

ASX Announcement

February 26, 2020

Calix reports strong sales revenue growth in half-year FY20 results

Highlights compared to half-year FY19:

				Half-year FY20
Core product sales (A\$m)	up	144%	to	A\$3.7m
Aust / NZ / SE Asia sales	up	39%	to	A\$2.1m
US post-acquisition contribution to December sales				A\$1.6m

During the first half of FY20, Calix:

- Delivered total sales revenue growth of 144% pcp
- Delivered sales growth in AUS/NZ/SE Asia of 39% pcp
- Completed strategic acquisition of US-based Inland Environmental Resources Inc
- Announced ~A\$30m in grant funding to demonstrate and enhance the commerciality of its unique technology
- Executed first sales and marketing license deal for its disruptive crop protection product
- Progressed operational testing of its CO₂ capture technology for lime and cement production
- Commissioned its advanced battery materials reactor, commenced funded R&D and joined Australia's largest battery development program – the A\$150m Future Battery Industries CRC
- Maintained EBITDA / Cash break-even while re-investing for growth

Sydney, Australia | February 26, 2020 – Calix Limited (ASX: CXL) (“Calix” or “the Company”) is pleased to release its results for the half-year ending 31 December 2019.

Commenting on the half-year performance, Calix’s Managing Director and CEO, Phil Hodgson said: “Calix has continued to grow and develop its business successfully over the first half-year of FY20. The company is particularly pleased with its sales revenue growth, with an increase of 39% in Australia, New Zealand and SE Asia, which is above the company’s indicative forecasts of 25%. Additionally, with the completion of the acquisition of US-based Inland Environmental Resources, Inc. in December 2019, total sales revenue grew by 144% over the prior corresponding period.”

Subject to exchange rates, Calix expects total sales revenue for FY20 to be within the range of A\$12.5m to A\$14m, representing a 3.8x to 4.2x uplift from FY19. The only watch-point on sales is the SE Asian region where the impact of the corona virus is yet to be determined. At this stage it is not expected to have a material impact on the company’s projected revenue range for FY20.

Calix’s growth in sales revenue has off-set the reduction in grant revenue recognised when compared to the prior period as the LEILAC-1 project moves from construction (high spend / grant drawdown) to operation. Calix has continued to maintain EBITDA / cash flow break-even while investing any extra cash into top line growth.

Calix's first license for its BOOSTER-Mag crop protection product was formalised and the first 14-tonne shipped for sales via the company's European distributor – Afepasa – for the European summer. Additionally, following 5 years of testing, Calix has submitted a dossier for approval with the Australian Pesticides and Veterinary Medicines Authority (APVMA) to sell BOOSTER-Mag as a labelled crop protection and pest management product. Calix's progress on this environmentally-safe, effective and affordable solution, in the face of increasing pesticide restrictions, is very pleasing.

Calix's Low Emissions Intensity Lime and Cement (LEILAC) project in Belgium has continued to progress well in operational testing and the company expects to release a results update report in the next few weeks. Along with the company's consortium partner HeidelbergCement, Calix hosted a top-level conference in January 2020 for over 200 delegates in industrial carbon capture and storage – an area of growing global demand given the move by many European countries, and now the EU itself, to commit to net-zero CO₂ emissions by 2050.

Calix's advanced battery materials development progressed well. The company opened its 'BATMn' reactor at Bacchus Marsh in November 2019 which was attended by Federal Senator David Van (<https://youtu.be/uHmARkb2Pes>). Calix also joined the A\$150m Future Battery Industries Co-operative Research Centre (CRC) and launched its own A\$9m Advanced Battery Materials CRC-P. Calix's battery research network continued to expand overseas with the launch of the EU-funded Polystorage battery project (<http://www.polystorage-etn.eu/>), where Calix partners along with Scania, Toyota, Repsol and Tokyo Chemical.

Calix's ability to raise funding to develop the commercial potential of its technology was again proven with around A\$30m in new grants announced in the half-year, primarily for LEILAC-2 (subject to finalising project agreements) and advanced battery developments, covering funding through to end 2024.

Looking ahead, continuing the investment in, and growth of, sales revenues remains a top priority for Calix. The US market is now a key enabler of the company's growth through exploitation of Calix's technology into logistical advantage and new market opportunities, off a material base. Additionally, given the accelerating interest in CO₂ abatement, continuing to operationally prove LEILAC technology for lime and cement production, and widen its application for other industrial processes, remains a top priority. Plus, with the demand for environmentally-safe crop protection and better battery materials increasing globally, development of these opportunities continues to be important to the company.

With funded development pipelines in CO₂ abatement in lime and cement; battery materials; commercialisation of a crop protection product that is safer, cheaper and more effective; and fast-growing sales in waste-water treatment, the Calix team is highly-energised by the potential for growth into multi-billion dollar markets – markets that are being rapidly transformed by sustainability demands.

Calix's wishes to thank its shareholders for their on-going support and the company looks forward to continuing to build value on a strong first half-year performance.

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About Calix

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

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

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

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

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