

27 August 2024

FY24 results: Calix reports growing and diversifying revenue streams as key projects advance

Sydney, Australia | 27 August 2024 – Australian environmental technology company, Calix Limited (ASX: CXL) (“the Company”) is pleased to report the financial performance of Calix Limited and its controlled entities (“the Group” or “Calix”) for the 12 months ended 30 June 2024 (“FY24” or “the Financial Period”).

Financial highlights

- Calix’s product and services revenues increased by 30% to \$24.2m (FY23: \$18.6m), with gross margin increasing to 43% (FY23: 33%).
- Growth and diversification in revenue streams contributed to the result:
 - Calix’s Magnesia business increased sales and services revenue by 14% to \$21.0m (FY23: \$18.5m), driven by growth in the U.S. at increased gross margin.
 - Leilac’s engineering revenues increased to \$3.2m (FY23: \$0.1m), driven by advancing its pipeline of opportunities into paid engineering studies in the cement, lime and Direct Air Capture sectors.
 - The diversified and growing revenue streams provide cash support as the Group develops and commercialises its platform technology.
- Calix realised a gain of \$12.2m from its free-carried equity in its Unincorporated Joint Venture (UJV) with Pilbara Minerals (ASX: PLS). Continued on-time and on-budget development of its UJV project is positioning its Sustainable Processing business for its first major revenues.
- The Company invested \$42.1m (FY23: \$31.7m) in capability and capacity building to commercialise Calix’s platform technology.
 - Additional research, development and engineering accounted for 67% of the total increase in operational expenditure.
 - Calix concluded FY24 with 155 full-time employees (FY23: 129) with new engineers, scientists, and business development and support staff recruited to support technology commercialisation and customer projects.
 - The investment in research and development was partially offset by \$5.2m (FY23: 10.7m) in grants and tax rebates from governments in the various jurisdictions in which Calix operates.
- The Group held \$43.0m in cash and cash equivalents at 30 June 2024 (30 June 2023: \$74.5m), down just 10% from 31 December 2023.
 - Calix’s balance sheet – including its cash position and minimal debt – together with growing revenue streams and cost management discipline, support Calix’s current operations and technology development.
 - Calix’s capital management and funding strategy continues to focus on opportunities to secure capital in the form of equity, debt or grants at the subsidiary and project level to fund projects and accelerate industry application – demonstrated by Calix’s recent announcement of the award of a \$15 million grant from the Australian Government’s Carbon Capture Technologies Program¹.

¹ ASX Announcement. [Calix announces \\$15m grant for zero emissions plant](#). 23 Jul 2024

Operational highlights

Calix delivered strong progress against the Company's key milestones in FY24, including:

- New hydration facilities in Wisconsin and Texas, boosting the production capacity of Calix's Magnesia business in the U.S by up to ~50%;
- A Joint Venture (JV) agreement between Leilac and Heidelberg Materials (FWB: HEI) for the construction, operation and future ownership of the Leilac-2 plant²;
- The successful relocation of the Leilac-2 project to Heidelberg Materials' cement plant in Ennigerloh, Germany, following Heidelberg Materials' decision to close the previous host plant in Hannover, Germany;³
- Global licence and collaboration agreements between Leilac and leading U.S. Direct Air Capture (DAC) company, Heirloom for the exclusive and global use of Leilac's technology by Heirloom⁴;
- The progression of two DAC projects with Heirloom in Louisiana, USA⁵;
- Commencement of the construction of Calix's sustainable lithium demonstration plant in UJV with Pilbara Minerals, following a successful Final Investment Decision (FID)⁶ and detailed design engineering;
- Completion of pilot scale testing for Zero Emissions Steel Technology (ZESTY), with green iron produced from multiple ores, and creation of the first green iron briquettes from ZESTY green iron⁷;
- Completion of a Front-End Engineering and Design (FEED) study for the ZESTY green iron demonstration plant. The study found ZESTY has the potential to deliver an economical green iron solution, even at demonstration scale and without accounting for the price of carbon⁸.
- Completion of a pre-FEED study for Calix's Zero Emissions Alumina (ZEAL) technology;
- Confirmation through a study led by the Cooperative Research Centre for Solving Antimicrobial Resistance (CRC SAAFE) that Calix's bioactive magnesium oxide materials provide quantifiable control of pathogenic and drug-resistant animal and human bacteria; and
- Commissioning of a new electric calciner at the Calix Technology Centre to increase the Company's research and development and business development capabilities.

Further information on each of these projects can be found in Calix's Annual Report for FY24.

After balance date events – Calix awarded \$15m grant for zero emissions CCU plant

On 23 July 2024, Calix announced it had been awarded a \$15 million grant from the Australian Government's Carbon Capture Technologies Program. The grant will support the development and construction of a world-first renewably powered carbon capture and use demonstration plant in South Australia to produce near zero emissions lime and supply captured industrial CO₂ emissions to the HyGATE funded Solar Methanol 1 project⁹.

Board renewal

Calix continued its proactive and planned approach to board succession and renewal in FY24 with the appointment of Dr Sarah Ryan and Peter Dixon as independent non-executive directors. On 30 September 2024, Chair Peter Turnbull will retire from the board and Alison Deans will become the

² ASX Announcement. [Calix announces Leilac and Heidelberg Materials JV for L-2](#). 11 Jun 2024

³ ASX Announcement. [Calix and Heidelberg Materials confirm new site for Leilac-2](#). 4 Mar 2024

⁴ ASX Announcement. [Calix announces Heirloom licence agreement](#). 30 Oct. 2023

⁵ ASX Announcement. [Calix announces update on DAC projects](#). 25 Jun 2024

⁶ ASX Announcement. [Final Investment Decision for Mid-Stream Demonstration Plant](#). 2 Aug 2023

⁷ ASX Announcement. [Calix ZESTY Investor Webinar](#). 30 May 2024.

⁸ ASX Announcement. [ZESTY FEED study results published](#). 12 Feb 2024

⁹ ASX Announcement. [Calix announces \\$15m grant for zero emissions plant](#). 23 Jul 2024

new Chair.

Calix's Managing Director and CEO, Phil Hodgson said:

“As Calix passes its sixth anniversary since listing on the ASX, its core purpose – solving global challenges – has never been more relevant. We are proud to be creating great businesses that help deliver low-carbon, efficient and cost-effective mineral processing solutions.

“Despite otherwise challenging financial market conditions, strong support for industrial decarbonisation solutions continues to grow. Government policy in Calix's primary target markets, including from the new European Commission, the Australian Government's Future Made in Australia package, and bipartisan support for CCUS and DAC in the United States, continues to generate significant market tailwinds, while industry players are working to turn decarbonisation commitments into action.

“Pleasingly, this action is now translating into new, growing and diversified revenue streams for Calix. Coupled with secured grant funding, this revenue provides excellent cash support for Calix to develop and deploy its technology before royalty payments commence alongside operations.

“These new revenues are in addition to the continued growth of both revenue and margin in our Magnesia business. Our Magnesia team achieved these results in FY24 alongside the commissioning of two new facilities that significantly expand the capacity and footprint of our U.S. operations, positioning us for further revenue growth in FY25.

“Growing revenues, together with Calix's strong balance sheet and disciplined cost management, provide a platform from which Calix can support current operations and develop its technology towards deployment into extremely large addressable markets.

“Excitingly, FY25 should see several of our projects move from the engineering and design phase into construction. We will also continue to urgently progress the applications of our technology that we believe can deliver significant shareholder returns, such as ZESTY and ZEAL.

“FY24 also marked the last full financial year for Calix under the leadership of Peter Turnbull as Chair. Peter has been a dedicated and diligent servant to Calix for over a decade, helping to steer the Group as it grew from a small, private company to a global team poised to deliver significant impact across multiple industries.

“I would like to express my sincere thanks to Peter for his service, counsel and camaraderie over this remarkable journey. Peter leaves Calix in the safe and experienced hands of a renewed board as we welcome the appointment of Alison Deans as incoming Chair. I look forward to continuing to work closely with Alison and the board to support the delivery of Calix's strategic goals.

“On behalf of the Board, I would like to thank Calix's employees for their tireless efforts and unwavering commitment to achieving our purpose and goals. It is a privilege to be part of such a talented, capable, diverse and driven team.

“We are also grateful to our customers and partners for their continued commitment and collaboration as we work together to solve global challenges. And, importantly, we thank all of our shareholders for their continued support of our vision to deliver commercial success that creates both significant shareholder and societal value as we help solve some of the most pressing global challenges of our time.”

FY25 outlook

Having achieved significant commercial progress across all its lines of business, Calix concluded FY24 well positioned to deliver on its key projects focused on large addressable markets with enduring tailwinds.

For personal use only

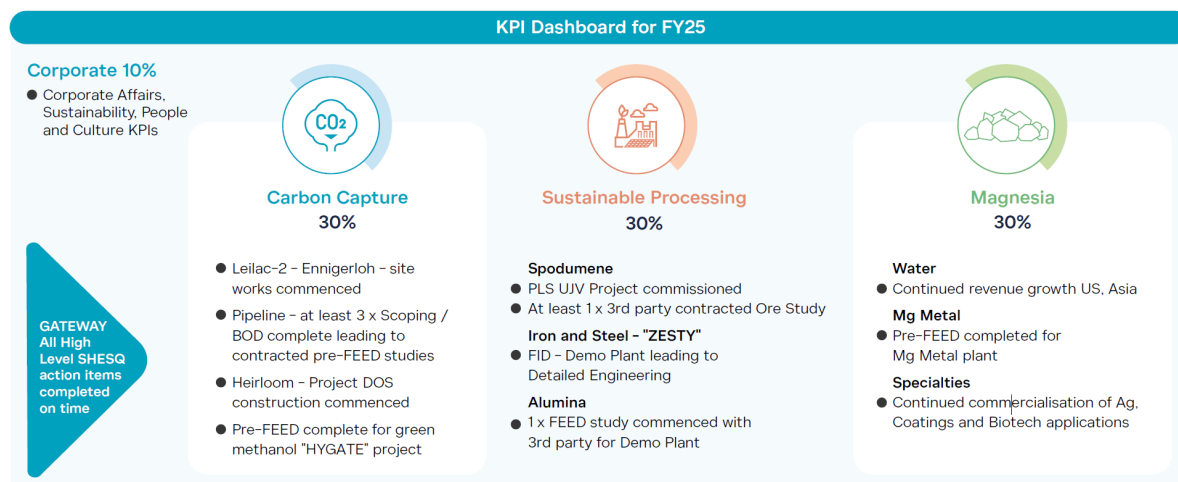
Calix's balance sheet, growing revenue streams and cost management discipline provide the cash support needed for current operations and technology development. Calix's approach to couple paid engineering studies with secured grant funding is designed to support first-of-a-kind commercial demonstration of the technology in key markets prior to first receipts of royalty revenues. Calix's capital management and funding strategy continues to focus on opportunities to secure capital in the form of equity, debt or grants at the subsidiary and project level to support the future needs of Leilac, ZESTY and other major, longer-term projects.

In FY25, Calix's UJV with Pilbara Minerals will prioritise completing construction and commissioning the 'Mid-Stream' Demonstration Plant for the electric calcination of spodumene to a concentrated lithium salt¹⁰. Subject to permitting, the Leilac business will prioritise breaking ground on both the Leilac-2 plant¹¹ in Ennigerloh, Germany with Heidelberg Materials, and the first commercial scale DAC facility with Heirloom in Louisiana, USA¹². The successful commissioning of these plants would pave the way for the first licensing revenues from the technology's application to the lithium, cement and DAC sectors.

Calix also aims to deliver significant progress in its other priority projects in FY25. The priorities will be to progress Calix's ZESTY green iron demonstration plant towards FID, complete pre-FEED studies for both the ZETA Project¹³ and a magnesium metal plant, and commence a customer FEED study for its ZEAL technology.

FY25 dashboard

The KPIs agreed by the Board for Calix's priority projects in FY25 are:



Our pathway to operating sustainably

As we work to help solve global challenges, we are pleased to report that Calix itself is also making progress towards more sustainable operations. With a commitment to three key sustainability ambitions – science-based emission reduction in line with the 1.5°C pathway, gender balance at all levels of the organisation, and addressing the sustainability of the materials and resources we use in our business – we are moving to better integrate Calix's internal sustainability initiatives with the Company's strategic priorities. More information is available in the Company's Sustainability Report and Corporate Governance Statement.

¹⁰ ASX Announcement. [Final Investment Decision for Mid-Stream Demonstration Plant](#). 2 Aug 2023

¹¹ ASX Announcement. [Calix and Heidelberg Materials confirm new site for Leilac-2](#). 4 Mar 2024

¹² ASX Announcement. [Calix announces update on DAC projects](#). 25 Jun 2024

¹³ ASX Announcement. [Calix announces \\$15m grant for zero emissions plant](#). 23 Jul 2024

For personal use only

Investor webinar

The Company will host an investor webinar with Managing Director and CEO, Phil Hodgson and CFO, Darren Charles at **11.00am AEST on Tuesday 27 August 2024** to discuss the FY24 results.

Please register for the investor webinar using the link: <https://webcast.openbriefing.com/cxl-fyr-2024/>

Investors can submit questions during the webinar and are also invited to send questions prior to the webinar to investorrelations@calix.global.

-ENDS-

This announcement has been authorised for release to the ASX by the Calix Board of Directors

About Calix

Calix Limited (ASX: CXL) is an environmental technology company solving urgent global challenges in industrial decarbonisation and sustainability.

Calix's unique patented core platform technology delivers indirect heating of raw materials to enable efficient, precise, flexible and renewably powered mineral processing and capture of unavoidable industrial emissions.

With strong and increasing demand driven by global decarbonisation commitments, Calix is applying its core technology to the cement, steel, alumina and critical minerals industries, as well as the direct air capture of atmospheric carbon dioxide, and the production of sustainable environmental products.

Leveraging its core platform technology and a global network of partners, Calix is urgently developing multiple businesses that deliver positive global impact. Because there's only one Earth.

Mars is for quitters.

For more information:

Phil Hodgson

Managing Director and CEO

phodgson@calix.com.au

+61 2 8199 7400

Darren Charles

CFO and Company Secretary

dcharles@calix.com.au

+61 2 8199 7400

Natalie Barrington

GM Investor Relations

nbarrington@calix.global

+61 2 8199 7400

Investor enquiries

investorrelations@calix.global

Media enquiries

media@calix.global

For personal use only