

Calix Limited and its controlled entities

ABN 36 117 372 540

Interim financial report for the period ended 31 December
2024

DIRECTORS' REPORT

The directors present their report on Calix Limited and its controlled entities ("the Group" or "Calix") consisting of Calix Limited ("the Company") and entities under its control as of, or during the half-year ended 31 December 2024 ("1H FY25" or "the Financial Period").

Directors

The following persons were directors of the Company during the period ended 31 December 2024 and up to the date of the report, unless otherwise stated:

Alison Deans
Peter Dixon
Helen Fisher
Dr Phil Hodgson
Dr Sarah Ryan
Dr Mark Sceats (retired 22 November 2024)
Peter Turnbull (retired 30 September 2024)

Principal activities

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

Calix's unique patented core platform technology delivers indirect heating of raw materials with the potential to enable efficient, precise, flexible and renewably powered mineral processing and capture of unavoidable industrial CO₂ emissions.

With increasing demand driven by global decarbonisation commitments, Calix is focused on applying its core technology to the cement and lime, iron and 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.

Technology

Calix's platform technology is a reinvention of the kiln process with three core potential benefits:

- Capture of process emissions: unavoidable process emissions, such as CO₂ from cement and lime production, are separated in a form ready for capture and use or storage.
- Electrification and renewable energy-ready: compatible with electricity and alternative fuels to provide viable, flexible and economical pathways to sustainable mineral processing.
- Highly-active materials: produces materials with enhanced chemical and/or bioactivity.

Operations

The Group has operations, customers and distribution partners across Australia, New Zealand, Asia, Europe and the United States of America ("US"). Its activities in the Financial Period were focused across three business segments, being: Leilac (CO₂ mitigation), Sustainable Processing, and Magnesia. These "lines of business" are supported by Research & Development ("R&D"), engineering, operations, marketing, and finance and administration teams.

Our business activities are underpinned by:

- A commercial-scale operations facility – the Calix Technology Centre – at Bacchus Marsh in Victoria, Australia, with a name-plate capacity of 25,000 tonnes per year of raw (magnesium oxide) product;
- A raw material (magnesium carbonate) mine near Leigh Creek in South Australia;
- A pilot demonstration facility for CO₂ capture from lime and cement ("Leilac-1") in Lixhe, Belgium;
- Two electric calciners for sustainable processing development and the production of advanced materials at the Calix Technology Centre at Bacchus Marsh in Victoria, Australia; and

- Six manufacturing facilities in the U.S. to produce water treatment products.

Operating results

The Group recorded product and services revenue of \$13.5m during the period, an increase of 11% (1H FY24: \$12.2m). Group revenues comprised contributions from Magnesia of \$10.7m (1H FY24: \$9.3m) and engineering services from Leilac of \$2.9m (1H FY24: \$2.3m). Revenues were recorded at a blended gross margin of 36%.

The Group also recorded a gain of \$8.8m (1H FY24: \$3.3m) on proportional consolidation of unincorporated joint venture with Pilbara Minerals (“PLS”) (ASX: PLS) (“UJV”). This gain represents a portion of the “free-carried interest” for Calix’s contribution to the UJV that is recognised in the Financial Period. The UJV, of which Calix owns 45%, is building a ~\$105m demonstration plant and the remaining Calix contribution to the UJV to complete construction is circa \$2.5m.

Approximately \$6m in annualised cost savings were created late in the period by streamlining Calix’s organisational structure and deprioritising non-revenue generating activities. The reorganisation led to approximately \$3m in one-off costs associated with the restructure and discontinued activities that will not be repeated in 2H FY25 and beyond. Annualised cost savings of circa \$6m are expected to come into full effect from January 2025.

Investment of \$8.1m in property, plant and equipment (1H FY24: \$8.0m), including \$6.6m contributed towards the UJV, supported focused commercialisation of the platform technology to large addressable target markets. This investment was partially offset by \$2.1m in grants and interest income.

Financial position

The Group held \$35.8m in cash and equivalents on 31 December 2024 (30 June 2024: \$43m) and had a surplus of \$21.2m of total current assets over total current liabilities (31 December 2023: \$27.0m). Calix’s balance sheet was strengthened by a \$20m Institutional Placement (less transaction costs) during the Financial Period. The Group’s balance sheet, together with growing revenue streams and reduced expenses base, supports Calix’s current operations and technology development and provides an at least 18-month runway to support disciplined execution of subsidiary level capital raisings in Leilac and ZESTY to fund further demonstration projects.

Going concern

The financial report has been prepared on a going concern basis.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the Financial Period.

After balance date events

Material events announced after the Financial Period:

- On 10 January 2025, two Leilac projects were each awarded ~US\$1.5m in grant funding from the U.S. Department of Energy for pre-FEED studies.
 - A project with Titan Cement, Amazon and Virginia Tech in Roanoke, Virginia aims to deploy the Leilac technology to capture over 500ktpa of CO₂ and enable the use of lower carbon and lower cost fuels in cement manufacturing.
 - A project with Mississippi Lime Company (“MLC”) aims to capture ~150ktpa of CO₂, enable the use of alternative fuels, and demonstrate viable pathways to net-zero lime.
 - On 20 January 2025, an Executive Order from the Trump Administration delayed funding negotiations in the U.S. for awarded programs, including Leilac projects with Titan and MLC.
- On 14 January 2025, the Mid-Stream Demonstration Project, developed in a UJV with PLS, was awarded a \$15m grant from the Western Australian Government.
- On 3 February 2025, Calix closed its SPP, raising \$2.1m. The SPP followed a \$20m Institutional Placement during the Financial Period¹.

¹ Calix ASX Announcement: Calix SPP closes to complete \$22.1m equity raise. 3 February 2025

- On 13 February 2025, the respective boards of Calix and PLS agreed to restart the Mid-Stream Demonstration Project. The project was 74% complete at the end of the Financial Period and aims to commence commissioning in the December Quarter in 2025.

No other matters or circumstances have arisen since the end of the Financial Period which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future periods.

Auditor independence

A copy of the auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 4.

Rounding off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand Australian dollars unless otherwise stated.

This report is signed in accordance with a resolution of the board of directors.



A Deans
Chair
Sydney
26 February 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Calix Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Calix Limited for the interim period ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized signature of the KPMG firm, written in blue ink.

KPMG

A handwritten signature in blue ink, appearing to read 'Daniel Camilleri'.

Daniel Camilleri
Partner
Sydney
26 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year period ended 31 December 2024

	Note	31-Dec-24 \$'000	31-Dec-23 \$'000
Revenue	3	13,514	12,179
Cost of sales		(8,655)	(6,300)
Gross profit		4,859	5,879
Other income	3	1,618	3,706
Gross profit and other income		6,477	9,585
Sales and marketing expenses		(5,364)	(5,568)
Research and development expenses		(10,922)	(10,167)
Administration and other expenses		(6,055)	(4,010)
Depreciation, amortisation and impairment expenses	4	(5,381)	(3,724)
Interest income		498	376
Finance costs		(128)	(59)
Foreign exchange gains / (losses)		638	(186)
Share based payment expenses		(1,307)	(2,560)
Gain on contribution to the unincorporated joint venture	9	8,766	3,414
Loss from ordinary activities before income tax		(12,778)	(12,899)
Income tax benefit		38	42
Loss for the period		(12,740)	(12,857)
Loss for the period is attributable to:			
Owners of Calix Limited		(12,110)	(12,608)
Non-controlling interests		(630)	(249)
		(12,740)	(12,857)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		202	(422)
Total comprehensive income for the period		(12,538)	(13,279)
Total comprehensive income for the period is attributable to:			
Owners of Calix Limited		(11,925)	(12,959)
Non-controlling interests		(613)	(320)
		(12,538)	(13,279)
Basic and diluted earnings per share (cents)	15	(6.54)	(6.99)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31-Dec-24 \$'000	30-Jun-24 \$'000
Assets			
Current assets			
Cash and cash equivalents		35,832	42,958
Trade, other receivables and other assets	6	5,239	4,325
Inventory		4,165	5,424
Total current assets		45,236	52,717
Non-current assets			
Trade, other receivables and other assets	6	298	301
Intangible assets	7	12,703	12,637
Goodwill	8	3,638	3,638
Right of use asset		2,283	2,481
Property, plant and equipment	9	53,682	40,622
Total non-current assets		72,604	59,679
Total assets		117,840	112,396
LIABILITIES			
Current liabilities			
Trade and other payables	10	10,439	12,174
Borrowings	11	676	760
Current lease liabilities		1,031	783
Provisions		1,737	1,900
Deferred revenue and other income	12	10,202	10,104
Total current liabilities		24,085	25,721
Non-current liabilities			
Non-current lease liabilities		1,216	1,715
Provisions		447	526
Deferred tax		390	430
Total non-current liabilities		2,053	2,671
Total liabilities		26,138	28,392
Net assets		91,702	84,004
Equity			
Issued capital	13	175,687	154,226
Reserves	14	29,677	30,717
Accumulated losses		(113,260)	(101,150)
Capital and reserves attributable to the owners of Calix Limited		92,104	83,793
Non-controlling interest	17	(402)	211
Total equity		91,702	84,004

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year period ended 31 December 2024

	Note	31-Dec-24 \$'000	31-Dec-23 \$'000
Cash flows from operating activities			
Receipts from customers		13,342	8,909
Receipts from government bodies		419	1,090
Payments to suppliers and employees		(32,141)	(26,779)
Interest received		498	376
Payment of interest on borrowings		(32)	(22)
Income taxes received / (paid)		-	-
Net cash used in operating activities		(17,914)	(16,425)
Cash flows from investing activities			
Receipts from sale of property, plant and equipment		56	-
Receipts from government bodies		1,121	-
Purchases of property, plant and equipment		(8,113)	(7,983)
Payments for loans to directors		-	(300)
Receipts of repayment of loans to directors		123	-
Purchases of intangible assets	7	(720)	(2,088)
Net cash used in investing activities		(7,533)	(10,371)
Cash flows from financing activities			
Proceeds from issues of shares		20,000	-
Payments for transaction costs related to issues of shares		(1,101)	-
Payment of lease principal		(495)	(286)
Proceeds from borrowings		-	-
Repayment of borrowings		(83)	415
Net cash provided from financing activities		18,321	128
Net decrease in cash and cash equivalents		(7,126)	(26,668)
Cash and cash equivalents at the beginning of the period		42,958	74,466
Cash and cash equivalents at the end of the period		35,832	47,799

The consolidated statement of cash flows should be read in conjunction with accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year period ended 31 December 2024

	Issued Capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total Parent Entity Interest \$'000	Non-controlling interest \$'000	Total \$'000
Balance at 1 July 2023	153,452	26,162	(75,887)	103,727	1,232	104,959
Net losses for the period after tax	-	-	(12,608)	(12,608)	(249)	(12,857)
Other comprehensive income for the period						
Net movement in foreign currency translation reserve	-	(351)	-	(351)	(71)	(422)
Total comprehensive income for the period	-	(351)	(12,608)	(12,959)	(320)	(13,279)
Transactions with owners						
Fair value of EIS rights granted	-	2,560	-	2,560	-	2,560
Fair value of EIS rights issued	193	(193)	-	-	-	-
Balance at 31 December 2023	153,645	28,178	(88,495)	93,328	912	94,240
Balance at 1 July 2024	154,226	30,717	(101,150)	83,793	211	84,004
Net losses for the period after tax	-	-	(12,110)	(12,110)	(630)	(12,740)
Other comprehensive income for the period						
Net movement in foreign currency translation reserve	-	185	-	185	17	202
Total comprehensive income for the period	-	185	(12,110)	(11,925)	(613)	(12,538)
Transactions with owners						
New issues of shares	20,030	-	-	20,030	-	20,030
Capital raising costs	(1,101)	-	-	(1,101)	-	(1,101)
Fair value of EIS rights granted	-	1,307	-	1,307	-	1,307
Fair value of EIS rights issued	2,532	(2,532)	-	-	-	-
Balance at 31 December 2024	175,687	29,677	(113,260)	92,104	(402)	91,702

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Financial Report

For the half-year ended 31 December 2024

1. Statement of material accounting policies

The interim consolidated financial report was approved by the Board of Directors on 26 February 2025. This half-year consolidated financial report has been prepared in accordance with Australian Accounting Standard AASB134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting' issued by the International Accounting Standards Board.

The interim consolidated financial report is intended to provide users with an update on the latest annual financial statements of Calix Limited ("the Company") and its controlled entities ("the Group"). As such, the half-year report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2024.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

These financial statements have been prepared on the going concern basis, which contemplates the consolidated entity's ability to pay its debts as and when they become due and payable for a period of at least 12 months from the date of authorising the financial report for issue.

The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The Group has incurred a loss after tax for the period ended 31 December 2024 of \$12.7m (31 December 2023 loss \$12.9m). The Group has cash balances of \$35.8m (30 June 2024 \$43.0m), net assets of \$91.7m (30 June 2024 \$84.0m) and net current assets of \$21.2m (30 June 2024 \$27.0m). Current loans and borrowings are \$1.7m (including lease liabilities of \$1.0m) compared to 30 June 2024 \$1.5m. Operating cash outflow for the period was \$17.9m (31 December 2024 \$16.4m).

During the period the Group raised \$20.0m in capital from its investors to improve the liquidity of the Group; and \$2.1m after the period end (see Note 18). Management have prepared cashflow forecasts underpinning the basis of preparation as a going concern. These cashflow forecasts for the Group are dependent on a combination of the following assumptions:

- The Magnesia business to continue to experience growth in volumes and gross margins in both Australia and the U.S. and to have lower capital expenditure investment in new plant than over the prior period;
- Continued growth in revenues in Leilac associated with paid engineering services and a reduction in its operating expenditures;
- A streamlined expenses base with an annual saving of \$6m (as a result of the restructure); and
- A focus and prioritisation of externally funded projects and a reduced level of pure research and development expenditure across the Group.

Based on these forecasts and assumptions, the directors of Calix consider that the Group will continue to fulfill all obligations as and when they fall due for the foreseeable future and, accordingly, consider that the Group's financial statements should be prepared on a going concern basis.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the interim financial report. Amounts in the interim financial report have been rounded off to the nearest thousand Australian dollars, unless otherwise stated, in accordance with the instrument.

Notes to the Financial Report

For the half-year ended 31 December 2024

2. Segment information

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Group's chief operating decision makers ("CODM"). The CODM consists of the Executive Key Management Personnel as disclosed in the prior full year's Remuneration Report on pages 33-43. For the period ended 31 December 2024, the Group has identified three segments based on the geographical regions and business lines in which they operate. The LEILAC segment is in Europe with a small US subsidiary that collectively are the CO₂ mitigation business line, the US segment is the US section of the water business line, and the Australian & SE Asian segments are comprised of all business segments.

The aggregation criteria under AASB 8 – Operating Segments have been applied to include the results of each region within the segment in which it operates.

	Australia & SE Asia	US	LEILAC	Elimination	Total
For the period ended 31 December 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Segment Revenue					
Products sold	1,885	8,556	-	-	10,441
Revenue from rental agreements	147	64	-	-	211
Other services	-	-	2,862	-	2,862
Intersegment revenues	94	-	-	(94)	-
Total Segment Revenue	2,126	8,620	2,862	(94)	13,514
Other Income	410	14	1,194	-	1,618
Total Revenue and Other Income	2,536	8,634	4,056	(94)	15,132
The following items are included in the below EBTDA values but warrant separate disclosure:					
Interest income	484	7	7	-	498
Research and development expenses	5,576	-	5,346	-	10,922
Sales and marketing expenses	1,362	3,278	724	-	5,364
Share based payments	1,307	-	-	-	1,307
EBTDA	(1,883)	(31)	(5,483)	-	(7,397)
Depreciation and amortisation	(1,147)	(490)	(2,499)	(189)	(4,325)
Impairment	-	-	(1,056)	-	(1,056)
Loss before income tax expense	(3,030)	(521)	(9,038)	(189)	(12,778)
Income tax benefit					38
Loss after income tax expense					(12,740)
Total Segment Assets	84,801	11,508	16,073	5,458	117,840
Capital Expenditure	15,459²	218	1,201	-	16,878
Total Segment Liabilities	11,899	3,420	10,468	352	26,139

2. Segment information (continued)

² \$8,766,000 of the \$15,459,000 capital expenditure relates to the gain on the Midstream UJV, that is not represented by cashflow from the Group.

Notes to the Financial Report

For the half-year ended 31 December 2024

	Australia & SE Asia	US	LEILAC	Elimination	Total
For the period ended 31 December 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Segment Revenue					
Products sold	2,192	7,733	-	(173)	9,752
Revenue from rental agreements	98	-	-	-	98
Other services	-	77	2,252	-	2,329
Intersegment revenues					
Total Segment Revenue	2,290	7,810	2,252	(173)	12,179
Other Income	1,538	(4)	2,172	-	3,706
Total Revenue and Other Income	3,828	7,806	4,424	(173)	15,885
The following items are included in the below EBTDA values but warrant separate disclosure:					
Interest income	371	5	7	(7)	376
Research and development expenses	5,957	-	4,210	-	10,167
Sales and marketing expenses	1,521	3,205	842	-	5,568
Share based payments	2,560	-	-	-	2,560
EBTDA	(7,605)	147	(1,717)	-	(9,175)
Depreciation and amortisation	(1,045)	(447)	(1,849)	(189)	(3,530)
Impairment	(194)	-	-	-	(194)
Loss before income tax expense	(8,844)	(300)	(3,566)	(189)	(12,899)
Income tax benefit					42
Loss after income tax expense					(12,857)
Total Segment Assets	77,243	8,801	21,388	5,775	113,207
Capital Expenditure	5,071³	1,723	4,062	-	10,856
Total Segment Liabilities	6,467	2,726	9,405	370	18,968

³ \$3,414,000 of the \$5,071,000 capital expenditure relates to the gain on the Midstream UJV, that is not represented by cashflow from the Group.

Notes to the Financial Report

For the half-year ended 31 December 2024

3. Revenue and other income

	31-Dec-24 \$'000	31-Dec-23 \$'000
Revenue		
Magnesia product and service revenues	10,652	9,927
Leilac engineering services	2,862	2,252
Other product revenues	-	-
Total revenue	13,514	12,179
Other income disaggregated along business lines:		
Other income		
Magnesia	33	64
Leilac	1,195	2,172
Other	390	1,470
Total other income	1,618	3,706

4. Expenses

The Group has identified several expense items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group:

	Note	31-Dec-24 \$'000	31-Dec-23 \$'000
Employee benefit expenses	5	16,694	13,767
Changes in inventories of finished goods and work in progress		(786)	871
Financing costs		128	134
Depreciation and amortisation expense		3,988	3,275
Depreciation of right of use assets		337	255
Impairment expense		1,056	194

5. Employee benefit expenses

	31-Dec-24 \$'000	31-Dec-23 \$'000
Wages and salaries	12,011	8,827
Social security contributions	1,643	1,626
Contributions to defined contribution plans	800	695
Expenses related to long service leave	(102)	59
Redundancy settlements	1,035	-
Equity settled share-based payments	1,307	2,560
Total employee benefit expenses	16,694	13,767

Notes to the Financial Report

For the half-year ended 31 December 2024

6. Trade, other receivables and other assets

	31-Dec-24 \$'000	30-Jun-24 \$'000
Current		
Trade receivables	3,417	2,736
Other receivables	925	887
Prepayments	594	404
Deposits paid	303	298
Total current trade, other receivables and other assets	5,239	4,325
Non-current		
Deposits	274	274
Other	24	27
Total non-current trade, other receivables and other assets	298	301

Notes to the Financial Report

For the half-year ended 31 December 2024

7. Non-current assets - Intangibles

	31-Dec-24 \$'000	30-Jun-24 \$'000
Customer contracts	2,091	2,091
Less: accumulated amortisation	(1,063)	(958)
Intellectual property	1,359	1,359
Less: accumulated amortisation	(691)	(623)
Brand names	329	329
Less: accumulated amortisation	(167)	(151)
Capitalised development costs	8,490	8,201
Less: accumulated amortisation and impairment	(427)	(203)
Patents and trademarks	3,538	3,336
Less: accumulated amortisation	(756)	(744)
Total intangibles	12,703	12,637

Movement in the carrying amounts for intangible assets between the beginning and the end of the period:

	Intangible Assets \$'000
Balance as at 30 June 2024	12,637
Additions during the period	
Capitalised development costs	518
Patents and trademarks	202
Less amortisation during the period	(629)
Less impairment during the period	(25)
Balance as at 31 December 2024	12,703

Intangibles

Intangible assets are measured at cost less any accumulated amortisation and any impairment losses. Amortisation is systematically allocated over the useful life of each identifiable asset with a finite life.

Customer contracts

Customer contracts are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis over their estimated useful lives. Customer contracts have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. In calculating amortisation costs, customer contracts are taken to have a useful life of 10 years.

Intellectual property

Intellectual property is recognised at fair value at the date of acquisition and is subsequently amortised on a straight-line basis over its estimated useful life. Intellectual property has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. In calculating amortisation costs, intellectual property is taken to have a useful life of 10 years.

Notes to the Financial Report

For the half-year ended 31 December 2024

7. NON-CURRENT ASSETS – INTANGIBLES (CONTINUED)

Brand names

Brand names are recognised at fair value at the date of acquisition and are subsequently amortised on a straight-line basis over their estimated useful lives. Brand names have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. In calculating amortisation costs, brand names are taken to have a useful life of 10 years.

Capitalised development costs

The capitalised development costs intangible asset relates to expenditure incurred on the development, design and construction of cement and lime manufacturing, design and construction of lithium processing, and BOOSTER-Mag technologies. The costs were recognised on the basis that they were incurred in the development phase, in accordance with AASB 138, through the demonstration of technical feasibility of completion, the intention to complete and use or sell the assets, as well as the clear path to economic benefits, the availability of technical and financial resources, and reliable measurement of expenditure. The capitalised development costs were not amortised until the associated product and service were demonstrated to be available for commercial use and an appropriate amortisation period set. As the Group transitions from an accelerated development phase to a focus on commercialisation, investment in R&D has moderated with the restructure, and greater attention will be placed on supporting the developing commercialisation efforts. Management has determined that the capitalised development costs are now available for commercial use in the financial period and has commenced amortisation over a period of 8–10 years.

Patent and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Amortisation is systematically allocated over the useful life of each patent and trademark. In calculating amortisation costs, patents are taken to have a useful life of 20 years, trademarks are taken to have a useful life of 10 years.

8. Goodwill

	31-Dec-24 \$'000	30-Jun-24 \$'000
Goodwill	3,638	3,638
Total goodwill	3,638	3,638

Goodwill arose on the acquisition of the US subsidiary, Inland Environmental Resources Inc, in 2019 as a result of the excess of consideration above identifiable net assets.

Accounting for goodwill

Goodwill arises on the acquisition of a business where the fair value of the consideration exceeds the fair value of the net assets acquired. Goodwill is not amortised, instead it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to the profit or loss and not subsequently reversed.

Notes to the Financial Report

For the half-year ended 31 December 2024

9. Non-current assets – Property, plant and equipment

	31-Dec-24 \$'000	30-Jun-24 \$'000
Office furniture, fittings and equipment	2,793	2,736
Less: accumulated depreciation	(1,967)	(1,768)
Bacchus Marsh Calciner and R&D facilities	26,616	26,564
Less: accumulated depreciation	(19,712)	(18,994)
Slurry manufacturing and application assets	13,636	12,862
Less: accumulated depreciation	(6,448)	(5,837)
Mining tenements	1,174	1,174
Less: accumulated amortisation	(48)	(46)
LEILAC plants	27,649 ⁴	26,272
Less: accumulated depreciation	(14,071)	(11,583)
Less: accumulated impairment	(8,558)	(8,088)
Midstream UJV project ⁵	31,780	16,492
Land	838	838
Total property, plant and equipment	53,682	40,622

Movement in the carrying amounts for property, plant and equipment between the beginning and the end of the period:

	Property, plant and equipment \$'000
Balance as at 30 June 2024	40,622
Additions during the period	16,878 ⁶
Less disposals	(85)
Realised exchange rate adjustment	656
Less depreciation and amortisation during the period	(3,358)
Less impairment during the period	(1,031)
Balance as at 31 December 2024	53,682

⁴ Includes a \$1m impairment of plant and equipment, that has been assessed as having nil residual value.

⁵ The Midstream UJV project is part of an unincorporated joint operation ("UJV") with Pilbara Minerals Limited. The above represents Calix's 45% share of the work in progress on the plant and equipment of this UJV.

⁶ \$8,766,000 of the \$16,878,000 additions relates to the gain on the Midstream UJV, that is not represented by cashflow from the Group, \$8,112,000 of this total relates to cash outflow of the Group.

Notes to the Financial Report

For the half-year ended 31 December 2024

10. Current liabilities - Trade and other payables

	31-Dec-24 \$'000	30-Jun-24 \$'000
Trade payables	4,610	5,119
Other payables and accrued expenses	5,829	7,055
Total trade and other payables	10,439	12,174

11. Borrowings

	31-Dec-24 \$'000	30-Jun-24 \$'000
Current borrowings		
Loan facility	674	753
Asset financing facilities	2	7
Total current borrowings	676	760

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised as profit or loss over the period of the borrowings using the effective interest rate method.

Where there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Loan facility

Inland Environmental Resources, Inc. (IER) secured a working capital facility for up to USD \$500,000 with Umpqua Bank to assist with funding capital expenditures at an interest rate of 8.5%; this facility was fully drawn at the period end.

12. Deferred revenue and other income

	31-Dec-24 \$'000	30-Jun-24 \$'000
Current deferred revenue and other income	10,202	10,104
Total deferred revenue and other income	10,202	10,104

Deferred revenue primarily consists of Government grants received but not yet recognised as other income due to unearned portions of projects.

Notes to the Financial Report

For the half-year ended 31 December 2024

13. Issued capital

	31-Dec-24 \$'000	30-Jun-23 \$'000
Fully paid ordinary shares	184,139	161,577
Costs of fund raising recognised	(8,452)	(7,351)
Total issued capital	175,687	154,226

a. Fully paid ordinary shares

	31-Dec-24 Number of shares	30-Jun-24 Number of shares
At the beginning of the period	181,922,776	181,183,168
Issued during the period	29,931,720	739,608
Balance at the end of period	211,854,496	181,922,776

	31-Dec-24 \$'000	30-Jun-24 \$'000
At the beginning of the period	161,577	160,803
Issued during the period	22,562	774
Balance at the end of period	184,139	161,577

b. Costs of fund raising recognised

	31-Dec-24 \$'000	30-Jun-24 \$'000
At the beginning of the period	7,351	7,351
Incurred during the period	1,101	-
At the end of the period	8,452	7,351

	Number of shares	\$
1 July 2023 – Opening balance	181,183,168	160,802,844
EIS withdrawals	739,608	773,516
30 June 2024 – Closing Balance	181,922,776	161,576,360
EIS withdrawals	3,242,993	2,531,698
Institutional placement	26,666,668	20,000,000
Share based payment	22,059	30,000
31 December 2024 – Closing Balance	211,854,496	184,138,058

Notes to the Financial Report

For the half-year ended 31 December 2024

14. Reserves

	31-Dec-24 \$	30-Jun-24 \$
Foreign currency translation reserve	678	493
Share-based payment reserve	7,717	8,942
Transactions with non-controlling interest reserve	21,282	21,282
Total reserves	29,677	30,717
At the beginning of the period	30,717	26,162
Non-controlling interest movement of FCTR	(17)	74
Revaluations to foreign currency translation reserve	202	130
Fair value of EIS rights granted	1,307	5,125
Fair value of EIS rights issued	(2,532)	(774)
At the end of the period	29,677	30,717

15. Loss per share

	31-Dec-24 \$'000	31-Dec-23 \$'000
a. Earnings used to calculate basic and diluted EPS from continuing operations	(12,110)	(12,608)
	Number	Number
b. Weighted average number of ordinary shares during the period used in calculating basic and diluted EPS	185,148,843	180,273,701

16. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2024.

Notes to the Financial Report

For the half-year ended 31 December 2024

17. Non-controlling interests

Equity - non-controlling interests

	31-Dec-24 \$'000	31-Dec-23 \$'000
Reserves	1,404	1,233
Retained profit	(1,806)	(324)
	(402)	909

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position, respectively. Carbon Direct's share of the loss since disposal, \$2,005,243 (2024: \$630,741), is disclosed as part of non-controlling interest in the income statement.

18. After balance date events

Subsequent to the end of the Financial Period, Calix and PLS jointly announced the restarting of activities of their unincorporated joint venture. This restart follows the suspension previously reported in ASX announcements. There are no indications of material effect on the Group's reported financial position for the current period. Consistent with AASB 110 Events after the Reporting Period, this is considered a non-adjusting event.

Calix closed its share purchase plan on 31 January 2025 and raised \$2.1m from this transaction with its investors.

No other matters or circumstances have arisen since the end of the half-year ended 31 December 2024 which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.

Notes to the Financial Report For the half-year ended 31 December 2024

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 21 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standards Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half year ended on that date, and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



A Deans
Chair
Sydney
26 February 2025



Independent Auditor's Review Report

To the shareholders of Calix Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying *Interim Financial Report* of Calix Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the *Interim Financial Report* of Calix Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the *Group's* financial position as at 31 December 2024 and of its performance for the *half-year* ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The *Interim Financial Report* comprises:

- Consolidated statement of financial position as at 31 December 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 18 comprising material accounting policies and other explanatory information
- The Directors' Declaration.

The *Group* comprises Calix Limited (the Company) and the entities it controlled at the Interim Period's end or from time to time during the Interim Period.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



KPMG



Daniel Camilleri
Partner
Sydney
26 February 2025