional advice**

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(f) **Nomination and Remuneration Committee**

The Company will not have a separate Nomination and Remuneration Committee until such time as the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

The objectives of the Nomination and Remuneration Committee are to:

(i) review and advise the Board on the composition of the Board and its committees;

(ii) advise on the process of recruitment, appointment and re-election of directors;

(iii) review the performance of the Board, the Chair, the executive and non-executive directors and other individual members of the Board;

(iv) ensure proper succession plans are in place for consideration by the Board;

(v) assist the Board with the establishment of remuneration policies and practices for the Company's Managing Director, senior managers and staff, as well as to ensure director compensation is fair and current; and

(vi) evaluate the competencies required of prospective directors (both non-executive and executive), identify those prospective directors and establish their degree of independence.

(g) **Audit and Risk Committee**

The Company will not have a separate Audit and Risk Committee until such time as the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee.

The objectives of the Audit and Risk Committee are to:

(i) oversee, review and supervise the Company's risk management framework and promote a risk management culture, including considering the appropriateness of implementing an internal audit function;

(ii) assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance and the audit process;

(iii) review and assess the appointment, qualifications, independence, performance and remuneration of, and relationship with, the Company's external auditors and the integrity of the audit process as a whole;

(iv) assist the Board in monitoring compliance with laws and regulations and the Company's code of conduct;

(v) assist the Board to adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business; and

(vi) review the adequacy of the Company's insurance policies.

(h) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

(i) **Internal audit**

The Company does not have an internal audit function. The Board considers the board's oversight and financial control function in conjunction with its risk management policy is sufficient for a Company of its small size and lack of complexity.

4.9 **Corporate Governance Policies**

The Company has adopted the following policies, each of which has been prepared having regard to the Recommendations and is available on the Company's website at https://capabilityx.com.

(a) **Whistleblower policy**

The Company has adopted a whistleblower policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Company is committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which employees are responsible and accountable and behave with honesty and integrity.

(b) **Anti-Bribery and Anti-Corruption policy**

The Company is committed to ensuring that its corporate culture, in all its offices and operations worldwide, discourages fraudulent and corrupt conduct and has adopted an anti-bribery and anti-corruption policy. The purpose of the anti-bribery and anti-corruption policy is to educate and inform personnel and representatives of the Company's commitment to anti-corruption and bribery requirements arising out of anti-bribery and corruption laws and the various laws prohibiting fraudulent and corrupt behaviour more generally.

(c) **Securities Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities by its key management personnel (i.e. Directors and the senior management). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chair) must be obtained prior to trading.

(d) **Diversity policy**

The Board values diversity and recognises the benefits it can bring to the organisation’s ability to achieve its goals. Accordingly, the Company has set in place a Diversity, Equality and Inclusion policy. This policy provides that the Board may adopt measurable objectives to achieve diversity and review the Company's progress in meeting these objectives and the effectiveness of these objectives each year.

(e) **Code of Conduct**

This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

(f) **Continuous Disclosure Policy**

Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares (subject to certain exceptions). As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

(g) **Shareholder Communications Policy**

This policy details the practices which the Company will implement to ensure effective communication with its Shareholders.

(h) **Risk Management Policy**

This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

4.10 Departures from ASX Recommendations

The Recommendations are not prescriptions but guidelines. However, under the Listing Rules the Company will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from Recommendations are detailed in the following table, which the Board considers reasonable given the current stage of development of the Company and its business. Otherwise, the Company will comply with the Recommendations as at the date of Admission, as applicable to the Company.

Table 12: Summary of departures from ASX Recommendations

Principle	Explanation for departure
ASX Recommendation 1.5 A listed entity should set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally.	The Company has adopted a diversity policy and the Board recognises the benefit of having a diverse employee base from a variety of ages, genders, cultural backgrounds or other personal factors. Due to the size and specialist nature of the Company's current business activities and the small workforce currently employed, it is not practical for the Company to set measurable objectives for achieving gender diversity.
ASX Recommendation 2.1 The board of a listed company should have a Nomination Committee.	The Board has not established a Nomination Committee to oversee the selection and appointment practices of the Company as the Company is not yet of a suitable size nor board structure. The Nomination Committee when formed is to be governed by the Nomination Committee Charter. The Nomination Committee Charter prohibits a member of the Committee from being present for discussions at a Committee meeting on, or to vote on a matter regarding, his or her election, re-election, or removal. The Board undertakes the role of the Nomination Committee and takes guidance from the Nomination Committee Charter to ensure that the board has the appropriate balance of skills, knowledge, experience,

Principle	Explanation for departure
	independence and diversity to enable it to discharge its duties and responsibilities effectively.
ASX Recommendation 4.1 The board of a listed company should have an Audit Committee.	The Company currently does not have an Audit Committee due to the size and structure of the Board. The Board is of the view that the experience and professionalism of the persons on the Board are sufficient to ensure that all significant financial reporting matters are appropriately addressed and actioned. The qualification of the Board members and number of meetings attended during the financial year will be outlined in the Company's Annual Report.
ASX Recommendation 7.1 The board of a listed company should have a Risk Committee.	The Company does not currently have a Risk Committee. In conjunction with the other corporate governance policies, the Company has adopted a Risk Management Policy which is designed to assist the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile. Given the size and stage of development of the Company and the size and composition of the Board, the Board does not consider it necessary to establish a separate Risk Committee at this time. The Board considers it has the experience and expertise to oversee the Company's risk management responsibilities. The Audit and Risk Committee when formed should be responsible for ensuring that the Company maintains effective risk management and internal control systems and processes and provides regular reports to the Board on these matters.
ASX Recommendation 8.1 The board of a listed company should have a Remuneration Committee.	The Company does not currently have a Remuneration Committee. The Board is responsible for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive, generally based on publicly available information and peer analysis, systems and processes and provides regular reports to the Board on these matters. Given the size and stage of development of the Company and the size and composition of the Board, the Board does not consider it necessary to establish a separate Remuneration Committee at this time. The Board considers it has the experience and expertise to oversee remuneration matters appropriately.

5 FINANCIAL INFORMATION

5.1 Introduction

This section sets out the Historical Financial Information of Capability X Limited (**Capability X**), formerly Capability X Pty Ltd, referred to as "the Company". The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Initial Public Offering (**IPO**) of Capability X on the financial position of the Company. Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**) has prepared an Independent Limited Assurance Report in respect of the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report, which explains the scope and limitations of Hall Chadwick's work, is set out in Annexure A.

All information presented in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Annexure A.

5.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the material accounting policies adopted by Capability X as detailed in Note 1 of Section 5.7. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of Section 5.7 as if those adjustments had occurred as at 30 June 2026.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the Historical Financial Information):

(a) The historical Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X;

(b) The historical Statement of Financial Position as at 30 June 2024, 30 June 2025, and 30 June 2026 for Capability X; and

(c) The historical Statement of Cash Flows for the years ended 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X,

The pro forma financial information comprises (collectively referred to as the Pro Forma Financial Information):

(a) the pro forma statement of financial position as at 30 June 2026 prepared on the basis that the pro forma adjustments and subsequent events detailed in Note 2 of Section 5.7 had occurred as at 30 June 2026; and

(b) the notes to the pro forma financial information, (collectively referred to as the Financial Information).

The Historical Financial Information of the Company has been extracted from its audited financial statements for the years ended 30 June 2024, 30 June 2025 and 30 June 2026, which were audited by RSM Australia. For each of the years ended 30 June 2024, 30 June 2025 and 30 June 2026, RSM Australia expressed an unmodified audit opinion and included a section headed Material Uncertainty Related to Going Concern in its auditor's report. Hall Chadwick reviewed the auditor's work papers as part of its procedures on the Historical Financial Information for the Investigating Accountant's Report. Hall Chadwick did not audit, or express an audit opinion on, those financial statements.

5.3 Historical statement of profit or loss and other comprehensive income

	CAPABILITY X LIMITED		
	Audited* Year ended 30 June 2024 $	Audited* Year ended 30 June 2025 $	Audited* Year ended 30 June 2026 $
Continuing operations			
Revenue	670,331	1,705,901	1,057,652
Interest revenue calculated using the effective interest method	-	-	1,036
Depreciation and amortisation expense	(160,214)	(471,167)	(293,096)
Employee benefits expense	(92,569)	(458,885)	(910,303)
Operating expenses	(201,351)	(665,157)	(1,363,846)
Share-based payments	-	-	(1,339,123)
Finance costs	(16,302)	(129,211)	(257,344)
Other expenses	(57,857)	(78,817)	(66,455)
Profit /(Loss) before income tax expense	**142,038**	**(97,336)**	**(3,171,479)**
Income tax expense	(92,682)	(177,211)	-
Net profit / (loss) for the period	**49,356**	**(274,547)**	**(3,171,479)**
Other comprehensive income, net of income tax	-	-	-
Total comprehensive income/ (loss) for the period	**49,356**	**(274,547)**	**(3,171,479)**

* Please refer to Section 5.2 for details of Hall Chadwick's review of the auditors' work papers as part of its procedures on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Annexure A.

5.4 Historical statement of financial position

	CAPABILITY X LIMITED		
	Audited* As at 30 June 2024 $	Audited* As at 30 June 2025 $	Audited* As at 30 June 2026 $
ASSETS			
Current Assets			
Cash and cash equivalents	-	-	1,046,924
Trade and other receivables	270,027	1,674,751	1,240,430
Income tax	-	-	-
Other	142,554	107,722	55,032
Total Current Assets	**412,581**	**1,782,473**	**2,342,386**
Non-Current Assets			
Property, plant and equipment	467,383	431,995	276,665
Right-of-use assets	216,103	76,072	101,368

	CAPABILITY X LIMITED		
	Audited* As at 30 June 2024	Audited* As at 30 June 2025	Audited* As at 30 June 2026
Intangibles	323,865	1,319,375	2,276,501
Other	11,254	11,254	11,254
Total Non-current assets	**1,018,605**	**1,838,696**	**2,665,788**
Total Assets	**1,431,186**	**3,621,169**	**5,008,174**
LIABILITIES			
Current Liabilities			
Trade and other payables	123,932	670,142	355,772
Borrowings	149,748	267,680	2,797,108
Lease liabilities	150,908	82,683	22,578
Income Tax	124,228	265,924	-
Provisions	16,008	23,054	96,089
Other	374,477	1,025,063	676,141
Total Current Liabilities	**939,301**	**2,334,546**	**3,947,688**
Non-Current Liabilities			
Borrowings	229,595	555,101	350,456
Lease liabilities	71,244	-	83,909
Total Non-current Liabilities	**300,839**	**555,101**	**434,365**
Total Liabilities	**1,240,140**	**2,889,647**	**4,382,053**
Net Assets	**191,046**	**731,522**	**626,121**
EQUITY			
Issued capital	100,100	915,123	3,094,718
Reserves	-	-	886,483
Accumulated losses	90,946	(183,601)	(3,355,080)
Total Equity	**191,046**	**731,522**	**626,121**

* Please refer to Section 5.2 for details of Hall Chadwick's review of the auditors' work papers as part of its procedures on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Annexure A.

5.5 Historical statement of cash flows

	CAPABILITY X LIMITED		
	Audited* Year ended 30 June 2024	Audited* Year ended 30 June 2025	Audited* Year ended 30 June 2026
Cash flows from operating activities	**$**	**$**	**$**
Receipts from customers (inclusive of GST)	601,726	1,582,176	1,193,043
Payments to suppliers and employees (inclusive of GST)	(119,698)	(834,925)	(2,974,306)
Total	**482,028**	**747,251**	**(1,781,263)**
Interest and other finance costs paid	(16,303)	(87,094)	(39,521)
Income taxes paid	-	(35,514)	(265,924)
Net cash from / (used in) operating activities	**465,725**	**624,643**	**(2,086,708)**
Cash flows from investing activities			
Payments for intangible asset	(397,195)	(1,893,680)	(1,491,859)
Payments for property, plant and equipment	(456,856)	(221,592)	(24,361)

	CAPABILITY X LIMITED		
	Audited* Year ended 30 June 2024	**Audited* Year ended 30 June 2025**	**Audited* Year ended 30 June 2026**
Deposit Paid	(11,254)	-	-
Government grants received	30,000	10,000	1,522,916
Net cash from / (used in) investing activities	**(835,305)**	**(2,105,272)**	**6,696**
Cash flows from financing activities			
Proceeds from issue of shares	100,000	815,023	974,797
Proceeds from share funds pending allotment	-	219,997	-
Proceeds from issue of convertible notes (net of transaction costs)	-	-	1,830,000
Proceeds from assignees on behalf of Subsea Invest	-	-	150,000
Proceeds from borrowings	276,111	375,000	1,000,000
Dividends paid	(102,290)	-	-
Repayment of borrowings	-	(45,593)	(50,417)
Net (payments)/proceeds to related party loans	48,886	222,984	(390,628)
Proceeds from other loans	25,000	-	-
Repayment of lease liabilities	(94,978)	(220,813)	(180,977)
Net cash from financing activities	**252,729**	**1,366,598**	**3,332,775**
Net increase / (decrease) in cash and cash equivalents	(116,851)	(114,031)	1,252,763
Cash and cash equivalents at the beginning of the financial year	13,619	(103,232)	(217,263)
Cash and cash equivalents at the end of the financial year	**(103,232)**	**(217,263)**	**1,035,500**

* Please refer to Section 5.2 for details of Hall Chadwick's review of the auditors' work papers as part of its procedures on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Annexure A.

5.6 Historical and Pro-forma statement of financial position

	Notes	*Audited 30 June 2026	Subsequent Events	Pro forma Adjustments	Pro forma Balance
		$	$	$	$
Assets					
Current assets					
Cash and cash equivalents	3	1,046,924	450,000	10,508,635	12,005,559
Trade and other receivables		1,240,430	-	-	1,240,430
Other		55,032	-	-	55,032
Total current assets		**2,342,386**	**450,000**	**10,508,635**	**13,301,021**
Non-current assets					
Property, plant and equipment		276,665	-	-	276,665
Right-of-use assets		101,368	-	-	101,368
Intangibles		2,276,501	-	-	2,276,501
Other		11,254	-	-	11,254
Total non-current assets		**2,665,788**	**-**	**-**	**2,665,788**
Total assets		**5,008,174**	**450,000**	**10,508,635**	**15,966,809**
Liabilities					
Current liabilities					
Trade and other payables		355,772	-	-	355,772
Borrowings	5	2,797,108	(1,847,984)	-	949,124
Lease liabilities		22,578	-	-	22,578
Provisions		96,089	-	-	96,089
Other	4	676,141	(85,701)	-	590,440
Total current liabilities		**3,947,688**	**(1,933,685)**	**-**	**2,014,003**
Non-current liabilities					
Borrowings	5	350,456	(225,000)	-	125,456

	Notes	*Audited 30 June 2026	Subsequent Events	Pro forma Adjustments	Pro forma Balance
		$	$	$	$
Lease liabilities		83,909	-	-	83,909
Total non-current liabilities		**434,365**	**(225,000)**	**-**	**209,365**
Total liabilities		**4,382,053**	**(2,158,685)**	**-**	**2,223,368**
Net assets		**626,121**	**2,608,685**	**10,508,635**	**13,743,441**
Equity					
Issued capital	6a	3,094,718	2,781,779	10,024,155	15,900,652
Reserves	6b	886,483	(205,429)	1,068,753	1,749,807
Accumulated losses	6c	(3,355,080)	32,335	(584,273)	(3,907,018)
Total equity		**626,121**	**2,608,685**	**10,508,635**	**13,743,441**

*Please refer to Section 5.2 for details of Hall Chadwick's review of the auditors' work papers as part of its procedures on the Historical Financial Information. The Financial Information should be read in conjunction with the accounting policies in Section 5.7 and the Independent Limited Assurance Report in Annexure A.

5.7 **Notes to and Forming Part of the Historical Financial Information**

Note 1: Summary of material accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar unless stated otherwise.

Going Concern

This financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company incurred a loss for the period of $3,171,479 (2025: loss of $274,547) and cash outflows from operating activities of $2,086,708 (2025: cash inflows of $624,643).

The ability of the Company to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern and therefore that it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

(a) **Income Tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

(i) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

(ii) When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be

controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

(b) **Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-

generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(d) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

(e) **Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(f) **Trade and Other Payables**

Trade and other payables are initially measured at fair value and subsequently measured at cost using the effective interest method.

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from financing and investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(i) **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(j) **Share based payment transactions**

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model. Options issued utilised the Black Scholes model.

For equity transactions with consultants and other employees, the fair value reflects the value attributable to services where applicable. Where there is no quantifiable value of services the value of options is calculated using an appropriate option pricing model.

(k) **Rounding of Amounts**

The Company has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, certain amounts in these financial statements (where specifically indicated) have been rounded to the nearest $1.

(l) **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Capability X as at 30 June 2026 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2026:

(a) Each existing Share was split into 42.8 Shares, increasing the number of the Shares from 2,154,983 to 92,233,280.

(b) The conversion of an R&D-related loan of $125,000 into equity through the issue of 1,250,000 Shares.

(c) The settlement of the Subsea debt (Tranche 2) of $310,701 through the issue of 3,107,010 Shares. The amount settled comprises non-current borrowings of $225,000 and accrued interest of $85,701 included in other current liabilities.

(d) The conversion of the convertible notes through the issue of 12,500,000 Shares, with the convertible note liability of $1,722,984 and the related convertible note reserve of $173,094 transferred to issued capital, totalling $1,896,078.

(e) The cancellation of 34,743 performance rights, equivalent to 1,487,000 performance rights following the share subdivision, and the transfer of the associated balance of $32,335 from the share-based payments reserve to accumulated losses.

(f) The issue of 2,812,500 Shares at an issue price of $0.16 per share to raise $450,000 in seed capital.

And the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(a) The issue of 60,000,000 fully paid ordinary Shares at $0.20 each to raise $12,000,000 before associated costs.

(b) The payment of estimated Offer costs of $1,491,365, of which $584,273 is recognised as a deduction from issued capital and $907,092 is recognised as an expense in profit or loss, resulting in net cash proceeds from the Offer of $10,508,635.

(c) The right to subscribe for up to 12,000,000 Options by Westar Capital Ltd (**Westar**), the Lead Manager to the Offer, exercisable at $0.30 each and expiring three years from the date of issue, at an issue price of $0.0001 per Placement Option. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options.

The Placement Options provided in connection with the Offer have been measured at their fair value of $1,068,753, determined using the Black Scholes valuation and assumptions set out in Note 6(b). That amount has been recognised as a cost of equity. The subscription monies of

$1,200 have not been separately recognised in the pro forma statement of financial position on the grounds of materiality.

(d) The proposed issue of Performance Rights with indicative fair values expected to be recognised over the relevant service or vesting periods:

(i) The issue of 6,850,000 Performance Rights (Tranches 1–3) to Directors, Officers and Executives upon IPO, with an indicative value of $1,254,639 subject to the revenue and share price vesting conditions disclosed in the Prospectus.

(ii) 2,587,005 Performance Rights to employees, comprising 1,487,005 rights subject to a 12-month service condition and 1,100,000 rights subject to a 24-month service condition, each with a five-year expiry, with an indicative total value of $517,401.

Note 3: Cash and cash equivalents

	Pro forma after IPO $
Cash and cash equivalents	12,005,559
Reviewed balance as at 30 June 2026	1,046,924
Subsequent events:	
Seed capital raising	450,000
Total	450,000
Pro-forma adjustments:	
IPO capital raising – gross proceeds	12,000,000
Capital raising costs	(1,491,365)
Total	10,508,635
Pro-forma Balance	**12,005,559**

Note 4: Other current liabilities

	Pro forma after IPO $
Other current liabilities	590,440
Reviewed balance as at 30 June 2026	676,141
Subsequent events:	
Debt repayment (Subsea) - Tranche 2	(85,701)
Total	(85,701)
Pro-forma Balance	**590,440**

Note 5: Borrowings

	Pro forma after IPO $
Current Borrowings	949,124
Reviewed balance as at 30 June 2026	2,797,108
Subsequent events:	
R&D - Debt to equity conversion	(125,000)
Settlement of Convertible Notes for Shares	(1,722,984)
Total	(1,847,984)

	Pro forma after IPO $
Pro-forma Balance	**949,124**
Non-current Borrowings	125,456
Reviewed balance as at 30 June 2026	350,456
Subsequent events:	
Debt repayment (Subsea) - Tranche 2	(225,000)
Total	(225,000)
Pro-forma Balance	**125,456**

Note 6: Equity

a) Issued Capital

	Number of shares No	Pro forma after IPO $
Issued Capital	171,902,790	15,900,652
Fully paid ordinary share capital as at 30 June 2026	2,154,983	3,094,718
Subsequent event:		
Share split (42.8 shares for each existing share)	90,078,297	-
R&D debt-to-equity conversion	1,250,000	125,000
Subsea debt repayment	3,107,010	310,701
Settlement of convertible notes for shares	12,500,000	1,896,078
Seed capital raising	2,812,500	450,000
Total	109,747,807	2,781,779
Pro-forma adjustments:		
IPO share issue – gross proceeds	60,000,000	12,000,000
Capital raising costs	-	(907,092)
Placement options – cost of equity	-	(1,068,753)
Total	60,000,000	10,024,155
Pro-forma Balance	**171,902,790**	**15,900,652**

b) Reserve

	Number of options No	Number of Performance Rights No	Pro forma after IPO $
Reserve	31,853,450	9,437,005	1,749,807
Reserve as at 30 June 2026	463,866	34,743	886,483
Subsequent event:			
Share split (42.8 shares for each existing share)	19,389,584	1,452,257	-
Settlement of convertible note reserve	-	-	(173,094)
Cancellation of performance rights	-	(1,487,000)	(32,335)
Total	19,389,584	(34,743)	(205,429)

Pro-forma adjustments:

b) Reserve

	Number of options	Number of Performance Rights	Pro forma after IPO
	No	No	$
Issuance of options to lead manager (Placement Options)	12,000,000	-	1,068,753
Issuance of performance rights to directors	-	6,850,000	-
Issuance of performance rights to employees and contractors	-	2,587,005	-
Total	12,000,000	9,437,005	1,068,753
Pro-forma Balance	**31,853,450**	**9,437,005**	**1,749,807**

Valuation assumptions for options as follows:

Pro Forma - Placement options

Number	12,000,000
Spot price	$0.20
Exercise price	$0.30
Expiry period	3
Expected volatility	80%
Risk free rate	4.62%
Fair value	0.0891
Fair value ($)	$1,068,753
Model	Black-Scholes Option Valuation
Vesting conditions	Immediately

Valuation assumptions for performance rights as follows:

Pro Forma – Directors Performance Rights

	Tranche 1	Tranche 2	Tranche 3	Total
Number issued to Directors	2,740,000	2,397,500	1,712,500	6,850,000
Spot price	$0.20	$0.20	$0.20	
Exercise price	Nil	Nil	Nil	
Expiry period	5	5	5	
Expected volatility	Nil	Nil	80%	
Risk free rate	Nil	Nil	4.66%	
Fair value	0.20	0.20	0.1326	
Fair value of rights issued to Directors ($) *	$548,000	$479,500	$227,139	$1,254,639
Model	Share price as of grant date	Share price as of grant date	Hoadley's	

* No day-one share-based payment expense has been recognised for Tranches 1, 2 and 3, as the rights are subject to continued service and relate entirely to future services.

Name	Performance Milestone	Expiry Date
Tranche 1	Performance Rights vest if the Company's audited annual revenue, as reported in the Company's audited financial statements for any financial year ending on or before 5 years from their date of issue, is equal to or greater than $5,000,000.	5 years from the date of issue.
Tranche 2	Performance Rights vest if the Company's audited annual revenue, as reported in the Company's audited financial statements for any financial year ending on or before 5 years from their date of issue, is equal to or greater than $10,000,000.	5 years from the date of issue.
Tranche 3	Volume weighted average Share price of $1.00 or more, calculated over 20 consecutive trading days on which the Company's shares have actually traded.	5 years from the date of issue.

For this purpose, revenue excludes: (a) one-off or non-recurring revenue items; (b) revenue derived from government grants, subsidies, rebates or similar payments; and (c) revenue derived from arrangements not conducted on arm's length terms or otherwise structured with the effect of artificially inflating revenue to satisfy this milestone.

Pro Forma – Employee Performance Rights

	Tranche 1	Tranche 2	Total
Number issued to Employees	1,487,005	1,100,000	2,587,005
Spot price	$0.20	$0.20	
Exercise price	Nil	Nil	
Expiry period	5	5	
Fair value	0.20	0.20	
Fair value of rights issued to Employees ($)	$297,401	$220,000	$517,401
Model	Share price as of grant date	Share price as of grant date	

* No day-one share-based payment expense has been recognised for Tranches 1 and 2 as the rights are subject to continued service and relate entirely to future services.

Name	Performance Milestone	Expiry Date
Tranche 1	The employee or consultant completes 12 months of continuous service with the Company from the issue date of the Performance Rights.	5 years from the date of issue.
Tranche 2	The employee or consultant completes 24 months of continuous service with the Company from the issue date of the Performance Rights.	5 years from the date of issue.

c) Accumulated losses

	Pro forma after IPO $
Accumulated losses	(3,907,018)
Accumulated losses as at 30 June 2026	(3,355,080)
Subsequent event:	
Cancellation of performance rights	32,335
Total	32,335
Pro-forma adjustments:	
Expenses of the offer	(584,273)
Total	(584,273)
Pro-forma Balance	**(3,907,018)**

Note 7: Related Parties

Refer to Section 4 of the Prospectus for the Board and Management Interests.

Note 8: Commitments and Contingencies

At the date of the report no other material commitments or contingent liabilities exist that the Company is aware of, other than disclosed in the Prospectus.

6 ADDITIONAL INFORMATION

6.1 Rights attaching to Shares

A summary of the rights attaching to the Shares under the Offer is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney or by representative to attend and vote at general meetings of the Company and these meetings may be held virtually using any technology that gives the Shareholders as a whole a reasonable opportunity to participate in the meeting.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy or attorney or by representative (or, if a determination has been made by the Board, by direct vote);

(ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one (1) vote in respect of each Share carrying the right to vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one (1) vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

(c) Direct Voting

Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

(d) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

The method of payment of a dividend may include any or all of the payment of cash, the issue of shares, the grant of options or other securities in the Company, the transfer of shares or any other securities in any other body corporate or units in any unit trust or the transfer of any other assets.

If the method of payment of a dividend includes an issue or transfer of shares in a body corporate, each Shareholder:

(i) is deemed to have agreed to become a member of that body corporate and be bound by the constitution of that body corporate; and

(ii) in the case of a transfer, appoints the Company and each Director as its agent to execute an instrument of transfer or other document required to transfer those shares to that Shareholder.

(e) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he/she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is liability.

(f) **Shareholder liability**

As the Shares to be issued under the Offer detailed in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and/or the Listing Rules.

(h) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Restricted Securities**

The Constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form of Appendix 9A to the Listing Rules. For those with less significant holdings (such as non-related parties and non-promoters) the Company will issue restriction notices to holders of restricted securities in the form of Appendix 9C to the Listing Rules advising them of the restriction rather than requiring signed restriction agreements.

Refer to Section 1.20 for information in relation to anticipated ASX escrow which is expected to apply to certain Shares (subject to ASX's discretion).

(j) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 **Employee Incentive Plan**

The Company has adopted the Employee Incentive Plan which has been designed to align Eligible Participants' interests with those of its Shareholders. The full terms of the Employee Incentive Plan may be inspected at the registered office of the Company during normal business hours. A summary of the Employee Incentive Plan is provided below.

(a) **Definitions**

For the purposes of the Employee Incentive Plan:

(i) **Bad Leaver** means a Participant who ceases to be an Eligible Participant and:

(A) does not meet the Good Leaver criteria; or

(B) meets the Good Leaver criteria but the Board has determined in writing that they be treated as a Bad Leaver.

(ii) **Director** means a director of the Company.

(iii) **EIP Offer** means an offer to an Eligible Participant, in the form of an offer letter, to apply for the grant of Employee Incentives under the Employee Incentive Plan.

(iv) **Eligible Participant** means:

(A) Directors and Employees who are determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives; or

(B) any other person who is determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives.

(v) **Employee** means any employee, consultant or contractor of the Company.

(vi) **Employee Incentive** means any:

(A) Share, Option or Performance Right granted, issued or transferred; or

(B) Share(s) issued pursuant to the exercise of an Option or conversion of a Performance Right,

under the Employee Incentive Plan.

(vii) **Employee Share Scheme** has the meaning given to that term in the Corporations Act.

(viii) **ESS Interest** has the meaning given to that term in the Corporations Act.

(ix) **Former Participant** means a Participant who ceases to be an Employee or Director.

(x) **Good Leaver** means a Participant who ceases to be an Eligible Participant in any of the following circumstances:

(A) the Participant and Board have agreed in writing that the Participant has entered into bona fide retirement;

(B) the Participant and the Board have agreed in writing that the Participant's role has been made redundant;

(C) the Board has determined that:

(I) Special Circumstances apply to the Participant; or

(II) the Participant is no longer able to perform their duties under their engagement or employment arrangements with the Company due to poor health, injury or disability;

(D) the Participant's death; or

(E) any other circumstance determined by the Board in writing.

(xi) **Participant** means:

(A) an Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan; or

(B) where an Eligible Participant has made a nomination:

(I) the Eligible Participant; or

(II) the nominee of the Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan,

as the context requires.

(xii) **Performance Period** means the period in which the Vesting Conditions must be satisfied in respect of an Employee Incentive.

(xiii) **Special Circumstances** means any of the following:

(A) the death of the Participant; or

(B) the total and permanent disablement of the Participant such that the Participant is unlikely ever to engage in any occupation for which the Participant is reasonably qualified by education, training or experience.

(xiv) **Vesting Conditions** means any condition(s) (as specified in the EIP Offer and determined by the Board in its sole and absolute discretion) which must be satisfied or waived in order for Employee Incentives to vest in accordance with their terms.

(b) **Participation**

(i) The Board may from time to time in its sole and absolute discretion determine that an Eligible Participant may participate in the Employee Incentive Plan.

(ii) Following determination that an Eligible Participant may participate in the Employee Incentive Plan, the Board may at any time, and from time to time, make an EIP Offer to the Eligible Participant.

(c) **Maximum Allocation**

(i) The maximum number of Employee Incentives that may be granted pursuant to the Employee Incentive Plan must not at any time exceed 10% of the total number of Shares on issue (**Maximum Allocation**) and:

(A) in respect of an EIP Offer of Employee Incentives for monetary consideration, an EIP Offer of Employee Incentives may only be made if the Company reasonably believes that:

(I) the total number of Shares that may be issued comprising the Employee Incentives (including upon exercise or conversion of Options or Performance Rights); and

(II) the total number of Shares that have been issued, or may be issued, comprising:

(1) Employee Incentives (including upon exercise or conversion of Options or Performance Rights) issued, or which may be issued, under EIP Offers that were both received in Australia and made in connection with the Employee Incentive Plan; and

(2) ESS Interests (including upon exercise or conversion of ESS Interests) issued, or which may be issued, under offers that were both received in Australia and made in connection with any Employee Share Scheme other than the Employee Incentive Plan,

(in aggregate, and whether offered for monetary consideration or no monetary consideration) during the previous three (3) years ending on the day the proposed EIP Offer is made,

does not exceed 5% of the total number of Shares on issue as at the start of the day on which the proposed EIP Offer is made (or if the Constitution specifies an issue cap percentage, that percentage); and

(B) in respect of an EIP Offer of Employee Incentives for no monetary consideration:

(I) the Maximum Allocation must not be exceeded; and

(II) such EIP Offer must not cause the limit under Section 6.2(c)(i)(A) to be exceeded.

(ii) For the avoidance of doubt, where an Employee Incentive lapses without being exercised, the Employee Incentive concerned shall be excluded from any calculation under Section 6.2(c)(i).

(iii) The Maximum Allocation may be increased by Board resolution and does not include the Existing Options, Employee Performance Rights, Director and Management Performance Rights and any Shares which may be issued upon their exercise.

(d) **Nominee**

(i) Unless expressly permitted in the EIP Offer or by the Board, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person.

(ii) If an Eligible Participant is permitted in the EIP Offer or by the Board, the Eligible Participant may nominate certain related persons or entities (each, a **Nominee**) to be issued the Employee Incentives the subject of the EIP Offer.

(e) **Employee Share Trust**

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Shares for Participants under the Employee Incentive Plan and delivering Shares to Participants for an issue of Shares upon exercise of the Options or the vesting of a Performance Right.

(f) **Vesting Conditions**

(i) The Board may at its sole discretion determine the Vesting Conditions which will apply to any Employee Incentives. The Vesting Conditions will specify the criteria that the Eligible Participant is required to meet in the specified Performance Period (if any) in order to exercise Options or for Performance Rights to vest to become entitled to receive Shares under the Employee Incentive Plan.

(ii) The Board may vary the Vesting Conditions and/or the Performance Period after the grant of those Employee Incentives, subject to:

(A) the Company complying with any applicable laws;

(B) the Vesting Conditions and/or the Performance Period as varied being no less favourable to the Participant than the terms upon which the Employee Incentives were originally granted; and

(C) the Board promptly notifying a Participant of any such variation.

(iii) The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Participant has satisfied the Vesting Conditions applicable to the relevant Performance Period.

(iv) Where Employee Incentives have not satisfied the Vesting Conditions within the Performance Period, those Employee Incentives will automatically lapse.

(g) **Lapsing of Employee Incentives**

Subject to the Good Leaver provisions below or the Board deciding otherwise, a Participant's Employee Incentives shall automatically lapse and be cancelled for no consideration on the earliest to occur of the following:

(i) where the Participant is a Bad Leaver, upon the occurrence of a lapsing event in accordance with Section 6.2(i);

(ii) where Section 6.2(j) applies;

(iii) if the applicable Vesting Conditions are not achieved by the end of the relevant Performance Period;

(iv) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the expiry date of the Employee Incentive or the end of the relevant Performance Period (as applicable);

(v) the expiry date of the Employee Incentive;

(vi) the receipt by the Company of notice from the Participant that the Participant has elected to surrender the Employee Incentives; or

(vii) any other circumstances specified in any EIP Offer letter pursuant to which the Employee Incentives were issued.

(h) **Good Leaver**

(i) Subject to Section 6.2(h)(i)(B), where a Participant who holds Employee Incentives becomes a Good Leaver:

(A) all vested and (subject to Section 6.2(h)(i)(B) unvested Employee Incentives which have not been exercised in accordance with the Employee Incentive Plan rules will continue in force, unless the Board determines otherwise in its sole and absolute discretion; and

(B) the Board may at any time, in its sole and absolute discretion, do one or more of the following:

(I) permit unvested Employee Incentives held by the Good Leaver to vest;

(II) amend the Vesting Conditions or reduce the relevant exercise period of unvested Employee Incentives; or

(III) determine that the unvested Employee Incentives will lapse.

(ii) Where a person is a Good Leaver due to a Special Circumstance, the Participant's nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

(i) **Bad Leaver**

Where a Participant who holds Employee Incentives becomes a Bad Leaver:

(i) unless the Board determines otherwise, in its sole and absolute discretion, all unvested Employee Incentives will immediately lapse; and

(ii) unless the Board determines otherwise, in its sole and absolute discretion, all vested Employee Incentives will lapse 30 days after the Participant who holds Employee Incentives becomes a Bad Leaver (if they have not already lapsed by the end of that period).

(j) **Forfeiture events**

Where, in the reasonable opinion of the Board, a Participant or Former Participant (which for the avoidance of doubt may include an agreed leaver):

(i) acts fraudulently or dishonestly;

(ii) willfully breaches his or her duties to the Company;

(iii) has, by any act or omission, in the opinion of the Board (determined in its absolute discretion):

(A) brought the Company, its business or reputation into disrepute; or

(B) acted contrary to the interest of the Company;

(iv) commits any material breach of the provisions of any employment contract or services contract entered into by the Participant with the Company;

(v) commits any material breach of any of the policies of the Company or procedures or any applicable laws applicable to the Company;

(vi) is subject to allegations concerning, or has been accused of, charged with or convicted of, fraudulent or dishonest conduct in the performance of the Participant's (or Former Participant's) duties, which in the reasonable opinion of the Board affects the Participant's suitability for employment with the Company, or brings the Participant or the relevant member of the Company into disrepute or is contrary to the interests of the Company;

(vii) is subject to allegations concerning, or has been accused of, charged with or convicted of any criminal offence which involves fraud or dishonesty or any other criminal offence which the Board determines (in its absolute discretion) is of a serious nature;

(viii) has committed any wrongful or negligent act or omission which has caused any member of the Company substantial liability;

(ix) has become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation;

(x) has committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice;

(xi) has willfully or negligently failed to perform their duties under any employment contract or services contract entered into by the Participant with the Company;

(xii) has engaged in a transaction which involves a conflict of interest to their employment with the Company resulting in the Participant or Former Participant obtaining a personal benefit;

(xiii) accepts a position to work with a competitor of the Company;

(xiv) acting in such a manner that could be seen as being inconsistent with the culture and values of the Company; or

(xv) any other act that the Board determines in its absolute discretion to constitute fraudulent or dishonest by the Participant or Former Participant for the purposes of this Section 6.2(j),

then the Board may (in its absolute discretion) deem that all Employee Incentives held by the Participant or former Participant will automatically be forfeited.

(k) **Discretion of the Board**

The Board may decide to allow a Participant to:

(i) retain and exercise any or all of their Options, whether or not the Vesting Conditions have been satisfied during the Performance Period, and whether or not the Options would otherwise have lapsed, provided that no Options will be capable of exercise later than the relevant expiry date for those Options; and

(ii) retain any Performance Rights regardless of:

(A) the expiry of the Performance Period to which those Performance Rights relate; or

(B) any failure by the Participant to satisfy in part or in full the Vesting Conditions specified by the Board in respect of those Performance Rights,

in which case, the Board may:

(iii) determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Participant; or

(iv) determine a new Performance Period or Vesting Conditions (as applicable) for those retained Performance Rights and notify the Participant of the determination as soon as practicable.

(l) **Employee Loan**

The Board may, as part of any EIP Offer, in its absolute discretion, offer to a Participant a limited recourse, interest free loan to be made by the Company to the Participant for an amount equal to the issue price multiplied by the number of Shares offered to the Participant pursuant to the relevant EIP Offer.

(m) **Restriction Period and Holding Lock**

(i) Shares may be offered on terms that restrict the Participant from dealing with or transferring the relevant Share during a restriction period.

(ii) In addition, the Board may at any time request that the Company's share registry impose a holding lock on any Employee Incentives issued pursuant to the Employee Incentive Plan where the Board determines or reasonably believes (in its absolute discretion) that a Participant (or a Former Participant) has or may breach the Employee Incentive Plan rules.

(n) **Transfer of Options or Performance Rights**

Options and Performance Rights may not be assigned, transferred, encumbered with a security interest in or over them, or otherwise disposed of by a Participant, unless such assignment or transfer occurs by force of law upon the death or total and permanent disablement of a Participant to the Participant's legal personal representative.

(o) **Board discretion for cash settlement**

(i) The Board may (in its absolute discretion) make one or more EIP Offers of Options or Performance Rights on terms and conditions which provide that the Board has the absolute discretion to determine whether, upon exercise of any such Options or conversion of any such Performance Rights, instead of Shares being issued to be held by or on behalf of the Eligible Participant, a cash payment will instead be made to the Eligible Participant (or its Nominee, where applicable), with the methodology for determining the amount of that payment being specified in the terms and conditions of those Options or Performance Rights, as determined by the Board.

(ii) The terms of Options or Performance Rights the subject of an EIP Offer may also (in the Board's absolute discretion) provide for the Company to deduct from the cash payment referred to in that Section an amount on account of one or more of the following:

(A) any applicable tax the Company is required to withhold (or otherwise deduct) in connection with such cash payment;

(B) any superannuation or pension amount the Company is required to pay in connection with such cash payment; and

(C) any exercise price (to the extent not already paid) relating to any relevant Options being exercised (if any).

(p) **Buy-Back**

Subject to any applicable laws and subject to the Board's sole and absolute discretion, a Share issued, transferred or allocated directly pursuant to an EIP Offer will be subject to the Company's right to buy-back and may, during a prescribed period, be bought-back by the Company where Section 6.2(j) applies.

(q) **Amendments**

(i) The Board may at any time amend the Employee Incentive Plan rules or the terms and conditions upon which any Employee Incentives have been issued.

(ii) No amendment to the Employee Incentive Plan rules or to Employee Incentives may be made if the amendment, in the reasonable opinion of the Board, materially reduces the rights of any Participant in respect of Employee Incentives granted to them prior to the date of the amendment, other than specific circumstances outlined in the Employee Incentive Plan.

6.3 **Terms and Conditions of the Existing Options**

A summary of the terms and conditions of the Existing Options are detailed below.

(a) **Entitlement**

Each Existing Option entitles the holder to subscribe for one Share upon exercise of the Existing Option.

(b) **Plan**

The Existing Options are granted under the Company's Employee Incentive Securities Plan (**Prior EISP**). Defined terms in these terms and conditions have the same meaning as in the Prior EISP.

(c) **Rights attaching to Existing Options**

Prior to an Existing Option being exercised, the holder:

(i) does not have any interest (legal, equitable or otherwise) in any Share which may be issued on exercise of the Existing Option other than as expressly set out in the Prior EISP;

(ii) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;

(iii) is not entitled to receive any dividends declared by the Company; and

(iv) is not entitled to participate in any new issue of Shares.

(d) **Restrictions on dealing with Existing Options**

The Existing Options cannot be sold, assigned, transferred, have a security interest granted over or otherwise dealt with unless in Special Circumstances under the Prior EISP (including in the case of death or total or permanent disability of the holder) with the consent of the Board.

A holder must not enter into any arrangement for the purpose of hedging their economic exposure to an Existing Option that has been granted to them.

(e) **Forfeiture conditions**

Existing Options will be forfeited in the following circumstances:

(i) in the case of unvested Existing Options, where the Participant ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Company);

(ii) where a Participant acts fraudulently, dishonestly, negligently, in contravention of any Company policy or wilfully breaches their duties to the Company;

(iii) where there is a failure to satisfy the Vesting Conditions in accordance with the Prior EISP;

(iv) on the date the Participant becomes insolvent; or

(v) on the Expiry Date.

(f) **Exercise Period**

The Existing Options are exercisable at any time prior to the Expiry Date (**Exercise Period**).

(g) **Exercise Notice**

The Existing Options may be exercised during the Exercise Period by:

(i) delivery of a written notice of exercise of Existing Options, specifying the number of Existing Options being exercised (**Exercise Notice**); and

(ii) payment by electronic funds transfer for the Exercise Price for the number of Existing Options being exercised or the cashless exercise procedure set out in Section 6.3(h).

An Exercise Notice is only effective on and from the later of the date of receipt of the Exercise Notice and the date of receipt of the payment of the Exercise Price (for each Existing Option being exercised) in cleared funds, and subject to the cashless exercise procedure set out in Section 6.3(h) (if applicable).

(h) **Cashless Exercise**

Subject to Board approval, in lieu of paying the aggregate Exercise Price for the number of Existing Options specified in the Exercise Notice, the holder of the Existing Options may elect a cashless exercise (**Cashless Exercise**) whereby the Board will issue to the holder that number of Shares (rounded down to the nearest whole number) calculated in accordance with the following formula:

$$S = O * \frac{(MVS - EP)}{MVS}$$

Where:

S = number of Shares to be issued on the exercise of the Existing Options.

O = number of Existing Options being exercised.

MVS = market value of Shares, being:

(i) where the Company is listed on a stock exchange, the volume weighted average market price for a Share traded on the stock exchange during the seven day period up to and including the day on which the market value is to be determined; or

(ii) where the Company is not listed on a stock exchange, the fair market value of a Share as at the date the market value is to be determined, as determined by application of a valuation methodology approved by the Board, within 40 days of the date the Existing Option(s) are exercised, acting reasonably and in good faith.

EP = Exercise Price of the Existing Options.

For the avoidance of doubt, if the sum of the above calculation is zero or negative, then the holder will not be entitled to use Cashless Exercise.

(i) **Timing of issue of Shares and quotation of Shares on exercise**

Subject to Applicable Law, within five Business Days after valid exercise of Existing Options by the holder, the Company will:

(i) issue, allocate or cause to be transferred to the holder the number of Shares to which the holder is entitled; and

(ii) if required, issue a substitute certificate for any remaining unexercised Existing Options held by the holder.

Additionally, in the event the Company is admitted to the official list of ASX, the Company will do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules and subject to the expiry of any restriction period that applies to the Shares under the Corporations Act or the Listing Rules.

(j) **Restrictions on transfer of Shares on exercise**

Should the Company be listed on ASX, shares issued on exercise of the Existing Options are subject to the following restrictions:

(i) if the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Existing Options may not be traded until 12 months after their issue unless the

Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act;

(ii) all Shares issued on exercise of the Existing Options are subject to restrictions imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available; and

(iii) all Shares issued on exercise of the Existing Options are subject to the terms of the Company's Securities Trading Policy (if applicable as set out on the Company's website).

(k) **Rights attaching to Shares on exercise**

Shares issued upon exercise of the Existing Option will rank equally with the then issued Shares of the Company.

(l) **Change of Control**

To the extent any Existing Options are unvested, if a Change of Control Event occurs (being an event which results in any person (either alone or together with associates) owning more than 50% of the Company's issued capital), or the Board determines that such an event is likely to occur, unvested Existing Options will vest unless the Board determines in its discretion otherwise. The Board's discretion in determining the treatment of any unvested Existing Options on a Change of Control Event is limited to vesting or varying the Vesting Conditions in respect of the Existing Options and does not include a discretion to lapse or forfeit unvested Existing Options for less than fair value.

(m) **Participation in new issues**

Subject always to the rights under Sections 6.3(n) and 6.3(o), holders of Existing Options will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(n) **Adjustments for bonus issue of Shares**

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Existing Options is entitled, upon exercise of the Existing Options, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Existing Options are exercised.

(o) **Reorganisation**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Existing Options will be changed to the extent necessary to comply with Applicable Law at the time of the reorganisation.

(p) **Change to exercise price**

An Existing Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Existing Option can be exercised.

(q) **Buy-Back**

Subject to applicable law, the Company may at any time buy-back the Existing Options in accordance with the terms of the Prior EISP.

6.4 **Terms and Conditions of the Placement Options**

A summary of the terms and conditions of the Placement Options are detailed below.

(a) **Entitlement**

Each Placement Option entitles the holder (**Holder**) to subscribe for, or to be transferred, one Share upon exercise of each Placement Option and payment of the Exercise Price.

(b) **Issue Price**

The Holder must pay a subscription price of A$0.0001 per Placement Option.

(c) **Exercise Price and Expiry Date**

The Exercise Price and Expiry Date of each Placement Option are set out in the table below and the terms Exercise Price and Expiry Date shall be interpreted accordingly:

Exercise Price	Expiry Date
A$0.30	Three years from the date of issue

(d) **Exercise Period**

Each Placement Option is exercisable at any time prior to 5:00pm (Perth time) on the Expiry Date (**Exercise Period**). After this time, any unexercised Placement Option will automatically lapse.

(e) **Notice of Exercise**

(i) The Placement Options may be exercised during the Exercise Period, subject to the Holder delivering to the registered office of the Company or such other address as determined by the Board a notice in writing to the Company (in a form acceptable to the Company) (**Notice of Exercise**) and payment to the Company of the applicable Exercise Price for each Placement Option being exercised in Australian currency by electronic funds transfer or other means of payment determined by the Board in its sole and absolute discretion.

(ii) Any Notice of Exercise received by the Company will be deemed to be a notice of the exercise of that Placement Option as at the date of receipt.

(f) **No issue unless cleared funds**

Where a cheque is presented as payment of the Exercise Price on the exercise of Placement Options, the Company will not, unless otherwise determined by the Board, allot and issue or transfer Shares until after any cheque delivered in payment of the Exercise Price has been cleared by the banking system.

(g) **Cashless Exercise of Placement Options**

(i) Subject to Section 6.4(g)(ii), the Holder may elect to pay the Exercise Price for each Placement Option by setting off the total Exercise Price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Holder will receive Shares to the value of the surplus after the Exercise Price has been set off.

(ii) If the Holder elects to use the Cashless Exercise Facility, the Holder will only be issued a number of Shares (rounded down to the nearest whole number) equal in value to the difference between the total Exercise Price otherwise payable for the Placement Options on the Placement Options being exercised and the then market value of the Shares at the time of exercise calculated in accordance with the following formula:

$$S = O \times \frac{MSP - EP}{MSP}$$

Where:

S = Number of Shares to be issued on exercise of the Placement Options

O = Number of Placement Options being exercised

MSP = Market value of the Shares calculated using the volume weighted average of the Shares on ASX for the five (5) trading days immediately prior to (and excluding) the date of the notice of exercise

EP = Exercise Price

(iii) If the difference between the total Exercise Price otherwise payable for the Placement Options on the Placement Options being exercised and the then market value of the Shares at the time of exercise (calculated in accordance with Section 6.4(g)(ii) is zero or negative, then a Holder will not be entitled to use the Cashless Exercise Facility.

(h) **Actions on Exercise**

Following the exercise of the Placement Options:

(i) the Placement Options will automatically lapse; and

(ii) the Company will allot and issue, or transfer, the number of Shares for which the Holder is entitled to subscribe for or acquire through the exercise of the Placement Options.

(i) **Timing of the issue of Shares on exercise and Quotation**

(i) Within five business days after the later of the following:

(A) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Placement Option being exercised; and

(B) when excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information, the relevant date will be the date of receipt of a Notice of Exercise as detailed in Section 6.4(i)(i)(A) above,

the Company will:

(C) allot and issue the Shares pursuant to the exercise of the Placement Options;

(D) as soon as reasonably practicable and if applicable, give the ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(E) apply for Official Quotation of Shares issued pursuant to the exercise of the Placement Options.

(ii) Notwithstanding Section 6.4(i)(i) above, the Company's obligation to issue such Shares shall be postponed if such Holder at any time after the delivery of a Notice of Exercise and payment of the Exercise Price for each Placement Option being exercised (if applicable) elects for the Shares to be issued to be subject to a holding lock for a period of 12 months. Following any such election:

(A) the Shares to be issued or transferred will be held by such Holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding);

(B) the Company will apply a holding lock on the Shares to be issued or transferred and such Holder is taken to have agreed to that application of that holding lock; and

(C) the Company shall release the holding lock on the Shares on the date that is 12 months from the date of issue of the Shares.

(j) **Shares issued on Exercise**

Shares issued on the exercise of the Placement Options rank equally with all existing Shares and will be free of all encumbrances, liens and third party interests.

(k) **Quotation of Shares issued on Exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for Quotation of the Shares issued upon the exercise of the Placement Options.

(l) **Adjustment for reorganisation**

If there is any reorganisation of the issued share capital of the Company, the terms of Placement Options and the rights of the Holder who holds such Placement Options will be varied, including an adjustment to the number of Placement Options and/or the Exercise Price (if any) applicable to Placement Options, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(m) **Participation in new issues and other rights**

A Holder who holds Placement Options is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company;

(iii) any right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise;

(iv) participate in any new issues of securities offered to Shareholders during the term of the Placement Options; or

(v) cash for the Placement Options or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Placement Options are exercised and the Holder holds Shares.

(n) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing shareholders, there will be no adjustment to the Exercise Price of the Placement Options.

(o) **Adjustment for bonus issue of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

(i) the number of Shares which must be issued on the exercise of a Placement Option will be increased by the number of Shares which the Holder would have received if the Holder had exercised the Placement Option before the record date for the bonus issue; and

(ii) no change will be made to the Exercise Price.

(p) **Quotation**

The Company will not seek Official Quotation of any Placement Options.

(q) **Transferability of Placement Options**

The Placement Options are transferrable, subject to compliance with the Corporations Act and the Listing Rules.

(r) **Placement Options to be recorded**

The Placement Options will be recorded in the appropriate register of the Company.

6.5 **Terms and Conditions of the Employee Performance Rights**

A summary of the terms and conditions of the Employee Performance Rights are detailed below.

(a) **Offer of Employee Performance Rights**

Each Employee Performance Right confers an entitlement to be provided with one Share, credited as fully paid, at no cost, upon the full satisfaction of the Performance Criteria specified by the Board in relation to that Employee Performance Right.

(b) **Performance Criteria and Variation to Performance Criteria**

(i) The Expiry Date and Performance Criteria of each Employee Performance Right is referred to in the table below.

Tranche	Expiry Date	Performance Criteria
Tranche 1	5 years from the date of issue	Continuous employment or engagement with the Company for 12 months from the date of issue of the Performance Rights
Tranche 2	5 years from the date of issue	Continuous employment or engagement with the Company for 24 months from the date of issue of the Performance Rights

(ii) Employee Performance Rights will only vest and entitle the holder to be issued Shares if the applicable Performance Criteria (if any) have been satisfied prior to the Expiry Date, waived by the Board, or are deemed to have been satisfied under these terms and conditions.

(c) **Satisfaction of Performance Criteria**

(i) The Board will determine in its sole discretion whether (and, where applicable, to what extent) the holder has satisfied the Performance Criteria (if any) applicable to the Employee Performance Rights. As soon as practicable after making that determination, the Board must issue a vesting notification to the holder.

(ii) Following the receipt of a vesting notification, the Employee Performance Rights are exercisable by the holder prior to the Expiry Date by issuing to the Company a notice of exercise specifying the number of vested Employee Performance Rights to be exercised (**Notice of Exercise**).

(iii) Upon receipt of a Notice of Exercise from the holder, the Board must allot and issue, or transfer, the number of Shares which the holder is entitled to acquire upon satisfaction of the Performance Criteria for the relevant number of Employee Performance Rights held in accordance with Section 6.5(e).

(d) **Lapse of Employee Performance Rights**

The Employee Performance Rights will automatically lapse if the Performance Criteria is not satisfied by the Expiry Date.

(e) **Timing of the Issue of Shares and Quotation**

Subject to the receipt of a Notice of Exercise from the holder specifying the number of vested Employee Performance Rights to be exercised, the Company must:

(i) allot and issue the Shares pursuant to the exercise of the vested Employee Performance Rights;

(ii) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the vested Employee Performance Rights,

within twenty (20) business days after:

(i) receipt of the Notice of Exercise; or

(ii) if at the date in Section 6.5(e)(i) there is excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) – the date when that information ceases to be excluded information.

Notwithstanding Section 6.5(e) above, the Company's obligation to issue such Shares shall be postponed if such holder at any time after the relevant Performance Criteria are satisfied pursuant to Section 6.5(c) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:

(i) the Shares to be issued or transferred will be held by such holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding);

(ii) the Company will apply a holding lock on the Shares to be issued or transferred and such holder is taken to have agreed to that application of that holding lock;

(iii) the Company shall release the holding lock on the Shares on the earlier to occur of:

(A) the date that is twelve (12) months from the date of issue of the Share; or

(B) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or

(C) the date a transfer of the Shares occurs pursuant to Section 6.5(e)(iv) of these terms and conditions; and

(iv) Shares shall be transferable by such holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period in Section 6.5(e)(iii)(A).

(f) **Shares Issued**

Shares issued on the satisfaction of the Performance Criteria attaching to the Employee Performance Rights rank equally with all existing Shares.

(g) **Quotation of the Shares Issued on Exercise**

If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the vesting of the Employee Performance Rights.

(h) **Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the terms of Employee Performance Rights and the rights of the holder who holds such Performance Rights will be varied, including an adjustment to the number of Employee Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(i) **Holder Rights**

A holder who holds Employee Performance Rights is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company;

(iii) any right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise;

(iv) participate in any new issues of securities offered to Shareholders during the term of the Employee Performance Rights; or

(v) cash for the Employee Performance Rights or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Employee Performance Rights are satisfied and the holder holds Shares.

(j) **Pro Rata Issue of Securities**

(i) If during the term of any Employee Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a holder shall not be entitled to participate in the rights issue in respect of any Employee Performance Rights, only in respect of Shares issued in respect of vested Employee Performance Rights.

(ii) A holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any Performance Criteria which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

(k) **Adjustment for Bonus Issue**

If, during the term of any Employee Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the holder is then entitled, shall be increased by that number of securities which the holder would have been issued if the Employee Performance Rights then held by the holder were vested immediately prior to the record date for the bonus issue.

(l) **Change of Control**

For the purposes of these terms and conditions, a Change of Control Event occurs if:

(i) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of

domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(ii) a Takeover Bid:

(A) is announced;

(B) has become unconditional; and

(C) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

(iii) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or

(iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Employee Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Performance Criteria have been satisfied.

(m) **Quotation**

The Company will not seek official quotation of any Employee Performance Rights.

(n) **Employee Performance Rights Not Property**

A holder's Employee Performance Rights are personal contractual rights granted to the holder only and do not constitute any form of property.

(o) **No Transfer of Employee Performance Rights**

Employee Performance Rights cannot be transferred to or vest in any person other than the holder other than by force of law on death or total and permanent disablement of a Participant.

(p) **Employee Incentive Plan**

The Employee Performance Rights will be issued under the Employee Incentive Plan.

6.6 **Terms and Conditions of the Director and Management Performance Rights**

A summary of the terms and conditions of the Director and Management Performance Rights are detailed below.

(a) **Offer of Director and Management Performance Rights**

Each Director and Management Performance Right confers an entitlement to be provided with one Share, credited as fully paid, at no cost, upon the full satisfaction of the Performance Criteria specified by the Board in relation to that Director and Management Performance Right.

(b) **Performance Criteria and Variation to Performance Criteria**

(i) The Expiry Date and Performance Criteria of each Director and Management Performance Right is referred to in the table below.

Tranche	Expiry Date	Performance Criteria
Tranche 1	5 years from the date of issue	The Company's audited annual revenue, as reported in the Company's audited financial statements for any financial year ending on or before 5 years from their date of issue, is equal to or greater than $5,000,000.
Tranche 2	5 years from the date of issue	The Company's audited annual revenue, as reported in the Company's audited financial statements for any financial year ending on or before 5 years from their date of issue, is equal to or greater than $10,000,000.
Tranche 3	5 years from the date of issue	The Company achieving a volume weighted average Share price of $1.00 or more, calculated over 20 consecutive trading days on which the Company's Shares have actually traded.

Revenue excludes (a) one-off or non-recurring revenue items; (b) revenue derived from government grants, subsidies, rebates or similar payments; and (c) revenue derived from arrangements not conducted on arm's length terms or otherwise structured with the effect of artificially inflating revenue to satisfy this milestone.

(ii) Director and Management Performance Rights will only vest and entitle the holder to be issued Shares if the applicable Performance Criteria (if any) have been satisfied prior to the Expiry Date, waived by the Board, or are deemed to have been satisfied under these terms and conditions.

(c) **Satisfaction of Performance Criteria**

(i) The Board will determine in its sole discretion whether (and, where applicable, to what extent) the holder has satisfied the Performance Criteria (if any) applicable to the Director and Management Performance Rights. As soon as practicable after making that determination, the Board must issue a vesting notification to the holder.

(ii) Following the receipt of a vesting notification, the Director and Management Performance Rights are exercisable by the holder prior to the Expiry Date by issuing to the Company a notice of exercise specifying the number of vested Director and Management Performance Rights to be exercised (**Notice of Exercise**).

(iii) Upon receipt of a Notice of Exercise from the holder, the Board must allot and issue, or transfer, the number of Shares for which the holder is entitled to acquire upon satisfaction of the Performance Criteria for the relevant number of Director and Management Performance Rights held in accordance with Section 6.6(e).

(d) **Lapse of Director and Management Performance Rights**

(i) The Director and Management Performance Rights will automatically lapse if the Performance Criteria is not satisfied by the Expiry Date.

(ii) If the holder ceases to be a director, employee, consultant or contractor of the Company, the Director and Management Performance Rights will lapse on the person ceasing to hold that position.

(e) **Timing of the Issue of Shares and Quotation**

Subject to the receipt of a Notice of Exercise from the holder specifying the number of vested Director and Management Performance Rights to be exercised, the Company must:

(i) allot and issue the Shares pursuant to the exercise of the vested Director and Management Performance Rights;

(ii) as soon as reasonably practicable and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the vested Director and Management Performance Rights,

within twenty (20) business days after:

(i) receipt of the Notice of Exercise; or

(ii) if at the date in Section 6.6(e)(i) there is excluded information in respect of the Company (as defined in section 708A(7) of the Corporations Act) – the date when that information ceases to be excluded information.

Notwithstanding Section 6.6(e) above, the Company's obligation to issue such Shares shall be postponed if such holder at any time after the relevant Performance Criteria are satisfied pursuant to Section 6.6(c) elects for the Shares to be issued to be subject to a holding lock for a period of twelve (12) months. Following any such election:

(i) the Shares to be issued or transferred will be held by such holder on the Company's issuer sponsored sub-register (and not in a CHESS sponsored holding);

(ii) the Company will apply a holding lock on the Shares to be issued or transferred and such holder is taken to have agreed to that application of that holding lock;

(iii) the Company shall release the holding lock on the Shares on the earlier to occur of:

(A) the date that is twelve (12) months from the date of issue of the Shares; or

(B) the date the Company issues a disclosure document that qualifies the Shares for trading in accordance with section 708A(11) of the Corporations Act; or

(C) the date a transfer of the Shares occurs pursuant to Section 6.6(e)(iv) of these terms and conditions; and

(iv) Shares shall be transferable by such holder and the holding lock will be lifted provided that the transfer of the Share complies with section 707(3) of the Corporations Act and, if requested by the Company, the transferee of the Shares agrees by way of a deed poll in favour of the Company to the holding lock applying to the Shares following its transfer for the balance of the period in Section 6.6(e)(iii)(A).

(f) **Shares Issued**

Shares issued on the satisfaction of the Performance Criteria attaching to the Director and Management Performance Rights rank equally with all existing Shares.

(g) **Quotation of the Shares Issued on Exercise**

If admitted to the official list of ASX at the time, the Company will apply to ASX for quotation of the Shares issued upon the vesting of the Director and Management Performance Rights.

(h) **Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the terms of the Director and Management Performance Rights and the rights of the holder who holds such Performance Rights will be varied, including an adjustment to the number of Director and Management Performance Rights, in accordance with the Listing Rules that apply to the reorganisation at the time of the reorganisation.

(i) **Holder Rights**

A holder who holds Director and Management Performance Rights is not entitled to:

(i) notice of, or to vote or attend at, a meeting of the Shareholders;

(ii) receive any dividends declared by the Company;

(iii) any right to a return of capital, whether in winding up of the Company, upon a reduction of capital in the Company or otherwise;

(iv) participate in any new issues of securities offered to Shareholders during the term of the Director and Management Performance Rights; or

(v) cash for the Director and Management Performance Rights or any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Director and Management Performance Rights are satisfied and the holder holds Shares.

(j) **Pro Rata Issue of Securities**

(i) If during the term of any Director and Management Performance Right, the Company makes a pro rata issue of securities to the Shareholders by way of a rights issue, a holder shall not be entitled to participate in the rights issue in respect of any Director and Management Performance Rights, only in respect of Shares issued in respect of vested Director and Management Performance Rights.

(ii) A holder will not be entitled to any adjustment to the number of Shares they are entitled to or adjustment to any Performance Criteria which is based, in whole or in part, upon the Company's share price, as a result of the Company undertaking a rights issue.

(k) **Adjustment for Bonus Issue**

If, during the term of any Director and Management Performance Right, securities are issued pro rata to Shareholders generally by way of bonus issue, the number of Shares to which the holder is then entitled, shall be increased by that number of securities which the holder would have been issued if the Director and Management Performance Rights then held by the holder were vested immediately prior to the record date for the bonus issue.

(l) **Change of Control**

For the purposes of these terms and conditions, a Change of Control Event occurs if:

(i) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return)

of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;

(ii) a Takeover Bid:

(A) is announced;

(B) has become unconditional; and

(C) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;

(iii) any person acquires a Relevant Interest in fifty and one-tenths percent (50.1%) or more of the issued Shares by any other means; or

(iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

Where a Change of Control Event has (i) occurred or (ii) been announced by the Company and, in the opinion of the Board, will or is likely to occur, all granted Director and Management Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Performance Criteria have been satisfied.

(m) **Quotation**

The Company will not seek official quotation of any Director and Management Performance Rights.

(n) **Director and Management Performance Rights Not Property**

A holder's Director and Management Performance Rights are personal contractual rights granted to the holder only and do not constitute any form of property.

(o) **No Transfer of Director and Management Performance Rights**

Director and Management Performance Rights cannot be transferred to or vest in any person other than the holder other than by force of law on death or total and permanent disablement of a Participant.

(p) **Employee Incentive Plan**

The Director and Management Performance Rights will be issued under the Employee Incentive Plan.

6.7 **Further disclosures regarding Performance Rights**

The Company has applied for an in-principle waiver from Listing Rule 1.1 (Condition 12) that ASX would, on receipt of an application for Admission, likely grant a waiver to the extent necessary to permit the Company to issue the Performance Rights with a nil exercise price, on the condition that the material terms and conditions of the Performance Rights are clearly disclosed in the Prospectus. Those terms have been disclosed in Sections 6.5 and 6.6.

The Company confirms the following in relation to the Performance Rights:

- The Performance Rights were issued, or will be issued, for nil cash consideration to the recipients.
- The recipients of, and number of, Performance Rights are detailed in the below table, along with their relationships with the Company:

Table 13: Indicative number of Performance Rights on issue at Admission

Recipient	Role with Company upon Admission	Class of Performance Rights	Number of Performance Rights	Valuation [1]
Christopher Eastwell	Managing Director and Chief Executive Officer	Director and Management	2,000,000	$366,300
Hon. Ian Campbell AM	Non-Executive Chairman	Director and Management	600,000	$109,890
Shane Bransby	Non-Executive Director	Director and Management	600,000	$109,890
Daniel Rohr	Non-Executive Director	Director and Management	600,000	$109,890
Chris Achurch	Company Secretary	Director and Management	450,000	$82,419
Adrian Kirk-Burnnand	Chief Technology Officer	Director and Management	1,300,000	$238,125
Lex Simons	Chief Commercial Officer	Director and Management	1,300,000	$238,125
Employees	Various roles	Employee	2,587,005	$517,401 (total value)

Note 1: Further information on the valuation and assumptions are set out in Section 5.7 note 2 and note 6(b).The full terms and conditions of the Director and Management Performance Rights are set out in Section 6.6 and the full terms and conditions of the Employee Performance Rights are set out in Section 6.5.

- Details of the existing total remuneration package of the recipients who are receiving Director and Management Performance Rights are detailed in Section 4.4.
- In addition to their interests in the Performance Rights, as at Admission, the recipients of the Director and Management Performance Rights and their associates will have the following interests in other Securities, as detailed below:

Table 14: Indicative number of other securities on issue at Admission

Recipient	Shares	Options
Christopher Eastwell	43,811,493	Nil
Hon. Ian Campbell AM	328,125	Nil
Shane Bransby	1,500,000	Nil
Daniel Rohr	1,593,862	Nil
Chris Achurch	903,294	250,000
Adrian Kirk-Burnnand	Nil	2,451,156
Lex Simons	Nil	2,451,156

- The Company considers it appropriate and equitable to remunerate and incentivise the recipients of the Director and Management Performance Rights by issuing the Director and Management Performance Rights in order to:
    - preserve the cash reserves of the Company;
    - align the recipients' respective interests with those of the Shareholders;
    - incentivise the holders to strive to achieve success for the Company; and
    - incentivise the holders to remain engaged or employed by the Company.
- In coming to the determination that the Director and Management Performance Rights are appropriate and equitable, the Company had regard to the following factors:
    - the capital structure of the Company;
    - the objectives of limiting the dilution of existing Shareholders upon the exercise of the Director and Management Performance Rights whilst also appropriately remunerating and incentivising certain key management personnel, officers and employees, and aligning their interests with Shareholders;
    - the Director and Management Performance Rights will only convert into Shares after all the relevant milestones are achieved or upon customary change of control events. The Company considers that the milestones for the Director and Management Performance Rights are appropriate and equitable in the circumstances; and
    - ASX's guidance in Guidance Note 19.
- In determining the number of Director and Management Performance Rights to be issued to the recipients, the Company had regard to the following:
    - market levels of remuneration for comparable roles;
    - the particular skills and experience of the individuals involved, including their involvement and history with the Company;
    - attracting and retaining personnel with the desired skills and experience; and
    - aligning individual and team behaviours with the interests of the Shareholders.

Up to 9,437,005 additional Shares may be issued if the Performance Rights vest and are exercised (the impact that would have on the Company's capital structure would be to increase the total number of Shares on issue by 9,437,005 whilst reducing that number of Performance Rights).

6.8 Material Contracts

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section 6.8 or in Section 4 above.

(a) Lead Manager Mandate

On 2 September 2026, the Company and Westar Capital Ltd ACN 009 372 838 (being the **Lead Manager**) entered into an exclusive agreement, whereby Westar agreed to provide services as lead manager to the Offer in return for a fee to be paid by the Company (**Lead Manager Mandate**). The Company had agreed to pay the Lead Manager:

(i) a fee of 6% of the gross proceeds raised from the issue of the Shares under the Offer;

(ii) a corporate adviser fee of A$10,000 per month for 24 months following Admission; and

(iii) all reasonable out-of-pocket expenses incurred by Westar which are directly related to the Offer.

The Company will also issue the Lead Manager (and/or its nominee(s)) up to 12,000,000 Options at an issue price of A$0.0001 each, exercisable at A$0.30 and expiring three years from the date of issue. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options.

The Lead Manager Mandate may be terminated by the Lead Manager or the Company in the circumstances set out in the Lead Manager Mandate, including by the Company on 10 business days' written notice on a no fault basis or for material breach by the Lead Manager that is not remedied within 10 business days after notice, and by the Lead Manager if certain market disruption, regulatory, disclosure, default or other specified termination events occur.

Upon termination, if the Company terminates the Lead Manager Mandate or Westar terminates the Lead Manager Mandate for cause, the Company must reimburse Westar for any incurred or accrued reasonable expenses up to the date of termination and pay Westar a termination fee of A$50,000 within 2 business days of the date of termination.

The Company has also agreed that, for a period of 12 months from acceptance of the Lead Manager Mandate, Westar will be given a first right of refusal for all future capital raisings conducted by the Company.

(b) **Services agreement with Bhagwan**

On 13 October 2023, the Company entered into a services agreement with Bhagwan Marine Pty Ltd (**Bhagwan**), under which the Company provides strategic, technical and operational support to assist Bhagwan's remote operations activities, including access to personnel, equipment, software and command centre facilities. This agreement is relevant to the Company's remote operations business and associated revenue generation.

The agreement was for an initial term of 1 year and was able to be extended by mutual written agreement. The Company and Bhagwan have agreed to extend the term of the agreement until 31 December 2028.

Bhagwan may terminate the agreement for convenience on 30 working days' notice, in which case Bhagwan must pay for services performed up to termination and the remaining balance of the fixed contract term.

The Company currently receives approximately A$70,000 per month (exclusive of GST) under the agreement with Bhagwan from its CX Connect, CX Remote and CX Protect product lines.

(c) **Hardware and software services agreement with Qube**

On 19 December 2025, the Company entered into an agreement for hardware and software as a service with Qube Ports Pty Ltd (**Qube**), under which the Company provides its CX Protect Car Carrier Risk Control and Operational Efficiency units and related products and services to Qube under separate quotes and purchase orders. This agreement is relevant to the commercialisation of the Company's operational efficiency hardware and software offering and associated revenue generation.

The agreement has an initial term of 3 years from 19 December 2025, with an ability for Qube to renew at the end of the term. Either party may terminate for specified breach, inability to perform, prejudicial conduct, conflicts of interest or insolvency events, and the Company has additional termination rights for overdue fees.

The Company currently receives approximately A$20,000 per month (exclusive of GST) under the agreement with Qube from its CX Protect product line.

(d) **Lease agreement with GO Offshore**

On 17 November 2025, the Company entered into a lease agreement with Go Offshore Pty Ltd (**GO Offshore**), under which the Company provides CX Protect monitoring systems (including a hardware and software subscription). This agreement is relevant to the Company's monitoring activities and associated revenue generation.

The agreement is for an initial term of 2 years from 17 November 2025 and has three 1-year renewal options. Either party may terminate for specified breach, inability to perform, prejudicial conduct, conflicts of interest or insolvency events, and the Company has additional termination rights for overdue fees.

The Company is entitled to a daily fee of A$500 (exclusive of GST).

6.9 Related Party Transactions

Other than as disclosed in Section 4.4(d) or elsewhere in this Prospectus, there are no other existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party of the Company has or will have a direct or indirect material interest.

Where required, related party financial benefits were approved by Shareholders, or by the Board without Shareholder approval where they were determined (absent any director with a material personal interest) to be reasonable remuneration, on arm's length terms or indemnities, exemptions or insurance premiums or other matters which are exempt from Shareholder approval requirements under the Corporations Act.

All future related party arrangements will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, Shareholder approval will be obtained. The Board monitors compliance with the law in relation to related party transactions via internal controls and obtaining legal advice where required.

6.10 Effect of the Offer on control and substantial Shareholders

As at the date of this Prospectus, based on the Company's register of Shareholders, the following persons have an interest in 5% or more of the Shares on issue:

Table 15: Persons holding an interest of 5% or more of the Shares on issue at the date of this Prospectus

Shareholder	Number of Shares	Percentage of Shares
Christopher Eastwell	43,811,493[1]	39.15%
Subsea Investments Holdings Pty Ltd	12,963,778	11.58%

Notes:

1. Comprising 30,847,715 Shares held by CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust and 12,963,778 Shares held by Subsea Investments Holdings Pty Ltd, an entity in which Christopher Eastwell holds a 49% shareholding.

The persons who may hold an interest in 5% or more of the Shares upon admission of the Company to the Official List are currently unknown. However, based on the information known as at the date of this Prospectus, upon Admission the following Shareholders are expected to have an interest in 5% or more of the Shares on issue (noting that substantial shareholdings may be impacted by allocations of Shares under the Offer):

Table 16: Persons expected to hold an interest of 5% or more of the Shares on issue at the date of Admission

Shareholder	Number of Shares	% of Shares on Admission[2]
Christopher Eastwell	43,811,493[1]	25.49%

Notes:

1. Comprising 30,847,715 Shares held by CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust and 12,963,778 Shares held by Subsea Investments Holdings Pty Ltd, an entity in which Christopher Eastwell holds a 49% shareholding.
2. Assumes no further Shares are issued prior to Admission.

6.11 Interests and Benefits

No Director or proposed Director has as at the date of this Prospectus, or has had in the two years before the date of this Prospectus, any interests in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

(a) any Director or proposed Director to induce them to become, or to qualify as, a Director; or

(b) any Director or proposed Director for services provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus.

6.12 Interests of Promoters, Experts and Advisers

No promoter to the Offer, financial services licensee named in this Prospectus as a financial services licensee involved in the Offer or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds or has (in each case as at the date of this Prospectus) or has had in the two (2) years before the date of this Prospectus, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any such person, for services provided in connection with the formation or promotion of the Company or the Offer, except as follows or as otherwise disclosed in this Prospectus:

(a) RSM Australia Partners has acted as auditor to the Company and has audited the financial statements of the Company for the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026. The Company has paid, or has agreed to pay, an amount of approximately A$103,000 (excluding disbursements and GST) for these services up until the date of this Prospectus.

(b) Hall Chadwick WA Audit Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which has been included in Annexure A. The Company has paid, or has agreed to pay, an amount of approximately A$21,000 (excluding disbursements and GST) for these services up until the date of this Prospectus.

(c) Westar Capital is the Lead Manager to the Offer and will receive a fee of up to A$720,000 (plus GST) of the gross proceeds raised under the Offer, as described in Section 6.8, following the successful completion of the Offer. Westar Capital has received, or will receive, approximately A$197,000 (excluding disbursements and GST)

from the Company for other services during the two years preceding the lodgement of this Prospectus with ASIC. Westar will also receive a corporate adviser fee of A$10,000 per month for 24 months following Admission.

(d) Frost & Sullivan has acted as the industry expert to the Company and has prepared the Industry Overview Report which has been included in Annexure C. The Company has paid, or has agreed to pay, an amount of approximately A$29,000 (excluding disbursements and GST) for these services up until the date of this Prospectus.

(e) Thomsons has acted as Australian legal adviser to the Company in relation to the Offer and has prepared the Intellectual Property Report which has been included in Annexure B. The Company has paid, or has agreed to pay, an amount of approximately A$200,000 (excluding disbursements and GST) in respect of these services up until the date of this Prospectus. In addition, Thomsons has received, or will receive, approximately A$50,000 (excluding disbursements and GST) from the Company for further legal services provided by Thomsons to the Company up until the date of this Prospectus.

(f) Computershare Investor Services Pty Limited is the Company's share registry in respect of the Offer, and will be paid up to A$2,500 (excluding disbursements and GST) for these services. Computershare Investor Services Pty Limited has not received any other fees from the Company for any other services during the two years preceding the lodgement of this Prospectus with ASIC.

Further amounts may be paid to the Company's service providers in accordance with their normal time-based charges.

6.13 Consents

Each of the parties referred to in this Section:

(a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and

(b) (except for the Directors) makes no representation regarding and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified in this Section 6.13.

None of the parties referred to in this Section 6.13 (other than the Directors) authorised or caused the issue of this Prospectus or the making of the Offer.

(a) RSM Australia Partners has given its written consent to be named as the Company's auditor in this Prospectus in the form and context in which it is named, and has given its written consent to the inclusion of information in this Prospectus relating to its audit opinion for the Company's financial accounts for the financial years ended 30 June 2024, 30 June 2025 and 30 June 2026 (and each reference to it) in this Prospectus, in the form and context in which it is included, and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, RSM Australia Partners, in the form and context as they appear in this Prospectus. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

(b) Hall Chadwick WA Audit Pty Ltd has given its written consent to be named as the Investigating Accountant in this Prospectus in the form and context in which it is named, and has given its written consent to the inclusion of its Independent Limited Assurance Report (and each reference to it) in this Prospectus, in the form and context in which it is included, and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Hall Chadwick WA Audit Pty Ltd, in the form and context as they appear in this Prospectus. Hall Chadwick WA Audit Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

(c) Westar Capital has given its written consent to being named in this Prospectus as lead manager to the Offer in the form and context in which it is named in this Prospectus and

to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Westar Capital, in each case in the form and context as they appear in this Prospectus. Westar Capital has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

(d) Frost & Sullivan has given its written consent to be named in this Prospectus as industry expert to the Company in relation to this Prospectus, in the form and context in which it is named, and has given its written consent to the inclusion of its Industry Overview Report (and each reference to it) in this Prospectus, in the form and context in which it is included, and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Frost & Sullivan, in each case in the form and context as they appear in this Prospectus. Frost & Sullivan has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(e) Thomsons has given its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to this Prospectus, in the form and context in which it is named, and has given its written consent to the inclusion of its Intellectual Property Report (and each reference to it) in this Prospectus, in the form and context in which it is included. Thomsons has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(f) Computershare Investor Services Pty Limited has given its written consent to be named as the Company's share registry in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Computershare Investor Services Pty Limited, in each case in the form and context as they appear in this Prospectus. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

6.14 Ownership Restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 6.14 details a general description of certain of these laws.

(a) Foreign Acquisitions and Takeovers Act 1975 (Cth) and Commonwealth Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) applies to acquisitions of shares and Voting Power in a company of 20% or more by a single "foreign person" and its associates (**Substantial Interest**).

Where a proposed acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Commonwealth Treasurer and the Commonwealth Treasurer has either stated that there is no objection to the proposed acquisition in terms of Australia's Foreign Investment Policy or a statutory period has expired without the Commonwealth Treasurer objecting. An acquisition of a Substantial Interest meeting certain criteria may also result in a disposal order unless prior notification of the acquisition has been made to the Commonwealth Treasurer and either a non-objection notification has been issued or a statutory period has expired without objection to the acquisition.

In addition, under the FATA, proposed acquisitions of a "direct interest" in an Australian company by "foreign government investors" and their associates must be notified to the Commonwealth Treasurer for prior approval, irrespective of the value of the investment. Under the FATA, a "direct interest" is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity, or where the investor is in a position to influence or participate in the management and control or policy of the entity. It is the responsibility of each investor to confirm whether the FATA applies to them before acquiring securities in a company and to comply with the FATA. Failure to comply with the FATA may result in civil and/or criminal penalties.

The Australian Federal Treasurer also retains the right to "call-in" certain acquisitions for review after the acquisition occurs.

If a sufficient proportion of the Company's issued securities are held by "foreign persons" (or "foreign government investors"), then the Company itself will be a "foreign person" (or a "foreign government investor") for the purposes of the FATA and the Company and its corporate group would be subject to regulatory compliance requirements under the FATA.

(b) **Corporations Act**

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of Relevant Interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer's (or another party's) Voting Power in that company would increase from 20% or below to more than 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having Voting Power of 5% or more in the Company either themselves or together with their associates.

6.15 Expenses of the Offer

The estimated total expenses of the Offer payable by the Company are (including GST):

Table 17: Estimated expenses of the Offer

Category of expense	(A$)
ASIC Lodgement Fee	3,500
ASX Listing Fee	140,565
Australian Legal Counsel Fees	250,000
Lead Manager	720,000
Industry Overview Report	30,000
Independent Limited Assurance Report	21,000
Auditor fees	103,000
Share Registry	2,500
Other expenses of the Offer	220,800
Total expenses of the Offer	**1,491,365**
Expenses of the Offer paid up to the date of this Prospectus	**Nil**
Expenses of the Offer to be paid from the proceeds of the Offer	**1,491,365**

6.16 Disclosing Entity

Following admission to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to additional obligations under the Corporations Act, including (among other things):

(a) the special requirements that apply to remuneration recommendations in relation to key management personnel;

(b) the obligation to prepare financial statements and reports for half-years as well as full financial years, as detailed in Chapter 2M of the Corporations Act; and

(c) the continuous disclosure requirements under the Corporations Act (in addition to the other obligations that will apply under the Listing Rules following the Company's admission to the Official List).

The Company will comply with its continuous disclosure requirements by publicly releasing price sensitive information through ASX before it is otherwise disclosed to Shareholders and market participants.

6.17 Litigation and Claims

So far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

6.18 Continuous Disclosure Obligations

Following Admission, the Company will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose to the ASX market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made.

6.19 Regulatory Relief

(a) ASX in-principle waivers

The Company has applied for an in-principle waiver from ASX that, upon the Company's formal application, ASX grant the Company a waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to have on issue up to 9,437,005 Performance Rights (comprising the Employee Performance Rights and Director and Management Performance Rights), each with a nil exercise price on the condition that the full terms and conditions of the Performance Rights are clearly disclosed in this Prospectus.

The Company will apply for a formal waiver on a similar basis when submitting its formal application to ASX for Admission.

The material terms and conditions of the Employee Performance Rights and Director and Management Performance Rights have been disclosed in Sections 6.5 and 6.6. Further information required by ASX in relation to those Performance Rights has been included in Section 6.7 (or elsewhere in this Prospectus).

6.20 Electronic Prospectus

If you have received this Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and (if you are eligible) the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both. This Prospectus may be made available in electronic form only to persons in Australia.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

6.21 **Governing law**

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in Western Australia and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.

6.22 **Documents Available for Inspection**

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company at 620 Gnangara Road, Cullacabardee, WA 6067:

(a) this Prospectus; and

(b) the Constitution.

6.23 **Statement of Directors**

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Annexure A, there have not been any circumstances that have arisen that have materially affected the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

7 AUTHORISATION

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:



Christopher Eastwell
Managing Director and Chief Executive Officer

Dated: 2 October 2026

8 GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

A$** or **$ or **AUD**	Australian dollars.
Admission	Admission of the Company to the Official List, following completion of the Offer.
Allotment Date	The date the Company anticipates the Shares will be allotted and issued to Applicants pursuant to the Offer.
Applicant	A person who submits Application Monies, whether with or without an Application Form.
Application	A valid application for Shares under the Offer made pursuant to an Application Form (accompanied by the payment of Application Monies) or made via the payment of Application Monies.
Application Form(s)	The application form(s) attached to or accompanying this Prospectus.
Application Monies	Application monies (being A$0.20 per Share) to be paid to the Company by Applicants applying for Shares pursuant to the Offer under this Prospectus.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
ASX Settlement Rules	ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
Board	The board of Directors of the Company.
CHESS	Clearing House Electronic Subregister System.
Closing Date	The date the Offer closes.
Company or **Capability X**	Capability X Limited ACN 663 606 237
Constitution	The constitution of the Company from time to time.
Corporations Act	*Corporations Act 2001* (Cth).
Director and Management Performance Rights	Performance Rights issued to Directors, executives or management on the terms detailed in section 6.6.
Directors	The directors of the Company.
Electronic Prospectus	The electronic copy of this Prospectus located on the Company's website at https://capabilityx.com
Eligible Participant	Has the meaning given in Section 6.2.
Employee Incentive Plan	The Employee Incentive Plan adopted by the Company as summarised in Section 6.2.

Employee Performance Rights	Performance Rights issued to employees on the terms detailed in section 6.5.
Executive Agreements	Has the meaning given in Section 4.5.
Existing Options	An Option issued on the terms detailed in section 6.3.
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of seven (7) days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
GST	Goods and Services Tax.
HIN	Holder Identification Number.
Independent Limited Assurance Report	The report contained in Annexure A.
Indicative Timetable	The indicative timetable for the Offer which is on page 8 of this Prospectus.
Institutional Investors	Investors (and any person for whom they are acting): • in Australia who are either "professional investors" or "sophisticated investors" under sections 708(11) and 708(8) of the Corporations Act; • in Hong Kong, who are "professional investors" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong); • in Malaysia, who are "sophisticated investors" within the meaning of the Guidelines on Categories of Sophisticated Investors as issued by the Securities Commission Malaysia and, as such, are a person prescribed under Part I of Schedule 6 and Schedule 7 of the Malaysian Capital Markets and Services Act 2007; • in New Zealand, persons who (i) are an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"), (ii) meet the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) are large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) are an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification); • in Singapore, "institutional investors" or "accredited investors" (as such terms are defined in the Securities and Futures Act 2001 of Singapore); • in Switzerland, who are "professional clients" within the meaning of article 4(3) of the Swiss Financial Services Act ("FinSA") or have validly elected to be

	treated as a professional client pursuant to article 5(1) of the FinSA; or • in Thailand, who are "institutional investors" as prescribed in the Notification of the Securities and Exchange Commission No. GorJor. 17/2551 Re: Determination of the Definitions in the Notifications for the Issuance and the Offering of the Securities dated 15 December 2008 (as amended), the Notification of the Capital Market Supervisory Board no. TorJor 5/2558 Re: Conditions for the Private Placement of Shares issued by the Foreign Company, and the Notification of the Capital Market Supervisory Board no. GorJor 2/2558 Re: Waiver for the Filing of a Registration Statement and Prospectus for the Private Placement of Shares issued by the Foreign Company.
Investigating Accountant	Hall Chadwick WA Audit Pty Ltd ABN 33 121 222 802.
Lead Manager or Westar	Westar Capital Ltd ACN 009 372 838.
Lead Manager Mandate	Has the meaning given in Section 6.8(a).
Listing Rules	The listing rules of ASX.
Minimum Subscription	Has the meaning given in Section 1.3.
Non-Executive Director Appointment Letters	Has the meaning given in Section 4.6.
Offer	The offer by the Company, pursuant to this Prospectus, of 60,000,000 Shares at an offer price of A$0.20 per Share to raise A$12,000,000 (before associated costs).
Offer Period	The period commencing on the Opening Date and ending at 5:00 pm (Perth time) on the Closing Date.
Offer Price	A$0.20 per Share under the Offer.
Official List	The official list of ASX.
Official Quotation or **Quotation**	Official quotation by ASX in accordance with the Listing Rules.
Opening Date	The date the Offer opens.
Option	An option to subscribe for a Share.
Participant	Has the meaning given in Section 6.2(a)(xi).
Performance Right	An Employee Performance Right and/or a Director and Management Performance Right, as the context requires.
Placement Options	An Option issued on the terms detailed in section 6.4.
Prospectus	This prospectus dated 2 October 2026.
Recommendations	Has the meaning given in Section 4.8.
Relevant Interest	Has the meaning given in section 9 of the Corporations Act.

Section	A section of this Prospectus.
Security	A Share, Option or Performance Right, as the context requires.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of one or more Shares.
Share Registry	Computershare Investor Services Pty Limited.
SRN	Security holder reference number.
Takeover Bid	Has the meaning given in section 9 of the Corporations Act.
US Securities Act	The U.S. Securities Act of 1933.
Vesting Condition	Has the meaning given in Section 6.2(a)(xiv).
Voting Power	Has the meaning given to that term in the Corporations Act.

Annexure A

Independent Limited Assurance Report

25 September 2026

The Board of Directors
Capability X Limited
35 Oxford Close
West Leederville WA 6007

Dear Board of Directors

Independent Limited Assurance Report on Capability X Limited Historical and Pro Forma Financial Information

We have been engaged by Capability X Limited ("Capability X" or the "Company") to prepare this Independent Limited Assurance Report ("Report") in relation to certain financial information of the Company for inclusion in the Prospectus.

The Prospectus (or the "document") is issued for the purpose of raising $12,000,000 before associated costs under the Public Offer and assisting the Company to meet the requirements for listing on the Australian Securities Exchange ("ASX").

The Prospectus proposes to raise $12,000,000 before associated costs through the issue of 60,000,000 fully paid ordinary shares at an issue price of $0.20 per Share.

Expressions and terms defined in the document have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested Hall Chadwick WA Audit Pty Ltd ("Hall Chadwick") to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested Hall Chadwick to review the following historical financial information (together the "Historical Financial Information") of the Company included in the Prospectus:

- The historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X;
- The historical Statement of Financial Position as at 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X;
- The historical Statements of Cash Flows for the years ended 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X;

The Historical Financial Information of the Company has been extracted from the audited historical financial statements for the years ended 30 June 2024, 30 June 2025 and 30 June 2026, which were audited by RSM Australia. For the years ended 30 June 2024, 30 June 2025 and 30 June 2026, RSM Australia expressed unmodified audit opinions and included a Material Uncertainty Related to Going Concern section, drawing attention to the matters disclosed in Note 1.

Pro Forma Historical Financial Information

You have requested Hall Chadwick to review the pro forma historical Statement of Financial Position as at 30 June 2026, referred to as the "Pro Forma Historical Financial Information".

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of the Company after adjusting for the effects of the pre-IPO transactions and pro forma adjustments described in section 5.7 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in note 2 of section 5.7 of the Prospectus, as if those events or transactions had occurred as at 30 June 2026. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of Capability X as at 30 June 2026 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2026:

(a) Each existing share in the Company was split into 42.8 shares, increasing the number of existing ordinary shares from 2,154,983 to 92,233,280.

(b) The conversion of an R&D-related loan of $125,000 into equity through the issue of 1,250,000 ordinary shares.

(c) The settlement of the Subsea debt (Tranche 2) of $310,701 through the issue of 3,107,010 ordinary shares. The amount settled comprises non-current borrowings of $225,000 and accrued interest of $85,701 included in other current liabilities.

(d) The conversion of the convertible notes through the issue of 12,500,000 ordinary shares, with the convertible note liability of $1,722,984 and the related convertible note reserve of $173,094 transferred to issued capital, totalling $1,896,078.

(e) The cancellation of 34,743 performance rights, equivalent to 1,487,000 performance rights following the share subdivision, and the transfer of the associated balance of $32,335 from the share-based payments reserve to accumulated losses.

(f) The issue of 2,812,500 fully paid ordinary shares at an issue price of $0.16 per share to raise $450,000 in seed capital.

And the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

(a) The issue of 60,000,000 fully paid ordinary Shares at $0.20 each to raise $12,000,000 before associated costs.

(b) The payment of estimated Offer costs of $1,491,365, of which $584,273 is recognised as a deduction from issued capital and $907,092 is recognised as an expense in profit or loss, resulting in net cash proceeds from the Offer of $10,508,635.

(c) The right to subscribe for 12,000,000 Options by Westar Capital Ltd (Westar), the Lead Manager to the Offer, exercisable at $0.30 each and expiring three years from the date of issue, at an issue price of $0.0001 per Placement Option. Under the Lead Manager Mandate, Westar has the exclusive and absolute right to determine the subscribers for the Placement Options.

The Placement Options provided in connection with the Offer have been measured at their fair value of $1,068,753, determined using the Black Scholes valuation and assumptions set out in Note 6(b). That amount has been recognised as a cost of equity. The subscription monies of $1,200 have not been separately recognised in the pro forma statement of financial position on the grounds of materiality.

(d) The proposed issue of Performance Rights with indicative fair values expected to be recognised over the relevant service or vesting periods:

(i) The issue of 6,850,000 Performance Rights (Tranches 1–3) to Directors, Officers and Executives upon IPO, with an indicative value of $1,254,639 subject to the revenue and share price vesting conditions disclosed in the Prospectus.

(ii) 2,587,005 Performance Rights to employees, comprising 1,487,005 rights subject to a 12-month service condition and 1,100,000 rights subject to a 24-month service condition, each with a five-year expiry, with an indicative total value of $517,401.

Directors' Responsibility

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of

historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for the Company comprising:

- The historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X;
- The historical Statement of Financial Position as at 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X;
- The historical Statements of Cash Flows for the years ended 30 June 2024, 30 June 2025 and 30 June 2026 for Capability X;

is not presented fairly in all material respects, in accordance with the stated basis of preparation described in section 5.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information comprising the Pro Forma Historical Statement of Financial Position of Capability X as at 30 June 2026 is not presented fairly in all material respects, in accordance with the stated basis of preparation described in section 5.2 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to section 5.1 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

Consent

Hall Chadwick has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn) but has not authorised the issue of the disclosure document. Accordingly, Hall Chadwick makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Hall Chadwick is limited to the inclusion of this report in the Prospectus. Hall Chadwick makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Hall Chadwick does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Hall Chadwick will receive normal professional fees for the preparation of the report.

Yours Faithfully



MARK DELAURENTIS CA
Director

Annexure B

Intellectual Property Report

Thomsons

Sydney
Melbourne
Brisbane

Perth
Adelaide
Canberra

Our ref PG:6042990

24 September 2026

Board of Directors
Capability X Ltd
35 Oxford Close
West Leederville, WA, 6007

Dear Board of Directors

Intellectual Property Report - Capability X Ltd

1 Introduction

1.1 Our Instructions

Capability X Ltd (previously Capability X Pty Ltd) has requested that we prepare an Intellectual Property report ("**Report**") providing details of any intellectual property rights owned, created or developed by Capability X Ltd (**Capability X**). This report has been prepared for inclusion in a prospectus to be issued by Capability X in connection with Capability X's proposed initial public offering of new fully paid ordinary shares and admission to the official list of the ASX ("**IPO**").

This report contains an overview of Capability X's intellectual property portfolio. Such intellectual property rights include granted or registered intellectual property rights (e.g. patents, trade marks and designs) as well as unregistered intellectual property rights such as trade secrets and unregistered trade marks.

Thomsons is one of Australia's largest corporate law firms. It provides advice relating to protecting and enforcing intellectual property rights. Thomsons has intellectual property experts who provide strategic and commercially practical advice to its clients across Australia.

This Report does not provide any assurances, advice or commentary on the validity of any of the intellectual property set out in the Report. The sufficiency of Capability X's intellectual property position and whether Capability X is likely to infringe any third party rights due to its commercial activities is beyond the scope of this Report.

1.2 Assumptions and qualifications

In preparing this report, Thomsons has:

(a) assumed the answers to our enquiries (both written and oral) have been truthful, complete and accurate;

(b) where original documents have not been produced, relied on the representations of the provider of the document that the copies reviewed are accurate copies of the originals;

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(c) assumed all contracts reviewed are within the capacities and powers of, and have been validly authorised, executed and delivered under, applicable laws and are binding upon each party thereto;

(d) assumed that Capability X is not aware of any information which could affect the correctness of the opinions expressed by Thomsons which was not communicated to us; and

(e) assumed that the original documents still exist and have not been varied, cancelled or superseded by some other document or agreement or action of which we are not aware.

If any of the above assumptions are not valid, the opinions we have expressed in this report will need to be re-examined and may need to be varied.

2 Intellectual Property Overview

2.1 Intellectual Property Rights

Intellectual Property Rights are intangible property rights. Granted intellectual property rights include patents, trade marks, designs. Unregistered rights include copyright and trade secrets.

Patents

A patent is an exclusive right to make, use or sell an invention and is granted by statutes in Australia and overseas. Essentially, a patent is a monopoly over an invention defined by claims in a patent of which the term is 20 years from the date of filing of the patent application.

Typically, the patent process is initiated by filing an Australian Provisional Patent Application, which sets a "priority date" for determining whether an invention is novel and inventive in the examination process for the grant of a patent. If a patent applicant wishes to continue to seek patent protection, a "complete" application containing claims defining the invention must be filed within 12 months of the filing date of the Provisional application. The "complete' application can be filed in Australia and/ or overseas by way of individually filing in countries of interest or filing a single application under the International Patent Cooperation Treaty ("**PCT application**"). While a PCT application does not result in the grant of single patent covering various countries, it allows the patent applicant to defer filing in countries of interest instead of having to make a decision on countries 12 months from the first patent application, which is usually a provisional application.

Trade Marks

A trade mark is a "badge of origin" or "sign" that indicates the source of goods and/or services. A trade mark must distinguish the goods and services from those of other traders. Examples of trade marks include words, logos, sounds, shapes, colours and scents. Trade Marks may be registered under the *Trade Marks Act 1995* or can remain unregistered. An advantage of registered trade mark (versus an unregistered trade mark) is that there is no requirement to establish reputation of the trade mark owner in order to enforce rights attributed to the owner of a registered trade mark under the *Trade Marks Act 1995*.

To gain registration of a trade mark, the owner will apply to register the trade mark in the country of interest. If only interested in seeking protection in Australia, the owner will apply to IP Australia, who examines the trade mark application against the criteria set out under the *Trade Marks Act 1995*. If a trade mark application is "accepted" there is an opportunity for third parties to "oppose" registration of the trade mark on various grounds. If no opposition is filed, then an accepted trade mark is usually registered after the window of time for opposition has elapsed.

Alternatively, a trade mark owner may seek to register a trade mark overseas by either filing in individual countries of interest or filing an application under the "Madrid Protocol International Registration System" ("the **Madrid Protocol**"). The Madrid Protocol permits a trade mark applicant to file a trade mark application in a member country and designate other countries of interest.

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Similar to the process under the PCT Treaty, the application is examined in each individual country nominated in the application filed under the Madrid Protocol.

Trade Secrets

Confidential business information can be protected as a "trade secret" if it gives the owner a commercial advantage and reasonable steps are taken to protect its confidentiality. This can be achieved by way of a non-disclosure agreement or the information is disclosed under confidence. Capability X's business information could be the subject of a "trade secret". Where Capability X has not registered its intellectual property rights, the technology could potentially be protected by way of a trade secret (where appropriate).

3 Capability X's Patent Portfolio

A summary table showing the details of patent applications in Capability X's patent portfolio is provided in the Patent Schedule below. Capability X's patent portfolio consists of families of patent applications.

3.1 Family 1 - "Distributed Sensing and Robotic Control System" ("First Invention")

Family 1 entitled "Distributed Sensing and Robotic Control System" is based on Australian Provisional Patent Application 2026900932.

3.2 Family 2 – "A method of transmitting point cloud data" ("the Second Invention")

Family 2 entitled "A method of transmitting point cloud data" is based on Australian Provisional Patent Application 2026903473.

3.3 Capability X's entitlement and ownership to the First Invention and Family 1

Capability X derives rights to the First Invention and to Family 1 by way of the following documents:

(a) Independent Contractor Agreement dated 1 July 2024 between CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust ABN 90 773 415 041 and Capability X Ltd.

(b) Formal Assignment of Australian Provisional Patent Application 2026900932 entitled " A DISTRIBUTED SENSING AND ROBOTIC CONTROL SYSTEM" in the name of Capability X Pty Ltd filed on 6 February 2026 from Chris Eastwell to Capability X Ltd dated 17 September 2026.

(c) Employment Agreement dated 3 September 2024.

(d) Formal Assignment of Australian Provisional Patent Application 2026900932 entitled " A DISTRIBUTED SENSING AND ROBOTIC CONTROL SYSTEM" in the name of Capability X Pty Ltd filed on 6 February 2026 from Adrian Kirk-Burnnand to Capability X Ltd dated 17 September 2026.

(e) Confirmation Letter between Capability X Ltd and CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust dated 17 September 2026.

(f) Confirmation Letter between Capability X Ltd and Adrian Kirk-Burnnand dated 17 September 2026.

3.4 Capability X's entitlement and ownership to the Second Invention and Family 2

Capability X derives rights to the Second Invention and to Family 2 by way of the following documents:

(a) Independent Contractor Agreement dated 1 July 2024 between CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust ABN 90 773 415 041 and Capability X Ltd.

(b) Formal Assignment of Australian Provisional Patent Application 2026900932 entitled " A Method and System of Transmitting Data" in the name of Capability X Pty Ltd filed on 14th April 2026 from Chris Eastwell to Capability X Ltd dated 17 September 2026.

(c) Employment Agreement dated 3 September 2024.

(d) Formal Assignment of Australian Provisional Patent Application 2026900932 entitled " A Method and System of Transmitting Data" in the name of Capability X Pty Ltd filed on 14 April 2026 from Adrian Kirk-Burnnand to Capability X Ltd dated 17 September 2026.

(e) Confirmation Letter between Capability X Ltd and CEFT Pty Ltd as trustee for the Chris Eastwell Family Trust dated 17 September 2026.

(f) Confirmation Letter between Capability X Ltd and Adrian Kirk-Burnnand dated 17 September 2026.

4 Trade Mark Portfolio

Registered/Pending trade marks

Capability X owns registered trade marks and pending trade mark applications, the details of which are provided in the tables below.

4.1 Registered Trade Marks

Registered Trade Marks owned by Capability X Ltd (previously Capability X Pty Ltd)					
Reg. No	**Trade Mark**	**Classes**	**Good & Services**	**Status**	**Renewal Due**
2404946	CX Edge	9, 12	**Class 9:** *Apparatus for remote data transmission; Apparatus for the remote control of industrial operations; Apparatus for controlling the operation of machines (remote); Electric installations for the remote control of industrial operations; Electrodynamic apparatus for the remote control of storage operations; Electronic remote data transfer apparatus; Installations for the remote control of industrial operations; Local area networks; Remote data gathering apparatus; Remote entry point control apparatus; Remote monitoring apparatus; Remote control devices for industrial operations (electric or electronic); Remote control operating apparatus (electro-dynamic, other than for use with toys); Remote controls for operating flying objects (other than toys); Remote controls for operating rail vehicles (other than toys); Remote controls for operating vehicles (other than toy vehicles); Terminals for remote data processing; Wireless transmission apparatus for remote control; Remote control apparatus* **Class 12:** *Remote controlled flying vehicles; Remote controlled rail vehicles; Remote controlled vehicles; Remotely operated vehicles; Vehicles adapted for operation by remote control*	Registered	17 Nov 2033
2405216	CX Remote Operations	9, 12, 42	**Class 9:** *Apparatus for controlling the operation of machines (remote); Apparatus for the remote control of industrial operations; Electric installations for the remote control of industrial operations*	Registered	14 Nov 2033

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Registered Trade Marks owned by Capability X Ltd (previously Capability X Pty Ltd)					
Reg. No	**Trade Mark**	**Classes**	**Good & Services**	**Status**	**Renewal Due**
			Class 12: *Remotely operated vehicles; Remotely operated vehicles for underwater inspections; Sub-sea remotely operated vehicles; Vehicles adapted for operation by remote control* **Class 42:** *Monitoring of computer system operation by remote access*		
2421910	Sustainable Disruption	9, 12	**Class 9:** *Apparatus for controlling the operation of machines (remote); Apparatus for the remote control of industrial operations* **Class 12:** *Remotely operated vehicles; Remotely operated vehicles for underwater inspections; Vehicles adapted for operation by remote control; Sub-sea remotely operated vehicles*	Registered	20 Jan 2034
2421959	That's CX	7, 9, 12	**Class 7:** *Mobile machines adapted to operate by remote control* **Class 9:** *Apparatus for controlling the operation of machines (remote); Apparatus for the remote control of industrial operations; Electric installations for the remote control of industrial operations* **Class 12:** *Remotely operated vehicles; Remotely operated vehicles for underwater inspections; Sub-sea remotely operated vehicles; Vehicles adapted for operation by remote control*	Registered	21 Jan 2034
2428318	CX Live	7, 9, 38, 42	**Class 7:** *Mechanical remote control installations; Mobile machines adapted to operate by remote control; Remote control devices (cables) for machine* **Class 9:** *Apparatus for controlling the operation of machines (remote); Apparatus for remote control of automatically guided vehicles; Apparatus for remote data transmission; Apparatus for remote surveying* **Class 38:** *Remote transmission of data by means of telecommunications* **Class 42:** *Monitoring of computer system operation by remote access; Remote monitoring of computer systems*	Registered	15 Feb 2034

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4.2 **Pending Trade Marks owned by Capability X Ltd (previously Capability X Pty Ltd)**

Reg. No	Trade Mark	Classes	Good & Services	Status	Acceptance Date
2602323	CapabilityX	7, 9, 38, 42	**Class 7:** *Mechanical remote control installations; Mobile machines adapted to operate by remote control; Robots [machines]; Industrial robots; Sensors deployed in field environments including maritime and mining environments and materials management operations; Nodes deployed in field environments including maritime and mining environments and materials management operations; Distributed sensing and robotic control system* **Class 9:** *Apparatus for controlling the operation of machines (remote); Apparatus for remote control of automatically guided vehicles; Apparatus for remote data transmission; Field sensors for collection, recording and transmitting of data; Computer software programs in respect of the analysis of field sensor data; Data processing software including for marine operations, mining operations and materials management operations; Devices incorporating machine learning autonomous technology including for marine operations, mining operations and materials management operations; Hardware* **Class 38:** *Remote transmission of data by means of telecommunications; Transmission of data, audio, video and multimedia files; Transmission of sound, data and images via satellites; Live transmission of audio and image data; Transmission of data, in particular for the live transmission of image data and/or for performing and/or monitoring functions, including hazard alarm systems, and/or automation; Transmission of information on-line; Provision of access to an electronic on-line network for information retrieval; Communication by computer terminals; Providing access to databases, in particular databases comprising information and data in the field of robots; Remote transmission of data generated by sensors and nodes deployed in field environments including maritime and mining environments and materials management operations* **Class 42:** *Monitoring of computer system operation by remote access; Remote monitoring*	Published: Under examination	7 Apr 2027
2602324	CX Remote	7, 9, 38, 42		Published: Under examination	8 Apr 2027
2602325	CX Protect	7, 9, 38, 42		Published: Under examination	23 Mar 2027

Reg. No	Trade Mark	Classes	Good & Services	Status	Acceptance Date
2602326		7, 9, 38, 42	*of computer systems; Remote control monitoring of field devices; Remote inspection, maintenance and repair services including in respect of maritime operations, mining operations and materials management operations; Connectivity services including in respect of maritime operations, mining operations and materials management operations; Analytical services for industrial or technical purposes; Real-time analytics services including in respect of maritime operations, mining operations and materials management operations; Fleet management technology services including in respect of maritime operations, mining operations and materials management operations; Machine learning autonomous technology including for marine operations, mining operations and materials management operations; Providing virtual and cloud computing environments, cloud-based technology, and cloud-based storage accessible via organisational networks including for the purpose of maritime operations, mining operations and materials management operations*	Published: Under examination	6 May 2027
2621739	Protect. Perform.	7, 9, 38, 42	**Class 7:** *mining machines; mining equipment; mineworking machines; extractors for mines; remote-controlled lifting machines* **Class 9:** *remote controls; industrial automation software; software for robotic process automation; remote monitoring equipment; building automation control systems; industrial automation software for machines; remote control apparatus and instruments; factory automation software; remote controls for operating alarm systems; computer software for the remote control of electric lighting apparatus; computer hardware for remote data access and transmission* **Class 38:** *data broadcasting; data streaming; streaming of data* **Class 42:** *monitoring of computer systems by remote access; monitoring of computer system operation by remote access*	Published: Under Examination	7 July 2027

4.3 Unregistered trade marks

Our review of the Capability X Website, the InfoPack and the Capability X LinkedIn page revealed that the following trade marks are being used by Capability X in Australia without registration nor are there pending trade mark applications currently filed in Australia in the form shown below:

Mark	Description of use
	Featured on the InfoPack with a '©'
	Featured on the InfoPack with a '©'
	Featured on the InfoPack with a '©'
	Featured on the InfoPack with a '©'

5 Limitations

5.1 Patent and Trade Mark Office Information

The information provided in this report including the tables are based on accurate information supplied by Patent and Trade Mark Offices in Australia and other jurisdictions. Thomsons is not responsible for erroneous data or the accuracy of the data provided by Patent and Trade Mark Offices or their databases.

5.2 Freedom to Operate

Thomsons has not conducted a specific freedom to operation search. We cannot provide guarantee or affirmation that any commercialisation or performance of the inventions covered by patent or trade mark applications listed in this report will not infringe rights held by third parties. Even if a valid granted patent is granted to Capability X, this does not mean that commercial activities of Capability X will not infringe third party intellectual property rights. Thomsons gives no assurance as to Capability X's freedom to operate with respect to its commercial activities.

5.3 Patent Applications

Capability X has filed two Australian Provisional Patent Applications. A "complete" application must be filed within 12 months of the filing date of each of the Provisional applications if the patent applicant wishes be granted a patent as Provisional applications are not examined and are not published. Since a Provisional Patent Application is not examined, a granted patent will not result from the filing of a Provisional Patent Application.

A "complete" patent application is accompanied by a specification and claims which are examined by relevant patent offices in which a patent application is filed. The specification accompanying the complete application is published 18 months from filing date of the complete application. Examination of the complete patent application will occur and a granted patent can result if examination criteria are met and no other impediment such as an opposition by a third party hinders or prevents the grant of a patent.

5.4 Validity of a granted patent and trade mark registrations

The grant of a patent or registration of a trade mark does not automatically give rise to a valid patent or trade mark registration. Validity of a granted patent or registered trade mark is typically tested by court proceedings. A granted patent or registered trade mark could at a later time be found to be invalid, by, for example, in court proceedings. Thomsons gives no assurance as to validity.

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5.5 **Likelihood and scope of protection**

Thomsons cannot provide assurance that any of the patent or trade mark applications mentioned in this report will result in the grant of a patent or a registered trade mark. Further, the scope of the claims of any patent or specification of goods and services of a registered trade mark eventually obtained through the examination process may not necessarily match that which was originally filed.

5.6 **Patent Searches**

Searches have been carried out by third party providers in respect of the patent applications and trade mark registrations and trade mark applications in order to identify competing third party rights. The process of conducting such searches, no matter how thorough, cannot guarantee the provision of complete and accurate results. Therefore, it is not possible for Thomsons to provide assurance as to the accuracy and extent of any searches that have been carried out.

5.7 **Qualifications and Independence**

Thomsons has no interest in Capability X, other than in respect of being paid fees for professional services provided to it. In particular, Thomsons has prepared this report and has been involved in the preparation of the prospectus.

5.8 **Disclosure**

It is important to note that at the time of writing, patent Families 1 and 2 remain unpublished. Capability X may wish to refrain from publishing the summary of each invention whilst the inventions remain a secret. The summaries of each invention, are however not enabling in that they are drafted without sufficient detail to teach the invention.

5.9 **Secret Use**

"Secret use" occurs where, notwithstanding confidential disclosure, there is a use of the claimed invention in Australia for commercial gain by or on behalf of the patentee, nominated person or their predecessor in title before the priority date of the claim. Use of the invention, that is non-commercial and secret, will not invalidate a patent claim. Thomsons cannot provide an assurance that "secret use" has not occurred.

Yours faithfully

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Annexure C

Industry Overview Report

Industry Overview

Global Edge AI Control Systems Market

1. Introduction

This report describes the global Edge AI Control Systems market for Capability X Pty Ltd ("Capability X"/ "the Company").

1.1. Executive Summary

The global Edge AI Control Systems market sits at the intersection of artificial intelligence (AI), edge computing, industrial automation, Industrial Internet of Things (IIoT), computer vision, digital twins, and remote operations technologies.[1] The market is increasingly enabling organisations to process operational data at the point of activity, improving situational awareness, workforce safety, and operational efficiency across industrial environments.

Demand for Edge AI Control Systems is being driven by increasing adoption of remote operations, expanding deployment of Edge AI solutions, growth in industrial IoT-connected devices, expansion of private 5G networks, increasing use of autonomous systems, and the need to improve workforce safety, asset utilisation, and operational efficiency across industrial sectors.[2]

Capability X's current total addressable market (TAM) exceeds $280 billion[3] annually across oil and gas, mining, ports, and defence sectors. Future growth is expected to be supported by both expansion of monitored and controlled asset bases, as well as increasing adoption of new use cases including predictive maintenance, autonomous operations, digital twins, and AI-enabled operational intelligence. Defence and oil and gas represent the largest opportunity segments, while adjacent sectors such as healthcare, retail and warehousing, smart cities, manufacturing, and power and utilities provide additional long-term growth opportunities.

The market remains fragmented and comprises semiconductor and AI hardware providers, edge infrastructure vendors, cloud and edge platform providers, industrial automation companies, connectivity providers, systems integrators, and industrial software developers. Competitive success is largely influenced by technology differentiation, deployment expertise, operational data assets, industry positioning, and commercial execution.[4]

Capability X occupies a differentiated position through its combination of AI, computer vision, edge computing, and real-time digital twin capabilities, supporting remote monitoring, operational visibility, risk interpretation, and autonomous decision-making across high-risk industrial environments.[5]

[1] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025
[2] The Future of Multi-Access Edge Computing: Decision-Makers' Spending Priorities and Growth Opportunities, Frost & Sullivan, 2026
[3] Frost & Sullivan analysis; refer Section 4.1 and Table 5
[4] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025
[5] Company publications and Frost & Sullivan analysis

2. Market Overview, Scope and Definitions

2.1 Edge AI Control Systems Market Overview

The Edge AI Control Systems market represents the convergence of AI, edge computing, industrial automation, IIoT, autonomous systems, computer vision, digital twins, and remote operations technologies. This emerging market enables industrial organisations to process and analyse operational data directly at the point of activity, supporting faster decision-making, enhanced situational awareness, and improved operational outcomes.[6]

Unlike conventional cloud-based AI architectures that rely on transmitting data to centralised data centres for processing, Edge AI Control Systems perform computation locally on edge devices, gateways, sensors, cameras, and operational infrastructure. This approach reduces latency, lowers bandwidth requirements, strengthens operational resilience, and enables real-time responses in environments where connectivity may be constrained or unavailable.[7] These capabilities are increasingly important as industrial organisations seek greater operational visibility, resilience, and automation across geographically dispersed assets.

The market is being driven by increasing demand for real-time operational intelligence, industrial automation, worker safety, and autonomous operations. Organisations are increasingly deploying Edge AI technologies to improve asset utilisation, reduce operational risk, support remote decision-making, and enable continuous monitoring of critical infrastructure and equipment. Advancements in Industrial IoT, private 5G networks, edge computing platforms, and computer vision technologies are accelerating adoption across a wide range of industrial applications.[8]

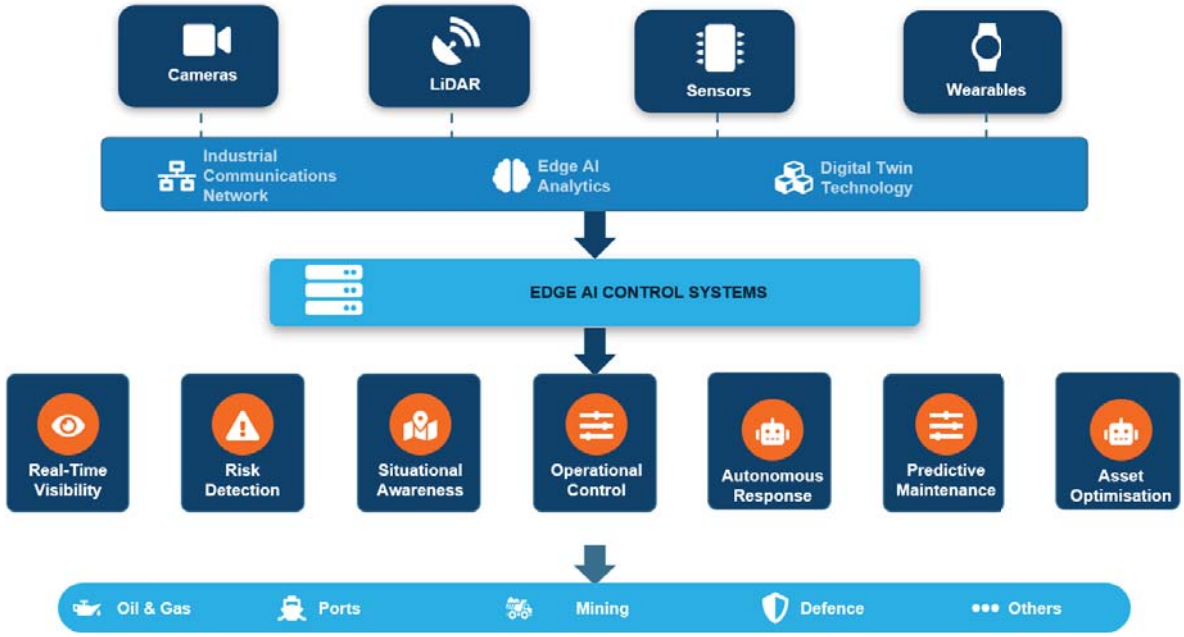
Key end-markets adopting Edge AI Control Systems include oil and gas, mining, ports and logistics, defence, and critical industrial infrastructure. These operating environments often require low-latency processing, local decision-making capabilities, and robust system performance in hazardous, mission-critical, and connectivity-constrained conditions. Capability X operates within this segment by providing edge-native control systems that combine AI, sensing technologies, real-time risk interpretation, digital twin functionality, and autonomous response capabilities.

The market is evolving from traditional monitoring-based solutions towards intelligent operational control systems capable of identifying anomalies, interpreting operational risk, generating predictive insights, and autonomously initiating responses.[9] As industrial organisations continue to prioritise safety, efficiency, and operational resilience, demand for Edge AI Control Systems is expected to increase across both existing and emerging use cases.

Edge AI Control Systems increasingly operate within regulated industrial and critical infrastructure environments where cybersecurity, functional safety, and AI governance requirements influence technology deployment and adoption. Relevant frameworks include the European Union Artificial Intelligence Act (EU AI Act), ISO/IEC 42001 Artificial Intelligence Management Systems, IEC 62443 Industrial Cybersecurity Standards, the National Institute of Standards and Technology Artificial Intelligence Risk Management Framework (NIST AI RMF), and IEC 61508 Functional Safety Standards.

[6] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025
[7] Ibid
[8] Advancements in Edge AI-Enabled Sensor Solutions for Autonomous Systems and Industrial IoT, Frost & Sullivan, June 2026
[9] Ibid

Figure 1: Edge AI Control Systems Ecosystem, Global, 2026



Source: Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025

2.2 Scope

Table 1: Scope

Scope Area	Definition
Geographic Scope	Global
Core End-Markets	Oil & Gas, Ports, Mining, Defence
Total Addressable Market (TAM) Opportunity	TAM opportunity does not refer to actual market revenues, but potential revenues after factoring in relevant end-markets and applications and assuming full penetration. In this study, TAM is estimated only for the core end-markets.
Adjacent Opportunities	Healthcare, Retail & Warehousing, Smart Cities, Manufacturing, Power & Utilities
Market Size Base year	2026
Currency	All currency values are presented in AUD ($) unless otherwise stated[10]

Adjacent opportunities have been assessed qualitatively as longer-term growth opportunities and have been included to provide directional insight into potential future applications of the Company's Edge AI Control Systems.

3. Market Drivers

The factors driving demand for Edge AI Control Systems include the following:

[10] XE.com, exchange rate used: 1.00 USD = $1.38; accessed 08 September 2026

3.1. Rising demand for remote operations

Industrial organisations are increasingly adopting remote operating models to improve workforce safety, reduce exposure to hazardous environments, address skilled labour shortages, and improve operational efficiency. Remote operations allow monitoring, control, and decision-making activities to be centralised while maintaining visibility across geographically dispersed assets and facilities.

The trend is particularly evident across mining, oil and gas, ports, and defence operations, where remote sites are often difficult and costly to access, thus driving demand for robotics and autonomous systems. 58% of employers expect robotics and autonomous systems to transform their business by 2030.[11]

3.2. Increasing deployment of Edge AI solutions

Edge AI is becoming increasingly important in industrial environments that require real-time analytics, low-latency processing, and local decision-making capabilities. Unlike cloud-based AI architectures, Edge AI enables data processing at the point of operation, reducing latency, bandwidth requirements, and connectivity dependence.

It is emerging as a key enabler of Industry 4.0, industrial automation, autonomous operations, and intelligent monitoring applications. As organisations seek greater operational resilience and responsiveness, adoption of Edge AI solutions is expected to continue increasing across industrial sectors.[12]

Figure 2: Key Advantages Driving Edge AI Adoption



Source: Advancements in Edge AI-Enabled Sensor Solutions for Autonomous Systems and Industrial IoT, Frost & Sullivan, June 2026.

[11] The Future of Jobs Report 2025, World Economic Forum, January 2025, https://www.weforum.org/publications/the-future-of-jobs-report-2025/digest/ , accessed 31 August 2026

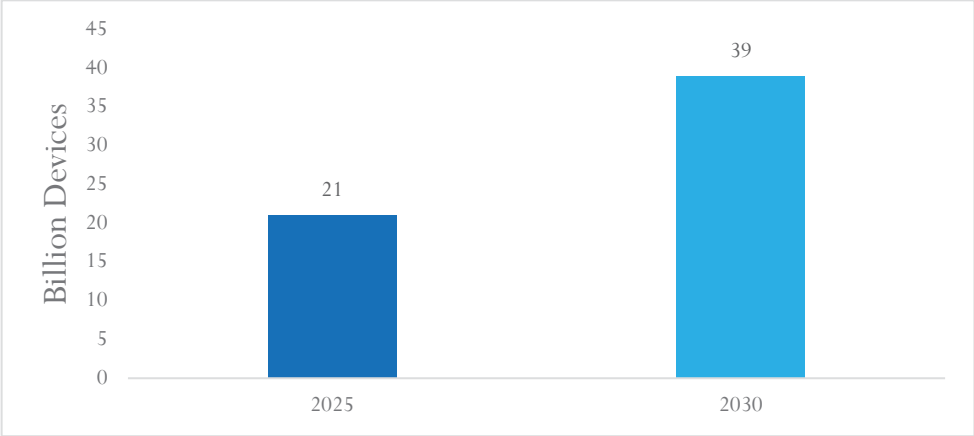
[12] Advancements in Edge AI-Enabled Sensor Solutions for Autonomous Systems and Industrial IoT, Frost & Sullivan, June 2026

3.3. Growth in industrial IoT connected devices

The number of connected industrial devices continues to increase rapidly as organisations expand digital transformation initiatives and deploy sensors, cameras, wearables, and connected assets across industrial environments. These devices generate large volumes of operational data that require real-time processing and analysis.

Global connected IoT devices will increase from approximately 21 billion devices in 2025 to approximately 39 billion devices by 2030[13]. As device connectivity expands, demand for localised processing, real-time analytics, and Edge AI Control Systems is expected to increase correspondingly.

Figure 3: Global Connected IoT Devices, 2025 and 2030



Source: State of IoT 2025: Number of Connected IoT Devices Growing 14% to 21.1 billion Globally, IoT Analytics, October 2025, https://iot-analytics.com/number-connected-iot-devices/, accessed 31 August 2026.

3.4. Expansion of private 5G and industrial wireless networks

Private 5G and industrial wireless networks are increasingly supporting digital transformation initiatives across industrial and critical infrastructure sectors. These networks provide secure, low-latency, and high-bandwidth connectivity required for industrial automation, computer vision, autonomous systems, digital twins, and remote operations.

Mining, oil and gas, utilities, manufacturing, logistics, transportation, and ports are among the leading sectors deploying private 5G networks.[14] As industrial organisations continue to digitise operations, private wireless infrastructure is becoming an increasingly important enabler of Edge AI deployments by facilitating real-time data transmission, monitoring, and operational decision-making across geographically dispersed assets

3.5. Need for real-time operational decision-making

Industrial environments increasingly require real-time decision-making to support personnel safety, operational continuity, asset protection, and rapid response to incidents. Traditional cloud-based architectures can introduce latency and connectivity dependencies that may limit responsiveness in mission-critical situations.

[13] State of IoT 2025: Number of Connected IoT Devices Growing 14% to 21.1 billion Globally, IoT Analytics, October 2025, https://iot-analytics.com/number-connected-iot-devices/, accessed 31 August 2026

[14] Private 5G Industrial Networks, GSMA, June 2023

Edge AI Control Systems enable operational decisions to be made locally at the point of activity, reducing response times while supporting continuous operation in connectivity-constrained environments.[15] The ability to deliver millisecond-level response times is becoming increasingly important across defence, mining, oil and gas, and industrial infrastructure environments.

3.6. Increasing focus on worker health and safety

Worker health and safety remain critical priorities across industrial sectors. Organisations continue to invest in technologies that improve situational awareness, reduce personnel exposure to hazardous environments, and support proactive risk identification and response.

Edge AI Control Systems enable continuous monitoring of operational environments and can identify potential safety risks in real time, helping operators improve workforce protection across high-risk sectors such as mining, oil and gas, ports, and defence operations. The ability to remotely monitor activities and automate responses further supports efforts to minimise safety incidents and improve overall operational resilience.

Table 2: Global Workplace Health and Safety Indicators

Workplace Safety Indicator	Figure
Workers dying from work-related factors annually	2.93 million
Workers sustaining non-fatal work injuries annually	395 million
Workers exposed to excessive heat annually	2.41 billion
Occupational injuries attributable to excessive heat annually	22.85 million

Source: Source: Safety and Health at Work, International Labour Organization (ILO), https://www.ilo.org/topics-and-sectors/safety-and-health-work, accessed 08 September 2026.

The scale of workplace safety challenges continues to drive investment in technologies that support real-time monitoring, hazard detection, and risk mitigation across industrial environments.

3.7. Need to improve asset utilisation and operational efficiency

Organisations continuously seek to improve asset utilisation, operational performance, and workforce productivity while reducing operating costs and downtime. Edge AI-enabled monitoring, predictive maintenance, digital twin technologies, and remote operations capabilities help organisations optimise asset performance and improve operational efficiency across industrial environments.

Table 3: Edge AI Capabilities Supporting Asset Utilisation and Operational Efficiency

Capability	Application	Operational Outcome
Continuous Monitoring	Real-time asset monitoring	Improved asset visibility and utilisation
Predictive Maintenance	Predictive maintenance planning	Reduced downtime and maintenance costs
Digital Twin Technology	Digital asset modelling	Improved operational planning and decision-making
Remote Operations	Remote monitoring and management of dispersed assets	Improved workforce productivity and reduced site visits
Analytics	Operational analytics	Faster issue identification and operational optimisation

[15] The Future of Multi-Access Edge Computing: Decision-Makers' Spending Priorities and Growth Opportunities, Frost & Sullivan, 2026

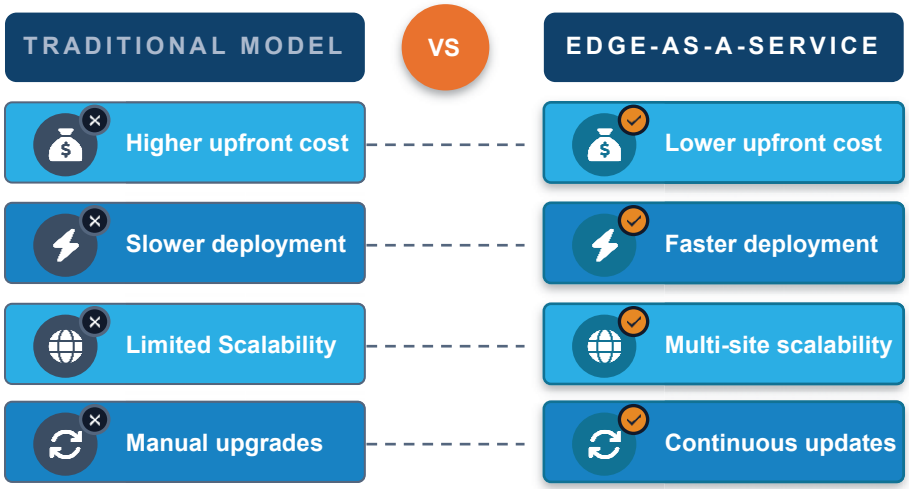
Source: Advancements in Edge AI-Enabled Sensor Solutions for Autonomous Systems and Industrial IoT, Frost & Sullivan, February 2026

3.8. Edge-as-a-Service (EaaS) model transforming adoption

Organisations increasingly favour subscription-based technology consumption models that reduce capital expenditure requirements and accelerate deployment timelines. As industrial operators seek to modernise operations across remote and geographically dispersed assets, Edge-as-a-Service (EaaS) models are emerging as an attractive alternative to traditional infrastructure ownership models.

EaaS enables customers to access Edge AI capabilities through flexible operating expenditure models while reducing implementation complexity and ongoing management requirements.[16] The model supports faster deployment of Edge AI applications, scalability across multiple sites, continuous software improvements, and easier integration of emerging technologies. As industrial organisations continue to prioritise operational agility and digital transformation, EaaS is expected to support broader adoption of Edge AI Control Systems across asset-intensive industries

Figure 4: Benefits of the Edge-as-a-Service (EaaS) Model



Source: Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025.

3.9 Regulatory and Standards Frameworks Enabling Trusted Deployment of Industrial AI

The introduction of industrial cybersecurity, functional safety, critical infrastructure protection, and AI governance frameworks is supporting the adoption of Edge AI Control Systems by establishing common standards for secure and trusted deployment. These frameworks help organisations manage operational risk, improve cybersecurity resilience, and ensure AI systems operate safely within industrial environments.

Table 4: Key Regulatory and Standards Frameworks Relevant to Edge AI Control Systems

[16] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025

Framework	Focus Area	Relevance to Edge AI Control Systems
European Union Artificial Intelligence Act (EU AI Act)[17]	AI Governance	Establishes requirements for trustworthy AI deployment, transparency, accountability, and risk management.
ISO/IEC 42001 Artificial Intelligence Management Systems[18]	AI Governance	Provides a framework for governance, implementation, and continual improvement of AI systems.
IEC 62443 Industrial Cybersecurity Standards[19]	Industrial Cybersecurity	Supports protection of operational technology (OT), industrial control systems, and connected assets from cyber threats.
National Institute of Standards and Technology Artificial Intelligence Risk Management Framework (NIST AI RMF)[20]	AI Risk Management	Provides guidance for identifying, assessing, and managing AI-related risks.
IEC 61508 Functional Safety Standards[21]	Functional Safety	Supports the safe deployment of electronic and programmable systems in industrial and critical infrastructure environments.
ISO 27001 Information Security Management Systems[22]	Information Security	Provides requirements for managing information security, confidentiality, integrity, and availability.
NIST Cybersecurity Framework (CSF)[23]	Cybersecurity Governance	Supports cybersecurity risk assessment and resilience across interconnected systems and networks.
Security of Critical Infrastructure Act 2018 (Australia)[24]	Critical Infrastructure Protection	Support the secure operation of critical assets and infrastructure across sectors such as energy, defence, transportation, and utilities.

Sources: Various; as cited

Together, these frameworks provide a foundation for the trusted deployment of Edge AI Control Systems by supporting cybersecurity, functional safety, AI governance, and operational resilience across industrial environments

[17] EU Artificial Intelligence Act, European Commission, https://artificialintelligenceact.eu/, accessed 01 September 2026
[18] ISO/IEC 42001 Artificial Intelligence Management Systems, International Organization for Standardization (ISO), https://www.iso.org/standard/81230.html, accessed 01 September 2026.
[19] IEC 62443 Industrial Cybersecurity Standards, International Electrotechnical Commission (IEC), https://www.iec.ch/standards-development/industrial-cybersecurity, accessed 01 September 2026.
[20] AI Risk Management Framework (AI RMF 1.0), National Institute of Standards and Technology (NIST), https://www.nist.gov/itl/ai-risk-management-framework, accessed 01 September 2026.
[21] IEC 61508 Functional Safety of Electrical/Electronic/Programmable Electronic Safety-Related Systems, International Electrotechnical Commission (IEC), https://www.iec.ch/functional-safety, accessed 01 September 2026.
[22] ISO 27001 Information Security Management Systems, International Organization for Standardization (ISO), https://www.iso.org/isoiec-27001-information-security.html, accessed 01 September 2026.
[23] NIST Cybersecurity Framework (CSF), National Institute of Standards and Technology (NIST), https://www.nist.gov/cyberframework, accessed 01 September 2026.
[24] Security of Critical Infrastructure Act 2018, Australian Government, https://www.legislation.gov.au/C2018A00029/latest/text, accessed 01 September 2026.

4. Market Size and Growth

4.1. Global Total Addressable Market (TAM) Size

Estimating the TAM[25] opportunity for the Company involves inherent complexities due to the emerging nature of its technology suite, which differs from conventional technology categories that benefit from established market definitions, segmentation frameworks, and adoption benchmarks. Accordingly, the TAM has been estimated using a bottom-up methodology focused on the end-markets in which the Company is currently actively engaged, including offshore support vessels (OSVs) and offshore oil & gas platforms within the Oil & Gas sector, ports within the Ports & Logistics sector, mine sites within the Mining sector, and major defence bases and naval vessels within the Defence sector.

The global TAM was derived by applying management's estimate of average annual subscription revenue per application to the estimated number of potential applications across these end-markets. The estimated application count was determined by multiplying the estimated number of addressable sites or assets by an estimate of the average number of applications deployable at each site. Given that subscription revenue per application and deployment density may vary based on factors such as end-market characteristics, geographic region, customer scale, digital maturity, operational complexity, and implementation scope, the resulting TAM should be regarded as indicative rather than exact.

Table 5: Current End-markets and Assumptions on Sites and Applications

End-market	Estimated Number of Sites/Assets Globally	Estimated Number of Applications per Site/Asset[26]	Likely Applications
Oil & Gas	20,000 Offshore Oil & Gas Platforms[27]	20	Gas leak detection, fire/smoke detection, pipeline monitoring, flare monitoring, perimeter security, worker safety, confined space monitoring, corrosion monitoring, asset inspection, autonomous shut-down triggers, vehicle monitoring, marine terminal monitoring
	3,209 Offshore Support Vessels[28]	3	Collision avoidance, engine room monitoring, deck safety, man-overboard detection, autonomous navigation assistance, cargo monitoring, perimeter security, machinery health monitoring
Ports & Logistics	8,000 Ports[29]	12	Berthing safety, vessel traffic monitoring, crane safety, container tracking, perimeter security, intrusion detection, PPE compliance, autonomous yard operations, truck flow optimisation, environmental monitoring, RoRo vessels

[25] TAM opportunity does not refer to actual market revenues, but potential revenues after factoring in relevant end-markets and applications and assuming full penetration.
[26] Frost & Sullivan estimates, August 2026
[27] Offshore Oil and Gas Production, Planete Energies, Apr 2026, https://www.planete-energies.com/en/media/article/offshore-oil-and-gas-production, accessed 31 August 2026
[28] Westwood Insight – Offshore vessel fleets tighten amid sustained supply discipline, May 2026, https://www.westwoodenergy.com/news/westwood-insight/westwood-insight-offshore-vessel-fleets-tighten-amid-sustained-supply-discipline, accessed 31 August ug 2026
[29] World Sea Ports, SeaRates, https://www.searates.com/integrations/world-sea-ports, accessed 31 August 2026

End-market	Estimated Number of Sites/Assets Globally	Estimated Number of Applications per Site/Asset[26]	Likely Applications
Mining	12,000 Mines[30]	17	Haul roads, pits, pitwalls, drill blast pads, crushers, waste dumps, autonomous haulage support, fatigue detection, PPE compliance, exclusion-zone monitoring, slope stability monitoring, conveyor monitoring, plant monitoring, mobile equipment safety, predictive maintenance, environmental monitoring, remote inspection
Defence	10,713 Naval Vessels[31]	10	Collision avoidance, contact classification, threat detection, drone detection, engine predictive maintenance, fire detection, flooding detection, crew safety, deck monitoring, autonomous navigation support, sensor fusion, anomaly detection
	16,500 Major Military Bases[32]	27	Perimeter protection, ISR (intelligence, surveillance, reconnaissance), autonomous vehicle control, drone detection, drone operations, force protection, intrusion detection, logistics monitoring, mission analytics, situational awareness, facility security, command-and-control analytics

Sources: Various; as cited

Using the aggregation methodology outlined above for each of the four end-markets, Frost & Sullivan estimates the TAM opportunity for Capability X as totalling over $280 billion per year. While this TAM opportunity reflects potential revenues across identified end-markets and applications assuming full penetration, in practice certain portions of the market may not be addressable due to factors such as geographic limitations, customer accessibility, regulatory requirements, procurement restrictions, competitive dynamics, geopolitical considerations, and other market constraints.

The TAM is expected to expand materially over time through both increased adoption of additional use cases within existing end-markets and expansion into adjacent sectors, including smart cities, healthcare, retail, smart manufacturing, utilities, and autonomous and connected vehicle ecosystems, where similar operational intelligence and edge-based AI capabilities may be applicable.

[30] Global Mining Dataset version 1.5, International Council on Mining and Metals (ICMM), Jul 2026, https://www.icmm.com/website/data/2026/research_global-mining-dataset-1-5.pdf?cb=142828, accessed 31 August 2026

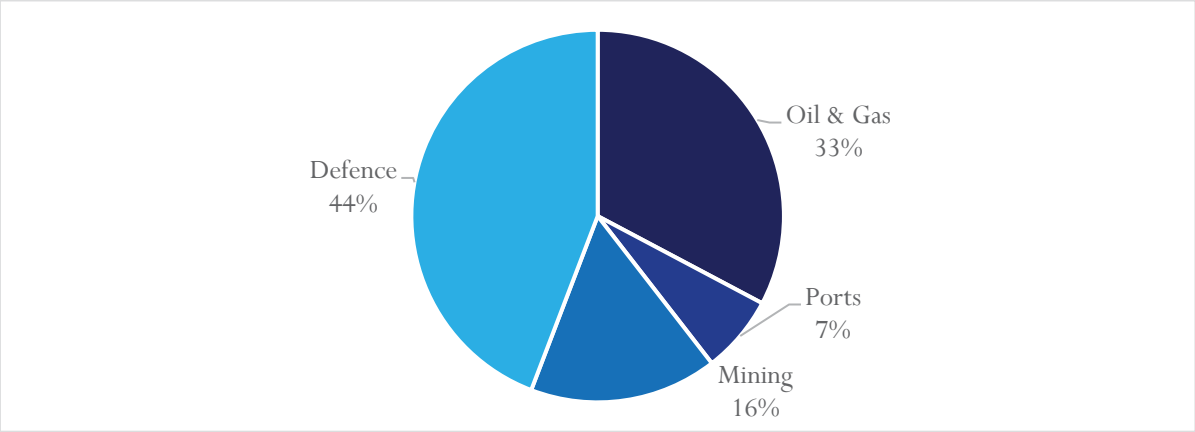
[31] Navy Fleet Strength by Country (2026), GlobalFirepower.com, https://www.globalfirepower.com/navy-ships.php, accessed 31 August 2026

[32] Frost & Sullivan estimate, August 2026

4.2. Segmentation and Trends by Major End-markets

The figure below illustrates the approximate distribution of the TAM across the major end-markets assessed.

Figure 5: Approximate TAM Distribution by Major End-Market, Global, 2026

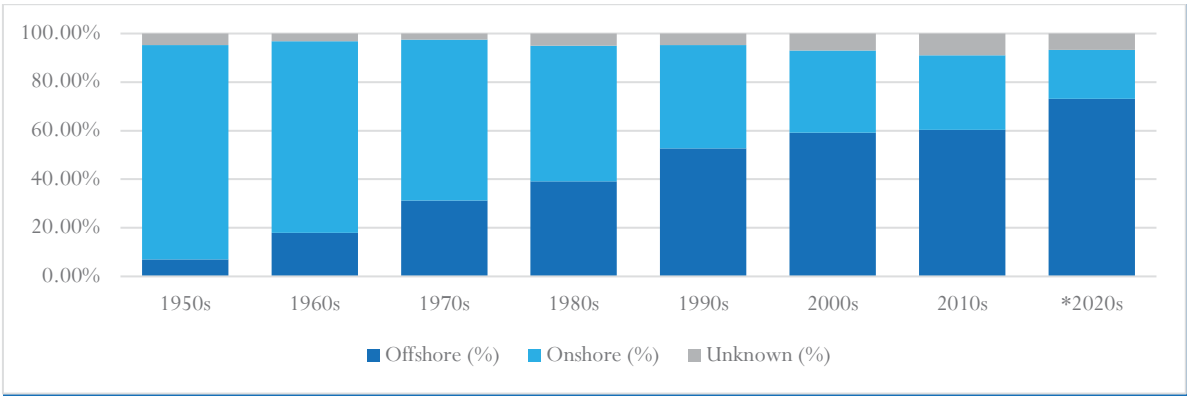


Source: Frost & Sullivan analysis.

Oil & Gas

The oil and gas sector continues to expand investment in offshore and deepwater developments to support long-term energy demand and production growth. Growth in offshore infrastructure, production facilities, offshore support vessels (OSVs), and related support assets is increasing the need for technologies that enhance operational visibility, improve workforce safety, and support efficient management of geographically dispersed assets. Growth in offshore support vessel (OSV) fleets is further increasing demand for remote monitoring, operational visibility, and situational awareness technologies across offshore environments.[33]

Figure 6: Share of Offshore Oil and Gas Discoveries as a Percentage of Total Discoveries, Global, 1950s–2020s



Sources: Oil & Gas Extractions Move Offshore: Trends and Risks, Global Energy Monitor, February 2025, https://globalenergymonitor.org/research/oil-gas-extractions-move-offshore-trends-and-risks/, accessed 08 September 2026.

[33] Oil and Gas (O&G) Automation Market, Global, 2024–2030, Frost & Sullivan, September 2025

Offshore oil and gas discoveries have become increasingly prominent over time, with offshore discoveries accounting for a significantly larger share of total discoveries in recent decades compared with the mid-20th century, reflecting the industry's continued movement towards offshore and deepwater resources.[34]

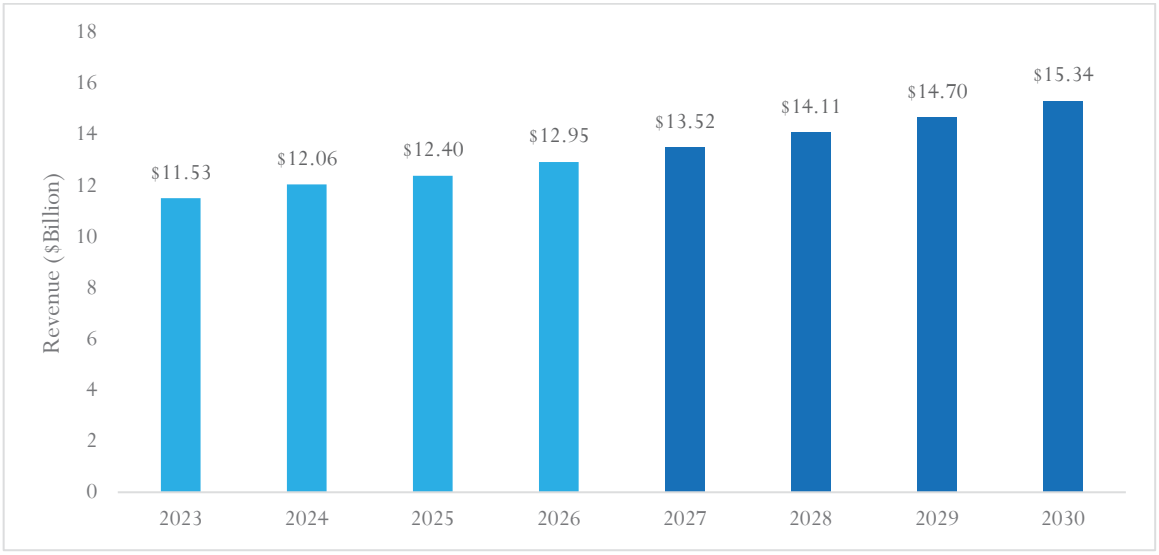
The remote and high-risk nature of offshore operations is accelerating adoption of Edge AI Control Systems that support remote asset monitoring, predictive maintenance, operational control, and real-time decision-making. Industry participants are increasingly deploying automation, AI, IoT, and digital technologies to improve operational efficiency, reduce downtime, and minimise workforce exposure across offshore and remote operating environments.[35]

Ports

Global ports continue to invest in modernisation initiatives, security infrastructure, and digital transformation programs to improve operational efficiency, enhance security, and support growing trade volumes. The global maritime port security market is projected to increase from approximately $11.53 billion in 2023 to $15.34 billion by 2030, reflecting continued investment in smart port technologies, automation, and digital infrastructure.[36]

The growing deployment of automated container handling systems, intelligent surveillance platforms, vessel traffic management solutions, and autonomous logistics equipment is increasing demand for Edge AI Control Systems capable of supporting real-time monitoring, situational awareness, operational control, and remote decision-making. Smart port initiatives increasingly incorporate IoT, AI, automation, data analytics, and 5G connectivity to improve cargo handling, logistics coordination, and operational visibility.[37]

Figure 7: Maritime Port Security Revenue Forecast, Global, 2023-2030



Source: Growth Opportunities in the Maritime Port Security Sector, 2024–2030, Frost & Sullivan, May 2024

[34] Oil & Gas Extractions Move Offshore: Trends and Risks, Global Energy Monitor, February 2025, https://globalenergymonitor.org/research/oil-gas-extractions-move-offshore-trends-and-risks/, accessed 08 September 2026

[35] Top 10 Strategic Imperatives in Oil & Gas, Global, Frost & Sullivan, June 2026

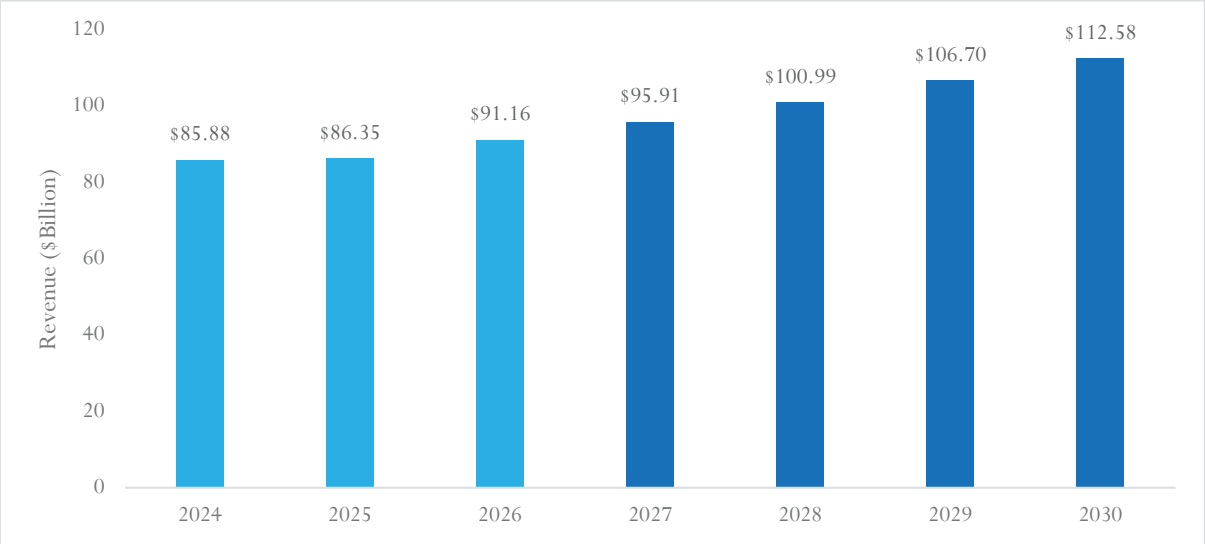
[36] Growth Opportunities in the Maritime Port Security Sector, 2024–2030, Frost & Sullivan, May 2024

[37] Ibid

Mining

Mining activity continues to expand as demand for critical minerals, battery materials, and strategic resources supports investment across global mining operations. Mining companies are increasingly investing in digitalisation, automation, and operational technologies to improve productivity, strengthen safety outcomes, and enhance operational resilience. [38]

Figure 8: Mining Equipment Industry Revenue Forecast, Global, 2024-2030



Source: Mining Equipment Industry, Global, 2024-2030, Frost & Sullivan, August 2025

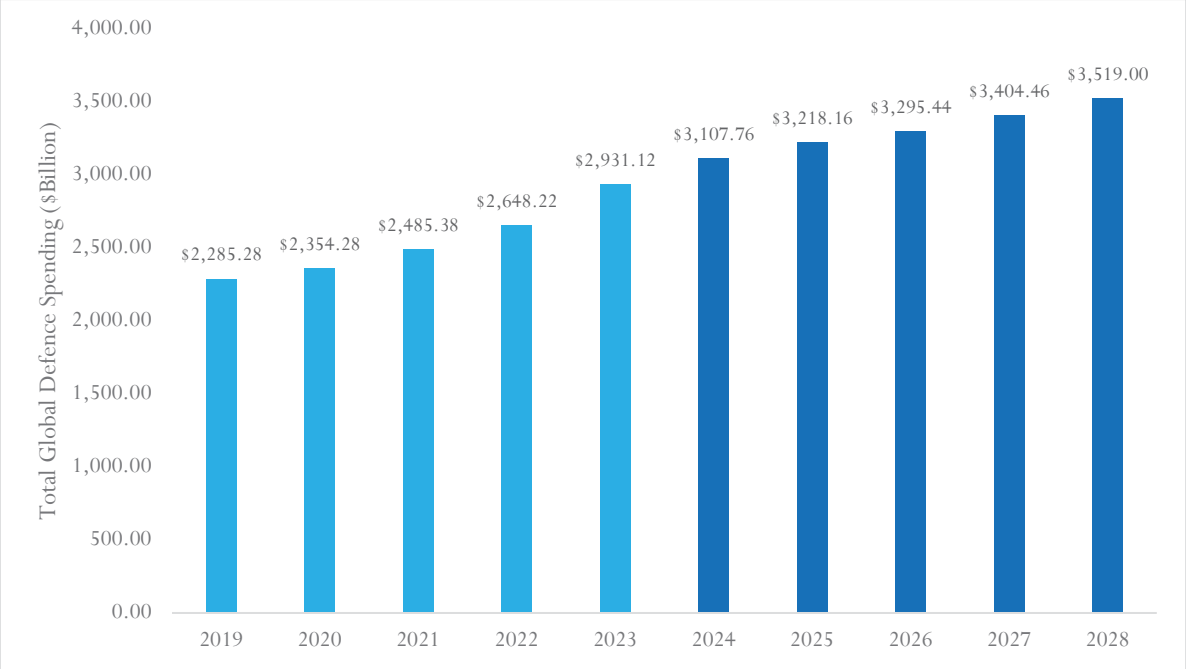
The mining industry remains one of the earliest adopters of autonomous and remote operational technologies. The increasing deployment of autonomous haulage systems, remote operations centres, worker safety solutions, AI-enabled environmental monitoring, autonomous inspection technologies, and digital twin platforms is driving demand for Edge AI Control Systems capable of supporting real-time monitoring, operational visibility, predictive maintenance, and data-driven decision-making across mining environments. [39]

Defence

Global defence expenditure continues to increase as governments respond to geopolitical tensions, regional conflicts, supply chain security concerns, and evolving national security priorities. Defence spending is projected to rise steadily over the coming years as countries continue investing in military modernisation programmes, advanced technologies, and strategic capabilities. [40]

[38] Mining Equipment Industry, Global, 2024–2030, Frost & Sullivan, August 2025.
[39] Ibid
[40] Global Defence Spending 2024 Annual Snapshot, Forecast International, https://dsm.forecastinternational.com/2024/04/18/global-defense-spending-2024-annual-snapshot, accessed 02 September 2026

Figure 9: Total Global Defence Spending, 2019-2028



Source: Global Defence Spending 2024 Annual Snapshot, Forecast International, https://dsm.forecastinternational.com/2024/04/18/global-defense-spending-2024-annual-snapshot/, accessed 02 September 2026

Recent conflicts have highlighted the growing importance of drone warfare, autonomous surveillance platforms, and uncrewed systems, increasing demand for advanced monitoring and edge-based intelligence solutions.[41]

Adjacent Markets

Apart from the core markets discussed above, the Company has the potential to expand into several adjacent markets with strong demand drivers. These include the following:

Table 6: Adjacent Market Opportunities for Edge AI Control Systems

Adjacent Market	Key Growth Trend	Potential Edge AI Control System Use Cases
Healthcare	Increasing adoption of Remote Patient Monitoring (RPM), connected medical devices, and wearable technologies	• Remote patient monitoring • Patient safety monitoring • Medical asset tracking • Real-time clinical decision support
Retail & Warehousing	Growing deployment of warehouse automation, AI-enabled inventory systems, Autonomous Guided Vehicles (AGVs), and Autonomous Mobile Robots (AMRs)	• Warehouse automation • AGV/AMR fleet monitoring • Inventory tracking and optimisation • Worker safety and compliance monitoring
Smart Cities	Expansion of intelligent infrastructure, connected sensors, and urban digitalisation initiatives	• Traffic monitoring and management • Public safety monitoring

[41] Global Military Spending Rise Continues as European and Asian Expenditures Surge, Stockholm International Peace Research Institute (SIPRI), https://www.sipri.org/media/press-release/2026/global-military-spending-rise-continues-european-and-asian-expenditures-surge, accessed 02 September 2026.

Adjacent Market	Key Growth Trend	Potential Edge AI Control System Use Cases
		• Smart infrastructure condition monitoring • Environmental monitoring
Manufacturing	Increasing adoption of Industry 4.0, digital factories, robotics, and IIoT platforms	• Predictive maintenance • Digital twin applications • Production monitoring and optimisation • Autonomous inspection and quality control
Power & Utilities	Expansion of offshore wind projects, smart grids, and remote asset monitoring requirements	• Offshore wind asset monitoring • Remote infrastructure monitoring • Smart grid analytics • Predictive maintenance and fault detection

Source: Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025

4.3. Segmentation and Trends by Major Region

North America

- North America remains a leading market for Edge AI and edge computing technologies due to its advanced technology ecosystem, high AI adoption, significant defence expenditure, and strong presence across mining, energy, and critical infrastructure sectors. The region continues to benefit from large-scale digital transformation initiatives and substantial investment in industrial automation technologies.[42]

Europe

- Europe is driven by Industry 4.0 adoption, industrial digitisation initiatives, sustainability-focused investments, and increasing deployment of automation technologies across manufacturing and energy sectors. The region is also characterised by strong regulatory emphasis on worker safety, environmental sustainability, and operational resilience.[43]

Asia-Pacific

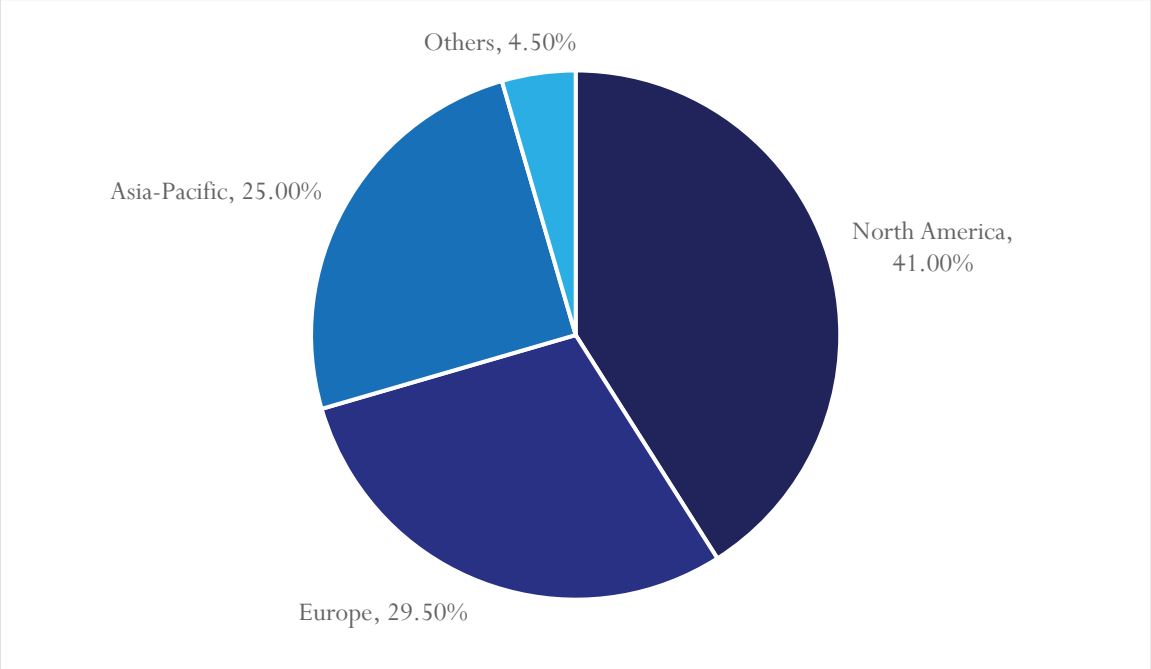
- Asia-Pacific is expected to represent the strongest long-term growth opportunity due to rapid industrialisation, strong government-led digital transformation initiatives, extensive mining activity, large-scale smart port investments, and growing adoption of private 5G infrastructure. The region continues to increase investment in intelligent infrastructure, industrial connectivity, automation, and digital industrial ecosystems.[44]

Rest of World

- Growth opportunities across the Rest of World segment are supported by critical infrastructure modernisation initiatives, energy sector transformation projects, mining expansion activities, and increasing deployment of smart city solutions requiring advanced monitoring, automation, and control capabilities.[45]

[42] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025.
[43] Ibid
[44] Ibid
[45] Ibid

Figure 10: Regional Distribution of Edge Computing Activity, Global, 2024-2025



Source: Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025

North America currently represents the largest regional market for edge computing activity, accounting for approximately 41.0% of global activity in 2024-2025. Europe also maintains a significant presence, supported by ongoing industrial digitisation and Industry 4.0 initiatives, while Asia-Pacific accounts for approximately 25.0% of activity and represents a compelling long-term growth opportunity due to continued industrialisation, infrastructure investment, and digital transformation programmes.[46]

4.4. Market Growth Outlook

The Edge AI Control Systems market is expected to continue expanding, supported by investment growth across core end-markets including oil and gas, mining, ports, and defence, as well as increasing adoption across regions. Market growth is expected to be driven by a combination of increasing numbers of assets requiring real-time monitoring and control, together with expanding use cases for remote operations, autonomous systems, predictive maintenance, and AI-enabled decision-making across industrial environments.[47]

Over the longer term, additional growth opportunities are expected to emerge across adjacent markets including healthcare, retail and warehousing, smart cities, manufacturing, and power and utilities, further increasing the addressable opportunity for the Company's Edge AI Control Systems.

5. Industry Ecosystem and Competitive Landscape

5.1 Industry Structure

The Edge AI Control Systems ecosystem comprises a broad range of technology providers, infrastructure vendors, software developers, system integrators, and industrial end users that collectively enable the

[46] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025
[47] The Future of Multi-Access Edge Computing: Decision-Makers' Spending Priorities and Growth Opportunities, Frost & Sullivan, 2026

deployment of intelligent monitoring, automation, and remote operations solutions across industrial environments.[48]

Table 7: Industry Ecosystem for Edge AI-Enabled Industrial Control Systems, Global, 2026

Ecosystem Segment	Description	Illustrative Participants
Semiconductor & AI Hardware Providers	Supply processors, GPUs, AI accelerators, and embedded computing components used to run AI workloads at the industrial edge	NVIDIA, Qualcomm, Intel, AMD
Edge Infrastructure Providers	Provide edge servers, industrial computing platforms, and infrastructure used to process and run applications close to industrial operations	Dell Technologies, HPE, Lenovo
Cloud & Edge Platform Providers	Provide cloud, hybrid-cloud, and edge software platforms for connecting industrial data, deploying AI/ML workloads, and managing distributed applications.	Microsoft Azure, AWS, Google Cloud, IBM
Industrial AI, Analytics & Computer Vision Providers	Provide AI, computer vision, analytics, and industrial intelligence software for monitoring, inspection, prediction, optimisation, and operational decision support	Landing AI, C3 AI, Palantir, Avathon, Capability X
Industrial Automation & Control Providers	Provide industrial automation, control, OT, and related software/hardware used to operate and optimise industrial processes	Siemens, ABB, Schneider Electric, Honeywell, Emerson
Industrial Connectivity Providers	Provide industrial networking and private wireless infrastructure supporting connected assets, machines, and real-time industrial applications	Ericsson, Nokia, Cisco
Systems Integrators & Industrial Technology Services	Provide implementation, systems integration, IT/OT integration, engineering, and managed services for industrial technology deployments	Accenture, Capgemini, TCS, Wipro, Kyndryl
Autonomous & Remote Operations Providers	Provide autonomous machine, remote-operation, fleet-automation, and related operational technologies for industrial applications	Caterpillar (MineStar), Epiroc, Hexagon, Sandvik, Capability X

Source: Company publications and Frost & Sullivan analysis.

**Note: Examples are illustrative and non-exhaustive.*

As an emerging innovator, Capability X straddles multiple ecosystem segments, as its solutions address industrial outcomes across the ecosystem, including AI-enabled monitoring, remote operations, and real-time situational awareness. The company combines AI, computer vision, edge computing, and digital twin capabilities to enable real-time monitoring, risk detection, and remote control of industrial operations. As a result, Capability X's positioning spans AI software, analytics, and computer vision while also overlapping with autonomous and remote operations solutions.[49]

[48] Edge Computing: Emerging Trends and Applications, Frost & Sullivan, November 2025
[49] Company publications and Frost & Sullivan analysis

5.2. Barriers to Entry

The Edge AI Control Systems market exhibits relatively high barriers to entry due to the convergence of advanced AI, industrial automation, operational technology (OT), cybersecurity, and safety-critical control systems.

Successful market participants must develop AI models capable of operating reliably in real-world industrial environments while meeting stringent performance requirements for low-latency processing, high system availability, and operation in connectivity-constrained environments. In addition, suppliers must address increasingly important requirements relating to AI governance, industrial cybersecurity, functional safety, and critical infrastructure protection, including frameworks such as the EU AI Act, ISO/IEC 42001, IEC 62443, and the NIST AI Risk Management Framework.

Beyond technology development, market participants face significant commercial and operational barriers. Industrial customers typically require extensive integration with existing control systems, sensors, cameras, communications infrastructure, and operational workflows, resulting in long sales cycles and demanding proof-of-value requirements. Establishing credibility is particularly important when targeting high-risk environments such as mining, ports, offshore energy, defence, and critical infrastructure, where reliability, safety, and operational continuity are essential. Furthermore, the accumulation of proprietary operational datasets, industry-specific expertise, strategic partnerships, and customer references can create durable competitive advantages that are difficult for new entrants to replicate. As Edge AI increasingly becomes embedded within mission-critical operational environments, trust, deployment experience, cybersecurity capabilities, and domain expertise are expected to become as important as technological capability itself.[50]

5.3. Competitive Factors

Competitive success in the Edge AI Control Systems market is influenced by a combination of technological capabilities, deployment expertise, industry experience, and commercial execution. The following factors are considered particularly important in differentiating market participants and sustaining long-term competitive advantage.

Table 8: Key Competitive Success Factors in the Edge AI Control Systems Market, Global, 2026

Competitive Factor	Description	Key Success Drivers
Technology Differentiation	Ability to deliver reliable real-time intelligence in industrial and connectivity-constrained environments	• Edge-native AI architecture • Advanced AI and analytics capabilities • Low-latency processing • Local/offline processing capability • Real-time risk interpretation
Product Differentiation	Ability to deploy and scale solutions across multiple industrial environments and use cases	• Plug-and-play deployment • Modular architecture • Device interoperability • Scalability across multiple sites
Data & Intelligence	Ability to generate accurate and actionable operational insights	• Access to high-quality operational data • Digital twin and operational-context capabilities • Model monitoring, validation, and performance management • AI model performance and accuracy
Industry Positioning	Ability to establish credibility within high-risk industrial sectors	• Expertise in hazardous environments • Relevant industry certifications and qualifications • Regulatory compliance and standards adherence • Strategic partnerships

[50] Advancements in Edge AI-Enabled Sensor Solutions for Autonomous Systems and Industrial IoT, Frost & Sullivan, June 2026

Competitive Factor	Description	Key Success Drivers
		• Demonstrated customer deployments • Diversified customer base across sectors
Commercial Strength	Ability to scale operations and maintain long-term customer relationships	• Sustainable and scalable revenue model • Ability to monetise software and services • Lifecycle support and managed services • International scalability • Strong partner ecosystem

Source: Frost & Sullivan Analysis

Market participants that combine advanced technology capabilities, industry expertise, diversified end-market exposure, and scalable commercial models are generally better positioned to compete successfully in the Edge AI Control Systems market.

5.4. Competitors

Competition in the Edge AI Control Systems market spans industrial computer vision providers, AI-enabled safety analytics platforms, industrial AI software developers, and autonomous operations solution providers. The table below presents illustrative competitors identified based on solution and market positioning.

Table 9: Examples of Competitors in the Edge AI Control Systems Market, Global, 2026

Company	Relevant Offering	Solutions
Intenseye	AI-powered workplace safety platform	Computer vision-based hazard detection and operational safety monitoring
Protex AI	Computer vision safety monitoring platform	AI-enabled safety monitoring and risk identification
viAct	Vision AI platform for industrial environments	Video analytics, safety monitoring, and operational visibility
Landing AI	Visual AI / computer vision platform	Computer vision model development, visual inspection, and edge AI deployment
C3 AI	Industrial AI and predictive analytics platform	Predictive maintenance, asset monitoring, process optimisation, and AI-driven operational insights
Palantir	Industrial AI and operational intelligence platform	Industrial data integration, digital twins, predictive analytics, optimisation, and AI-driven decision support
Avathon	Industrial AI autonomy platform	Predictive intelligence, machine vision, digital twins, and AI-driven operational decision-making
Caterpillar (MineStar)	Autonomous mining and fleet management solutions	Autonomous haulage, fleet management, and remote/autonomous mining operations
Epiroc	Open Autonomy / mining automation solutions	Autonomous drilling, haulage and blasting, teleremote operation, and mixed-fleet automation
Hexagon	Autonomous operations and remote-control solutions	Autonomous mining, tele-remote equipment operation, situational awareness, and fleet optimisation
Sandvik	AutoMine automation platform	Autonomous and tele-remote operation of mining equipment, fleet automation, and remote control

Source: Frost & Sullivan analysis
**Note: Examples are illustrative and non-exhaustive.*

Capability X occupies a differentiated position through its combination of AI, computer vision, edge computing, and real-time digital twin capabilities. Unlike many market participants that focus on individual technology layers or specific use cases, or broader industrial players with diversified equipment, software, and services portfolios, Capability X integrates sensing, operational intelligence, situational awareness,

and autonomous decision-support capabilities within a unified platform. The company is particularly well positioned to address opportunities in high-risk, remote, and connectivity-constrained operating environments.[51]

6. Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in Capability X and no interest in the outcome of any fund raising. Payment of these fees to Frost & Sullivan is not contingent on the outcome of any fundraising. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's licence or Financial Services Licence. This report does not constitute advice in respect of fund raising.

[51] Company publications and Frost & Sullivan analysis