

JULY 2021



CAPRICORN
POWER

RENEWABLE ENERGY. REIMAGINED.

We have simple, sustainable solutions for
local energy and waste problems.



INVESTING IN CAPRICORN POWER

A GUIDE FOR S708 INVESTORS

Issuer: Capricorn Power Pty Ltd ACN 615 564 200

WARNING ABOUT FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements with respect to the financial forecasts and operations of Capricorn Power.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice.

Capricorn Power gives no assurance that the anticipated results, performance or achievements expressed or implied in these forward-looking statements will be achieved or that actual outcomes will not differ materially from these statements.

Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return on any investment.



WHY INVEST IN CAPRICORN POWER?

We are passionate about sustainability and we are working towards a future where our innovative technology provides local heat and energy to local industries at higher efficiency and lower cost than alternative renewable energy solutions.

We are operating in a commercial and regulatory market with favourable tailwinds, including the increased demand from local industry for sustainable solutions to decarbonise.

We have built a strong ecosystem of strategic partnerships and our heat engine is now in the final stages of commissioning. The successful commissioning of our heat engine, expected within months, will then unlock commercial sales of our heat engine and accelerate our commercialisation process.

FAVOURABLE INDUSTRY TRENDS



(Global) emission reduction is a strong driver for many customers.

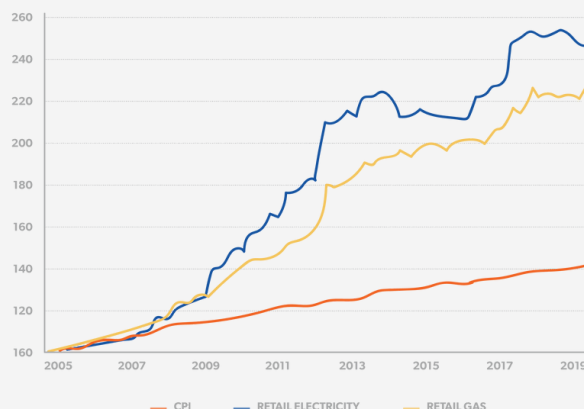


"China's refusal to become the west's dumping ground is forcing the world to face up to a waste crisis" - Financial Times



Australians generated 6.7M tonnes of organic waste in 2016/17, which creates methane-rich greenhouse gases as it decomposes. Only about 2% of our waste is converted into energy.*

AUSTRALIAN ELECTRICITY & GAS PRICES (ABS 6401)



Feb 2021: The Victorian Clean Technology Fund investment in Capricorn Power.

May 2021: Ultima Grid Solutions and Capricorn Power executed a joint venture project agreement to commence a 5-year, \$20M grid innovation program — subject only to confirmation of a competitive program award — involving world-leading researchers from top universities across Australia.

May 2021: Council & EPA applications submitted, with likely approvals and financial close on first bioenergy power station by Q4 2021

June 2021: Fifth paid feasibility study commenced, including with a large national agribusiness & an ASX-listed company. Four of the five projects are viable commercially and in Capricorn Power's sales pipeline

June 2021: Successful trial loan from FundSquire, after extensive due diligence, enables funding for next year's growth in a non-dilutive manner to maximise shareholder value.

June 2021: Capricorn Power started the first phase of the commissioning process for the Barton heat engine. ARENA Technical Readiness Level (TRL) 9 system operations measured by 1,000 hours reliable operation of heat engine is expected by Q4 2021.

July 2021: Capricorn Power lodged tax return with \$0.9M R&D refund expected by early to mid-August. The 43.5% R&D rebate will continue to be utilised in FY22.

July 2021: Announcement in ASIC Gazette indicating Capricorn Power to go public as Capricorn Power Ltd on 20 Aug 2021

July 2021: Submitted Birchall Trade application to ASIC which will allow for limited buying and selling of shares

HOW WE'RE BUILDING MOMENTUM

MEET THE INVENTOR



After 28 years in academia and 22 years as Program Manager of Applied and Industrial Mathematics at CSIRO, Dr Noel Barton began work on a new heat engine design. Though Dr Barton received several accolades during a long and successful career at CSIRO, including a CSIRO Medal and an Order of Australia, at age 55 he decided to become an inventor because he was concerned about climate change and wanted to focus his attention on renewable energy. He sought to provide complementary technology to solar and wind, operable 24x7 and not weather dependent. The Barton heat engine is now being commissioned and commercialised by Capricorn Power.

LOOKING AHEAD: KEY MILESTONES

We are currently in the commissioning phase and we expect to demonstrate a fully operational heat engine by September 2021.

**FULLY
OPERATIONAL
BARTON HEAT
ENGINE**

Successful commissioning will unlock customer sales and current pipeline conversions and lead to a ramp up of production and project financing.

**COMMERCIAL
SALES**

The initial council approval in Geelong will open up the large council waste market and provide us with a prime case study for future customers.

**COUNCIL & EPA
APPROVAL FOR
AUSTENG
BIOENERGY
PROJECT**

**ANNOUNCEMENT
OF STRATEGIC
PARTNERS &
CUSTOMERS**

Subject to grant award, our joint venture program with Ultima Grid Solutions and top university researchers will enhance future products, allowing us to accelerate growth.

COMPARABLE COMPANIES

How does Capricorn Power compare with other companies?

Capricorn Power is planning to IPO on the ASX in 2-4 years. Comparable ASX listed cleantech companies include:

- ClearVue PV (ASX:CPV) ~\$19M IPO pre-revenue, now ~\$80M (still pre-commercial sale)
- Redflow (ASX:RFX) ~\$80M (commercial sales, at negative gross margin)
- 1414 degrees (ASX:14D) \$60M IPO 2018 pre-commercial sale [post raise tech. problems]

GOING PUBLIC

What does going public mean for Capricorn Power?

Going public means that we adhere to financial auditing regulations, an important step toward listing on the ASX.

We are expecting to proceed with an IPO within the next 2-4 years, depending on our operational milestones and commercial traction.

We are also committed to providing Shareholder liquidity this year through a low-volume trading option offered by Birchal Trade.



How will Capricorn Power use funds raised during this round?

Capricorn Power will use funds raised to successfully complete commissioning of the heat engine, to finalise our bioenergy project, to expand our ecosystem of strategic partners and to convert customers from our pipeline into commercial sales.

MAKING A S708 INVESTMENT

What is a s708 investment?

Raising capital under s708(13) from existing shareholders is an acceptable form of raising funds under the Corporations Act 2001.

MEET AN INVESTOR



"My view in investing in startups is that I bet on the jockey, not on the horse. I developed a great respect for the Capricorn Power management team, their intelligence, and more importantly, their integrity. When they started a company and I had the opportunity to invest, I did."

Michael Vitale, an Angel Investor and Professorial Fellow in the Faculty of Engineering and IT at The University of Melbourne

Why would you make a s708 investment?

Equity crowd-sourced funding (CSF) platforms like Birchal only accept a maximum of \$10K in any 12-month period from retail investors. The limit is imposed by the Australian Securities and Investments Commission (ASIC) unless the shareholder has been granted the required accounting certificate (which can be quite onerous to obtain).

We are therefore commonly asked by Shareholders whether they can invest more than \$10K in any 12-month period.

MAKING A S708 INVESTMENT

How is a s708 investment different from an investment made during an equity crowdfunding campaign?

This s.708 investment is just like an investment during our equity crowdfunding campaign. There is no Intermediary (i.e. Birchall) and we cannot openly advertise the offer (as we're able to do during an equity crowdsourced funding campaign), but the share price is the same.

We have set up a process to accept s708 investments through our share registry:

www.registrydirect.com.au/offer/capricornpower/

How can you manage these shares?

All ordinary shares are identical, whether through crowdsource funding or through s.708, and are managed as one holding in the same way, directly through our share registry.

www.registrydirect.com.au/offer/capricornpower/

STRATEGIC PARTNERS



fundsquire.