

6 June 2025

Update on Leilac's U.S. Projects

Sydney, Australia | 6 June 2025 – Australian environmental technology company, Calix Limited (ASX: CXL) (“Calix”) announces today that its subsidiary business, Leilac, is scaling back work on its projects in the United States (“U.S.”) pending the outcome of ongoing reviews of Government spending by the Trump administration.

Highlights:

- Under the Trump administration, many projects receiving funding from the U.S. Department of Energy (“U.S. DOE”) remain under review.
- Programs under review include those providing funding for Heirloom’s Direct Air Capture (“DAC”) project, Project Cypress in Louisiana¹, and for two Leilac carbon capture and storage (“CCUS”) projects that were selected for awards for engineering studies².
- The initial review period was stated to be less than 90 days from President Trump’s Executive order of 20 January 2025. However, it is now expected that major project reviews may continue until the end of the (northern hemisphere) summer.³
- Given the continuing uncertainty, Leilac is scaling back work on all Leilac U.S. projects until relevant U.S. DOE funding reviews are complete, or further developments occur.
- Leilac will reduce its resourcing and costs accordingly, such that any continued pause in U.S. projects is cash-neutral for both Leilac and Calix.
- This decision continues Calix’s diligent cost management and focus on immediate revenue generation opportunities.
- Calix and Leilac continue to retain an excellent core technical and engineering capability and remain well-placed to deploy resourcing towards revenue generating project opportunities in Europe and Asia Pacific, and indeed rapidly re-build and deploy in the U.S. should the situation improve.

The Trump administration previously paused disbursements of funds and negotiations for selected projects for programs appropriated through the Inflation Reduction Act and the Infrastructure Investment and Jobs Act.⁴ Currently, U.S. DOE funding that was approved by Congress is still authorised, and awarded projects may continue pending the outcome of the U.S. DOE’s review.⁴ Leilac’s projects were not impacted by the U.S. DOE’s recent decision to terminate 24 awards that primarily funded carbon capture and sequestration and decarbonisation

¹ Calix ASX Announcement. [Calix announces update on DAC projects](#). Jun 2024

² Calix ASX Announcement. [Calix announces US Dept of Energy Pre-FEED grant awards](#). Jan 2025

³ Yahoo News. [Energy Department secretary clashes with Democrats over funding freezes, job cuts](#). May 2025

⁴ The White House. [Unleashing American Energy](#). Jan 2025

initiatives.⁵

Meanwhile, the 45Q Tax Credit, which provides important incentives for CCUS and DAC projects, remained largely unchanged in the House Reconciliation Package that passed through the House and is now before the Senate.⁶

While policy uncertainty continues for projects in the U.S. (cement market size ~120mtpa⁷), policy support in the European Union (~290mtpa⁷) continues to strengthen, including through the Clean Industrial Deal⁸. For example, a recent decision by the European Commission under this deal will force oil and gas producers to supply 50 million tonnes of operational CO₂ storage capacity by 2030⁹. In Asia, Emissions Trading Schemes and other policy support have either been implemented or are being developed. This includes China (~1500mtpa cement production), India (~370mtpa), and Japan (~60mtpa).⁷

Leilac and Calix remain ready to increase capacity for project delivery in the U.S. as soon as grant awards are confirmed or other paid customer projects are established.

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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.

⁵ U.S. DOE. [Secretary Wright Announces Termination of 24 Projects, Generating Over \\$3 Billion in Taxpayer Savings](#). May 2025

⁶ Norton Rose Fullbright. [Effects of the Final House Tax Bill on Projects](#). May 2025

⁷ Mtpa = million tonnes per annum. Source: Global Cement Directory 2024.

⁸ European Commission. [Clean Industrial Deal](#).

⁹ European Commission. [Commission identifies the EU oil and gas producers to provide new CO2 storage solutions for hard-to-abate emissions in Europe](#). May 2025

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