# ASX Announcement

**November 11, 2020**

# Chair address to AGM

**Sydney, Australia | November 11, 2020**

Good morning everyone, I'm Peter Turnbull, the Chair of the Board of Calix.

I'd like to welcome everyone to Calix's Annual General meeting, our 3rd as a listed company and certainly our first in a virtual meeting format. Even though we are not all physically together we will try to make this meeting as interactive as possible for you with the ability to make comments, ask questions and vote as normally as is possible in the circumstances.

I'd like to start by introducing the board and management team who are all here with us today:

- Phil Hodgson, the Managing Director
- Jack Hamilton, Non-Executive Director, Chair of the Technical Committee and a member of the Audit and Risk Management Committee,
- Mark Sceats, an Executive Director and Chief Scientist,
- Lance O'Neill, a Non-Executive Director,
- And a special welcome to Helen Fisher who has recently joined the Board as a Non-Executive Director and Chair of the Audit and Risk Committee.

It's obvious to all that 2020 has been a very difficult year around the world in both a health and economic sense with various stresses and uncertainties likely to continue for some time.

Calix has weathered the Covid-19 circumstances quite well across multiple countries by:

- acting early and decisively to revamp it's working arrangements around the world, by:
- reassessing actual and projected risks looking forward, and by
- working to identify new opportunities amongst all the negativity in the belief that those opportunities are always there.

One of the factors that always helps Calix achieve the best possible outcomes is having a stable and experienced management team and board who work closely and well together. This has been the case again this year as the Covid-19 global pandemic took hold. The appointment of Helen Fisher several months ago also confirms our commitment to continuing to evolve the composition of the board over time to ensure that we have the diversity of thought and the skills and experience on the board which matches and can support the evolution and growth of the business.

Turning to our strategic progress, as I mentioned last year, when we took Calix through the public listing process just over 2 years ago, the investor proposition was built around a company with:

- positive cash flow, growing revenues and a strong balance sheet,

- growth partnerships with major global companies,
- a patented technology platform, with a funded development pipeline,
- and a committed and stable team who have backed the company with their own money over an extended period.

Our second year as a listed entity has seen us deliver very strongly on all these themes. This is especially pleasing given the highly unusual and unpredictable context of a global pandemic.

- Revenue - our total revenues were up 76% to $24.4m, including 327% growth in sales revenues to $14.1m,
- Acquisition - in December 2019, we successfully completed our first major acquisition in the US, delivering a great platform to scale the wastewater part of our business into a very large market,
- LEILAC - also in December 2019, we were successful in achieving 16m euros in EU funding, and then in April 2020, a further 9m euros in commitments from major cement companies such as HeidelbergCement, to scale-up our LEILAC technology from pilot-scale to commercial demonstration scale in Europe,
- Battery development - in November 2019, we successfully built and commissioned our first fully-electric, advanced battery materials reactor on time and budget, achieved $3m in funding to advance our battery materials development through the CRC-P program, and joined the Future Battery Industries Co-operative Research Centre to advance our technology in building an Australian battery industry,
- Crop protection business - in August 2019, we signed our first commercial license arrangement for our crop protection product in Europe, and commenced our first sales into Europe, and in February 2020 submitted our extensive test work dossier for approval with the Australian Pesticides and Veterinary Medicines Authority.

Thus, despite the widespread head-winds created by the COVID pandemic, Calix has continued to advance its businesses in water and wastewater, crop protection, $CO_2$ abatement and advanced batteries very successfully. All these businesses are actually playing into increasingly strong tailwinds of their own.

**In water and wastewater**, tighter restrictions on sodium, phosphorous, nitrates and total pollutants in municipal and industrial discharge is increasing demand for safer, more effective, and more environmentally friendly treatment solutions. For example, in Europe, according to the “European Water Framework Directive”, all water bodies must achieve a good ecological status by 2027. In Germany, almost 2/3 of water bodies fail to meet these standards. The European Union (EU) has also successfully brought legal action against Germany for exceeding its limits on discharge of nitrates into rivers, forcing Germany to amend its laws in 2020 with respect to fertiliser application and treatment of waste. Our highly active magnesium-based products have proven very effective in improving water treatment and phosphate and nitrate reduction, and we have concluded several successful trials in Germany over the last 12 months. While continuing to expand our water business in Australia, New Zealand, Asia and the US, we are now looking to develop the EU as our next target market for this business.

**In crop protection**, tightening of the use of chemicals continues, especially in the EU. Just a couple of weeks ago, the EU announced it will be banning Macozeb, one of the most widely used broad spectrum anti-fungal treatments on the market, and one of the key anti-fungal treatments used for potatoes and onions. It joins a list of 44 substances already banned in the last 2 years, with another 11 still to be decided upon this year. Calix’s BOOSTER-Mag just completed another successful summer of trials on potatoes and onions in the Netherlands, and despite travel restrictions due to COVID, our European distributor, Afepasa, pushed ahead with a number of successful, albeit smaller, field trials in Greece, Italy, Spain, and Morocco, for various fungi and pests, and for which final results are being collated.

**In $CO_2$ abatement**, dramatic steps were taken over the last 12 months by countries, and large corporations, committing to net zero $CO_2$ by 2050. HeidelbergCement, one of the world's largest building materials companies and one of our partners in developing the LEILAC technology for $CO_2$ mitigation in cement, has committed to net zero $CO_2$ by 2050, and a 30% reduction by 2030., We are pleased that it specifically featured Calix's technology in its recent annual capital markets day. The EU passed legislation in support of a net-zero $CO_2$ target by 2050, dubbed "the Green Deal", and announced massive funding into developing the technologies required to meet these ambitious targets. The funding of our LEILAC technology scale-up, well ahead of plan, is evidence of the interest in achieving solutions, quickly. The Australian Government's Technology Roadmap may provide future opportunities for Calix.

**And in our battery development business**, the anticipated huge growth in electric vehicles and Base Load Energy Storage Systems is driving demand for better, cheaper, safer and more recyclable lithium ion batteries. Following this AGM, our Managing Director and CEO, Phil Hodgson, will be providing an update on our advanced battery materials development program. We are 1 year into a multi-year development program, but already we are seeing some very pleasing results. Please join us at 10am for the webinar.

Calix's overriding mission, **''to help solve global challenges''**, thus remains very well aligned with these great business opportunities. Looking ahead, we will remain focussed on our strategy of short, medium and longer-term value realisation applying and adapting our core technology across our various business segments:

- In the shorter-term, we will continue to execute our technology exchange with our US business and grow sales revenue and margin, and look to replicate this successful market entry with an appropriate European expansion,

- In the medium-term, we will pursue the development and licensing of our technology into $CO_2$ mitigation, and widen our crop protection application into new geographies with new partners,

- In the longer-term, we will build on some very encouraging early results in advanced batteries to prove and monetise the technology, as well as continue to research new applications of the technology.

Thank you all for joining us today and for your on-going and much appreciated support of Calix.

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

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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.

**Website:** https://www.calix.global/
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