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Calix Limited

FY21 Full Year Results

Webinar – August 24th 2021



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Mars is for quitters



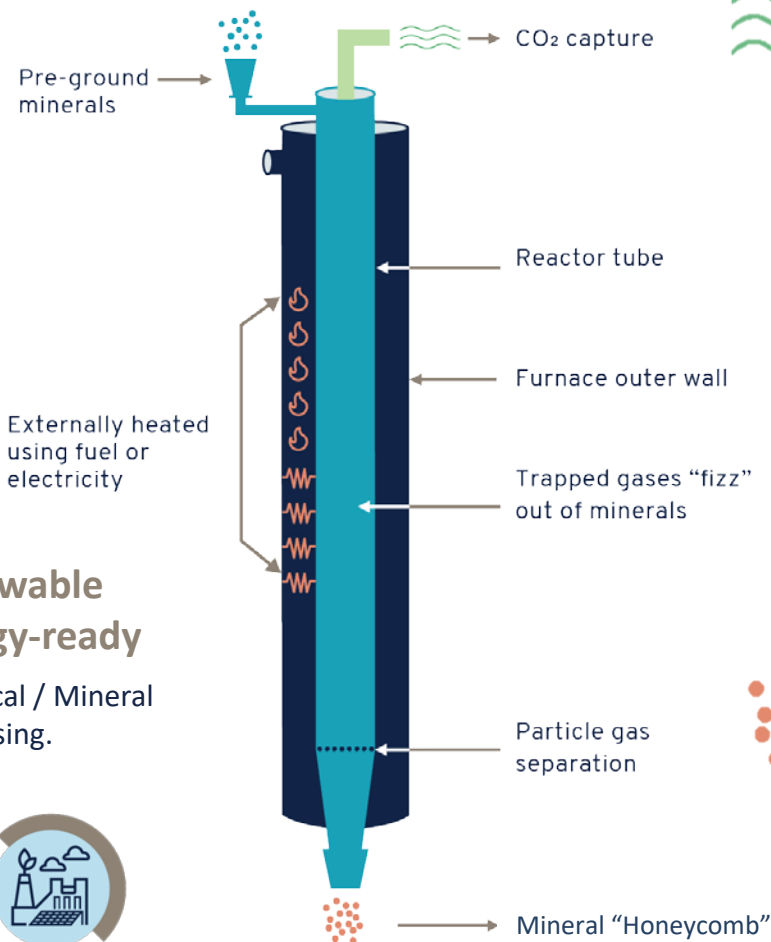
We believe our responsibility starts at home.

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



CO₂ capture

When processing limestone, gas exhaust is high purity CO₂



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



					
	Water	CO₂ Mitigation	Biotech	Advanced Batteries	Sustainable Processing
Our Business	<ul style="list-style-type: none"> Safe, environmentally friendly water treatment product <ul style="list-style-type: none"> In-market since 2014 Growing revenue engine for the business Successful US acquisition 2019 	<ul style="list-style-type: none"> Direct CO₂ separation for cement and lime – no theoretical energy penalty Developing with €28m of EU funding Partnering with some of the largest cement and lime companies 	<ul style="list-style-type: none"> Safe, environmentally friendly biotech product – multiple applications Crop Protection – initial sales Anti-Foul Marine Coatings – major trial underway 	<ul style="list-style-type: none"> Targeting safe, environmentally friendly, more recyclable, better performing batteries Highly prospective early results Substantial global battery development network 	<ul style="list-style-type: none"> Targeting renewable-energy driven industrial processes First license agreement executed- energy storage Several opportunities being developed – chemical industries
ESG Issue	Waste water discharge limits becoming tougher	Top economies, and cement companies, committing to net zero CO ₂ 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
ESG Examples	Germany taken to court by the EU for polluting European waterways with P and N	The price of CO ₂ – 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%



CO₂ Mitigation

- Low Emissions Lime and Cement project passes pre-FEED milestone
- MOU's executed with Adbri and Tarmac for CO₂ 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 CO₂ 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

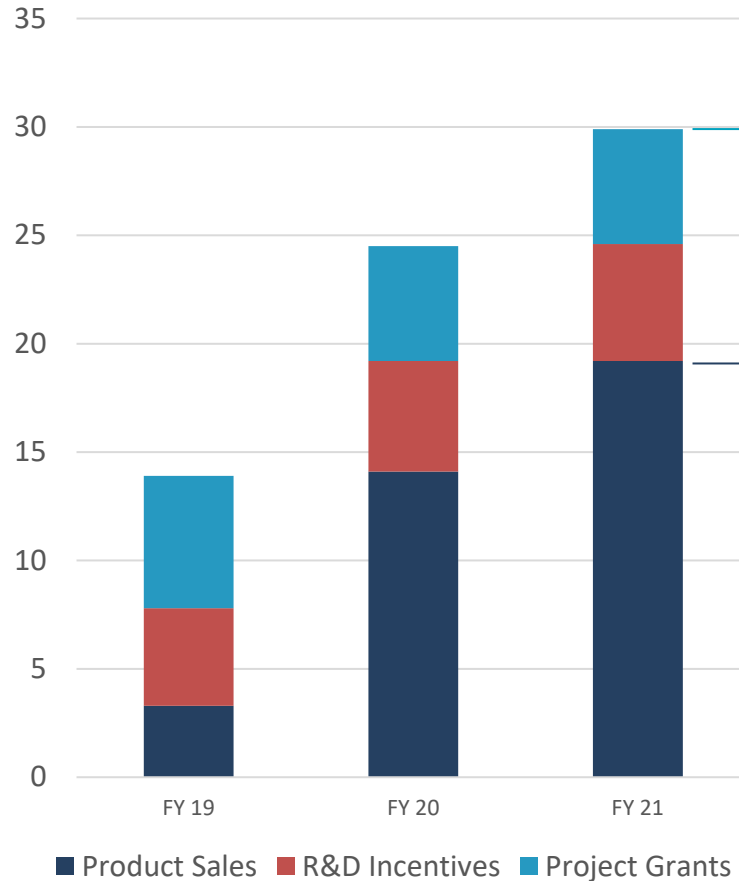
Gross profit & other income up on growing margins

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)

Revenue & Other Income



36%
GROWTH to
19.2m

total sales
revenue

22%
GROWTH to
29.9m

total revenue

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
Sales revenue	19.2	14.1	Up 36%
Total revenue	29.9	24.5	Up 22%
Gross Profit & Other income	15.7	13.7	Up 15%
Sales & Marketing expenses	5.9	5.0	
R&D	7.1	5.6	
Admin	2.6	1.7	
Operating Profit	0	1.5	

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	
Net Assets/Total Equity	38.1	26.2	
<i>Excluding deferred revenue</i>			
Current assets	27.0	19.4	
Current liabilities	5.2	8.3	
Net surplus of current assets over current liabilities [ex deferred revenue]	21.8	11.1	
Property, plant & equipment	14.5	14.6	
Intangible assets, including goodwill	8.9	8.0	

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

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

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: CO₂ 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.

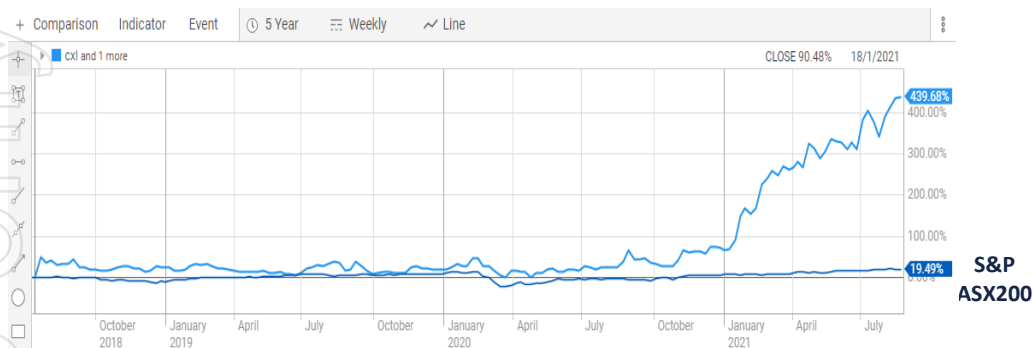
Author of more than 145 academic papers in physical chemistry and inventor of 42 patented inventions.

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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