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Calix Limited Opportunity

Investor Presentation

March, 2021



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Mars is for quitters



We believe our responsibility starts at home.

That's why we're driven to use our unique technology to repair, preserve and prevent future harm to it.

Because there's only one Earth, and it's already ours.

Executive Summary...

Calix is undertaking a placement to accelerate growth from its core platform technology



Platform technology

Calix Limited is developing multiple environmental business opportunities, all from the one core patented technology, including:

- Water
- CO₂ mitigation
- Biotech
- Advanced battery materials
- Sustainable processing

Accelerating growth

- To date, Calix has undertaken technology development through self-funding, grants and project revenues
- With significantly growing interest in ESG investment themes, Calix's lines of business are very well positioned with high value potential
- To accelerate the development into this potential, Calix has identified a 12-month investment program in additional capital equipment and resources

Placement to fund growth initiatives

- Calix is seeking to raise A\$14 million via the placement ("Placement") of 7 million new fully paid ordinary shares ("New Shares") at \$2.00 per share to sophisticated and professional investors.
- Proceeds will be used to invest in Calix's accelerating growth in our Water, CO₂ Mitigation and Biotech operations, as well as investment in our advanced battery project.
- The Placement will take place in a single tranche and fall within the Company's placement capacity under ASX Listing Rules 7.1 and 7.1A . The Placement is non underwritten.
- A Share Purchase Plan, at the same price as the Placement, will be offered to eligible shareholders and will be capped at A\$3 million

Introduction to Calix

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"It's not often an investing theme comes along that is both certain, and certainly huge, but we've got one right now. The theme is climate change, or more specifically, the transition to a zero-carbon world."

Alan Kohler 13 Feb 2021

"The amount of money moving into ESG [environmental, social and governance] or low-carbon strategies has been very, very large. If you look at all of the motivators around the world, this kind of investing is going to be growing very, very quickly over coming years. I think it's **something no investor can ignore**"

IFM quantitative equities executive director Laurence Irlicht
AFR 15 Mar 2021

Environment, Social, Governance (ESG) a strengthening investment theme

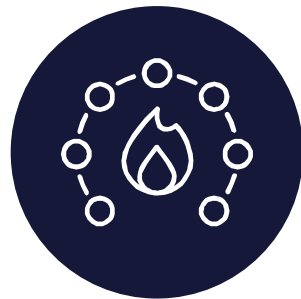


Global economies, Companies and investment funds are all heading in one direction...



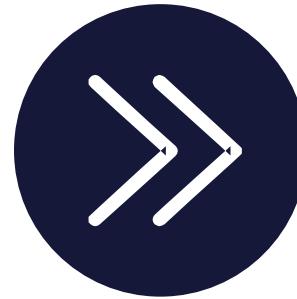
~ 50% of global GDP*
and carbon emissions currently
under net-zero commitments.

Source: Energy and Climate
Intelligence Unit



**More Top Companies
committing to net-zero
CO₂ emissions**

CAC 40, DOW 30, FTSE100
and IBEX 35. Source: ECOACT



**ESG Exchange Traded Funds
double in 2020**

Over US\$ 40 billion in assets in
2020 compared to US\$ 20 billion
in 2019. Source: BloombergNEF



**Nearly USD 3 trillion *per
year* to 2030**

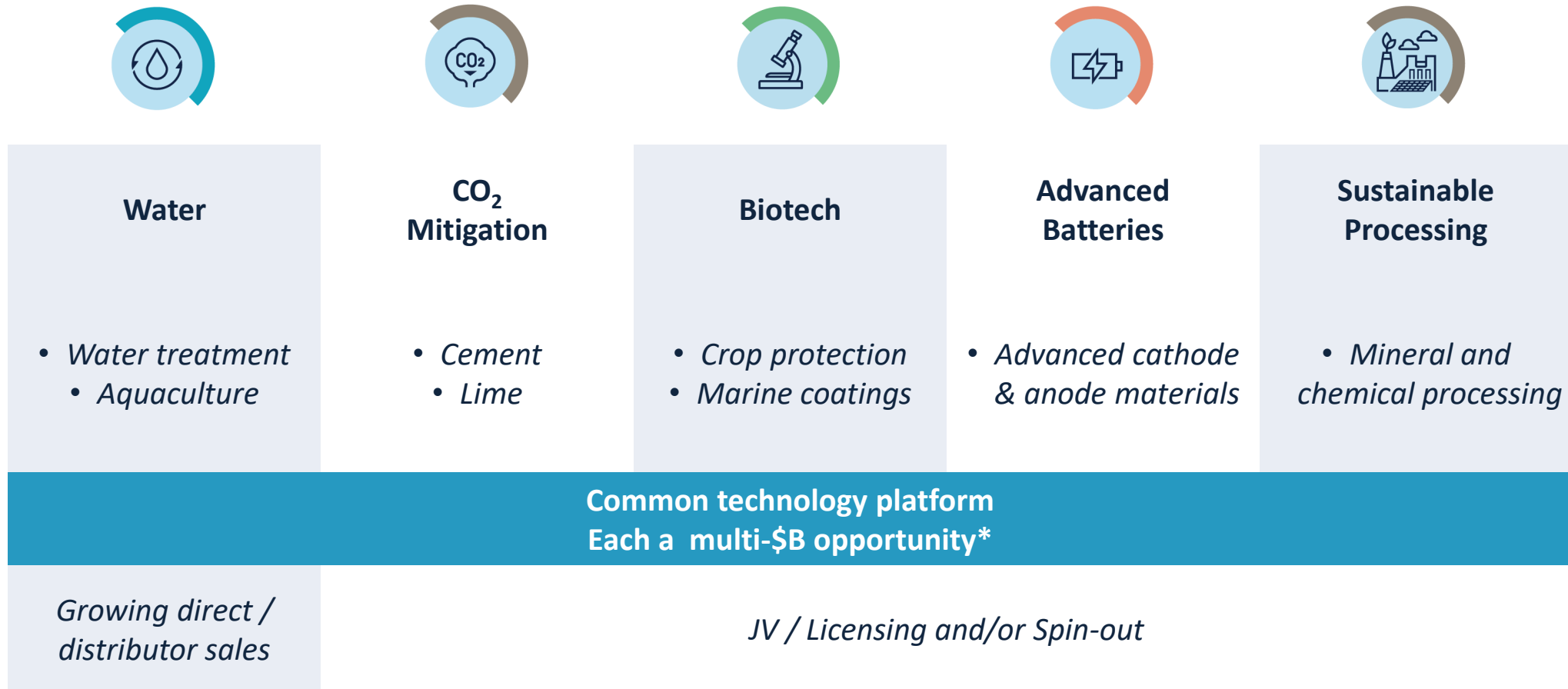
Global investment capital
required to achieve
sustainability outcomes**

*Excludes US – would jump to nearly 2/3 if US commits also

**IEA World Energy Outlook 2020 – Sustainable Development Scenario

Developing multiple environmental business opportunities...

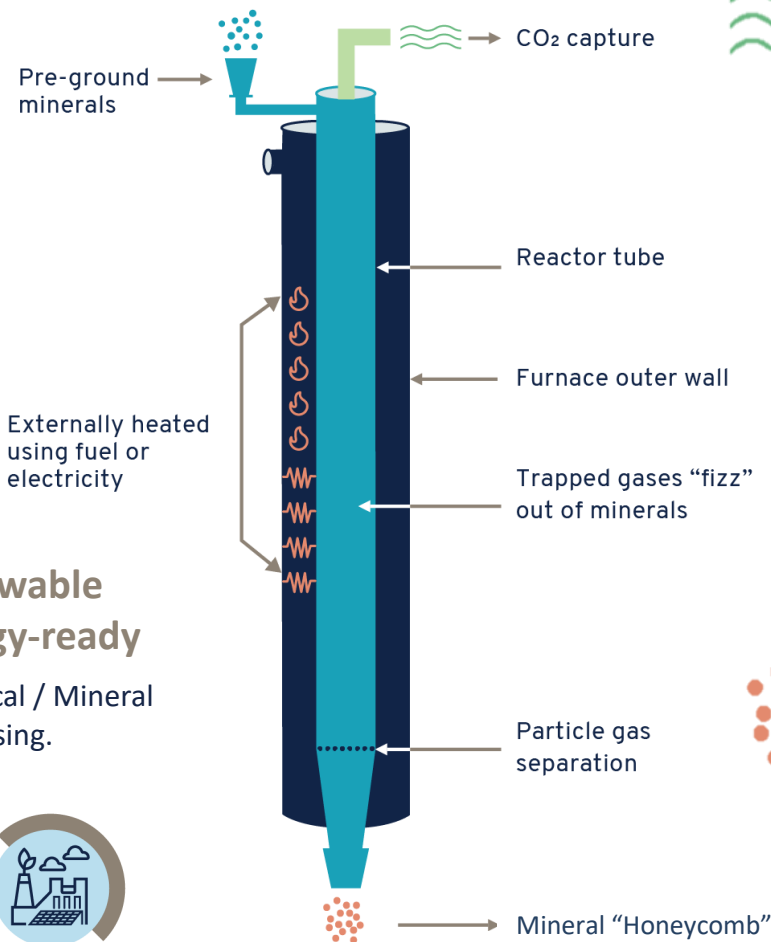
... all from the one core platform technology



*Frost and Sullivan - Market Opportunity for Calix Flash Calcination : Calix Prospectus 2018, Section 2 for Water, CO₂, Advanced Battery (including Sustainable Processing) and Crop Protection opportunities

Our core technology platform

A patented platform technology with 3 key features



CO₂ capture

When processing limestone, gas exhaust is high purity CO₂



Renewable energy-ready

Chemical / Mineral Processing.



Highly-active materials

Highly porous "honeycomb" structure = more chemical- and/or bio-activity



calix

A New Type of Kiln...

The "Calix Flash Calciner" or CFC



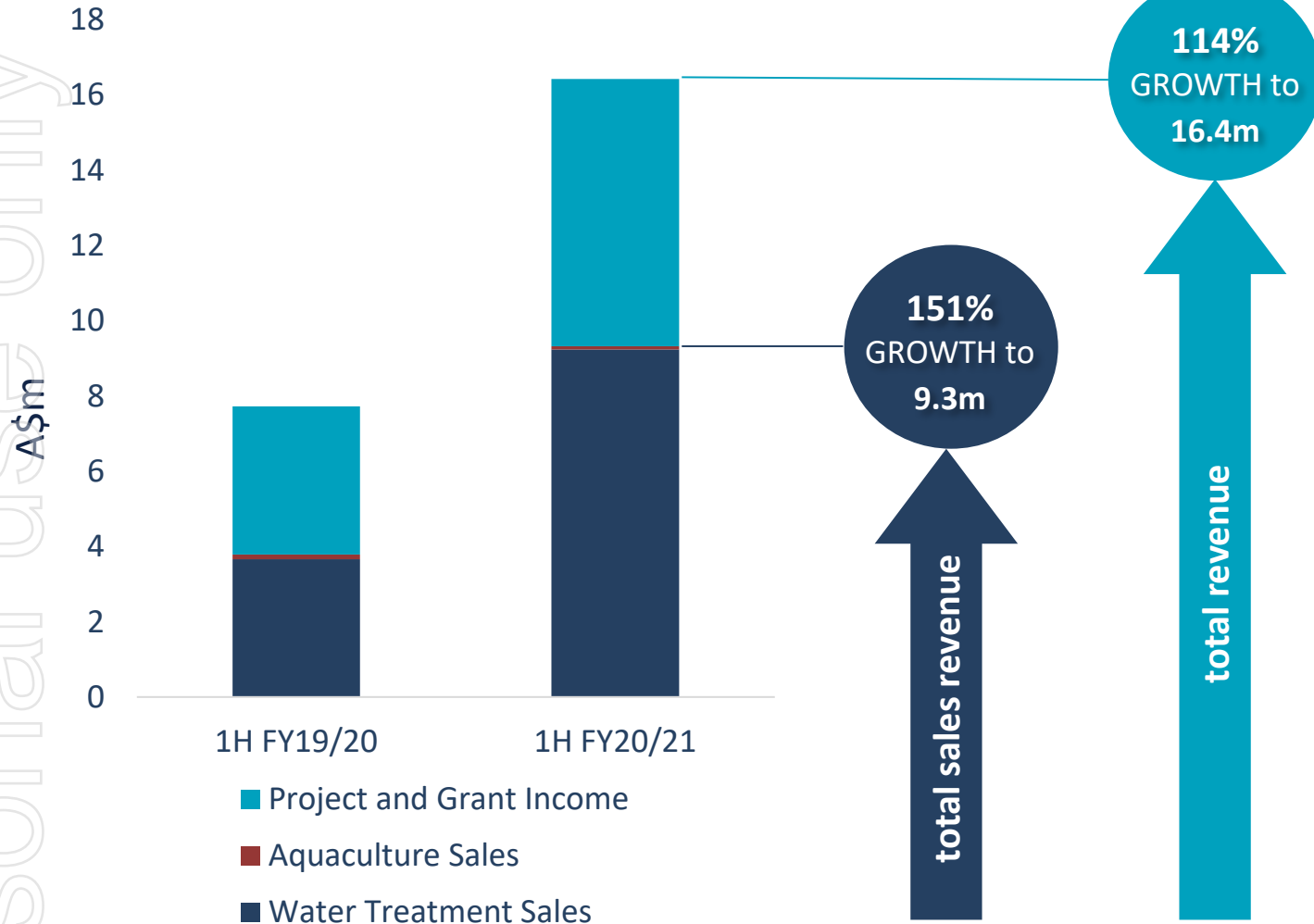
25 patent families covering core technology and applications



>A\$100m has been invested to date in developing the technology.

Summary of results 1H FY21 – continued strong revenue growth

Sales revenues and project and grant revenues continue growth trajectory



Key Take-aways...

Strong growth in sales & total revenue

Gross profit & other income up strongly on growing margins

Operating profit H1 A\$3m; growing strongly as margin expansion flows through to the bottom line

Despite COVID...

- We have integrated our US acquisition and commenced our growth trajectory
- US business – underlying revenue grew 14% pcp
- Overall gross margin grew to 31 % (up from 25 % pcp)

Our investment opportunity

Multiple “shots on goal” ESG opportunity using patented core platform technology



Water

- Safe, environmentally friendly water treatment product
- In-market since 2014
- Growing revenue engine for the business
- Successful US acquisition 2019



CO₂ Mitigation

- Direct CO₂ separation for cement and lime – no theoretical energy penalty
- Developing with €28m of EU funding
- Partnering with some of the largest cement and lime companies



Biotech

- Safe, environmentally friendly biotech product – multiple applications
- Crop Protection – initial sales
- Anti-Foul Marine Coatings – major trial underway



Advanced Batteries

- Targeting safe, environmentally friendly, more recyclable, better performing batteries
- Highly prospective early results
- Substantial global battery development network



Sustainable Processing

- Targeting renewable-energy driven industrial processes
- First license agreement executed- energy storage
- Several opportunities being developed – chemical industries

Common Technology Platform
Each a multi-\$B opportunity*

Growing direct
/ distributor sales

JV / Licensing and/or Spin-out

*Frost and Sullivan - Market Opportunity for Calix Flash Calcination : Calix Prospectus 2018, Section 2 for Water, CO₂, Advanced Battery (including Sustainable Processing) and Crop Protection opportunities

It's time to accelerate...



Water

Waste water discharge limits becoming tougher

Germany taken to court by the EU for polluting European waterways with P and N



CO₂ Mitigation

Top economies, and cement companies, committing to net zero CO₂ by 2050

The price of CO₂ – as measured by the EU Emissions Trading Scheme, has jumped ~740% in 4 years



Biotech

Increasing concern wrt biocides and their impact on the environment

The EU has banned one of the largest selling broad spectrum fungicides from Feb 2021 - Mancozeb



Advanced Batteries

Increasing concern wrt expensive battery materials and their recyclability, cost, safety and provenance

Tesla announces a return to simpler, cheaper, safer chemistries at Battery Day - September 2020



Sustainable Processing

Industrial processes coming under increasing pressure to identify how they will electrify

Recent Deloitte survey found industrial manufacturers targeting 45% overall electrification by 2035

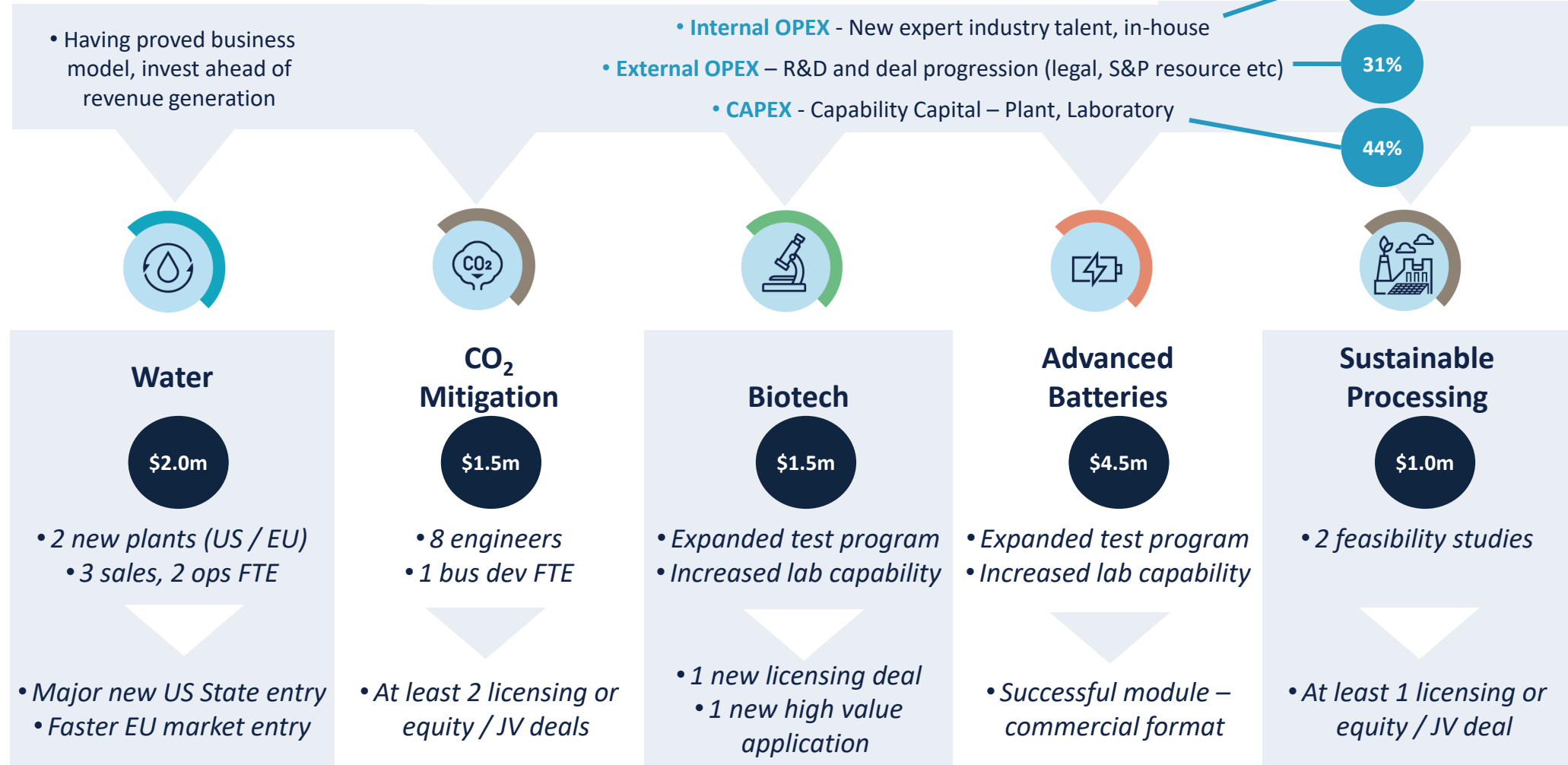


With significant thematic tailwinds, Calix's business is very well positioned to benefit...

Capital needs... and targeted outcomes - Overview

A 12-month acceleration program...

Overall Investment
Breakdown



Capital needs... and outcomes – Advanced Batteries

A 12-month acceleration program...



\$4.5m

Current status

- Lab is not set up to deal with battery testing – currently fully out-sourced with slow turn-around
- Pouch cell testing is underway but will be limited given costs
- Expansion to full battery pack testing is currently unfunded - could possibly be done through industrial partner
- Additional technical advantages of BATMn tech such as lower energy processing development currently unfunded

Investment thesis

- In-source full coin cell assembly, cycling and testing equipment - \$0.5m
- Properly equipped battery lab - \$1.0m
- In-house additional battery lab skill-sets - \$0.5m
- (The above two items will not necessarily accelerate from a time perspective, but will enhance the scope of materials being tested and thus will considerably de-risk the program)
- Expand pouch cell testing and battery pack development program, avoid need for industrial partner to fund and thus strengthen commercial leverage – \$1.5m
- Additional BATMn capability to fully exploit processing advantages - \$1.0m

Targeted outcomes – 12 months

- New, fully equipped and fit-for-purpose battery lab with skilled operators
- 5-fold increase in test program, providing the best materials for pouch cell testing, and then scale-up to full battery pack trials
- Expanded BATMn capability to test additional manufacturing-scale benefits of the Calix technology
- Initial commercial discussions with battery materials and battery assembly entities

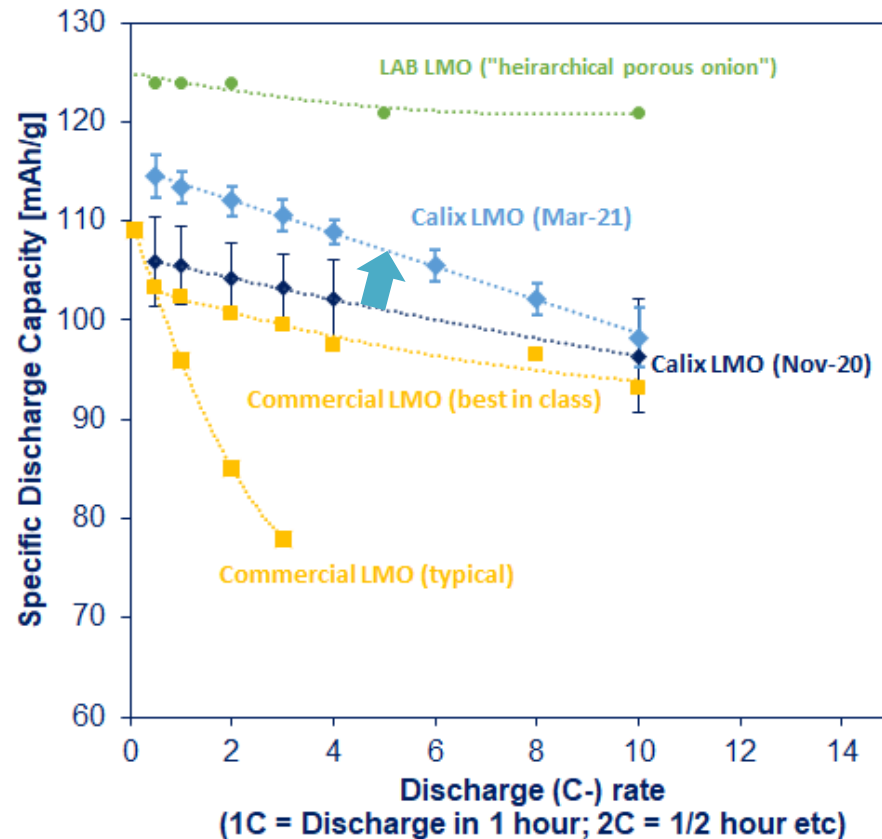
Advanced Batteries – latest developments continue to be very encouraging

~10% performance uplift achieved in 3 months...early days* but continued very promising results



Latest developments – “cracking the onion”

We have continued to optimise our lithium manganese oxide (LMO) technology for lithium-ion battery cathodes...



- Through our BATMn calciner, we have now optimised a technique of producing manganese oxide and “lithiating” (adding lithium) through a lithium hydroxide solution (a “salt soak”) followed by significantly shortened heating step.
- This is a far lower energy route (approx. 6x)** than conventional LMO production, and is producing “onion-ring” structures in the tiny crystals
- The materials produced are similar in structure to the best lab-scale, exotic nano-derived materials reported in the scientific literature. These structures are well-known for their superior performance. Calix materials, produced much more cheaply, are starting to emulate this performance, being well above the best performing commercial materials



From: “Hierarchical porous onion-shaped LiMn_2O_4 as ultrahigh-rate cathode material for lithium ion batteries”. Nano Research 2018, 11(8): 4038-4048

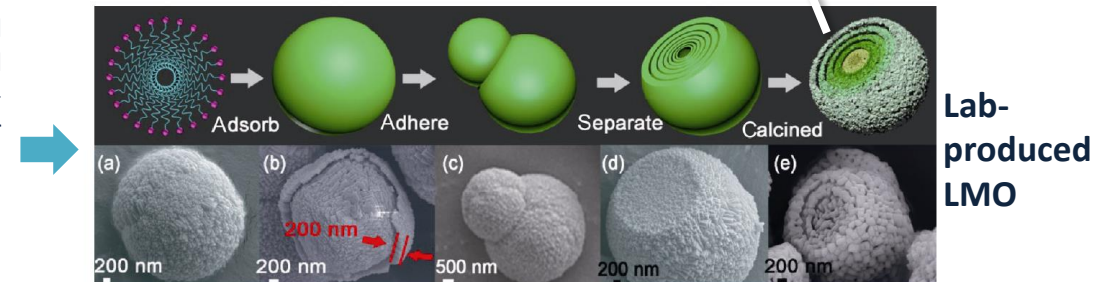


Figure 3 Schematic and corresponding SEM images supporting the growth mechanism of onion-like Mn_2O_3 crystalline structure.

*Results represent multiple runs on half cells cycling hundreds of times. Further testing on full cells cycling thousand of times is underway

**Assuming energy requirements are proportional to lithiation time

Capital needs... and outcomes – Water

A 12-month acceleration program...



\$2.0m

Current status

- US – business is commencing its growth trajectory well, although it could go quicker if we invest ahead of current cash generation
- EU – supporting product trials from Australia, especially given COVID, costs more and is higher risk – local manufacturing would be more efficient and lower trial risk

Investment thesis

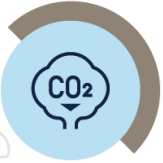
- US - Supplement "organic" self-funded growth with one new plant, 2 new sales, 2 operations FTE - \$1.0m
- EU – Invest in local manufacturing and distribution equipment, and 1 FTE local support now – grow business from lower cost, but established base - \$1.0m

Targeted outcomes – 12 months

- US – Quick wins - Major new customers in new US state with high potential
- EU – First established customers and partner. Widen pipeline of potential partners and potential acquisition

Capital needs... and outcomes – CO₂ Mitigation

A 12-month acceleration program...



\$1.5m

Current status

Development work largely covered by LEILAC-1 and LEILAC-2 projects

However, in-bound enquiries requires Engineering and Commercial resource for feasibility studies and commercial development

Investment thesis

Enhance engineering capability and external contracting resourcing to enable several pre-FEED* studies to commence (payment from potential customers will be sought if a project moves to FEED stage) - \$1.0m

Enhance commercial capability to deal with several licensing negotiations over next 12 months - \$0.5m

Targeted outcomes – 12 months

2 licensing or equity / JV agreements leading to 2 FEED studies

*"FEED" = Front-End Engineering and Design

Capital needs... and outcomes – Biotech

A 12-month acceleration program...



\$2.5m

Current status

AU regulatory – approvals slow – further test work being investigated

EU regulatory – approvals will hinge on further test work – nano-forms and any chronic impacts

New applications (Marine and Pharma) – limited ability to develop / test in-house – relies on third party agreements

Lab – not equipped for Biotech development

BATMn – currently used to produce test materials for biotech – will not be suitable as more pure / non-toxic inputs required

Investment thesis

AU and EU regulatory – further test work being may help speed applications - \$0.5m

New applications (Marine and Pharma) – strengthen in-house capability + test programs \$0.5m

Lab – investment in lab equipment for faster, more effective screening and measurement - \$1.0m

New BATMn calciner – Bacchus Marsh – Feasibility study - \$0.5m

Targeted outcomes – 12 months

AU regulatory – de-risked approvals process – ultimately leading to our first label as a crop protection product

EU regulatory – removes potential barriers / increases value in license negotiations – commercial leverage

New applications – increased in-house capability increases value in license negotiations – commercial leverage

New BATMn calciner – Bacchus Marsh – developed project for manufacturing capability

Capital needs... and outcomes – Sustainable Processing

A 12-month acceleration program...



\$1.0m

Current status

Spodumene – early results very encouraging

Refractories - early results very encouraging – phase 2 trial underway

1 x calcined clay (new cement formulation) application – early trials being planned

2 x chemical processing applications – early trials being planned

Investment thesis

Spodumene – move to commit up-front resources to Feasibility study – new electric calciner project – \$0.5m

Refractories – move to Feasibility study for a new calciner project - \$0.5m

Other applications – will seek to recover early trial costs, but if we cannot they are currently un-budgeted

Targeted outcomes – 12 months

Spodumene – MOU / Heads of agreement with a spodumene / lithium player. Successful Feasibility study

Refractories - MOU / Heads of agreement with a spodumene / lithium player. Successful Feasibility study

At least one of the above leading to full license/ project

Other applications – at least one developed to successful meaningful trial

Our next 12 months' priorities...

REVENUES, MARGINS, PROJECT EXECUTION AND DEAL FLOW...AND ACCELERATION TARGET ITEMS



Water	CO ₂ Mitigation	Biotech	Advanced Batteries	Sustainable Processing
Revenue and Gross Margin growth via... US: 1 new plant <ul style="list-style-type: none"> • 1 major new US state entry EU: <ul style="list-style-type: none"> • First partner agreement • Convert paid trials to customers • 1 new plant Asia: <ul style="list-style-type: none"> • Re-establish Chinese AQUA-Cal+ sales 	Cement and Lime <ul style="list-style-type: none"> • Successful test campaign conclusion – LEILAC-1 • Successful BOD – LEILAC-2 • First project / license agreement “full-scale” application • Second project / license agreement “full-scale” application 	Crop Protection <ul style="list-style-type: none"> • 2nd license agreement • APVMA approval Marine Coatings <ul style="list-style-type: none"> • Successful initial trials with MTA partners Next new biotech application...	Successful full cell results Initial positive pouch cell results Scale-up production trials – cathode materials First battery module – commercial format	Refractories <ul style="list-style-type: none"> • Successful phase 2 testing • Full feasibility study • Project or License agreement Spodumene <ul style="list-style-type: none"> • Full feasibility study • Project or License MOU A second project / license agreement



Equity Raising Summary

Offer Size and Structure

Calix Limited (“Calix ” or the Company”) is seeking to raise A\$14 million via the placement of 7 million new fully paid ordinary shares (“New Shares”) to sophisticated and professional investors.

The Placement will take place in a single tranche and fall within the Company’s placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Placement is not underwritten.

Offer Price

Fixed offer price of A\$2.00 per New Share, which represents a:

- 11.1% discount to the last closing price of A\$2.25 as at 16 March 2021;
- 10.4% discount to the 5 day volume weighted average price (“ VWAP ”) of A\$2.23 as at 16 March 2021; and
- 6.8% discount to the 10 day VWAP of A\$2.15 as at 16 March 2021.

Ranking

New Shares will rank pari passu with fully paid ordinary shares in Calix.

SPP

A Share Purchase Plan, proposed to be undertaken at the same price as the Placement, will be offered to eligible shareholders and will be capped at A\$3 million.

Use of funds

Proceeds will be used to accelerate growth across all lines of business



Commentary on use of proceeds

Sources	A\$(m)	Use of Funds	A\$(m)	Use of Funds Commentary
Placement	14.0*	Advance Batteries	4.5	Expanded test program & increased lab capability
		Water	2.0	2 x new plants (US), 5 x sales and operations FTEs
		CO ₂ Mitigation	1.5	8 x engineering FTEs, 1 x business development FTE
		Biotech	2.5	Expanded test program & increased lab capability
		Sustainable Processing	1.0	2 x feasibility studies
		Raising Costs	0.5	
SPP	Up to 3.0	Additional working capital	2.0 to 5.0	
TOTAL	14.0 to 17.0	TOTAL	14.0 to 17.0	

Placement and SPP timetable



Event	Time (AEDT)
Trading halt	Wednesday, 17 March 2021
Record date for Share Purchase Plan (SPP)	7.00pm, Thursday, 18 March 2021
Announce completion of the Placement, announce SPP, and release of Investor Presentation, release Appendix 3B (for placement and SPP)	Friday, 19 March 2021
Settlement of the Placement	Wednesday, 24 March 2021
Issue and normal trading of Shares issued under the Placement, and release cleansing notice	Thursday, 25 March 2021
SPP opens and SPP Booklet dispatched	Thursday, 25 March 2021
Closing Date for SPP	Thursday, 8 April 2021
Announcement of results of SPP	Friday, 9 April 2021
Issue of SPP Shares	Monday, 12 April 2021
Dispatch of holding statement and commencement of trading of Shares issued under the SPP	Tuesday, 13 April 2021



Key Risks

Risks Specific to an Investment in Calix



All investments carry risk, including loss of some or all of the capital invested and failure of investments to generate a positive return. You should carefully consider whether an investment in Calix is a suitable investment for you. Some of the risks of investing in Calix include the following:

Competitive Environment

Calix's products and applications compete in each of its markets against alternative products and solutions. There is no guarantee that Calix's products and applications will not be superseded by superior products and applications, or achieve the growth, margins and competitive position that constitutes a valuable, growing business, and there is no guarantee that existing customers of Calix's products and applications will continue to purchase from Calix, nor that new customers can be attracted to purchase from Calix.

Market Development and Expansion Risk

There are aspects of Calix's current products and applications, as well as those under development, that represent additional features or customer value propositions as a result of the novel materials produced by the technology. Products or applications that are not direct replacements of those currently in existence may take some time for the customer to understand, and thus there is a risk that take-up will take longer and involve more cost and effort (such as trials) to bring to market than planned.

There is also the risk that existing products cannot continue to be developed into new applications that exploit the unique properties of the technology, or that technologies that are developed are unable to be effectively commercialised. This risk is manifest in a number of Calix processes such as:

- developing the magnesium hydroxide liquid (MHL) product for specialist bio-treater applications; or
- developing our AQUA-Cal beyond prawns into the fin fish market.

Research and Development Risk

Whilst Calix's CFC has been running with minimal maintenance or operating issues for over 7 years, its robustness as a process has not been demonstrated over decades, which could impact more rapid acceptance of the technology into established industries. More specifically, the LEILAC project process has not been tested at scale and may not work in a way that is efficient and robust enough to be of commercial interest to the cement and lime industries. In the cement application of the technology, there is still significant scale-up risk even if LEILAC works.

With respect to Calix's battery materials development, there is the risk that the technology will not work, or not produce materials of sufficient commercial difference to sustain a business, or justify further investment to create a business.

With respect to research and development of other potential opportunities for Calix technology, there is the risk that the technology will not work, or not produce materials or processes of sufficient commercial difference to sustain a business, or justify further investment to create a business.

Supply and Operational Risk

Due to the nature and scale of Calix's operations there is the potential for varied disruptions to the supply chain that may unduly impact the scale and scope of Calix's activities. This risk is present in several stages of Calix's value chain, for example:

- **Magnesium Oxide Supply:** Calix sources its magnesium oxide, which it uses to MHL, from several different suppliers, as well as its own mine. However, a loss of one or more supply arrangements could significantly impact Calix's ability to service its customers, through either time lost to re-arrange supply arrangements, or additional cost; or
- **Distribution:** In some cases, Calix delivers product directly to customers and in other cases, it relies on distribution partners. Failure to deliver Calix's products and services, or delivery of the products and services below an acceptable level, could occur as a result of multiple factors. Such failure could lead to loss of reputation, and ultimately loss of customers, and thus revenues and growth

Risks Specific to an Investment in Calix



Regulatory Risk

In Australia, Calix's ACTI-Mag can be sold as non-dangerous goods, without specific regulatory approvals. There is a risk that regulations covering these products may change, in which case Calix may need to apply for approvals to continue with this part of its business, and may not obtain such approvals. In addition, a change in regulatory approvals may trigger additional risks under product liability, if it is deemed that such change in regulation has been brought about by information on the safety or efficacy of Calix's products that is unknown to Calix at this time.

In the US, Calix's Amalgam product is manufactured and sold as a non-dangerous good. Whilst all reasonable efforts have been made to ensure that Calix has the necessary regulatory approvals to carry out its business, there is a risk that regulations covering these products may change, in which case Calix may need to apply for approvals to continue with this part of its business, and may not obtain such approvals. In addition, a change in regulatory approvals may trigger additional risks under product liability, if it is deemed that such change in regulation has been brought about by information on the safety or efficacy of Calix's products that is unknown to Calix at this time.

In the EU, Calix anticipates its products can be manufactured and sold as non-dangerous goods. Whilst all reasonable efforts will be made to ensure that Calix has the necessary regulatory approvals to carry out its business, there is a risk that regulations covering these products may change, in which case Calix may need to apply for approvals to continue with this part of its business, and may not achieve such approvals. In addition, a change in regulatory approvals may trigger additional risks under product liability, if it is deemed that such change in regulation has been brought about by information on the safety or efficacy of Calix's products that is unknown to Calix at this time.

Apart from Calix's products, Calix's operations require compliance with multiple regulatory systems. Apart from general regulatory risks, Calix's operations require adherence to, for example, multiple safety, health, environmental, employment and privacy standards at national, state, and county / shire / local levels, and across multiple jurisdictions where Calix currently operates, or may choose to operate. There is a risk that Calix may now, or in the future, be in breach of such standards, warranting correction, or involving financial penalties, or possibly other more serious business impacts.

Grant-Related Risks

Calix receives considerable grant income across multiple development projects. In each case, the grant is extended under legally binding agreements that outline, amongst other things, the mechanism for cancelling, or even claw-back of, grant monies. There is a risk that, despite putting in place appropriate governance, project management and accounting structures to manage this risk, Calix does not follow, or is deemed not to have followed, grant protocols with regards to valid expenditures of grant monies, or that the relevant clauses in these agreements could be exercised by the counter-parties (typically government bodies) to cancel or claw-back the grants.

Ability to Attract and Retain Key People

The Company currently employs a number of key management and scientific personnel. Calix's success is dependent upon a number of highly qualified and experienced personnel and a stable workforce. Calix's future will be dependent upon the continued performance, efforts, abilities and expertise of its key personnel. While Calix has in place long-term or evergreen employment contracts, there can be no assurance that it will be able to retain its key personnel or attract other suitably qualified personnel in the future, if required. The inability to attract and retain the necessary technical and managerial personnel could have a material and adverse effect upon Calix's business, results of operations and financial condition.

Reliance on Key Utilities

Gas and Electricity are material inputs in our cost of goods sold ("COGS") for our Water business. If the price of these utilities increased significantly, or their availability became unreliable, and Calix was not able to pass some or all of such cost increases onto its customers, there is a risk that Calix's Water business could be significantly interrupted, or even uneconomic.

Risks Specific to an Investment in Calix



Product Liabilities

Calix is exposed to potential product liability risks, which are inherent in the research and development, manufacturing, marketing and use of its products or products that are developed in the future. Although Calix endeavours to work to rigorous standards, there is still the potential for its products to contain defects that may result in damage to customers' systems in turn causing a financial or reputational loss. For Calix, these defects or problems could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, injury to Calix's reputation or increased insurance costs. If Calix fails to meet its customers' expectations, Calix's reputation could suffer and it could be liable for damages.

Whilst Calix has liability insurance to help manage such risks, Calix may not be able to maintain insurance for product or service liability on reasonable terms in the future and, or Calix's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims. Calix gives no assurance that all such risks will be adequately managed through its insurance policies to ensure that such loss does not have an adverse effect on its performance.

Calix's products and applications are typically sold in B2B markets under purchase order terms and conditions or longer-term contracts. Whilst every effort is made to limit potential contractual and common law liabilities associated with Calix's products and applications, exposure to potential product liabilities exist and can be broadly categorised as:

- ACTI-Mag: Despite the product being non-hazardous, non-toxic and being used in waste water treatment, there are risks that incorrect delivery or use of the product may lead to claims against Calix; and
- PROTECTA-Mag: Despite the product being non-hazardous, non-toxic and being used in waste water assets, there are risks that incorrect application of the product may lead to claims against Calix.

If Calix is successful in commercialising its pre-Commercial products, or even during the trial phases before successful commercialisation, product liability risk associated with those product may arise, as per our Commercial products. Examples of such liabilities are:

- AQUA-Cal+: Despite the product being non-hazardous, non-toxic and being used in aquaculture applications, there are risks that incorrect application (such as over-dosing) of the product may lead to claims against Calix; and
- AQUA-Cal+: Despite the product being non-hazardous, non-toxic and being used in agriculture applications, there are risks that incorrect application (such as over-spraying) of the product may lead to claims against Calix.

IP Risk

Calix relies heavily on its technologies and know-how and there can be no assurance that competitors of Calix or other parties will not seek to imitate or develop technology and know-how that competes with Calix, or supersedes Calix's technology. The unauthorised use or disclosure of its intellectual property may have an adverse effect on the operating, marketing and financial performance of Calix which could erode Calix's competitive advantage. Calix cannot be certain that others will not independently develop the same or similar technologies on their own or gain access to trade secrets or disclose such technology, or that Calix will be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret. There is an inherent risk with any licensed technology that the license may be terminated in accordance with its terms or the patent invalidated by a third party.

New Market Risk

The proposed European market expansion for Calix's Water business is targeted at establishing a base for expansion into new markets in Europe, using the market and technical know-how of Calix. There is no guarantee that Calix will be successful in acquiring sufficient customers in these new markets to effectively establish a sustainable business in these new markets.

Risks Specific to an Investment in Calix



Foreign Exchange Risk	Calix is exposed to movements in exchange rates, due to a material portion of grant funding being earned in Europe, and the commencement of product sales into New Zealand. Financial statements are maintained in Australian dollars, and currently a majority of revenues and expenses are settled in Australian Dollars. As Calix expands its product offering internationally, a greater foreign exchange risk is foreseen. The Directors will implement foreign exchange hedging policies for the Company if, and when considered appropriate.
Competitive and Dynamic Capital Requirements	<p>Whilst Calix is currently cash-flow positive as a result of its historical ability to sell products and applications, achieve grant funding, and receive the Australian Government R&D rebate (until its revenues exceed A\$20m, after which this rebate reverts to a tax concession), changes in Calix's ability to access such funding in the future, whether through regulatory change, failure in grant funding applications, or failure to grow sales and license revenues, may impact the ability of the business to carry out some, or all of its current activities, including funding its R&D pipeline.</p> <p>Through this placement, the current business plan will be fully funded. In the event that risks arise that affect Calix's ability to execute the business plan, there is a risk that Calix may have to change its business plan, and/or raise additional capital to continue to pursue the current, or indeed a modified, business plan.</p>
Inability to pay Dividends or Make Other Distributions	The ability of Calix to pay any dividend in the future is dependent on many factors including its ability to generate sufficient revenue. Many of the factors that will affect Calix's ability to pay dividends and the timing of those dividends will be outside the control of Calix and its Directors. The Directors cannot give any assurance regarding the payment of dividends in the future.
Taxation	Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in Calix shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Calix operates, may impact the future tax liabilities and performance of Calix. Any changes to the current rates of income tax apply to individuals and trusts will similarly impact on shareholder returns.
Unforeseen Risk	There may be other risks of which the Directors are unaware at the time of the Offer which may impact Calix, its operations and/or the valuation and performance of Calix. The above list of risks ought not to be taken as exhaustive of the risks faced by Calix or by investors in Calix. The above risks and others not specifically referred to above may in the future materially affect Calix, its financial performance or the value of Shares.

General investment risks



Force Majeure Events	Events may occur that could impact upon Calix and the value of its business. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for Calix's technology and products and its ability to conduct business. Calix only has a limited ability to insure against some of these risks.
Global and local economic downturn	As a business operating in both local and international markets, the Group's revenue is subject to fluctuations in the global and domestic economy or country specific economic circumstances. Accordingly, adverse economic conditions overseas or in Australia may potentially have an adverse effect on the Group's revenue. Any significant downturn in investment in research and development may result in a reduction in demand for the Group's services and a reduction in revenue earned.
Sovereign Risk	<p>Calix has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which Calix may establish businesses and/or in geographies which Calix is expanding its operations. As Calix expands its presence in new international jurisdictions, it is subject to the risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks, including:</p> <ul style="list-style-type: none">• Unexpected changes in, or inconsistent application of, applicable foreign laws and regulatory requirements;• Less sophisticated technology standards;• Difficulties engaging local resources; and• Potential for political upheaval or civil unrest. <p>As Calix enters newer and less familiar regions there is a risk that Calix fails to understand the laws, regulations and business customs of these regions. This gives rise to risks relating to labour practices, foreign ownership restrictions, tax regulation, difficulty in enforcing contracts, changes to or uncertainty in the relevant legal and regulatory regimes and other issues in foreign jurisdictions in which Calix may operate. This could interrupt or adversely affect parts of Calix's business and may have an adverse effect on Calix's operations and financial performance.</p>
COVID Risk	<p>The on-going global pandemic may adversely impact Calix's business in several ways:-</p> <ul style="list-style-type: none">• Inability to travel due to COVID restrictions leads to impaired ability to grow new customer and business opportunities for both products and technical services• Customers may themselves be impacted by COVID restrictions, forcing closure or turn-down and therefore impacting their suppliers, such as Calix, accordingly• Service providers and suppliers may be impeded in their ability to supply to Calix, leading to supply disruptions to Calix's customers and / or project disruptions to Calix's development projects or technical services
Liquidity	Calix's Shares are only listed on the ASX and it is not intended that they will be listed for trading on any other securities exchange. There is no guarantee of an active market in the Shares which may make it difficult for investors to sell their Shares at the time or for the price they seek. Further, the market price for Shares may fall or be made more volatile because of the relatively low volume of trading in Calix's securities. When trading volume is low, significant price movements can be caused by the trading in a relatively small number of shares.



Offer Restrictions

International offer restrictions



International offer restrictions

This document does not constitute an offer of Shares of Calix in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

If you (or any person for whom you are acquiring the New Shares) are in the United Kingdom, by accepting this presentation, you (and any such person) are representing that you are:

a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and

within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International offer restrictions



New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**New Zealand**) (the **FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore (**MAS**) and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the **SFA**) in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. PWG is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the New Shares are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



Board of Directors



Share Price Performance and Equity Structure

Board of Directors



**Peter
Turnbull, AM**
Non-Executive
Chair

Experienced Chair and Non-Executive Director with significant board and senior executive experience in the Australian and global resource, energy and technology commercialisation sectors.

Non-Executive Director of Karoon Energy Ltd. (ASX: KAR) Chair of medtech Auxita Pty Ltd, and President of the Chartered Governance Institute (London).

Chair of Calix Remuneration and Nomination Committee, and Member of Audit and Risk Management Committee.



Helen Fisher
Non-Executive
Director

CEO and Managing Director of Bio Capital Impact Fund (BCIF), a Non-Executive director and Chair of the Audit and Risk Management Committee of Paradigm Biopharmaceuticals Ltd (ASX:PAR) and Chair of the Victorian branch of AusBiotech.

Previously a partner of Deloitte, and led Deloitte's life sciences practice in Australia for 5 years, specialising in the financial services sector, with significant M&A transactions and strategic tax advice to publicly listed and large multinational companies.

Chair of Calix Audit and Risk Management Committee.



**Jack
Hamilton**
Non-Executive
Director

30 years multidisciplinary experience in local and overseas energy industries, including as a Director of NWS Ventures (Woodside North-West Shelf project).

Currently the Chairman of AnteoTech Ltd (ASX:ADO). Previous Non-Executive Director positions include Renu Energy (ASX:RNE) and DUET Group (ASX:DUE).

Chair of Calix Technology Committee, and member of Audit and Risk, and Rem and Nom Committees.



**Lance
O'Neill**
Non-Executive
Director

London-based director of DFB Australia, with 36 years of experience in international securities and investments in the UK, Australia, USA and Far East.

Chair of MediaZest Plc and EP&F Capital Plc.



**Phil
Hodgson**
Managing
Director & Chief
Executive Officer

14 years of multidisciplinary experience with Shell, including as the General Manager and Alternate Director of its subsidiary Fuelink Pty Ltd, a \$700m revenue, 300-employee distribution and sales subsidiary.

7 years running a private consultancy providing strategy and M&A services across energy, food, infrastructure and water sectors.

Joined Calix in 2013 as CEO, became a Director in 2014 and is a member of Calix's Technology Committee.



**Dr Mark
Sceats**
Executive
Director And
Chief Scientist

Co-founder of Calix, and a member of Calix's Technology Committee.

Qualified physical chemist with over 52 years' experience, numerous academic roles, and numerous fellowships and recognitions.

CEO of the Australian Photonics CRC for 14 years.

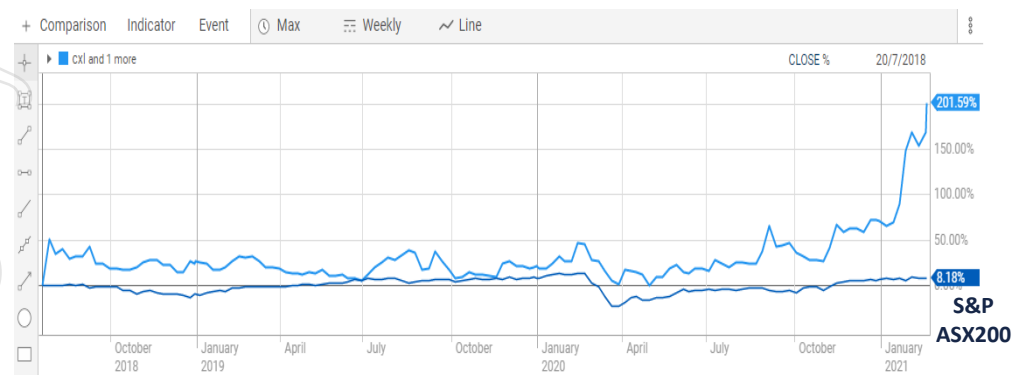
Author of more than 145 academic papers in physical chemistry and inventor of 42 patented inventions.

Listed on the ASX in July, 2018

ASX:CXL



Share Price Performance Since Listing



Further Equity Detail

As at 22 February 2021

Free Float	148.9m shares
Warrants to be exercised by July 2022 (\$0.66 Strike Price)	1.2m warrants
Employee Incentive Scheme Rights	7.6m rights

As at 22 February 2021

Shares on issue	~148.9m
Share price for IPO Capital Raise	\$0.53 per share
Share price on IPO	\$0.62 per share
Current Share price	\$1.90 per share
Market capitalisation	~\$283m
Cash as at 31 Dec 2020 (Company has very low debt)	\$3.7m

Major shareholders*

As at 22 February 2021

Board & Management	15.3%**
Perennial Value Management	13.5%
Nicholas Merriman and associates	8.8%
Australian Super Pty Ltd	7.1%
Thorney Investments	7.0%
Paul Crowther	5.7%

*Sculptor Capital Management ceased to be a substantial holder in early February 2021

** Down from 17.5 % at IPO due to Sep 2019 Capital Raise (net dilution), plus some management changes since July 2018- to current dates

Because there's only one Earth...



...Mars is for quitters

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Managing Director & CEO

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Darren Charles

CFO & Company Secretary

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