

The background features a sunset over a body of water, with a circular graphic overlay in the center. The circle is divided into two halves by a diagonal line, with a teal-to-white gradient on the left and a white-to-teal gradient on the right. The overall color palette is dominated by blues, teals, and dark blues.

# Calix Limited FY21 Full Year Results

Webinar – August 24<sup>th</sup> 2021

# Important Disclaimer



This presentation has been prepared by Calix Limited (ABN 36 117 372 540) ("Company").

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This presentation contains summary information about the Company and its subsidiaries ("Calix") and their activities current as at 24<sup>th</sup> August, 2021. The information in this presentation is a general background and does not purport to be complete.

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## FINANCIAL DATA

All dollar values are in Australian dollars (\$) or (A\$) and financial data is presented as at or for the full financial year ended 30 June 2021, unless stated otherwise.

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**Mars is for quitters**

We believe our responsibility starts at home.

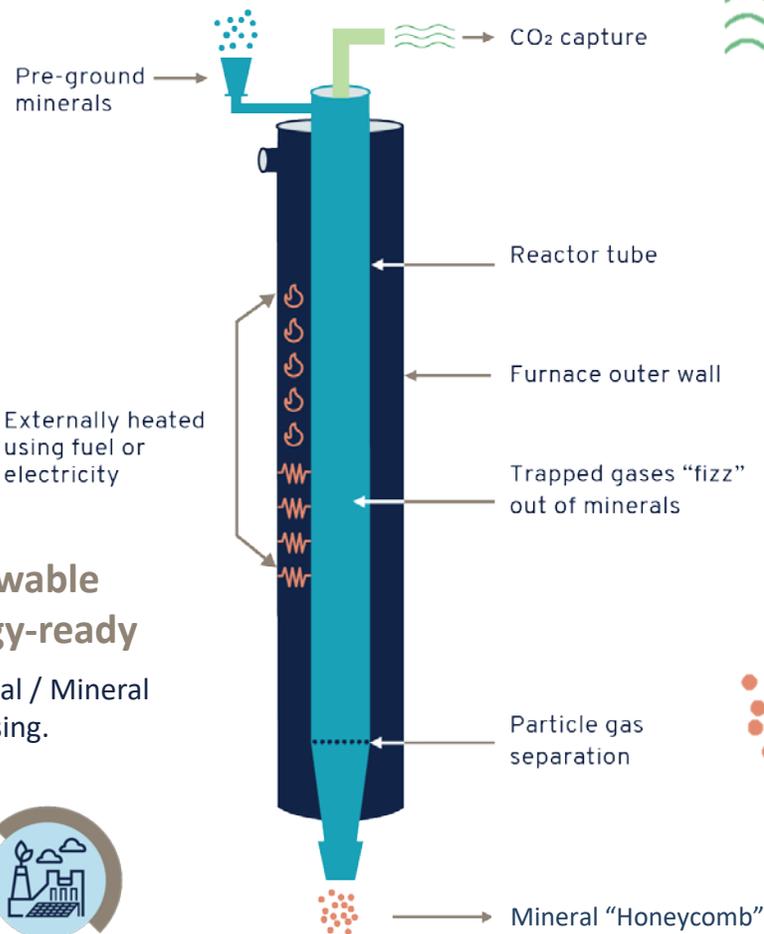
That's why we're driven to use our unique technology to repair, preserve and prevent future harm to it.

Because there's only one Earth, and it's already ours.



# Our core technology platform

A patented platform technology with 3 key features



## CO<sub>2</sub> capture

When processing limestone, gas exhaust is high purity CO<sub>2</sub>



## Renewable energy-ready

Chemical / Mineral Processing.



## Highly-active materials

Highly porous "honeycomb" structure = more chemical- and/or bio-activity



calix

## A New Type of Kiln... The "Calix Flash Calciner"



25 patent families covering core technology and applications



>A\$100m has been invested to date in developing the technology.

# Our business opportunities and ESG tailwinds

Multiple “shots on goal” ESG opportunity using the one patented core platform technology



	 <b>Water</b>	 <b>CO<sub>2</sub> Mitigation</b>	 <b>Biotech</b>	 <b>Advanced Batteries</b>	 <b>Sustainable Processing</b>
<b>Our Business</b>	<ul style="list-style-type: none"> <li>• Safe, environmentally friendly water treatment product                             <ul style="list-style-type: none"> <li>• In-market since 2014</li> </ul> </li> <li>• Growing revenue engine for the business</li> <li>• Successful US acquisition 2019</li> </ul>	<ul style="list-style-type: none"> <li>• Direct CO<sub>2</sub> separation for cement and lime – no theoretical energy penalty</li> <li>• Developing with €28m of EU funding</li> <li>• Partnering with some of the largest cement and lime companies</li> </ul>	<ul style="list-style-type: none"> <li>• Safe, environmentally friendly biotech product – multiple applications</li> <li>• Crop Protection – initial sales</li> <li>• Anti-Foul Marine Coatings – major trial underway</li> </ul>	<ul style="list-style-type: none"> <li>• Targeting safe, environmentally friendly, more recyclable, better performing batteries</li> <li>• Highly prospective early results</li> <li>• Substantial global battery development network</li> </ul>	<ul style="list-style-type: none"> <li>• Targeting renewable-energy driven industrial processes</li> <li>• First license agreement executed- energy storage</li> <li>• Several opportunities being developed – chemical industries</li> </ul>
<b>ESG Issue</b>	Waste water discharge limits becoming tougher	Top economies, and cement companies, committing to net zero CO <sub>2</sub> by 2050	Increasing concern wrt biocides and their impact on the environment	Increasing concern wrt expensive battery materials and their recyclability, cost, safety and provenance	Industrial processes coming under increasing pressure to identify how they will electrify
<b>ESG Examples</b>	Germany taken to court by the EU for polluting European waterways with P and N	The price of CO <sub>2</sub> – as measured by the EU Emissions Trading Scheme - has jumped ~10-fold in 4 years	The EU has banned one of the largest selling broad spectrum fungicides from Feb 2021 - Mancozeb	Tesla announces a return to simpler, cheaper, safer chemistries at Battery Day - September 2020	Recent Deloitte survey found industrial manufacturers targeting 45% overall electrification by 2035

**With significant thematic tailwinds, Calix’s business is very well positioned to benefit...**

# Summary of achievements – FY21



## Water

- Strong growth of 36% in core product sales
- Improved gross margins on sales from 24% to 27%



## CO<sub>2</sub> Mitigation

- Low Emissions Lime and Cement project passes pre-FEED milestone
- MOU's executed with Adbri and Tarmac for CO<sub>2</sub> mitigation projects or lime in Australia and the UK
- Part of successful "HILT-CRC" bid for \$39m in Australian government funding – heavy industry decarbonisation



## Biotech

- Crop protection product continues successful results and initial sales in Europe
- 3 Materials Transfer agreements executed for marine coatings and trials commenced
- \$1m secured under the Australian Governments Modern Manufacturing Modernisation Fund to advance biotech capability



## Advanced Batteries

- Highly prospective early results – capital raised to in-house capability



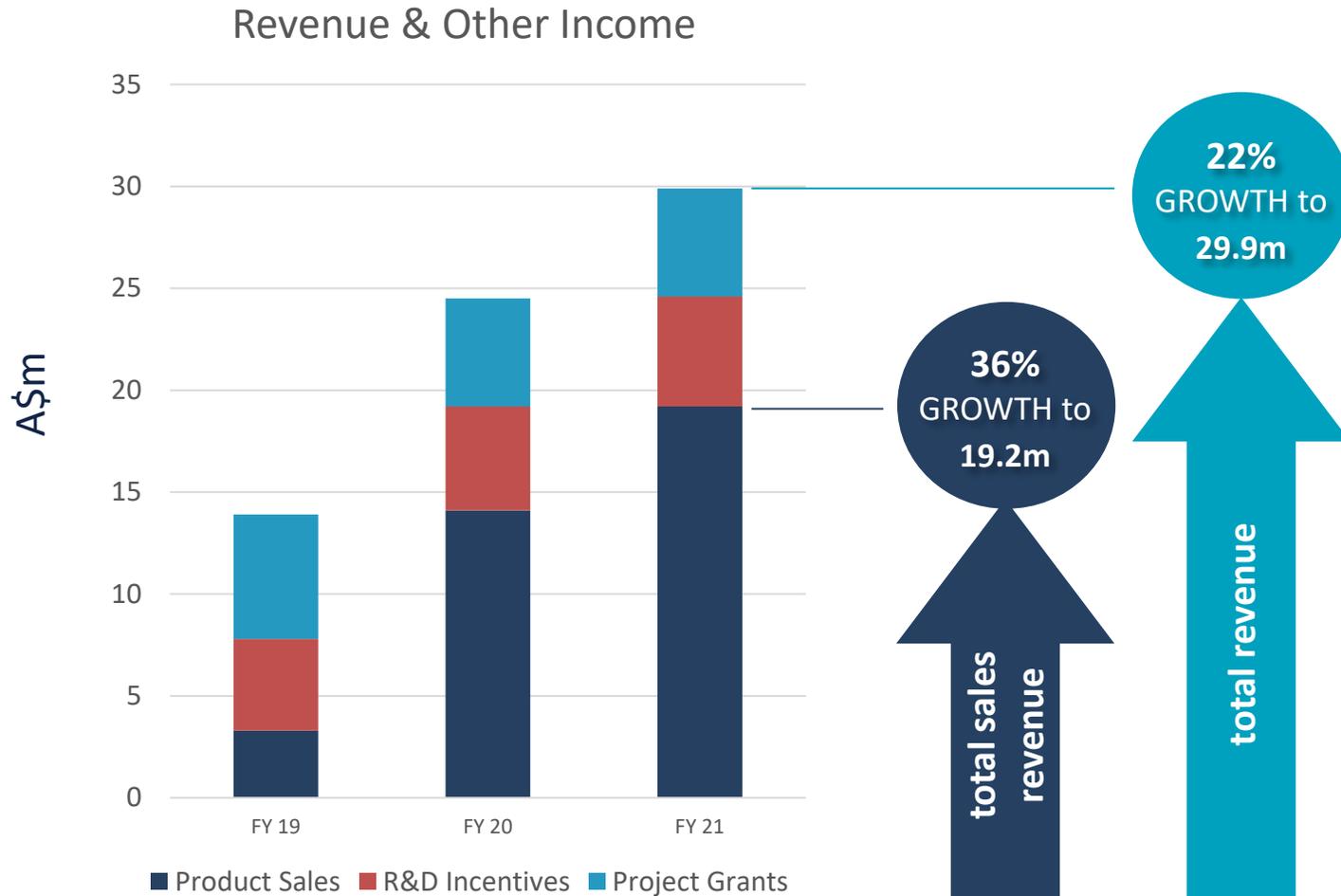
## Sustainable Processing

- Calix electric calciner ordered by Saltx for their novel energy storage system
- MOU executed with Pilbara minerals for "midstream" lithium salt JV
- MOU executed with RHIMagnesita for joint development of CO<sub>2</sub> mitigation solution for refractory industry

March 2021: Successfully raised \$19m through a Placement and subsequent Share Purchase Plan (SPP), providing additional funding for the Company to invest in its advanced battery development program and accelerate the development of its other lines of business.

# Summary of Results FY21 – Continued Revenue Growth

SALES REVENUES AND PROJECT AND GRANT REVENUES CONTINUE GROWTH TRAJECTORY



## Key Take-aways...

**Strong growth in total sales & revenue**

**Project grant income continues with R&D projects funded for up to 3 years**

**Gross profit & other income up on growing margins**

**Operating profit remains positive + re-investment for growth continues**

## Sales Breakdown

- Aus / South East Asia revenue were down ~16% (\$0.7m) largely due to COVID impacts (\$0.5m) on our SEA business compared to FY20
- US revenues continued their growth – up ~12% since acquiring the business in December 2019
- Overall gross margin grew to 27% (up from 23% pcp)

# Summary of Results FY21 - Profit & Loss Highlights

ACCELERATING SALES, MAINTAINING +VE OPERATING PROFIT AND RE-INVESTING FOR FUTURE GROWTH



	FY21 (\$m's)	FY20 (\$m's)	Comment
<b>Sales revenue</b>	<b>19.2</b>	<b>14.1</b>	<b>Up 36%</b>
<b>Total revenue</b>	<b>29.9</b>	<b>24.5</b>	<b>Up 22%</b>
<b>Gross Profit &amp; Other income</b>	<b>15.7</b>	<b>13.7</b>	<b>Up 15%</b>
Sales & Marketing expenses	5.9	5.0	
R&D	7.1	5.6	
Admin	2.6	1.7	
<b>Operating Profit</b>	<b>0</b>	<b>1.5</b>	

Despite COVID, we continued to grow sales from our municipal & industrial customers – wastewater treatment an “essential service”.

The impact of our plant upgrades in the US are starting to flow through to growing gross margin – up from 23% to 27% compared to FY20.

Project grant income continues to flow through, with R&D projects funded for up to 3 years.

Growth in opex represents increased investment in R&D, engineering and commercial support, including new people, to strengthen capability across our lines of business

# Summary of Results FY21– Balance Sheet highlights

GROWING OUR ASSET BASE, VERY LOW DEBT, BUILDING BALANCE SHEET STRENGTH



	30 June 21 (\$m's)	30 June 20 (\$m's)	Comment
Total Assets	51.6	42.8	
Total Liabilities	13.5	16.6	
<b>Net Assets/Total Equity</b>	<b>38.1</b>	<b>26.2</b>	
<i>Excluding deferred revenue</i>			
Current assets	27.0	19.4	
Current liabilities	5.2	8.3	
<b>Net surplus of current assets over current liabilities [ex deferred revenue]</b>	<b>21.8</b>	<b>11.1</b>	
<b>Property, plant &amp; equipment</b>	<b>14.5</b>	<b>14.6</b>	
<b>Intangible assets, including goodwill</b>	<b>8.9</b>	<b>8.0</b>	

Capital raise in March, strongly supported by new and existing investors, heavily oversubscribed, provides strong base as we accelerate investment in our Lines of Business.

Cash on hand of \$15.1m and \$8m in grants & rebates receivable over the next quarter. We have no debt – and undrawn facilities of \$4m

Continue to take conservative approach to the carrying value of our R&D Plant assets (LEILAC-1) - written down to zero. However, Leilac-2 is unlikely to be impaired as aggressively.

Intangibles increased as we have finalised the IER acquisition accounting and continued investment in patent portfolio. To date, all R&D has been expensed as incurred – not capitalised as intangible asset

# Summary of Results FY21 – Cash Flow Statement highlights

CONTINUED UNDERLYING PRUDENT MANAGEMENT OF CASH



	FY21 (\$m's)	FY20 (\$m's)	Comment
<b>Operating Cashflows</b>	<b>(8.1)</b>	<b>10.2</b>	
Receipts from govt bodies	7.1	16.3	
Payments to LEILAC partners	(4.3)	-	
<b>Investing Cashflows</b>	<b>(6.9)</b>	<b>(16.2)</b>	
PPE	(6.3)	(5.7)	
Intangibles	(0.6)	(0.8)	
Business acquired	-	(9.6)	IER acquisition
<b>Financing Cashflows</b>	<b>19.1</b>	<b>12.6</b>	
New share issue	19.2	15.3	
Movement in debt	0.2	(2.4)	
<b>Cash at end of period</b>	<b>15.1</b>	<b>11.1</b>	

Operating cashflow during FY21 impacted by timing of grant funding profile (FY20 v FY21). **Further \$8m due in next 3 months to fund investments made in FY21.**

Capex investment predominantly in core tech / Leilac (\$5.1m) and in the expansion of US water manufacturing capability and grow margin (\$1.2m).

March cap raise helps to position the business for planned investment in Advanced Battery and Biotech development facilities – recently supplemented with further grant funding via AusIndustry.

# Our next 12 months' priorities...

REVENUES, MARGINS, PROJECT EXECUTION AND DEAL FLOW...AND ACCELERATION TARGET ITEMS FROM RECENT CAP RAISE



Water	CO <sub>2</sub> Mitigation	Biotech	Advanced Batteries	Sustainable Processing
<p><b>Revenue and Gross Margin growth via...</b></p> <p><b>US:</b> 1 new plant</p> <ul style="list-style-type: none"> <li>1 major new US state entry</li> </ul> <p><b>EU:</b></p> <ul style="list-style-type: none"> <li>First partner agreement</li> <li>Convert paid trials to customers</li> <li>1 new plant</li> </ul> <p><b>Asia:</b></p> <ul style="list-style-type: none"> <li>Re-establish Chinese AQUA-Cal+ sales</li> </ul>	<p><b>Cement and Lime</b></p> <ul style="list-style-type: none"> <li>Successful test campaign conclusion – LEILAC-1 <b>Results into public domain soon...</b></li> <li>Successful BOD – LEILAC-2</li> <li>Convert at least two MOU's to full project / license agreements - "full-scale" application</li> </ul>	<p><b>Crop Protection</b></p> <ul style="list-style-type: none"> <li>2<sup>nd</sup> license agreement</li> <li>APVMA approval</li> </ul> <p><b>Marine Coatings</b></p> <ul style="list-style-type: none"> <li>Successful initial trials with MTA partners</li> </ul> <p><b>Next new biotech application...</b></p>	<p>Successful full cell results</p> <p>Initial positive pouch cell results</p> <p>Scale-up production trials – cathode materials</p> <p>First battery module – commercial format</p>	<p><b>Refractories</b></p> <ul style="list-style-type: none"> <li>Convert MOU to full Project or License agreement</li> </ul> <p><b>Spodumene</b></p> <ul style="list-style-type: none"> <li>Successful feasibility study</li> <li>Convert MOU to full Project or License MOU</li> </ul> <p><b>Develop next new sustainable processing application</b></p>

## Coming Up Next...



- Investor webinar – Lines of Business achievements and outlook – Thursday September 2 - **Registration is available at <https://bit.ly/387QrbG>**

- Agenda:

10:00: Introductory comments + Re-Cap FY21 Financial Results

10:20: Water Business

10:40: CO<sub>2</sub> Business

11:00: Sustainable Processing

11:20: Biotech

11:40: Advanced Batteries

11:55: Conclusions / summary

# Board of Directors



**Peter  
Turnbull, AM**  
Non-Executive  
Chair

Experienced Chair and Non-Executive Director with significant board and senior executive experience in the Australian and global resource, energy and technology commercialisation sectors.

Non-Executive Director of Karoon Energy Ltd. (ASX: KAR) Chair of medtech Auxita Pty Ltd, and President of the Chartered Governance Institute (London).

Chair of Calix Remuneration and Nomination Committee, and Member of Audit and Risk Management Committee.

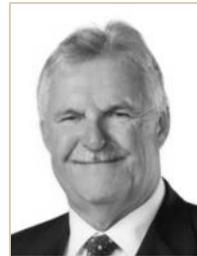


**Helen Fisher**  
Non-Executive  
Director

CEO and Managing Director of Bio Capital Impact Fund (BCIF), a Non-Executive director and Chair of the Audit and Risk Management Committee of Paradigm Biopharmaceuticals Ltd (ASX:PAR) and Chair of the Victorian branch of AusBiotech.

Previously a partner of Deloitte, and led Deloitte's life sciences practice in Australia for 5 years, specialising in the financial services sector, with significant M&A transactions and strategic tax advice to publicly listed and large multinational companies.

Chair of Calix Audit and Risk Management Committee.



**Jack  
Hamilton**  
Non-Executive  
Director

30 years multidisciplinary experience in local and overseas energy industries, including as a Director of NWS Ventures (Woodside North-West Shelf project).

Currently the Chairman of AnteoTech Ltd (ASX:ADO). Previous Non-Executive Director positions include Renu Energy (ASX:RNE) and DUET Group (ASX:DUE).

Chair of Calix Technology Committee, and member of Audit and Risk, and Rem and Nom Committees.



**Lance  
O'Neill**  
Non-Executive  
Director

London-based director of DFB Australia, with 36 years of experience in international securities and investments in the UK, Australia, USA and Far East.

Chair of MediaZest Plc and EP&F Capital Plc.



**Phil  
Hodgson**  
Managing  
Director & Chief  
Executive Officer

14 years of multidisciplinary experience with Shell, including as the General Manager and Alternate Director of its subsidiary Fuelink Pty Ltd, a \$700m revenue, 300-employee distribution and sales subsidiary.

7 years running a private consultancy providing strategy and M&A services across energy, food, infrastructure and water sectors.

Joined Calix in 2013 as CEO, became a Director in 2014 and is a member of Calix's Technology Committee.



**Dr Mark  
Sceats**  
Executive  
Director And  
Chief Scientist

Co-founder of Calix, and a member of Calix's Technology Committee.

Qualified physical chemist with over 52 years' experience, numerous academic roles, and numerous fellowships and recognitions.

CEO of the Australian Photonics CRC for 14 years.

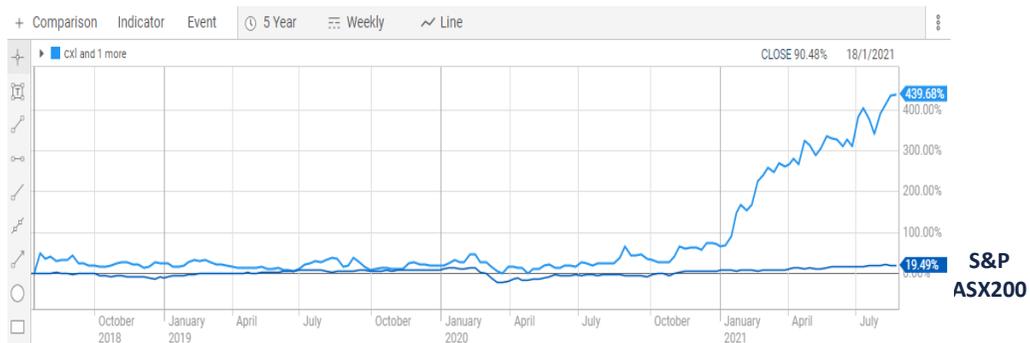
Author of more than 145 academic papers in physical chemistry and inventor of 42 patented inventions.

# Listed on the ASX in July, 2018

ASX:CXL



## Share Price Performance Since Listing



### Further Equity Detail

As at 23 August 2021

Free Float	160.0m shares
Warrants to be exercised by July 2022 (\$0.66 Strike Price)	0.1m warrants
Employee Incentive Scheme Rights	7.2m rights

### As at 23 August 2021

Shares on issue	~160.0m
Share price for IPO Capital Raise	\$0.53 per share
Share price on IPO	\$0.62 per share
Current Share price	\$3.40 per share
Market capitalisation	~\$544m

### Major shareholders

As at 23 August 2021

Board & Management	14.5%
Nicholas Merriman and associates	6.8%
Australian Super Pty Ltd	6.6%
Regal Funds Management	5.4%
Paul Crowther	5.3%

Because there's only one Earth...



...Mars is for quitters

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