

16 November 2022

Chair address to AGM

Sydney, Australia | 16 November 2022

I would like to welcome everyone to Calix's 2022 Annual General Meeting, which is our 5th as a listed company, our 3rd using a virtual meeting platform, and our 1st using a hybrid format.

I expect by now that most of you are well acquainted with the virtual meeting format.

As always, our goal for this year's AGM has been to make the meeting as interactive as possible for shareholders using the Lumi platform. It will enable you to make comments, ask questions and vote, whether you are here in-person or attending virtually.

I would like to introduce the board and management team who are attending the meeting here with me today:

1. Helen Fisher, Non-Executive Director and Chair of the Audit and Risk Committee;
2. Jack Hamilton, Non-Executive Director and Chair of the Technology Committee;
3. Phil Hodgson, the Managing Director and CEO;
4. Mark Sceats, an Executive Director and the Chief Scientist; and
5. Darren Charles, our Company Secretary and Chief Financial Officer.

I would also like to welcome and note the presence of the Company's auditor, Ian Hooper of BDO and, from our legal advisors, James Delesclefs and Michael Jeffries of Hamilton Locke.

Governments, organisations and investors are increasingly focused on environmental, social and governance (commonly known as ESG) principles, which are helping to propel the Company's progress.

The speeches made to date at COP 27 in Egypt underscore the need for change, particularly in relation to decarbonisation, inequality and proper standards of governance.

One demonstration of the growing ESG momentum is the "2022 Global Investor Statement to Governments on the Climate Crisis," which was submitted to governments before COP 27.¹

The Statement was signed by 602 institutional investors, representing almost US\$42 trillion in assets under management.

Globally, there is a rapid and urgent shift towards electrification and sustainability, with investment funds backing these themes at a rapid pace.

It represents a unified investor call for governments to implement the policies needed to address decarbonisation and accelerate the transition to a net zero emissions economy.

McKinsey notes that in the first half of 2022 alone, investors have channelled almost US\$90 billion into

¹2022 Global Investor Statement to Governments on the Climate Crisis. The Investor Agenda

companies that are developing new climate related technologies.²

The Inflation Reduction Act recently passed in the United States is also noteworthy.

It includes approximately US\$270 billion to accelerate the energy transition and support US domestic manufacturing, which will include the re-engineering of the energy value chain.

McKinsey also estimates the need for some US\$275 trillion to be spent between 2021 and 2050 to fund the global energy transition (some US\$9.5 trillion per annum on a global basis).³

The estimated financial flows are really quite staggering.

McKinsey's estimate represents about 7.5% of GDP annually on average, with the biggest increase in spend on physical assets occurring between 2026 and 2030.

Calix's technology solutions, particularly those aimed at solving global challenges in industrial decarbonisation, are well placed to capitalise on these strong and growing market tailwinds.

Our core technology platform is being leveraged by each of our 5 lines of business to progress innovative technology solutions targeting various specifically identified global challenges.

In the 2022 financial year, Calix's commercialisation strategies gathered significant momentum, despite considerable economic uncertainty as the world emerged from the COVID-19 pandemic and grappled with the impact of the war in Ukraine and the associated inflationary pressures.

As shared at our last AGM, financial year 2022 marked the first material transaction in Calix's global commercialisation strategy, with leading decarbonisation investor, Carbon Direct Capital Management, investing €15m in Calix's cement and lime decarbonisation technology business, "Leilac" (or Low Emissions Intensity Lime and Cement).

The strategic sale of a 6.98% stake in Leilac demonstrated the underlying value of the technology platform and provided an example of the flexible funding options available to Calix to accelerate and scale its multiple lines of business.

In parallel with this equity transaction, Calix put a licence agreement in place directly with Leilac, which will deliver 30% of Leilac's royalty income to Calix, regardless of Calix's subsequent shareholding in Leilac.

The scope and scale of Calix's ambitions in industrial decarbonisation continue to grow as we seek to fulfil the very significant potential our unique technology solutions offer to this pressing societal and economic need.

I would now like to take a brief look at Calix's financials.

In FY22, Calix achieved a gross profit of \$5.2m, up from \$5.0m in the 2021 financial year.

Higher margin sales offset a 4% decline in sales revenue to \$18.5m.

The slight reduction followed the anticipated cessation of a coal emissions reduction tax credit in the USA, thereby affecting Calix's Water business owned and operated in the USA.

Calix concluded the financial year with \$25.0m cash on hand and minimal debt, providing financial and

² The net-zero transition: What it would cost, what it could bring. McKinsey Sustainability.

³ The net-zero transition: What it would cost, what it could bring. McKinsey Sustainability.

balance sheet strength and flexibility.

Grant income recognised in FY22 was lower than FY21 due to the timing of key project dates within the financial year.

Almost \$3.0m in grant funding was received in FY22 and deferred to be recognised in later periods.

A further 10 grant funded projects were announced in the past 12 months, excluding the recently cancelled and soon to be replaced Australian Government's, Carbon Capture, Use and Storage Hubs and Technologies Program.

I will leave Calix CEO and MD, Phil Hodgson to update you further on these projects, following my address and the formal business of the meeting.

As we said we would do, in FY22 Calix invested significantly in its people, including the addition of 10 new engineers, the purchase of significant capital items, and sourcing professional services to advance our commercialisation goals on various fronts.

Our focus on people, combined with our traditional ongoing fiscal prudence, have given Calix a unique opportunity to continue to grow multiple successful lines of business simultaneously into large addressable markets.

In the 2021 financial year, Calix directed its focus to 5 major environmentally-driven lines of business:

1. CO2 Mitigation;
2. Sustainable Processing;
3. Advanced Batteries;
4. Biotech; and,
5. Water.

The benefits of this internal reorganisation, combined with a successful capital raising of \$19 million in the same year, helped to accelerate multiple environmental business opportunities in FY22.

These are now being commercialised through a combination of joint ventures, licensing and "spin-out" strategies.

I'd like to take a brief moment to look at each of our lines of business – in particular, their market trends and key achievements in FY22.

Phil will cover Calix's key priorities looking ahead to FY23, as well as the key milestones achieved to date, in his presentation.

So firstly, let's review Leilac, Calix's CO2 mitigation line of business.

Leilac has undertaken a significant transformation in the past year, as its focus turned to commercialising and scaling-up the Leilac technology for cement and lime decarbonisation.

As mentioned earlier in my address, in September 2021, one of the world's leading decarbonisation investors, Carbon Direct, invested €15m in Leilac for a 6.98% stake to accelerate the deployment of the Leilac technology.

In March this year, Leilac-2, a commercial scale retrofit of the Leilac technology, destined for construction at the Heidelberg Materials plant in Hannover, Germany, passed its Financial Investment Decision point.

Over the course of FY22, the Leilac project pipeline grew by 63%, with a number of projects

progressing through initial design and scoping work.

Leilac's rapidly growing pipeline of projects is a testament to the very significant demand for technically viable, low-cost decarbonisation solutions for cement and lime.

This demand continues to grow, driven by increasingly ambitious net-zero commitments from industry and strong carbon pricing incentives in Europe, and carbon tax credits in the USA.

Turning to Sustainable Processing, Calix's line of business developing decarbonisation solutions for chemical and mineral processing.

Industrial decarbonisation tailwinds continue to drive demand for low carbon and low waste processing solutions for the materials of our future economy.

Australia currently produces nearly half the world's lithium, with the global market for lithium carbonate and equivalents projected to grow 6 times by 2030.

Calix's lithium processing technology has the potential to greatly reduce the waste and CO2 footprint of Australian lithium and create a significantly higher value export product.

Calix's co-development of a midstream lithium chemical plant with Pilbara Minerals is progressing well.

This plant will utilise Calix's technology to produce a concentrated lithium salt product for lithium batteries.

Following the award of a \$20m grant from the Australian Government, Calix and Pilbara Minerals have agreed to commercial terms for a joint venture for sustainable processing of lithium salt and completed an initial scoping study.

In FY22, Calix announced the application of its technology for the decarbonisation of iron and steel production.

While iron and steel are essential to society's continued development, they are responsible for ~7% of global CO2 emissions and are one of the most carbon intensive and hard-to-abate sectors.

Calix's Zero Emissions Steel Technology – known as "ZESTY" – has the potential to enable electrification and hydrogen reduction in the processing of iron ore, providing new pathways to green iron and steel.

The initial testing, conducted in the financial year just ended, pleasingly shows promising results for a range of iron ore types and the technology continues to develop at a rapid pace.

Let's now take a brief look at Calix's Advanced Batteries line of business.

The advanced battery business also leverages Calix's unique flash calcination technology to produce novel battery materials that exhibit promising high-performance characteristics, which will be coupled with more affordable and sustainable production.

Following early-stage research and development, and positive collaboration with industry and academia, Calix's pilot production is on track with the first electric vehicle test application due in early 2023.

At scale, Calix's advanced lithium manganese oxide cathode materials are estimated to reduce the energy required for production by approximately 6 times compared with conventional lithium manganese oxide production, thereby helping to minimise the battery's CO2 footprint and cost.

With significant growth in demand expected for more simple, safe and affordable battery chemistries, Calix's novel battery materials continue to show exciting promise.

Calix's Biotech line of business also made positive progress on all fronts in FY22.

The benefits of a safe, effective and environmentally friendly bioactive magnesium oxide continue to be identified and validated.

I'm pleased to report that following more than 5 years of independent testing and trials in Australia, the registration of our core product, "BOOSTER-Mag" was approved by the Australian Pesticides and Veterinary Medicines Authority for crop protection.

Significant progress was also made on various trials, licences and other agreements, including a broad spectrum anti-fungal and anti-pest crop protector.

Demand for non-chemical alternative crop protection products has continued to grow and we expect this growth to continue.

Dutch-based ProphytoDSD, seeking a replacement for the now-banned anti-fungal Mancozeb, included BOOSTER-Mag in their crop protection protocols for the first time this past European summer.

Trials in marine coatings are also continuing with promising results achieved to date.

And finally, let's turn to our Water business, predominantly based in the USA.

As mentioned earlier, revenues in the Water business were slightly lower in FY22 compared with FY21, down by \$1.7m in US dollar terms.

Gross margins however, increased in FY22 to 33%, achieving a higher gross profit, despite the lower sales.

In Texas, Calix's market entry continues with strong sales and a growing pipeline of further opportunities.

A plant location has been identified and lease agreed, with procurement work for a new manufacturing facility underway.

Calix's growth plans for its Water business also include market entry to 2 new states in the US, in addition to the establishment of 2 new hydration plants.

As mentioned earlier, Phil will provide an update on the key milestones achieved so far in FY23, as well as the priorities for each line of business for the remainder of the 2023 financial year.

As you have no doubt recognised, sustainability sits at the core of Calix's purpose, driving our innovations in industrial decarbonisation and environmental solutions.

In our own operations we are no different. Calix is equally committed to sustainability internally, and we have undertaken several important steps to drive continuous improvement in our own environmental, social and governance practices.

In FY22, Calix re-affirmed its commitment to the United Nations Global Compact or UNGC, the world's largest corporate sustainability initiative, and continued to integrate the UNGC Ten Principles throughout our business.

Calix has committed to measuring, monitoring, and reducing its carbon footprint, in line with the Paris Agreement and the 1.5°C pathway.

To this end, Calix has engaged external consultants to assist in developing an emissions reduction roadmap in FY23.

Calix also recently installed solar panels at our Bacchus Marsh operations in Victoria, Australia with a maximum capacity of 334KW. The installation will generate ~408MWh/year, preventing an estimated 437 tonnes of annual CO2 equivalent emissions.

The solar installation is designed to cover the total annual energy consumption of BATMn, Calix's all-electric calciner.

Calix has also committed to measuring and reducing the total amount of waste generated by our Australian operations in FY23, with an ambition to reach 100% sustainable material inputs that are either renewable, recyclable or reusable by 2030.

Continuing to evolve our governance structure, to support and control the business as we grow, is also an on-going focus.

To further strengthen Calix's governance structure and practices, over the next year the board will:

1. Introduce a new Code of Conduct and Board Charter;
2. Establish a new Sustainability Committee of the board; and
3. Update the charters for the Audit and Risk, Remuneration and Nomination, and Technology Committees.

Board renewal and succession has also been an internal focus for some time.

The board continues to maintain a proactive and prudent process of board succession and renewal, helping to ensure the size and composition of the board is appropriate to support the continued delivery of Calix's growth strategies, as well as meeting the highest standards of governance.

After welcoming Helen Fisher as a non-executive director in September 2020, we farewelled Lance O'Neill in November 2021.

Lance was one of the longest serving members of the Calix board and we are very grateful for his considerable contribution to Calix as an investor and board member over many years.

I am pleased to report that the next stage of board renewal is well underway.

It is anticipated that additional independent non-executive directors, with the requisite skills and experience to bolster Calix's growth strategies will be appointed in the 2023 financial year, and that one or more retirements will also occur to facilitate these appointments.

This also presents a near term opportunity to progress Calix's long-held ambition to meet or exceed the ASX Corporate Governance Council guidelines with respect to diversity, including board gender representation.

We look forward to keeping you abreast of our progress.

On behalf of the board of directors, I would like to conclude my address today by sincerely thanking Calix's partners and customers for their continued commitment to solving global challenges, especially during a period of significant economic and global uncertainty.

Calix is an organisation made up of great people. We thank every employee for their unwavering commitment to our purpose and to the goals we have set ourselves.

I would also like to thank my board and senior management colleagues, Helen Fisher, Jack Hamilton,

Phil Hodgson, Mark Sceats and Darren Charles for their dedication to the goals Calix has set and for the considerable progress achieved during the 2022 financial year.

We look forward to further accelerating the key lines of business activity, aided by the recently closed A\$81.6m capital raise. The A\$60m institutional placement and A\$21.6m Share Purchase Plan were very well supported by both existing institutional and retail shareholders, as well as a number of new institutional investors who have joined the register.

These funds will provide the resources needed to accelerate our commercialisation strategies and further realise the potential of Calix's core technology platform.

Finally, on behalf of the Calix board, management team and all the staff, we would like to thank each and every one of our Calix shareholders for your ongoing and very much valued support.

-ENDS-

This announcement has been authorised for release to the ASX by:

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About Calix

Calix is a team of dedicated people who are urgently developing great businesses, leveraging our patented technology, that deliver positive global impact.

The core technology is being used to develop more environmentally-friendly solutions for water treatment, CO₂ mitigation, biotechnology, advanced batteries, and more sustainable mineral and chemical processing.

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.

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