

26 February 2025

## 1HFY25 results: Calix continues to grow revenue while delivering on commercialisation milestones

**Sydney, Australia | 26 February 2025** – Australian environmental technology company, Calix Limited (ASX: CXL) (“the Company”) is pleased to report the financial performance of Calix Limited and its controlled entities (“the Group” or “Calix”) for the half-year period ended 31 December 2024 (“1HFY25” or “the Financial Period”).

### Financial highlights:

#### Revenue continues to grow

- Calix’s product and services revenues increased by 11% to \$13.5m (1HFY24: \$12.2m).
  - Magnesia revenue increased 8% to \$10.7m.
  - Leilac services revenues increased 26% to \$2.9m.
  - Gross margin of 36%.
- Further revenue growth is expected in the second half of FY25 (“2HFY25”), driven by:
  - Increased Leilac revenues for engineering services for cement, lime and Direct Air Capture (“DAC”) projects.
  - Increased Magnesia product revenues resulting from a new contract with Unity Water, a Queensland-based utility.
- In addition, the company benefited from \$1.6m in other grant income.

#### Operating Expenses reduced going forward

- Operating Expenses in 1HFY25 totalled \$22.3m (1HFY24: \$19.7m).
- Approximately \$6m in annualised cost savings were realised late in the Financial Period and came into full effect from January 2025. This was achieved by streamlining Calix’s organisational structure and deprioritising non-revenue generating activities.
- The reorganisation led to approximately \$3m in one-off costs in 1HFY25 associated with the restructure and discontinued activities that will not be repeated in 2HFY25 and beyond.

#### Capital Expenses in 1HFY25

- Capex in 1HFY25 totalled \$8.1m (1HFY24: \$8.0m).
- Capex included \$6.6m for the Mid-Stream Project in the unincorporated Joint Venture (“UJV”) with Pilbara Minerals Limited (ASX: PLS) (“PLS”), with a balance of approximately \$2.5m

remaining capital contribution to complete construction.

- Balance of 1HFY25 capex primarily associated with investment in Leilac projects (\$1.2m) and expanding Magnesia production capacity (\$0.3m).

#### Cash Runway Extended beyond FY26

- The Group held \$35.8m in cash and cash equivalents at 31 December 2024 (30 June 2024: \$43.0m)
- Calix's balance sheet was bolstered by a \$20m Institutional Placement<sup>1</sup>.
- A Share Purchase Plan ("SPP"), which closed after the Financial Period, has since added \$2.1m cash to the balance sheet<sup>2</sup>.
- Calix's balance sheet – including its cash position and minimal debt – together with growing revenue streams, reduced cost base and diligent cost management, provide at least an 18-month cash runway to pursue currently funded projects and subsidiary capital raisings.

#### Extended runway provides flexibility in pursuing further commercialisation and subsidiary-level capital strategies

- Calix has the required funding to make its remaining capital contribution of \$2.5m to complete construction of the Mid-Stream Lithium Demonstration Plant.
- New projects announced with Titan, MLC (formerly Mississippi Lime Company) and Heirloom in the cement, lime and DAC industries respectively, require no capital funding contribution from Calix or Leilac<sup>3,4</sup>.
- Calix and Leilac will prioritise fully funded commercialisation projects and pursue further independently funded projects.
- Calix's at least 18-month cash runway allows disciplined pursuit of subsidiary level capital raisings in Leilac and ZESTY to fund key demonstration projects in these lines of business, including Leilac-2 and the ZESTY Green Iron Demonstration Plant, and to pursue other independently funded demonstration projects.

#### **Operational highlights:**

Calix delivered progress towards several key commercialisation milestones in 1HFY25, including:

#### Sustainable Processing

- The Mid-Stream Lithium Demonstration Plant Project, developed in a UJV with Pilbara Minerals, aims to demonstrate a world-first industrial scale electric calciner that enables low-

<sup>1</sup> Calix ASX Announcement: [Calix – Equity raise and SPP announcement](#), 9 December 2024

<sup>2</sup> Calix ASX Announcement: [Calix SPP closes to complete \\$22.1m equity raise](#), 3 February 2025

<sup>3</sup> Calix ASX Announcement: [Calix announces US Dept of Energy Pre-FEED grant awards](#), 10 January 2025

<sup>4</sup> Calix ASX Announcement: [Calix announces update on DAC projects](#), 25 June 2025

carbon processing at the mine site of spodumene to a concentrated and higher value lithium salt.

- Construction of the Mid-Stream Project was paused in October 2024 due to challenging lithium market conditions<sup>5</sup>.
- In after balance date events, the Mid-Stream Project was awarded a \$15m grant from the Western Australian Government<sup>6</sup>, which then enabled construction to restart<sup>7</sup>.
- The Mid-Stream Project was 74% complete at the end of the Financial Period.
- The Mid-Stream Project is fully funded, with Calix's remaining capital contribution of approximately \$2.5m to come from existing funds.
- Commissioning is expected to commence in the December Quarter of Calendar Year 2025.
- A non-cash gain in the statement of profit and loss of \$8.8m resulted from Calix's free-carried equity in the UJV (1HFY24: \$3.3m).
- The ZESTY Green Iron Demonstration Plant Project aims to demonstrate a lowest-cost pathway to green iron and steel.
  - ZESTY was recognised at COP29 as the global Outstanding Project by the Net-Zero Industries Award.
  - The ZESTY Demonstration Plant continued to make progress towards a Final Investment Decision ("FID") by developing the financing and commercial partnerships required.

#### Leilac

- DAC projects with Heirloom made significant progress.
  - Leilac's projects with Heirloom are fully funded by Heirloom and require no funding contribution from Leilac or Calix. These projects are delivering immediate engineering revenues to Leilac prior to the receipt of royalties under a global and perpetual licensing agreement<sup>8</sup>.
  - A first DAC plant incorporating the Leilac technology is expected to begin construction during 2HFY25.
- Project ZETA, in South Australia, aims to demonstrate the production of net-zero lime and cement, while also selling captured process CO<sub>2</sub> emissions to the Solar Methanol 1 Project.
  - The project secured a \$15m grant from the Australian Government's Carbon Capture Technologies program.<sup>9</sup>

<sup>5</sup> Calix ASX Announcement: [Calix & PLS Midstream Project Update](#), 30 October 2024

<sup>6</sup> Calix ASX Announcement: [Calix announces Mid-Stream Project WA govt grant award](#), 14 January 2025

<sup>7</sup> Calix ASX Announcement: [Calix announces Mid-stream project restart](#), 13 February 2025

<sup>8</sup> Calix ASX Announcement: [Calix announces Heirloom licence agreement](#), 30 October 2023.

<sup>9</sup> Calix ASX Announcement: [Calix announces \\$15m grant for zero emissions plant](#), 23 July 2024

- The project progressed its pre-Front End Engineering Design (“pre-FEED”) phase, which remains on track to be completed during FY25.
  - Leilac is also focused on securing the additional financing required for Project ZETA to reach a FID in the 2026 calendar year.
- The Leilac-2 Project aims to demonstrate a replicable module capable of capturing ~100,000 tonnes per annum of unavoidable process CO<sub>2</sub> and enable the full use of lower cost and lower carbon alternative fuels in cement making.
  - Leilac progressed the necessary engineering work to successfully relocate the project to Heidelberg Materials’ Ennigerloh cement plant.
  - Leilac and Heidelberg Materials have executed a joint venture for the construction, operation and future ownership of the Leilac-2 plant,<sup>10</sup> however, the project requires additional financing and/or working capital cover.
  - Subject to financing and the completion of permitting, construction of Leilac-2 is expected to commence in the 2025 calendar year.
- Full commercial scale cement and lime projects in the United States (“U.S.”) progressed, leading to the after-balance date award of two US\$1.5m grants from the U.S. Department of Energy for pre-FEED studies<sup>11</sup>.
  - A project with Titan Cement, Amazon and Virginia Tech in Roanoke, Virginia aims to deploy the Leilac technology to capture over 500ktpa<sup>12</sup> of CO<sub>2</sub> and enable the use of lower carbon and lower cost fuels in cement manufacturing.
  - A project with MLC aims to capture approximately 150ktpa of CO<sub>2</sub>, enable the use of alternative fuels, and demonstrate viable pathways to net-zero lime manufacturing.
  - In after balance date events, an Executive Order from the Trump Administration<sup>13</sup> delayed funding negotiations in the U.S. for awarded programs, including Leilac’s projects with Titan and MLC.
- Reviews by U.S. Federal Departments of U.S. policy, including policy related to decarbonisation, are currently underway and have uncertain outcomes, however, Federal and Republican support for Carbon Capture, Utilization and Sequestration (“CCUS”) and DAC projects is expected to continue.<sup>14</sup> More broadly, global commitment to decarbonisation remains, with significant supportive policy developments occurring in the period in Europe<sup>15</sup>

<sup>10</sup> Calix ASX Announcement: [Calix announces Leilac and Heidelberg Materials JV for Leilac-2](#), 11 June 2024

<sup>11</sup> Calix ASX Announcement: [Calix announces US Dept of Energy Pre-FEED grant awards](#), 10 January 2025

<sup>12</sup> ktpa = kilotonnes per annum

<sup>13</sup> [The White House. UNLEASHING AMERICAN ENERGY. Executive Order. 20 January 2025](#)

<sup>14</sup> U.S. Senate Committee on Environment and Public Works (EPW). [Hearing on Advancing Carbon Capture, Utilization, and Sequestration \(CCUS\) Technologies. Opening Statement of Chairman of the EPW Committee U.S. Senator Shelley Moore Capito \(R-W.Va.\)](#), 12 February 2025

<sup>15</sup> Clean Energy Wire. [Q&A: EU aims to bolster competitiveness through Clean Industrial Deal](#), 4 December 2024

and Asia-Pacific<sup>16,17,18,19</sup>.

**Calix's Managing Director and CEO, Phil Hodgson said:**

"The Group reported revenue growth and commercial progress across all lines of business. Our direct product sales in Magnesia continued to show strong growth, while our Leilac business reported a further increase in services revenue. Importantly, Leilac's engineering services are generating immediate revenues and enabling that line of business to create self-funded projects prior to the commencement of operations and the receipt of licensing royalties.

"We also expect our focus on immediate revenue generation to deliver further returns in the second half of the financial year, with direct line of sight to near-term revenue growth in Magnesia and Leilac.

"In Sustainable Processing, the Mid-Stream Demonstration Project in UJV with PLS, despite a temporary pause, is progressing well and expected to begin commissioning in late 2025. Calix's free-carried equity in the project resulted in a non-cash gain of \$8.8m in the first half of the financial year. We also thank the Western Australian Government for their financial support of the project.

"At the same time, diligent cost management and an increased focus on our commercial priorities have reduced costs in H2FY25 and beyond. Streamlining our organisational structure across the Group has enabled us to reduce our staffing costs while maintaining our ability to deliver on our commercial priorities. We expect the financial benefits of these efforts to begin to be realised in the second half of the financial year.

"Recent progress and commercial milestones have renewed momentum in world-leading projects across the cement and lime, iron and steel, lithium and Direct Air Capture sectors. These are huge markets with growing demand for economically and environmentally sustainable mineral processing solutions. Calix's platform technology is becoming recognised as a leading solution across each of these sectors, and we look forward to continuing to urgently progress our projects and create long-term value for our shareholders and our partners."

**2HFY25 outlook**

Calix concluded the Financial Period well positioned to deliver on its key projects for demonstrating industry application of the Calix platform technology.

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<sup>16</sup> [ICAP Carbon Action](#). 2024

<sup>17</sup> Carbon Herald. [Japan To Mandate Emissions Trading For All Companies Emitting Over 100,000 Tons Of CO2](#). 22 November 2024

<sup>18</sup> [Aluminium to forge Australia's manufacturing future](#). 20 January 2025

<sup>19</sup> [Albanese Government building Australia's green iron future](#). 20 February 2025

Further anticipated revenue growth in 2HFY25, as well as the realisation of approximately \$6m in annualised cost savings, and reduction in the capital requirements of the PLS project as a result of the WA government grant, are expected to improve cash flows and extend the cash runway for Calix's core operations beyond FY26.

To support first-of-a-kind commercial demonstration of the technology, Calix will continue to prioritise paid engineering studies, secured grant funding and industry partner funding, prior to first receipts of royalty revenues. To complement this and support the additional capital requirements of some key projects, including Leilac-2 and the ZESTY Green Iron Demonstration Plant, Calix's funding strategy continues to focus on securing capital in the form of equity, grants or debt at the subsidiary and project level.

Calix's UJV with PLS expects to progress construction of the Mid-Stream Demonstration Plant for the electric calcination of spodumene to a concentrated lithium salt<sup>20</sup>, with full funding in place and commissioning of the plant targeted for 1HFY26.

Calix will also progress its core projects as outlined in its investor presentation.

### **Our pathway to operating sustainably**

As Calix works to help solve global challenges, the Group is also making progress in its sustainability journey. Ongoing efforts to advance our commitments – science-based emission reduction in line with the 1.5°C pathway; gender balance at all levels of the organisation; addressing the sustainability of the materials and resources we use in our business; and realising zero harm through a safe workplace – are being supported through integration with the Company's strategic priorities. More information is available in the Company's Sustainability Report and Corporate Governance Statement.

### **Investor webinar**

The Company will host an investor webinar with Managing Director and CEO, Phil Hodgson, and CFO, Darren Charles, at 10.00am AEDT on Wednesday 26 February 2025 to discuss the 1HFY25 results.

Please register for the investor webinar using the link:

[https://us02web.zoom.us/webinar/register/WN\\_cxAn8lVVt9O9x2XsgEVpCQ#/registration](https://us02web.zoom.us/webinar/register/WN_cxAn8lVVt9O9x2XsgEVpCQ#/registration)

**–ENDS–**

### **Important Disclaimer**

This announcement contains certain "forward-looking statements". The words "expect", "future",

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<sup>20</sup> ASX Announcement. [Final Investment Decision for Mid-Stream Demonstration Plant](#). 2 Aug 2023



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This announcement has been authorised for release to the ASX by the Calix Board of Directors.

### **About Calix**

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

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

With strong and increasing demand driven by global decarbonisation commitments, Calix is applying its core technology to the cement, steel, alumina and critical minerals industries, as well as the direct air capture of atmospheric carbon dioxide, and the production of sustainable environmental products.

Leveraging its core platform technology and a global network of partners, Calix is urgently developing multiple businesses that deliver positive global impact. Because there's only one Earth. Mars is for quitters.

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