ASX ANNOUNCEMENT
27 August 2018

Appendix 4E – Preliminary final report

1. Company details:

- Name of entity – Calix Limited
- ACN – 117 372 540
- Reporting period – For the year ended 30 June 2018

2. Results for announcement to the market:

				A$ 000's
Revenues from core products	up	25%	to	3,865
Revenues from other products	down	51%	to	236
Other income	up	7%	to	8,128
Total revenues from ordinary activites	up	9%	to	12,229
Operating Expenses	down	4%	to	(7,607)
Profit before funding costs, depreciation, amortisation, impairment, foreign exchange losses and income tax	up	102%	to	1,933
Depreciation, amortisation & impairment	up	76%	to	(4,669)
(Loss) before tax	up	56%	to	(3,340)
(Loss) for the year attributable to the owners of Calix Limited	up	51%	to	(3,340)

Comments:
Revenues from core Magnesium Hydroxide Liquid (MHL) products were up 35% for the year to $3.5m. Gross margin increased to 35% and operating costs were down 4%. Depreciation, amortisation and impairment expense was up 76% primarily associated with the R&D pilot costs for the European Commission funded LEILAC project in Europe. Operating cashflow for the full year was up strongly to $2.0m.

On 20th July 2018 the company completed its Initial Public offering and listed on the ASX. $8.00m was raised with the issue of 15.09m shares at $0.53 with the costs to be brought to account in the first half of the 2018/19 financial year.

3. Net tangible assets:

	Current reporting period	Previous reporting period
Net tangible assets per ordinary security*	$0.14	$0.13

* The previous reporting period comparative has been restated to reflect the share consolidation which occurred on 20th April 2018.

4. Dividends:

No Dividends have been provided for or paid during the current or previous periods.

5. Audit qualification or review:

The financial statements have been audited and an unqualified opinion has been issued.

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About Calix

Calix is a multi-award-winning Australian technology company that is developing new processes and materials to solve global challenges.

The core technology is a world-first, patented kiln built in Bacchus Marsh, Victoria that produces mineral honeycomb, which are very highly active minerals.

Calix uses these minerals, which are safe and environmentally friendly, to improve waste water treatment and phosphate removal, help protect sewer assets from corrosion, and help improve food production from aquaculture and agriculture with reduced antibiotic, fungicide, and pesticide use.

Calix's technology has also been adopted overseas, where the company is working with some of the world's largest companies, governments and research institutions on CO_2 capture.

www.calix.com.au

Calix Limited and its controlled entities

ACN 117 372 540

Annual report - 30 June 2018

DIRECTORS REPORT

The directors present their report on Calix Limited and its controlled entities ("the Group") consisting of Calix Limited ("the Company") and entities under its control as of, or during the year ended 30 June 2018.

DIRECTORS

The following persons were directors of the Company during the whole of the year ended 30 June 2018 and up to the date of the report, unless otherwise stated:

Peter Turnbull
Jack Hamilton
Phil Hodgson
Lance O'Neill
Mark Sceats
David Zeiden (resigned 28 February 2018)

INFORMATION ON DIRECTORS

Peter J Turnbull - BCom, LLB, FCIS, FAICD (Non-executive chairman)

Experience

Peter Turnbull is an experienced Chair and professional non-executive director of publicly-listed, unlisted public, not for profit and early stage companies.

Peter brings to the board significant legal, risk management and commercial experience gained from working with boards and management to conceive, fund, structure and complete corporate transactions and to prioritise and maximise the value of organic growth strategies for shareholders.

Peter also has significant regulatory and public policy experience from prior executive roles including as a Director of the Securities & Futures Commission of Hong Kong. Peter is a regular contributor and speaker in Australia and overseas on corporate governance issues and is a former President and Life Member of the Governance Institute of Australia.

Peter's senior executive roles over 30 years involved significant experience in large publicly listed organisations with global operations, particularly South East Asia, Europe and the USA. Peter's executive experience included over a decade in energy markets and the resources sector including as Company Secretary of Newcrest Mining Limited, Company Secretary and General Counsel of BTR Nylex Limited and General Manager, Legal and Corporate Affairs with Energex Limited.

Current positions and directorships include:

Chair, Calix Limited (ASX – CXL)
Non-executive director, Karoon Gas Australia Ltd (ASX – KAR)
Chair, Metallica Minerals Limited (ASX – MLM)
Non-executive director, Governance Institute of Australia
Chair, Auxita Pty Ltd

Peter is an Adjunct Professor at the University of Queensland, a former President and Fellow of the Governance Institute of Australia and a Fellow of the Australian Institute of Company Directors.

Special responsibilities

Chairman of the board and Remuneration & Nomination Committee,
member of the Audit and Risk Management Committee

Interest in shares and options

957,484 ordinary shares in Calix Limited
Nil options or rights over ordinary shares in Calix Limited

Jack A Hamilton – BE (Chem), PhD (Non-executive director)

Experience

Dr Jack Hamilton has over 30 years' experience both locally and internationally in operations management covering refining, petrochemicals and gas production, marketing, strategy and liquefied natural gas project management.

Jack was previously CEO of Exergen Pty Ltd, a low emission coal resource development company and formerly, director of NWS Ventures with Woodside Energy overseeing one of Australia's largest resource projects, the North West Shelf Project.

Jack is the non-executive chair of Anteo Diagnostics Limited (ASX – ADO) and has held numerous publicly-listed non-executive director roles including Renu Energy Limited and DUET Group Ltd.

Jack holds a Bachelor of Chemical Engineering degree and a Doctorate of Philosophy (University of Melbourne). He is also a Fellow of Australian Institute of Energy and a Fellow of the Australian Institute of Company Directors

Special responsibilities
Chairman of Technology Committee and Audit & Risk Management Committee, member of the Remuneration & Nomination Committee

Interest in shares and options
1,918,754 ordinary shares in Calix Limited
Nil options, 206,250 warrants for ordinary shares in Calix Limited

Lance O'Neill – BSc (Econ) Hons (Non-executive director)

Experience
Lance O'Neill is a Director of DFB (Australia) Pty Ltd, a Sydney based investment advisory business, and has worked in institutional equity, fixed income sales/trading and corporate finance in international securities and investment markets for over thirty years predominantly in Australia, UK and USA.

He is the chair of MediaZest Plc and EP&F Capital Plc and in addition is a director of, and investor in, a number of private and public companies in Australia, UK, the USA and Asia.

He holds a BSc (Econ) Hons. degree in Accountancy and Law from the University of Wales

Special responsibilities
Nil
Interest in shares and options
5,500 ordinary shares in Calix Limited
Nil options, 132,500 warrants for ordinary shares in Calix Limited

Phil Hodgson – BE (Hons) (Chem), PhD (Managing Director & CEO)

Experience
Phil has a technical and commercial background from a successful career with Shell, where for over 14 years he developed significant depth of experience across all key sectors of the downstream oil industry including refining and supply, marketing and sales, pricing strategy, risk management, corporate strategy, and mergers and acquisitions.

From 2007 to 2013, Phil ran his own consultancy providing project development, commercial, M&A, and management expertise to several sectors including LNG, biofuel, clean coal, geothermal energy, building products, logistics and fast-moving consumer goods.

Phil holds a Bachelor of Chemical Engineering with Honours from the University of Sydney and a PhD in Chemical Engineering from the University of NSW.

Phil joined Calix as CEO in 2013 and was appointed a Director in 2014.

Special responsibilities
Managing Director & CEO, member of the Technology Committee

Interest in shares and options
3,225,866 ordinary shares in Calix Limited
Nil options, 82,500 warrants for ordinary shares in Calix Limited

Mark Sceats – BSc (Hons 1st Class), PhD (Executive Director & Chief Scientist)

Experience

Mark Sceats is a qualified physical chemist with 40 years' experience. He has degrees in Science (Hons 1st Class) and a PhD (University of Queensland).

Mark has previously worked at the James Franck Institute at the University of Chicago, and as an Assistant Professor of the University of Rochester NY, USA, where he was awarded the Alfred P Sloan Fellowship for his work. Later he was employed by the University of Sydney as a Reader in the School of Chemistry for his research work on chemical reaction kinetics. Mark has published more than 140 academic papers in physical chemistry and is an inventor of 36 patented inventions.

Mark was awarded the M.A. Sargent Medal of the Institute of Engineers Australia for his contributions to optical communications and the Centenary Medal of the Commonwealth of Australia for his contributions to Australian society. He is a Fellow of the Australian Academy of Technological Sciences and Engineering, a Fellow of the Royal Australian Chemical Institute, and a Companion of the Institute of Engineers Australia.

Mark founded Calix in 2005, was re-elected as a Director in 2014.

Special responsibilities
Member of the Technology Committee

Interest in shares and options
7,004,084 ordinary shares in Calix Limited
Nil options, 412,500 warrants for ordinary shares in Calix Limited

COMPANY SECRETARY
Darren Charles, B Com FCPA, is the Company Secretary and is also the Chief Financial Officer of Calix Limited.

DIRECTORS AND COMMITTEE MEETINGS
The number of meetings of the Company's board of directors and each board committee held during the year ended 30 June 2018, and the number of meetings attended by each director were:

Director name	Full meetings of directors		Committee meetings					
			ARMC		REM		TECH	
	A	B	A	B	A	B	A	B
Peter Turnbull	11	11	3	3	1	1	*	*
Jack Hamilton	10	11	3	3	1	1	3	3
Lance O'Neill	11	11	*	*	*	*	*	*
David Zeiden (until 28 Feb 2018)	4	6	*	*	*	*	*	*
Phil Hodgson	11	11	*	*	*	*	3	3
Mark Sceats	11	11	*	*	*	*	3	3

A = Number of meetings attended
B = Number of meetings held
* = Not a member of the relevant committee
ARMC = Audit & Risk Management committee
REM = Remuneration and Nomination committee
TECH = Technology committee

To assist with the management of the IPO process, during the year the board established an IPO steering committee which was chaired by Peter Turnbull with Jack Hamilton, Phil Hodgson and Darren Charles as its members. The committee met on a regular basis with its work completed once the company listed on the ASX on 20 July 2018.

PRINCIPAL ACTIVITIES
Calix has developed a patent-protected, platform technology that produces new materials and processes, targeted at solving some significant global challenges. The core technology platform is a reinvention of the kiln process, which can produce high purity, high surface area products that have high levels of reactivity.

These new materials and processes are commercialised via a variety of business models including direct sales of products, licensed distributor sales, and licensing of the technology. The Group has operations, customers or distribution partners across Australia, New Zealand, Asia, Europe, and product trials starting in the United States of America.

The business is focussed in three main areas across Commercial, Pre-Commercial, and R&D products and applications.

- The commercial activity manages the growth in direct sales, or licensing of the product or application, including iteration and improvement of the offering.
- The pre-commercial function involves taking promising products or applications and perfecting the business model for commercialisation, including via paid trials, potential licensed partner assessments, or indeed considering the spin-out or sale of a technology application. The focus of this work area is currently in the aquaculture and agriculture markets.
- Our R&D function manages a pipeline of opportunities that leverage the core technology. It has been successfully self-funded for 4 years with grants from the Australian Government and the European Union (EU). The key current development focus is in demonstration of the technology for the cement and lime industries and the development of the CFC technology in the field of advanced batteries.

Our business activities are under-pinned by a commercial-scale facility at Bacchus Marsh in Victoria, with a name-plate capacity of 25,000 tonnes per year of raw (magnesium oxide) product, and a raw material (magnesium carbonate) mine near Leigh Creek in South Australia. While our Pre-Commercial and Commercial functions are based upon magnesium oxide and hydroxide, multiple other minerals have been processed successfully by the technology and are being developed into a range of potential new products and applications as part of our R&D.

OPERATING RESULTS
The Group recorded a significant improvement in operating performance as a result of sales growth, improved sales margins and continued prudent cost management. Revenues from core MHL products were up 35%, total revenue and other income was up 9% to $12.23m (2017: $11.22m) and the group recorded a profit from ordinary activities (before depreciation, impairment, and finance costs) of $1.93m (2017: $0.96m). The loss after-tax of the Group for the year ended 30 June 2017 was $3.34m (2017: loss of $2.14m). Net cash increased for the year by $0.56m (2017: $0.01m).

REVIEW OF OPERATIONS
The 2017/18 financial year saw the Group achieve a continuation in its growth trajectory with accelerated sales and revenues, improving margins and an increase in operating performance, as measured by EBITDA. Core MHL product (ACTI-Mag and PROTECTA-Mag) revenues grew 35% and gross margins increased from to 29.8% to 34.4%. The Group also continued to earn additional revenues from grants awarded to support research and development and commercialisation efforts.

The business strategy for the year continued with a focus on:

1. Aggressively pursuing revenues with product sales in ACTI-Mag, PROTECTA-Mag, and AQUA-Cal+ and targeting grant opportunities to support core R&D and commercialisation activities,
2. Active promotion of our technology through licensing and joint venture activities, and
3. Continuation of innovation to enhance core technology and applications through research and development.

Excellent product sales growth was achieved across the three primary MHL product applications covering ACTI-Mag with waste water neutralisation (28% growth), PROTECTA-Mag with asset protection of sewer lines and the new applications in wet wells and manholes (67% growth), and in aquaculture with AQUA-Cal+ (96% growth). The Company signed agreements with new partners for the application of PROTECTA-Mag in Western Australia and New Zealand.

Total export sales were down slightly by 6.6% due to lower European cyclical demand for our high surface area magnesium oxide powder (sold via third party under license), however our Core MHL products experienced 117% growth in export sales via exports to New Zealand as well as several aquaculture markets in South East Asia. Total export earnings from overseas project and grant income reached $4.33m, an increase of 18%.

The Group further developed its BOOSTER-Mag commercialisation strategy, supported through the Accelerating Commercialisation scheme from AusIndustry. Third season farm-scale trials were performed successfully across tomatoes and progress continued to be made towards achievement of registration with the Australian, Pesticides and Veterinary Medicines Authority with excellent (zero) toxicology results from an independent European laboratory. As at the date of this report, three Material Transfer Agreements (MTA's) have been executed with multi-national crop protection companies, with more in negotiation, covering IP ownership and trial protocols as part of the due diligence by our counter parties on the product. These MTAs represent a considerable investment to be undertaken by the counterparts in assessing our product over several seasons of trials.

Activity on the Low Emissions Intensity Lime & Cement ("LEILAC") R&D project continued to progress during the year with construction commencing in February 2018 in conjunction with an "Innovation in Industrial CCS" conference in Lixhe, Belgium. The conference was attended by over 150 delegates from the EU Commission, industry and non-government organisations. As at the date of this report, the project remains on track and on budget for completion and commissioning by early April 2019.

The €5m "SOCRATCES" solar-powered thermo-chemical (base load renewable energy) storage R&D project kicked off in January 2018, with Calix technology a key component in the pilot plant consortium. Also commencing in January 2018 was the "BATMn" R&D project. This project will see a new electric powered calciner being built at Bacchus Marsh for the development and manufacture of advanced battery materials for lithium ion batteries. The project has been supported by Australian Federal Government through its Advanced Manufacturing Growth Fund. Both projects play into exciting, growing markets for advanced batteries over the coming decades.

In addition to these R&D projects, the Group continued research associated with its technology and filed a further two new patents during the period. The Group has continued to develop its patent protection across core technology, manufacturing process and product application in multiple markets around the world.

Whilst growing top line sales and revenues, the Group maintained cost disciplines which saw overall operating expenditure fall by 3.6% to $7.61m (2017: $7.89m). As a result of growth in sales, gross margins and continued cost discipline, the Group was able to report a significant improvement in operating profit with EBITDA of $1.93m up from $0.96m in the prior period. The Group will continue to look at ways to carefully manage costs at the same time as investing in growing sales and broadening its product capability through targeted research and development activity.

FINANCIAL POSITION

The Group held $2.45m in cash and cash equivalents at 30 June 2018 (2017: $1.88m) and had a surplus of $4.33m of total current assets over total current liabilities (2017: $5.37m).

GOING CONCERN

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

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than the significant milestones as set out in the review of operations above, there were no significant changes in the state of affairs of the Group during the year.

DIVIDENDS

No dividends were paid or were payable during the year (2017: $NIL).

AFTER BALANCE DATE EVENTS

On the 20 July 2018, the Company was admitted to the Official List of the ASX Limited, completing an Initial Public Offering (IPO) of 15,094,340 new shares at an issue price of $0.53, raising $8.00m before transaction costs.

The purpose of the IPO was to provide funding for the company's growth strategies including:

- expanding sales and marketing capabilities to increase revenues and enter new markets;
- enhancing the efficiency of existing production facilities to drive margin expansion;
- to continue specific R&D projects; and
- to provide additional working capital.

The Board also resolved to grant and vest the remaining 3,400,747 shares in the trust because of the Company achieving its IPO. A fair value expense of $1.80m for these ESS shares will be bought to account in the 2018/19 financial statements accordingly.

Other than the items mentioned above, no other matters or circumstances have arisen since the end of the year 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.

FUTURE DEVELOPMENT, PROSPECTS AND BUSINESS STRATEGIES

As mentioned above, after balance date, the Company completed its IPO on 20 July 2018 raising $8.00m, the purpose of which was to help fund the following strategies and activities which the Group will be pursing:

- expand sales and marketing capabilities to increase revenues and enter new markets;
- enhance the efficiency of existing production facilities to drive margin expansion;
- to continue specific R&D projects; and
- to provide additional working capital.

ENVIRONMENTAL REGULATION

The Group's operations are subject to local, state and federal environmental legislation and regulations in both the testing and operational areas. The board of directors are responsible for the regular monitoring of environmental exposure and compliance with environmental regulations and are not aware of any breaches of these regulations during the year. The Group is committed to achieving a high standard of environmental performance.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During or since the end of the financial year, the Company has given an indemnity by way of deed of indemnity to directors and senior management. The Company also paid a premium in relation to insuring the directors and other officers against liability incurred in their capacity as a director or officer.

OPTIONS AND WARRANTS

At the date of this report, there were no unissued ordinary shares of the Company under option and 8,754,955 warrants on issue. The warrants on issue include 3,242,405 that are subject to mandatory escrow period until 20 July 2020. Refer to note 16 of the financial statements for further details of the warrants outstanding at balance date.

For details of options or warrants issued to directors and executives as remuneration, refer to the Remuneration Report.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

AUDITOR

BDO East Coast Partnership continues in office in accordance with section 327 of the *Corporations Act 2001.*

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

Amounts paid or payable to the auditors for non-audit services provided during the year are as follows: - Due diligence relating to IPO $0.11m (2017: $NIL) and Other assurance services $0.12m (2017: $0.01m).

The Company's board has considered the position and is satisfied that the provision of the non-audit services is comparable with the general standard of independence for auditors imposed by the *Corporations Act 2001.* Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the directors to ensure that they do not impact the impartiality and objectivity of the audit; and
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants.*

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 13.

REMUNERATION REPORT (AUDITED)

Introduction

This remuneration report sets out the remuneration information for the Group's directors and other key management personnel (KMP). For the purposes of this report, KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling major activities of the Company and the Group, directly or indirectly, including any director of the Company.

KMP remuneration

The following executives of the Group were classified as KMP during the 2018 financial year and unless otherwise indicated were classified as KMP for the entire year.

Non-Executive Directors
Peter Turnbull, Chair
Jack Hamilton, Independent Director
Lance O'Neill, Independent Director
David Zeiden, Director (resigned 28 February 2018)

Executive Directors
Phil Hodgson, MD & CEO,
Dr Mark Sceats, Chief Scientist and co-Founder

Senior Executives
Darren Charles, CFO & Company Secretary,
Bill Karis, GM Sales & Marketing (appointed 28 May 2018),
Andrew Okely, GM Strategy & Commercial.

The objectives of the Group's remuneration policies are to align directors and key management personnel to the Group's long-term interests and to ensure that remuneration structures are fair and competitive. The directors believe the current remuneration policies are appropriate and effective to attract and retain the best KMP to run and manage the Group. The director's policies for determining the nature and amount of remuneration for directors and KMP of the Group are as follows:

- Non-executive director's remuneration is approved by the board and shareholders. Non-executive directors are remunerated at market rates for time, commitment and responsibilities. Remuneration is reviewed annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.
- All KMP, including the CEO, receive a base salary which is based on factors such as length of service and experience. The board reviews KMP salary annually by reference to the Group's performance, individual performance and comparable information from industry sectors.
- KMP employees also receive a superannuation guarantee contribution, which is currently 9.50% and do not receive any other retirement benefits.
- An incentive or bonus scheme may be applied based upon performance versus both company and Individual Key Performance Indicators (KPI). The board sets yearly KPIs to drive performance to be in line with the longer-term strategy. The actual performance against KPIs is reviewed regularly and assessed at the end of the financial year by the Remuneration and Nomination Committee, for the purpose of determining incentives or bonuses.

Details of the remuneration of the directors and the KMP of the Group are set out in the following tables:

30 June 2018	Short term benefits $	Post-employment benefits $	Share-based payments $	Total $
Company directors				
Peter Turnbull	105,000	-	-	105,000
Jack Hamilton	69,000	-	-	69,000
Lance O'Neill	42,672	-	-	42,672
David Zeiden (until 28 Feb 2018)	-	-	-	-
Phil Hodgson	348,000	20,049	-	368,049
Mark Sceats	304,755	20,049	-	324,804
	869,427	40,098	-	909,525
Other KMP of the Group				
Darren Charles	272,822	20,049	-	292,871
Bill Karis (from 28 May 2018)	13,282	1,262		14,544
Andrew Okely	278,320	20,049	-	298,369
	564,424	41,360	-	605,784
Total KMP Compensation	**1,433,851**	**81,458**	**-**	**1,515,309**

30 June 2017	Short term benefits $	Post-employment benefits $	Share-based payments $	Total $
Company directors				
Peter Turnbull	105,000	-	-	105,000
Jack Hamilton	69,000	-	-	69,000
Lance O'Neill	42,672	-	-	42,672
David Zeiden	-	-	-	-
Phil Hodgson	348,000	19,616	69,305	436,921
Mark Sceats	299,657	19,616	51,733	371,006
	864,329	39,232	121,038	1,024,599
Other KMP of the Group				
Darren Charles	269,177	19,616	-	288,793
Andrew Okely	287,958	19,616	-	307,574
	557,135	39,232	-	596,367
Total KMP Compensation	**1,421,464**	**78,464**	**121,038**	**1,620,966**

Additional disclosures relating to KMP

The number of shares in the company held during the financial year by each director and other KMP of the Group, including their personally related parties is set out in the following table:

30 June 2018	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance as at 30 June 2018
Ordinary shares					
Peter Turnbull	901,304	-	56,180	-	957,484
Jack Hamilton	1,559,799	-	358,955	-	1,918,754
Lance O'Neill	5,500	-	-	-	5,500
David Zeiden	-	-	-	-	-
Phil Hodgson	2,350,936	-	874,930	-	3,225,866
Mark Sceats	6,479,739	-	524,345	-	7,004,084
Darren Charles	550,282	-	135,067	-	685,349
Andrew Okely	648,943	-	102,997	-	751,940
Bill Karis	-	-	-	-	-
	12,496,503	-	2,052,474	-	14,548,977

The number of shares held as set out in the table above are based on the holding numbers post the share consolidation that occurred on 18 April 2018.

The number of warrants in the company held during the financial year by each director and other KMP of the Group, including their personally related parties is set out in the following table:

30 June 2018	Balance at the start of the year	Additions	Disposals	Balance as at 30 June 2018
Ordinary shares				
Peter Turnbull	-	-	-	-
Jack Hamilton	206,250	-	-	206,250
Lance O'Neill	132,500	-	-	132,500
David Zeiden	-	-	-	-
Phil Hodgson	82,500	-	-	82,500
Mark Sceats	412,500	-	-	412,500
Darren Charles	82,500	-	-	82,500
Andrew Okely	41,250	-	-	41,250
Bill Karis	-	-	-	-
	957,500	-	-	957,500

The number of warrants held as set out in the table above are based on the holding numbers post the share consolidation that occurred on 18 April 2018.

Short and long-term incentive schemes

a) Calix ESS

In 2013, the board established a share-based payments scheme under which directors and employees could earn shares for achievement of short and long-term goals. The Calix Employee Share Scheme Trust ("ESS") was established to administer the scheme on behalf of the board. A post consolidation equivalent of 6,804,603 shares were issued to the Employee Share Scheme Trust. The accounting treatment of the ESS shares is to expense the shares at fair value at the time they are awarded and vest to the participating directors and employees.

In the periods from FY 2013/14 to FY 2016/17, 3,403,856 ESS shares were awarded and vested to participating directors and employees at a fair value of $638,813 which was recognised in the statements of profit or loss. For the FY 2017/18, the remaining shares in the ESS were subject to performance vesting criteria that was linked to a successful listing of the Company on the ASX. As this event did not occur by 30 June 2018, the ESS shares did not vest and were returned to the ESS pool.

The Company undertook a public offer of 15,094,340 shares at an issue price of $0.53 and completed its initial public offering when its shares commenced trading on the ASX on 20 July 2018. The Board also resolved to grant and vest the remaining 3,400,747 shares in the trust because of the Company achieving its IPO. A fair value expense of $1.80m for these ESS shares will be bought to account in the 2018/19 financial statements accordingly.

b) Calix EIS

On 18 April 2018 at an extraordinary general meeting, the shareholders approved a new Employee Incentive Scheme to operate once the Company is listed. The Calix Officers & Employees Incentive Scheme (EIS) provides for the grant of rights and/or options to eligible officers and employees (as determined by the Board) and is intended to provide competitive, performance-based remuneration supporting the retention, incentive and reward functions of that remuneration and drive alignment with shareholders.

A summary of key terms of the EIS are available on via the Company's website. Subject to any limitations that might apply under the Corporations Act or limits under ASIC class order relief there is no limit on the number of rights and/or options that may be issued under the EIS, however the Board initially intends to limit the number of Shares over which options or rights that will be issued under the EIS to 6% of the total number of Shares on issue (i.e. undiluted).

No rights or options over Shares have been issued under the Calix EIS as at the date of this report. At the 18 April 2018 EGM, the shareholders approved to issue up to 1,500,000 rights to Phil Hodgson and 1,100,000 rights to Mark Sceats, for nil consideration, subject to the admission of the Company to the ASX. The rights are proposed to be issued shortly after the commencement of the 2019 financial year, but in any event, no later than 12 months after the listing. These rights are subject to certain threshold conditions including: -

- Threshold condition 1 – Performance against the company's annual Safety Action Plan, to be agreed each year with the Board.

- Threshold condition 2 – Share price performance as measured by Total Shareholder Return (TSR), as described below.

- Threshold condition 3 – KPI performance based upon key performance indicators, to be agreed each year with the Board, but will initially be a weighted combination of a range (minimum threshold to maximum/cap) of gross margin on revenue (excluding grants and rebates), revenue growth (excluding grants and rebates), and other indicators related to performance against key milestones such as technology development. Above-maximum cap performance on KPIs can qualify for a cash bonus that will not exceed 2% of EBITDA (in the case of Phil Hodgson) and 1.5% of EBITDA (in the case of Mark Sceats), provided Calix is EBITDA-positive.

Additional conditions related to the vesting of these rights are:

- Timing of vested rights: the rights will vest in 3 equal traches at the end of each full financial year following the grant of the rights (i.e. commencing on 1 July 2019), Any cash bonus declared in respect of a financial year will also be paid at the same time. The vesting of the rights is subject to the vesting criteria outlined with respect to Total Shareholder Return (TSR), below.

- TSR is measured as Calix's share price performance, being the 30-day VWAP (over the 15 days preceding, and the 15 days after, Calix announcement of its financial year results) (Measured TSR) as compared to:

    - for year 1, the Offer Price; and

    - for each subsequent financial year, the 30 day VWAP over the 15 days preceding, and the 15 days after the announcement of the company's financial year results for the prior financial year, (each a Baseline TSR).

If the Measured TSR for a particular financial year is not higher than the Baseline TSR for that period of measurement, the rights remain unvested. However, such unvested rights may vest if at any time before the end of the financial year immediately after the full vesting period (i.e. 30 June 2022), the 30 day VWAP for Calix's Shares meets the applicable Baseline TSR for those unvested rights.

At the end of the vesting period, if any rights remain unvested (other than due to timing of the grant of such rights), the Board in its discretion will be able vest:

- 50% of the remaining unvested rights if the Measured TSR at the end of the vesting period has exceeded the Offer Price by 150%; and

- the remaining 50% of the unvested rights if the Measured TSR at the end of the vesting period has exceeded the Offer Price, by 250%.

In event of a successful takeover offer for Calix:

- all rights not already vested will vest and convert into shares, and are included in the equity transaction as part of the takeover; and
- all rights that have vested are converted into shares and are included in the equity transaction as part of the takeover.

Service agreements for Executives

The key terms concerning the employment of Phil Hodgson as Managing Director and Chief Executive Officer with Calix are as follows:

- Nature and Term of Employment: Full-time employment until 31 March, 2020, at which point the contract will become evergreen subject to certain termination conditions.
- Termination: If convicted of an offense, becomes bankrupt, breach of contract or commits wilful misconduct.
- Notice: 6 months by either party (or payment in lieu).

The key terms concerning the employment of Mark Sceats as Executive Director and Chief Scientist with Calix are as follows:

- Nature and Term of Employment: Full-time employment
- Termination: If convicted of an offense, becomes bankrupt, breach of contract or commits wilful misconduct.

- Notice: 3 months by either party (or payment in lieu).

For other KMP the key terms of employment are as follows:

- Nature and Term of Employment: Full-time employment
- Termination: breach of contract or gross misconduct.
- Notice: 3 months by either party (or payment in lieu).

Options holdings
No KMP has options over ordinary shares and no KMP had options over ordinary shares in the prior year.

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

Peter Turnbull, Chair
27 August 2018

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Australia

DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF CALIX LIMITED

As lead auditor of Calix Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Calix Limited and the entities it controlled during the period.

Ian Hooper
Partner

BDO East Coast Partnership

Sydney, 27 August 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2018

	Note	June 2018 $	June 2017 $
Core product revenues	3	3,864,873	3,104,237
Other product revenues	3	236,110	486,646
Cost of sales of goods		(2,688,928)	(2,374,261)
Gross profit		**1,412,055**	**1,216,622**
Other income	3	8,127,792	7,629,976
Gross profit and other income		**9,539,847**	**8,846,598**
Sales and marketing expenses		(1,755,150)	(1,131,975)
Research and development expenses		(4,763,814)	(5,918,755)
Administration and other expenses		(1,088,300)	(840,092)
Total operating expenses		(7,607,264)	(7,890,822)
Profit before funding costs, depreciation, amortisation, impairment, foreign exchange losses and income tax		**1,932,583**	**955,776**
Depreciation, amortisation and impairment expenses	4	(4,669,347)	(2,657,980)
Finance costs on borrowings		(394,065)	(384,596)
Foreign exchange losses		(209,214)	(54,275)
Loss from ordinary activities before income tax	4	**(3,340,043)**	**(2,141,075)**
Income tax expense	5	-	-
Loss for the year		**(3,340,043)**	**(2,141,075)**
Total loss for the year is attributable to:			
Owners of Calix Limited		(3,340,068)	(2,127,798)
Non-controlling interests		25	(13,277)
		(3,340,043)	**(2,141,075)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	16	(20,155)	(80,652)
Total comprehensive income for the year		**(3,360,198)**	**(2,221,727)**
Total comprehensive income for the year is attributable to:			
Owners of Calix Limited		(3,360,223)	(2,208,450)
Non-controlling interests		25	(13,277)
		(3,360,198)	**(2,221,727)**
Basic and diluted earnings per share (cents)	18	(3.30)	(2.21)

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 30 June 2018

	Note	June 2018 $	June 2017 $
ASSETS			
Current assets			
Cash and cash equivalents	6	2,445,217	1,884,735
Trade and other receivables	7	7,866,878	7,918,244
Inventories	8	180,561	-
Total current assets		**10,492,656**	**9,802,979**
Non-current assets			
Trade and other receivables	7	274,000	274,000
Intangible assets	9	648,837	430,876
Property, plant and equipment	10	11,783,781	12,911,066
Total non-current assets		**12,706,618**	**13,615,942**
Total assets		**23,199,274**	**23,418,921**
LIABILITIES			
Current liabilities			
Trade and other payables	11	3,740,617	2,807,351
Borrowings	12	1,891,086	610,000
Provisions	13	331,162	302,379
Deferred revenue	14	202,171	720,000
Total current liabilities		**6,165,036**	**4,439,730**
Non-current liabilities			
Borrowings	12	622,543	4,675,319
Provisions	13	470,106	191,823
Deferred revenue	14	1,093,454	1,257,819
Total non-current liabilities		**2,186,103**	**6,124,961**
Total liabilities		**8,351,139**	**10,564,691**
NET ASSETS		**14,848,135**	**12,854,230**
EQUITY			
Issued capital	15	26,991,683	21,516,054
Reserves	16	717,725	486,132
Accumulated losses		(12,861,805)	(9,148,463)
Capital and reserves attributable to the owners of Calix Limited		**14,847,603**	**12,853,723**
Non-controlling interests		532	507
TOTAL EQUITY		**14,848,135**	**12,854,230**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2018

	Note	June 2018 $	June 2017 $
Cash flows from operating activities			
Receipts from customers and government bodies		12,813,515	6,800,582
Payments to suppliers and employees (incl. GST)		(10,473,760)	(8,750,537)
Interest received		11,985	3,835
Interest paid		(394,065)	(237,137)
Net cash from/(used in) operating activities	27	**1,957,675**	**(2,183,257)**
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment		(3,513,269)	(222,712)
Payment for acquisition of intellectual property		(245,332)	(233,168)
Net cash used in investing activities		**(3,758,601)**	**(455,880)**
Cash flows from financing activities			
Proceeds from issues of shares (net of transaction costs)		1,842,266	479,237
Net proceeds from borrowings		519,142	2,167,245
Net cash provided from financing activities		**2,361,408**	**2,646,482**
Net increase in cash and cash equivalents		**560,482**	**7,345**
Cash and cash equivalents at the beginning of the year		1,884,735	1,877,390
Cash and cash equivalents at the end of the year	**6**	**2,445,217**	**1,884,735**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2018

	Issued Capital	Reserves	Accumulated losses	Total Parent Entity Interest	Non-Controlling Interest	Total
Balance at 1 July 2016	**21,036,817**	**321,925**	**(7,009,708)**	**14,349,034**	**540**	**14,349,574**
Net losses for the year after tax	-	-	(2,141,077)	(2,141,077)	-	(2,141,077)
Other comprehensive income for the year						
Net movement in foreign currency translation reserve	-	(80,652)	-	(80,652)	-	(80,652)
Net movement in Warrant reserve	-	147,459	-	147,459	-	147,459
Total comprehensive income for the year	-	66,807	(2,141,077)	(2,074,270)	-	(2,074,269)
Transactions with owners						
New issues of shares (net of transaction costs)	479,237	-	-	479,237	-	479,237
Foreign currency adjustment to historical retained earnings	-	97,402	2,320	99,722	-	99,722
Non-controlling interests share of subsidiaries	-	-	-	-	(33)	(33)
Balance at 30 June 2017	**21,516,054**	**486,132**	**(9,148,463)**	**12,853,723**	**507**	**12,854,230**
Net losses for the year after tax	-	-	(3,340,068)	(3,340,068)	25	(3,340,043)
Other comprehensive income for the year						
Net movement in foreign currency translation reserve	-	(20,155)	-	(20,155)	-	(20,155)
Total comprehensive income for the year	-	(20,155)	(3,340,068)	(3,360,223)	25	(3,360,198)
Transactions with owners						
New issues of shares (net of transaction costs)	5,354,103	-	-	5,354,103	-	5,354,103
Shares issued from ESS Trust	121,526	(121,526)	-	-	-	-
Recognition of prior period share based payments[1]	-	373,272	(373,272)	-	-	-
Balance at 30 June 2018	**26,991,683**	**717,725**	**(12,861,805)**	**14,847,603**	**532**	**14,848,135**

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

[1] The adjustment above is to reflect the shares allocated to participants within prior periods.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report covers the consolidated group of Calix Limited ("the Company") and its controlled entities ("the Group").

The following is a summary of the material accounting policies adopted by the consolidated Group in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and Corporations Act 2001 as appropriate for profit oriented entities.

(i) Historical cost convention
The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(ii) Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(h).

b) Going concern

The financial report has been prepared on a going concern basis. Notwithstanding the Group generated a loss after-tax of $3,340,043. The Group had a net assets position at 30 June 2018 of $14,848,135 and net operating cash inflows of $1,957,675. After balance date, the Company raised $8,000,000 by listing on the Australian Stock Exchange. With these assets and facilities, the directors believe the going concern basis of preparation of the financial statements is appropriate based on trading forecasts prepared and the future growth of the Group.

c) Significant Accounting Policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Other significant accounting policies are contained in the notes to the consolidated financial statements to which they relate.

d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

e) Restatement of comparatives

When required by the accounting standards, and/or for improved presentation purposes comparative figures have been adjusted to conform to changes in the presentation for the current year.

f) Significant Changes in the Current Reporting Period

There were no changes in accounting policy during the year ended 30 June 2018, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements. See Note 30 for details of new accounting standards.

g) Foreign currency transactions and balances

Functional and presentation currency
The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian Dollars which is the Group's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the profit or loss.

Group companies
The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- income and expense are translated at average exchange rates for the year; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are also recognised in the statement of comprehensive income as other comprehensive income. The foreign currency reserve is recognised in profit or loss when the foreign operation is disposed of.

h) Critical accounting estimates and judgments

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Information on material estimates and judgements used in applying the accounting policies can be found in the following notes:

Judgement Area	Note
Recovery of trade and other receivables	7
Carrying value of Property Plant and Equipment	10
Share-based payment transactions	17

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 Remuneration Report on pages 8 to 12. For the year ended 30 June 2018, the Group continues to operate only in one segment being minerals processing and carbon capture.

The aggregation criteria under AASB 8 – Operating Segments has been applied to include the results of Calix Australian and European entities within the minerals processing and carbon capture segment. All the sales revenue and marketing activities are managed within the Group's head office which is based in Sydney, Australia.

3. REVENUE AND OTHER INCOME

	June 2018 $	June 2017 $
Revenue		
Core product revenues	3,864,873	3,104,237
Other product revenues	236,110	486,646
Total revenue	**4,100,983**	**3,590,883**
Other income		
Grant Income (LEILAC Project)	2,584,064	2,359,449
Other grant income	409,617	505,028
R&D incentive income	5,079,825	4,695,141
Interest income	11,985	3,834
Other income	42,301	66,524
Total other income	**8,127,792**	**7,629,976**

Recognition and Measurement

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that the future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

Sales of goods

Sales of goods is recognised at the point of sale, which is when the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract.

Grant revenue

Grant revenue is recognised when it is received or when the right to receive payment is established. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

R&D incentive income

The R&D incentive income recognised as other income is in relation to eligible research expenditure incurred for the current projects. The claimed amounts have been reviewed externally to ensure they are in accordance with the requirements of the Australian Taxation Offices and AusIndustry.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Other Income

Other income includes gains on disposal of items of property, plant and equipment and receipts. The amount of the income is determined as the difference between the net disposal proceeds and the carrying amount of the item.

4. EXPENSES

Loss before income tax includes the following specific expenses

	Note	June 2018 $	June 2017 $
Rental expense relating to operating leases		217,838	207,342
Employee benefit expenses		4,491,205	3,972,489
Financing costs		394,065	384,596
Amortisation expense	9	28,793	-
Depreciation expense	10	1,724,429	1,730,264
Impairment expense	10	2,916,125	517,907

Lease

Operating lease payments, where the lessors effectively retain substantially all the risks and benefits of ownership of the lease items, are included in the determination of profit or loss in equal instalments over the period of the lease. Lease incentives received are recognised as an integral part of the total lease payments made and are spread on a basis representative of the pattern of benefits expected to be derived from the leased asset.

Employee benefit expenses

Employer contributions to defined contribution superannuation plans are recognised as an expense in the profit or loss as they are paid or payable. Refer to Note 13 and Note 17 for details on provisions for employee benefits and details of share-based payments.

Financing costs

Finance costs includes interest relating to loan notes issued and vehicle financing facilities. Interest is recognised over the life of the facilities calculated using the effective interest rate. Refer to Note 12 for details on loan note issuance and vehicle financing facilities.

5. INCOME TAX

Numerical reconciliation of income tax to prima facie tax payable:

	June 2018 $	June 2017 $
Prima facie income tax expense/(benefit) on loss from ordinary activities (27.5%)	(918,512)	(682,732)
Tax effect of R&D incentive *	1,839,322	1,823,365
Temporary differences not recognised	(162,035)	360,839
Utilisation of prior period tax losses	(758,775)	(1,501,472)
Income tax attributable to the Group	-	-
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	4,615,819	7,375,003
Potential income tax benefit @ 27.5%	**1,269,350**	**2,212,501**

* The Group accounts for R&D incentives as government grants under AASB 120, resulting in the incentive being recognised in the profit or loss and the R&D expenditure treated as a non deductible for tax purposes.

Income tax recognition and Measurement

Current tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit), research and development claim and deferred tax expense/(benefit). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period together with the research and development claim submitted for the reporting period. Current tax liabilities/assets are therefore measured at the amounts expected to be paid to/recovered from the relevant taxation authority.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that is it probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where the temporary difference exists in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that the net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred assets or liabilities are expected to be recovered or settled.

6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	June 2018 $	June 2017 $
Cash at bank and on hand	2,445,217	1,884,735

Cash at bank and on hand bears floating interest rates. The interest rate relating to cash and cash equivalents for the year across all bank accounts was between 0.00% and 2.40% (2017: between 0.00% and 0.95%).

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

7. TRADE AND OTHER RECEIVABLES

	June 2018 $	June 2017 $
Current		
Trade receivables	940,255	584,224
LEILAC grant receivable	644,958	2,376,326
R&D incentive receivable	5,078,952	4,693,000
Other receivables	121,385	820
Prepayments	183,270	162,655
Deposits	549,810	100,182
Prepaid capital raising costs	345,405	-
Other current assets	2,843	1,037
	7,866,878	**7,918,244**
Non-current		
Deposits	274,000	274,000
	274,000	**274,000**

Trade Receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Trade receivables are generally due for settlement within 30 days.

Recoverability of Trade Receivables
Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or

financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. Other receivables are recognised at amortised cost, less any provision for impairment.

Due to the short-term nature of the receivables, their carrying amount is assumed to approximate fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 18 for more information on the risk management policy of the Company and credit quality of the receivables.

Outstanding receivables
The balances of receivables that remain within initial trading terms are considered to be of high credit quality, therefore no impairment is required.

Deposit paid
The balance of deposits paid comprise prepayment associated with supply of utilities for Bacchus Marsh; prepayments made in association with the supply of components for the LEILAC project; and a bond paid to the Department of Energy & Mining in South Australia for future mine rehabilitation work.

8. CURRENT ASSETS – INVENTORY

	June 2018 $	June 2017 $
Inventory	180,561	-

Inventories are measured at the lower of cost and net realisable value. Costs including material and freight are assigned on the basis of weighted averages. Net realisable value represents the estimated selling price less estimated costs necessary to make the sale.

9. NON-CURRENT ASSETS - INTANGIBLES

	June 2018 $	June 2017 $
Intellectual property	677,630	430,876
Less: accumulated amortisation	(28,793)	-
Total	**648,837**	**430,876**

Movement in the carrying amounts (dollars) for intellectual property between the beginning and the end of the year:

	Intellectual Property $
Balance as at 30 June 2017	**430,876**
Additions	246,754
Amortisation expense	(28,793)
Balance as at 30 June 2018	**648,837**

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.

10. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	June 2018 $	June 2017 $
Office furniture, fittings and equipment	1,161,492	1,062,267
Less: accumulated depreciation	(943,803)	(831,199)
CFC Calciner facility	17,602,790	17,815,571
Less: accumulated depreciation	(9,011,012)	(7,610,751)
Slurry manufacturing and application assets	1,329,024	618,324
Less: accumulated depreciation	(347,226)	(138,461)
Mining tenements	1,173,664	1,173,664
Less: accumulated amortisation	(19,647)	(16,848)
LEILAC project Calciner	2,916,125	-
Less: accumulated depreciation and impairment	(2,916,125)	-
Land	838,499	838,499
Total property, plant and equipment	**11,783,781**	**12,911,066**

Movement in the carrying amounts (dollars) for each class of plant and equipment between the beginning and the end of the year:

	Office furniture, fittings & equipment $	CFC Calciner facility $	Slurry assets $	Mining tenements $	LEILAC project Calciner $	Land $	Total $
Balance as at 30 June 2016	**305,476**	**12,170,640**	**353,758**	**1,144,385**	**-**	**838,499**	**14,812,758**
Additions	63,994	10,678	148,006	15,703	-	-	238,381
Transfers	-	(66,815)	66,815	-	-	-	-
Depreciation expense	(138,402)	(1,501,396)	(88,716)	(1,750)	-	-	(1,730,264)
Impairment expense	-	(408,287)	-	(1,522)	-	-	(409,809)
Balance as at 30 June 2017	**231,068**	**10,204,820**	**479,863**	**1,156,816**	**-**	**838,499**	**12,911,066**
Additions	99,225	27,118	470,801	-	2,916,125	-	3,513,269
Transfers	-	(189,191)	189,191	-	-	-	-
Depreciation expense	(112,604)	(1,450,969)	(158,057)	(2,799)	-	-	(1,724,429)
Impairment expense	-	-	-	-	(2,916,125)	-	(2,916,125)
Balance as at 30 June 2018	**217,689**	**8,591,778**	**981,798**	**1,154,017**	**-**	**838,499**	**11,783,781**

Recognition and Measurement

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. Plant and equipment are measured on the cost basis less depreciation and impairment losses. The cost of plant and equipment constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measure reliably. All other repairs and maintenance expenses are charged to the income statements during the financial period in which they are incurred.

Property, plant and equipment, other than freehold land, is depreciated or amortised on a straight-line basis over the expected useful life for the asset. Estimated useful lives and depreciation methods are reviewed at the end of the reporting period. The depreciation rates used for each class for depreciable assets are shown in the list below. Land is not subject to depreciation.

- Furniture and fittings - 10%
- Office equipment - 25%
- Software - 25%
- Commercial calciner equipment – 5%-20%
- Slurry manufacturing and application assets – 7%-50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Mining tenements and associated mineral resources
The costs of acquiring mining tenements and associated mineral resources are capitalised as part of property plant and equipment and amortised over the estimated productive life of each applicable resource. Amortisation commences when extraction of the mineral resource commences.

Impairment
The Group uses discounted cash flow models to determine that the capitalised development costs in the consolidated entity are not being carried at a value that is materially in excess of recoverable value. The models value each group of assets (cash generating units or CGUs) by estimating future cash flows and discounting the future net cash flows for the risks specific to the assets as well as for the time value of money. The following approach and assumptions have been applied:

- Revenue from a product is estimated using current market data and projections of volumes and product price.
- The DCF has been prepared based on 5 years cash flow forecast plus a terminal value calculation.
- The cash flows have been discounted using a post-tax rate of 18%.

In the year ended 30 June 2018, assets relating to the LEILAC project were found to require impairment under the group's accounting policy on the basis that their value in use taken to be the value at the end of the project had dropped below their carrying value. The Company recorded a non-cash impairment loss of $2,916,125 relating to the LEILAC project during the period.

11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	June 2018 $	June 2017 $
Trade payables	3,506,295	2,685,503
Sundry payables & accrued charges	234,322	121,848
Total trade and other payables	**3,740,617**	**2,807,351**

Recognition and Measurement

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid with 30 days of recognition of the liability.

The carrying amounts of the Group's trade and other payables are denominated in Australian dollars. For an analysis of the financial risks associated with trade and other payables refer to Note 19.

12. BORROWINGS

	June 2018 $	June 2017 $
Current borrowings		
EFIC (1)	1,571,270	285,000
Loan notes (2)	280,000	-
Vehicle financing facilities (3)	39,816	-
Other borrowings (4)	-	325,000
	1,891,086	**610,000**
Non-current borrowings		
Loan notes (2)	-	4,106,063
Vehicle financing facilities (3)	116,658	87,241
Other borrowings (4)	505,885	482,015
	622,543	**4,675,319**
Total borrowings	**2,513,629**	**5,285,319**

Recognition and Measurement

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.

(1) EFIC
Calix has secured a working capital facility for up to €3.4 million with EFIC to assist with funding the LEILAC project expenditures to be incurred between 1 March 2018 and 31 July 2018. The facility is repayable on 31 October 2018 and is secured against the assets of Calix and its subsidiaries. The balance of the facility from the Export Finance and Insurance Corporation for the year ending 30 June 2018 is $1,571,270 (2017: $285,000) at an interest rate rate of 5.75%.

(2) Loan note issuance
In November 2016, Calix raised funds by issuing loan notes. This facility raised $4,106,063 at an interest rate of 10% per annum and replaced the previous facility in place at June 2016. The remaining balance as at 30 June 2018 for these notes was $280,000. The loan notes expire in November 2018.

(3) Vehicle financing facilities
The other borrowings balance comprises of vehicle financing facilities ($156,474).

(4) Other borrowings
The other borrowings balance comprises of amounts convertible to shares in Millennium Generation Limited ($505,885), a 65% owned subsidiary of Calix Europe Limited. For the year ended 30 June 2017 there was a balance of $325,000 for loans payable to the Executive Management Team. As at 30 June 2018, these loans had been completely repaid.

13. PROVISIONS

	June 2018 $	June 2017 $
Current		
Employee benefits	331,162	302,379
Non-Current		
Employee benefits	431,508	176,120
Mine rehabilitation provision	38,598	15,703
Total non-current provision	470,106	191,823

Recognition and Measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Rehabilitation provision
The Group recognises a mine rehabilitation provision on the basis that it has an obligation to restore the site of the mine in Myrtle Springs to its original condition and the cost to do so is uncertain. The measurement of the provision is the present value of the best estimate of the expenditure required to settle the obligation as at the end of the reporting period.

14. DEFERRED REVENUE

	June 2018 $	June 2017 $
Current deferred revenue	202,171	720,000
Non-current deferred revenue	1,093,454	1,257,819
Total deferred revenue	**1,295,625**	**1,977,819**

Associated Projects
The current deferred revenue balance included grant revenue received but not yet recognised, $135,491 of which was associated with the AMGF Project (2017: NIL) and $66,680 associated with the ASCENT Project (2017: NIL). The current balance as at 30 June 2017 was solely in relation to the LEILAC EU Horizons 2020 project and was recognised in its entirety during the period ending 30 June 2018.

The non-current deferred revenue balance included $1,093,454 in grant revenue received but not yet recognised associated with the SOCRATCES Project (2017: NIL). The non-current balance at 30 June 2017 was in relation to the LEILAC EU Horizons 2020 project ($1,128,862) and ASCENT Project ($128,957).

Recognition and Measurement

Deferred revenue includes billings or payments received in advance of revenue recognition and is recognised as the revenue recognition criteria are met. Deferred revenue primarily consists of unearned portion of the projects.

15. ISSUED CAPITAL

	June 2018 $	June 2017 $
Fully paid ordinary shares	29,298,216	23,709,354
Costs of fund raising recognised	(2,306,533)	(2,193,300)
Total issued capital	**26,991,683**	**21,516,054**

a. Fully paid ordinary shares

	2018 Number of shares	2017 Number of shares
At the beginning of the year	1,947,502,882	1,897,579,060
Issued during the year	204,768,195	49,923,822
Consolidation of shares	(2,044,657,522)	-
Balance at the end of year	**107,613,555**	**1,947,502,882**

	2018 $	2017 $
At the beginning of the year	23,709,354	23,230,117
Issued during the year	5,588,862	479,237
Balance at the end of year	**29,298,216**	**23,709,354**

b. Costs of fund raising recognised

	2017 $	2017 $
At the beginning of the year	2,193,300	2,193,300
Incurred during the year	113,233	-
At the end of the year	**2,306,533**	**2,193,300**

c. Movements in ordinary share capital

	Number of shares	$
30 June 2016 – Opening balance	**1,897,579,060**	**23,230,117**
1 July 2016	1,950,000	19,500
30 September 2016	7,000,000	70,000
17 October 2016	4,000,000	20,000
31 October 2016	19,129,753	191,267
7 November 2016	17,847,069	178,470
30 June 2017 – Balance	**1,947,502,882**	**23,709,354**
31 December 2017	-	112,650
9 March 2018	186,041,603	4,967,311
12 March 2018	18,726,592	500,000
20 April 2018	(2,152,271,077)	-
20 April 2018	107,613,555	-
1 June 2018	-	8,901
30 June 2018 - Balance	**107,613,555**	**29,298,216**

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

16. RESERVES

	June 2018 $	June 2017 $
Foreign currency translation reserve	53,005	73,153
Share-based payment reserve	517,261	265,522
Warrant reserve	147,459	147,459
Total reserves	**717,725**	**486,134**
At the beginning of the year	486,134	321,925
Revaluations made to foreign currency translation reserve made during the year	(20,155)	16,750
Shares issued from ESS trust	(121,526)	-
Recognition of prior period share based payments*	373,272	-
Additions to warrant reserve	-	147,459
At the end of the year	**717,725**	**486,134**

*The adjustment above is to reflect shares allocated to participants within prior periods.

Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 1 (g) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share-based payment reserve
The share-based payment reserve is used to recognise the grant date fair value of shares issued and vested to employees and directors. The reserve will reverse against share capital held by the Calix Employee Share Scheme Trust ("ESS") plan when the shares vest. Refer to Note 17.

Warrant reserve
Warrants, in the form of embedded derivatives, were issued during the year ended 30 June 2017 as part of a loan note facility. 131,216,000 warrants were issued at a strike price of $0.025 and are due to expire on 31 October 2019. The warrants may be exercised by a Noteholder at any time up until the expiry date, after which they will cease to be exercisable by the Noteholders. On 18 April 2018 the Company undertook a share consolidation on a 1 for 20 basis. At the same time, the warrants were consolidated on the same basis resulting in the number of warrants on issuing becoming 6,560,800 with an exercise price of $0.50.

The warrants have been accounted for as an equity (warrant reserve) in accordance with AASB 132 on the basis that the warrant strike price is not subject to any adjustments and conversion of shares is fixed at 33 shares at any time up until expiry. Warrants reserve is non-distributable and will be transferred to share premium account upon the exercise of warrants. Any balance of warrants reserve in relation to the unexercised warrants at expiry of the warrants period will be transferred to accumulated profits. The warrants were valued at $147,459 using a Black-Scholes pricing model (assuming a share price of 0.5c per share, an expected volatility of 100% of the underlying share, and an average risk free rate of 2.74% for the term of the warrants).

17. SHARE BASED PAYMENTS

During the 2014 financial year, the board established a new share-based payments scheme under which directors and employees may be issued shares for achievement of short and long term goals. The Calix Employee Share Scheme Trust ("ESS") was established to administer the scheme on behalf of the board. 136,092,051 shares were issued to the ESS Trust in the 2014 financial year. The accounting treatment of the ESS shares is to expense the shares at fair value at the time they are awarded and vest to the participating directors and employees. The award of shares is based upon achievement of specified key performance indicators.

On 18 April 2018 at an extraordinary general meeting, the shareholders approved a new Employee Incentive Scheme to operate once the company is listed. The Calix Officers & Employees Incentive Scheme (EIS) provides for the grant of rights and/or options to eligible officers and employees (as determined by the Board) and is intended to provide competitive, performance-based remuneration supporting the retention, incentive and reward functions of that remuneration and drive alignment with shareholders. Further details of how the EIS plan is proposed to operate are set out in the Renumeration Report on pages 10 to 11.

In the periods from FY 2013/14 to FY 2016/17, 3,403,856 ESS shares were awarded and vested to participating directors and employees at a fair value of $638,813 which was recognised in the statements of profit or loss. For the FY 2017/18, the remaining shares in the ESS were subject to performance vesting criteria that was linked to a successful listing of the Company on the ASX. As this event did not occur by 30 June 2018, the ESS shares did not vest and were returned to the ESS pool. No expense was recognised in the financial statements for the year ended 30 June 2018 in relation to the ESS shares.

18. LOSS PER SHARE

	June 2018 $	June 2017 $
a. Earnings used to calculate basic EPS from continuing operations	(3,340,043)	(2,141,075)
	Number	**Number**
b. Weighted average number of ordinary shares during the year used in calculating basic EPS*	101,124,246	96,586,835
c. Basic and Diluted earnings per share (cents per share)*	(3.30)	(2.21)

*The 2017 comparative has been restated to reflect the share consolidation which occurred on 20 April 2018

Basic EPS is calculated as the profit (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares issued during the year.

19. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's Treasury function is responsible for managing the liquidity requirements of the Group and mitigating these financial risks through continuous monitoring and evaluation.

The Group adheres to a set of policies approved by the Board of Directors, which provide written principles on liquidity risk, foreign exchange risk, interest rate risk, credit risk and the use of derivative financial instruments, as required, for hedging purposes. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

There have been no changes to the Group's exposure to financial risks or the manner in which it manages and measures these risks from the prior year.

The Group holds the following financial instruments:

	June 2018 $	June 2017 $
Financial assets		
Cash and cash equivalents	2,445,217	1,884,735
Current trade and other receivables	7,338,203	7,755,589
Non-current trade and other receivables	274,000	274,000
	10,057,420	**9,914,324**
Financial liabilities		
Trade and other payables	3,740,617	2,807,351
Current borrowings	1,891,086	610,000
Non-current borrowings	622,543	4,675,319
	6,254,246	**8,092,670**

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairments. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the ARMC has otherwise cleared as being financially sound.

Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value of the trade and other receivables (net of any provisions).

There is no significant concentration of credit risk with any single counter party or group of counter parties.

Past due but not impaired

As at 30 June 2018, trade receivables of $29,970 were past due but not impaired. Theses relate to a number of independent customers for whom there is not recent history of default. The aging analysis of trade receivables is as below:

	June 2018 $	June 2017 $
Current	910,328	437,833
Less than 30 days overdue	20,070	99,254
Less than 60 days overdue	9,900	2,143
More than 60 days overdue	-	44,994
Total trade receivables	**940,255**	**584,224**

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to theses receivables.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meetings its obligations related to financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through adequate amount of credit facilities to meet obligations when due.

Management monitors the Groups liquidity levels (comprising undrawn borrowing facilities (Note 12) and cash and cash equivalents (Note 6) on the basis of expected cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial assets and liabilities. The table has been drawn up based on the cash flows expected to continue to be received/paid by the Group.

NOTES TO THE FINANCIAL REPORT
For the year ended 30 June 2018

	Within 1 year $	1 to 5 years $	Total $
2018			
Financial assets			
Cash and cash equivalents	2,445,217	-	2,445,217
Deposits	549,810	274,000	823,810
Trade receivables	940,255	-	940,255
Other current receivables	5,848,138	-	5,848,138
Total Financial assets	**9,783,420**	**274,000**	**10,057,420**
Financial liabilities			
Trade and other payables	3,740,617	-	3,740,617
Current borrowings	1,891,086	-	1,891,086
Non-current borrowings	-	622,543	622,543
Total Financial liabilities	**5,631,703**	**622,543**	**6,254,246**
Net Financial liabilities	**4,151,717**	**(348,543)**	**3,803,174**

	Within 1 year $	1 to 5 years $	Total $
2017			
Financial assets			
Cash & cash equivalents	1,884,735	-	1,884,735
Deposits	96,182	274,000	370,182
Trade receivables	584,224	-	584,224
Other current receivables	7,075,183	-	7,075,183
Total Financial assets	**9,640,324**	**274,000**	**9,914,324**
Financial liabilities			
Trade & other payables	2,807,351	-	2,807,351
Current borrowings	610,000	-	610,000
Non-current borrowings	-	4,675,319	4,675,319
Total Financial liabilities	**3,417,351**	**4,675,319**	**8,092,670**
Net Financial liabilities	**6,218,973**	**(4,401,319)**	**1,817,654**

(c) Interest rate risk

Exposure to interest rate risk relates to cash and cash equivalents and borrowings, details of which are set out in Note 6, and 12.

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents and interest expenses on borrowings as a result of changes in interest rates. The following analysis shows the impact on post tax profit as a result of a movement in interest income and expense from variable interest rate deposit and borrowing facilities.

	Impact on post tax profit 2018 $	Impact on post tax profit 2017 $
Increase by 100 basis points	12,903	8,074
Decrease by 100 basis points	(12,903)	(8,074)

(d) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value of future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments other than the Australian Dollar (AUD) functional currency of the Group.

With instruments being held by overseas entities, fluctuations in UK Pound Sterling (GBP) and Euro (EUR) may impact on the Group's financial results unless those exposures are appropriately hedged.

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations, denominations in currencies other than the functional currency of the operations.

	June 2018 GBP £	June 2017 GBP £
Cash	469,900	758,683
Trade and other receivables	363,369	-
Trade and other payables	(526,815)	-
Foreign exchange exposure	**306,454**	**758,683**

	June 2018 EUR £	June 2017 EUR £
Cash	820,430	46,413
Trade and other receivables	109,694	1,669,052
Trade and other payables	(2,106,406)	(1,003,476)
Foreign exchange exposure	**(1,176,282)**	**711,989**

Sensitivity analysis

The table below illustrates the sensitivity of the Group's exposures to changes in GBP and EUR. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

	June 2018 $	June 2017 $
+/- 5% in AUD/GBP	54,394	125,253
+/- 5% in AUD/EUR	(185,416)	103,274

20. CAPITAL MANAGEMENT

The group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

	June 2018 $	June 2017 $
Net debt	2,361,192	5,285,319
Total equity	14,847,603	12,853,723
Net debt to equity ratio	16%	40%

Loan covenants

Calix has secured a working capital facility for up to €3.4 million with EFIC to assist with funding the LEILAC project expenditures to be incurred between 1 March 2018 and 31 July 2018. Refer to note X for details of the amounts drawn as at 30 June 2018. Under the terms of the facility a financial covenant exists requiring that the Group's actual consolidated operating cash flows for each financial quarter must be at least 85% of the Group's budgeted consolidated operating cash flows for that financial quarter, tested quarterly each calendar year.

Calix has also secured a working capital facility totalling $540,000 from Commonwealth Bank of Australia with an indefinite revolving term that is subject to annual review. The facility is secured by a General Security Interest in Calix that is a second ranking charge. This facility was undrawn at balance date and at the date of this report.

21. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1 (a):

Subsidiaries	Country of incorporation	% owned 2018	% owned 2017
Calicoat Pty Ltd	Australia	100%	100%
MS Minerals Pty Ltd	Australia	100%	100%
Calix (Europe) Limited	UK	100%	100%
- Millennium Generation Limited	UK	65%	65%
Calix (North America) LLC	USA	100%	100%
Calix Technology Pty Ltd	Australia	100%	100%
Calixhe SA	Belgium	100%	100%

Consolidation accounting policies

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of assets and liabilities. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (ie parent entity).

The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the equity interest issued by the acquirer.
Included in the measurement of consideration transferred is any asset or liability resulting from a contingent consideration arrangement. Any obligation incurred relating to contingent consideration is classified as either a financial liability or equity instrument, depending upon the nature of the arrangement. All transaction costs incurred in relation to the business combination are expensed to the consolidated income statement.

22. PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate amounts:

	June 2018 $	June 2017 $
Current assets	6,916,232	7,838,482
Total assets	**18,488,637**	**21,150,570**
Current liabilities	1,911,462	2,184,309
Total liabilities	**2,876,807**	**6,553,733**
Equity		
Issued capital	26,991,682	21,516,054
Reserves	664,720	750,535
Retained earnings	(12,044,572)	(7,669,753)
	15,611,830	**14,596,837**
Loss for the year	(4,194,716)	(1,927,951)
Total comprehensive (loss) for the year	(4,339,083)	(1,913,098)

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018 (2017: $0).

Capital commitments
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2018 (2017: $0).

Parent Company Investment in Subsidiary Companies
Investments in subsidiaries are carried at cost in the individual financial statements of Calix Limited. An impairment loss is recognised whenever the carrying amount of the investment exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less costs of disposal. The carrying value of the parent's investment in subsidiaries as at 30 June 2018 was $NIL (2017: $1,127,449).

23. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable to those available to other parties unless otherwise stated.

Ultimate parent company
Calix Limited acquired shares in Calix (Europe) Limited on 6 March 2009. As at 30 June 2018 Calix Limited had funds loaned to it by Calix (Europe) Limited for the amount of $533,772 (Loans to Calix (Europe) Limited in 2017: $190,656).

Calix Limited acquired shares in Calix North America LLC on 25 November 2009. As at 30 June 2018 Calix Limited had loaned funds to Calix North America LLC to the amount of $4,024 (2017: $4,024).

Limited acquired shares in Calicoat Pty Limited in 2007. Calicoat has not traded since is its inception. As at 30 June 2018 Calix Limited had loaned funds to Calicoat Pty Limited to the amount of $1,977 (2017: $1,723).

On 8 October 2012 Calix established MS Minerals as a wholly owned subsidiary. As at 30 June 2018 Calix Limited had loaned funds to the amount of $607,122 to MS Minerals (2017: $479,310).

On 6 August 2014 Calix established Calix Technology Pty Ltd as a wholly owned subsidiary. Calix Technology Pty Ltd has not traded since is its inception.

On 20 April 2017 Calix established Calixhe SA as a wholly owned subsidiary. Calixhe SA has not traded since is its inception.

Key management personnel

NOTES TO THE FINANCIAL REPORT
For the year ended 30 June 2018

Members of the KMP participated in the Loan Note facility on the same terms as all other participants and as set out in Note 11. A balance of $10,000 (2017: $650,000) was outstanding under this facility as at 30 June 2018 and had subsequently been repaid prior to the date of this report. There have been no other transactions with KMP.

24. LEASING COMMITMENTS

Operating leases

	June 2018 $	June 2017 $
Minimum lease payments payable: -		
- not later than one year	207,267	108,696
- later than one year but not later than five years	205,769	82,506
Total operating lease commitments	**413,036**	**191,202**

Finance leases

	June 2018 $	June 2017 $
Minimum lease payments payable		
- not later than one year	39,816	29,475
- later than one year but not later than five years	116,658	101,215
Total finance lease commitments	**156,474**	**130,690**

Assets under financial leases

The present value of minimum lease payments associated with finance lease commitments is $153,820 (2017: $92,307). The net carrying amount at the end of the reporting period for assets subject to finance leases was $134,882 (2017: $119,986).

25. AUDITORS REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the Group its related practices and non-related audit firms:

	June 2018 $	June 2017 $
Audit & review of financial statements	84,000	43,500
Due diligence relating to the IPO	117,525	-
Other assurance services	6,500	5,300
Total remuneration for services	**208,025**	**48,800**

26. KEY MANAGEMENT PERSONNEL (KMP) COMPENSATION

	June 2018 $	June 2017 $
Short-term employee benefits	1,433,851	1,421,464
Post-employment benefits	81,458	78,464
Share based payments	-	121,038
Total	**1,515,309**	**1,620,966**

Further information regarding the remuneration policies of the Group and KMP compensation can be found in the Remuneration Report section of the Director's Report on page 8 of the Annual report. Disclosures relating to related party transactions with Directors or Key Management Personnel are set out in Note 23.

27. CASH FLOW INFORMATION

Reconciliation of cash flows from operating activities with loss after income tax:

	June 2018 $	June 2017 $
Loss after income tax	(3,340,043)	(2,141,075)
Add back:		
- depreciation, amortisation & impairment expense	4,669,347	2,181,343
- gain on derivative financial instruments	-	(80,000)
- foreign exchange loses	209,214	-
Changes in balance sheet items		
- (increase) in trade & other receivables	51,366	(4,013,733)
- (increase) in inventory	(180,561)	38,598
- increase in trade & other payables	933,265	1,328,739
- increase in provisions	297,281	478,498
- (decrease) in deferred revenue	(682,194)	(123,086)
- increase in warrant reserve	-	147,459
Net cash provided by /(used in) operating activities	**1,957,675**	**(2,183,257)**

28. CONTINGENT LIABILITIES

There are no known contingent liabilities as at 30 June 2018 and 30 June 2017.

29. AFTER BALANCE DATE EVENTS

On the 20 July 2018, the Company was admitted to the Official List of the ASX Limited, completing an Initial Public Offering (IPO) of 15,094,340 new shares at an issue price of $0.53, raising $8,000,000 before transaction costs.

The purpose of the IPO was to provide funding for the company's growth strategies including:

- expanding sales and marketing capabilities to increase revenues and enter new markets;
- enhancing the efficiency of existing production facilities to drive margin expansion;
- to continue specific R&D projects; and
- to provide additional working capital;

The Board also resolved to grant and vest the remaining 3,400,747 shares in the trust because of the Company achieving its IPO. A fair value expense of $1.80m for these ESS shares will be bought to account in the 2018/19 financial statements accordingly.

Other than the items mentioned above, no other matters or circumstances have arisen since the end of the year 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.

30. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2018. Whilst earlier application is permitted, the Group has not early adopted the following new or amended standards in preparing these consolidated financial statements. The Group's assessment of the impact of these standards and interpretations is set out on the following pages.

AASB 9 Financial Instruments
For all reporting periods commencing on or after 1 January 2018, AASB 9 Financial Instruments will replace AASB 139 Financial Instruments: Recognition and Measurement. The new standard will require entities to classify financial assets and liabilities using a new method. This is expected to result in changes in the way the value of financial instruments are recognised and forecasted. Financial assets including trade receivables will be subject to a new impairment model based on the concept of 'expected loss'. This new model will require entities to recognise losses related to doubtful debts

earlier. The new standard also prescribes new hedging rules and guidance on recognition and derecognition of financial instruments. The Group will apply the new standard for all accounting periods starting on and after 1 July 2018 to all applicable items recognised. The cumulative effect of the initial application will be recognised as an adjustment to the opening balance of retained earnings.

Assessment of Impact
The impact of the new standard to the Group has been assessed based on the financial assets and liabilities currently recognised. It is anticipated that the adoption may affect both the value of trade debtors and the provision for doubtful debts. In adopting the expected loss model, the carrying value of trade receivables is expected to decrease, while the provision for doubtful debts and the associated expense is expected to increase. Notwithstanding the above, the magnitude of the movement is likely to be low and the impact is not expected to be material.

AASB 15 Revenue from Contracts with Customers
For all reporting periods commencing on or after 1 January 2018, AASB 15 Revenue from Contracts with Customers will replace both AASB 118 Revenue and AASB 111 Construction Contracts. The new standard changes the pattern of revenue recognition by establishing a five-step model to replace the current approach which involves analysing when the risks and rewards are transferred.

The five steps in the new model are:

1. Identify the contract with the customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognise revenue when (or as) the performance obligations are satisfied.

The Group will apply the new standard for all accounting periods starting on and after 1 July 2018 to all contracts being completed, with the cumulative effect of initial application being recognised as an adjustment to the opening balance of retained earnings.

Assessment of Impact
The Group is in the process of reviewing major customers and contracts and is unable to form a complete assessment of the impact of the new assessment at the reporting date. While the full impact of implementation of the new standard has not been fully assessed, the Group has noted the following:

- *Grant income*: Government grant income is to be recognised under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. The adoption of AASB 15 will not affect the recognition of Grant income by the Group.
- *Disclosures*: Additional disclosures relating to the nature, timing, uncertainty of revenue and cash flows will be required. The Group may also have to disclose information such as performance obligations and significant judgements relating to the implementation of the five-step model.

AASB 16 Leases
AASB 16 Leases will replace AASB 17 Leases and is required to be applied for all reporting periods commencing on or after 1 January 2019. AASB 16 sets out a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. The new standard will make the accounting models for the lessee and lessor asymmetrical. For lessees, finance leases and operating leases are no longer distinguished in AASB 16. The primary implications of which are that operational leases will be recognised on the balance sheet of the lessee as both a right-of-use asset (to be measured at cost less accumulated depreciation) and a corresponding liability. The lease liability is to be adjusted for interest and lease payments, as well as adjustments for re-measurements and lease modifications as applicable. This standard is to be implemented retrospectively, either with the restatement of comparative information or with the cumulative impact of application recognised as at 1 July 2019 under the modified retrospective approach. The Group expects to apply one of the modified retrospective transition options upon implementation from 1 July 2019.

Assessment of Impact
As at 30 June 2018, the Group had operating lease commitments of $413,036 (30 June 2017: $191,202) and financing lease commitments of $156,474 (2017: $109,642). The Group is in the process of reviewing the impact of the new standard on the financials at the reporting date. While the full impact of implementation of the new standard has not been fully assessed however, the following impacts are expected as a result of adopting AASB 16:

- Finance costs will increase on the face of the profit and loss as well as the cash flow statement as the current costs are re-allocated to be in-line with the new standard

- New assets relating the leased property and equipment will appear on the balance sheet assets as well as corresponding liabilities
- Depreciation expenses will increase, and operating lease expenses will decrease as the expenses are reallocated according to the new standard.

DIRECTORS' DECLARATION

1. The directors of the company declare that: The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards and the Corporations Regulations 2001; and

    b. give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date.

2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

4. The directors have been given the declarations required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

P J Turnbull
Chairman
Sydney
27 August 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Calix Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Calix Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Share-based payments

Key audit matter	*How the matter was addressed in our audit*
The Company operates share-based compensation plans under which directors and employees can earn shares for achievement of short and long-term goals. Each year, shares are allocated to directors and employees who are participating within the scheme. Share-based payments are a complex accounting area and due to the complex and judgemental estimates used in determining the fair value of the share-based payments, we consider the Group's calculation of the share-based payment expense to be a key audit matter. Refer to note 17 to the financial statements for the description of the accounting policy and significant estimates and judgements applied to these transactions.	For share-based payments we evaluated the Company's assessment of the valuation and recognition of the performance shares: • We obtained an understanding of the relevant scheme and the contractual nature and terms and conditions of the share-based payment arrangements. • We obtained details of performance shares at the time of granting and considered the estimates and judgements used in valuing the equity instruments. • Evaluated management's assessment of the likelihood of meeting the performance conditions attached to the performance shares. We also considered the adequacy of the Company's disclosures in respect of the accounting treatment of share-based payments in the financial report including the significant judgements involved and the accounting policy adopted.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Calix Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

BDO

Ian Hooper
Partner

Sydney, 27 August 2018

SHAREHOLDER INFORMATION

Additional information required by Australian Stock Exchange Listing Rules is as follow. This information is current as at 15 August 2018.

(a) Distribution schedules of shareholders

Holding ranges	Number of holders	Total units	%
1 – 1,000	140	79,777	0.065
1,001 – 5,000	221	623,168	0.507
5,001 – 10,000	128	1,040,857	0.847
10,001 – 100,000	182	6,183,712	5.033
100,001 – 9,999,999,999	77	114,945,381	93.548
Totals	**748**	**122,872,895**	**100.000**

(b) Class of shares and voting rights

All shares are ordinary shares. Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

(c) Substantial shareholders

The names of the substantial shareholders listed in the company's register as at 15 August 2018 were:

	Number of shares
OCH-ZIFF HOLDING CORPORATION & OCH ZILL CAPITAL MANAGEMENT GROUP LLC	28,125,000
NICHOLAS MERRIMAN	10,499,036
PAUL CROWTHER	8,290,005
ACORN CAPITAL LIMITED	6,592,262
WASHINGTON H SOUL PATTINSON & COMPANY LIMITED	6,327,200

(d) Twenty largest register holders – ordinary shares

Balance as at 15 August 2018	Number of Ordinary Shares	%
SCULPTOR FINANCE (MD) IRELAND LTD	24,261,250	19.745%
NICHOLAS MERRIMAN	10,499,036	8.545%
BNP PARIBAS NOMS PTY LTD <DRP>	8,749,090	7.120%
CITICORP NOMINEES PTY LIMITED	8,290,005	6.747%
WASHINGTON H SOUL PATTINSON & COMPANY LIMITED	6,327,200	5.149%
MR ADAM VINCENT & MR SINA KASSRA <EMPLOYEE SHARE SCHEME A/C>	6,129,689	4.989%
MARK GEOFFREY SCEATS	2,965,050	2.413%
MARK GEOFFREY SCEATS <SCEATS SUPERANNUATION FUND>	2,759,736	2.246%
RICHARD THWAITE	2,515,125	2.047%
SCULPTOR FINANCE (SI) IRELAND LTD	2,342,500	1.906%
PIGEONS SUPER PTY LIMITED <THE HODGSON FAMILY S/F A/C>	2,091,494	1.702%
JACOB S ULRICH	2,083,133	1.695%
MICHAEL ALTENDORF & AMANDA ALTENDORF	1,850,000	1.506%
CITY AND CLAREMONT CAPITAL ASSETS LIMITED	1,792,000	1.458%
NATIONAL NOMINEES LIMITED	1,768,682	1.439%
SCULPTOR FINANCE (AS) IRELAND LTD	1,521,250	1.238%
SHALLOTTE INVESTMENTS LIMITED	1,500,000	1.221%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,476,953	1.202%
BRIAN N C SWEENEY	1,357,501	1.105%
MR NEIL JAGGER & MRS JENNIFER JAGGER <JENIEL SUPER FUND A/C>	1,224,532	0.997%
Total	91,504,226	74.471%