

ASX Announcement

November 1, 2019

Calix concludes capital and funding initiatives totalling \$20.4m, significantly improves sales 48% pcp, and progresses strategic IER acquisition in the United States toward completion.

- \$3m has been raised from the exercise of warrants from long-term, pre-IPO shareholders
- 94% or 6m warrants were exercised, with the remaining now lapsed
- \$20.4m has been injected into Calix during October as a result of:
 - Institutional Placement of \$12m at \$0.70 per share to fund IER acquisition
 - Share Purchase Plan of \$0.9m on the same terms as the Placement
 - Warrant conversion of \$3m
 - \$4.5m R&D rebate
- Operationally, Calix is exceeding expectations, with first quarter sales up materially by 48% on the pcp to \$0.92m
- Calix is on track to complete the strategically important IER acquisition before the end of CY19, targeting significantly increased sales from deal completion
- AGM to be held 26th November 2019 at 11.00am

Sydney, Australia | October 17, 2019 – Multi-award-winning Australian technology company Calix Limited (ASX:CXL, 'Calix' or 'the Company') is pleased to announce the completion of the exercise period for the class of securities referred to as "Warrants expiring 31 October 2019". The Warrants, which were issued pre-IPO to long term investors in Calix, raised a total of \$3.0m with the funds to be used to further support advanced battery R&D and other development projects at Bacchus Marsh.

This follows the capital raising through a Placement and Share Purchase Plan during October 2019 where Calix raised \$12.9m (before costs) for the acquisition of US-based Inland Environmental Resources Inc. The Company also announced in October 2019 that it had received \$4.5m in an R&D tax incentive payment.

Each Director has increased their shareholdings in Calix during October 2019 through the exercise of warrants, or participation in the SPP, or both. Pleasingly, several senior executives of the Company have also increased their holdings via the exercise of warrants or participation in the SPP.

Operationally, Calix recorded significantly improved first quarter sales growth of 48% when compared to the first quarter of the 2018/19 financial year, largely driven by sales into its water business, boding well for the strategic moves into the US via the acquisition of IER which targets, post completion, a significant up-lift in sustainable sales volumes and doubling of total revenues on an annualised basis.



Managing Director & CEO Phil Hodgson commented: *"We are extremely fortunate to be very well funded as a result of a number of capital initiatives over the past month and we thank all of those who have supported Calix. A number of long-term shareholders, all board members, and members of our management team have also taken the opportunity to increase their holdings over the last couple of months. We're looking forward to completing the acquisition of IER in the coming weeks and executing our plans for accelerating the growth of the business".*

As has previously been announced, the Annual General Meeting will be held on 26th November at 11am at Level 23, 459 Collins Street, Melbourne and a further update on progress across key aspects of the business will be provided then.

-ENDS-



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About Calix

Calix is a team of dedicated people developing a unique, patented technology to provide industrial solutions that address global sustainability challenges.

The core technology is being used to develop more environmentally friendly solutions for advanced batteries, crop protection, aquaculture, wastewater, and carbon reduction.

Calix develops its technology via a global network of research and development collaborations, including governments, research institutes and universities, some of world's largest companies, and a growing customer base and distributor network for its commercialised products and processes.

Because there's only one Earth – Mars is for Quitters.