22 November 2024

Chair's address to the 2024 Calix Limited Annual General Meeting

Sydney, Australia | 22 November 2024

I would like to welcome you all to Calix's 2024 Annual General Meeting.

Calix acknowledges the Traditional Owners of the land on which we meet, the Gamaragal People, and we pay our respects to their Elders past and present, and to their leaders emerging. We also extend that respect to all Aboriginal and Torres Strait Islander people, including those who may be attending today.

We continue to hold our AGM in hybrid format and are pleased to have shareholders joining us both in-person and virtually.

I would like to introduce the board members attending the meeting in the room today: Non-Executive Directors Helen Fisher, Sarah Ryan and Peter Dixon. Managing Director and CEO, Phil Hodgson, and Executive Director and Chief Scientist, Mark Sceats.

I would also like to welcome Calix's auditor, Daniel Camilleri of KPMG and, from our legal advisors, James Delesclefs of Hamilton Locke.

Finally, I would like to acknowledge Peter Turnbull, who joins us online as a friend and shareholder, having previously chaired this meeting since the Company's listing.

At last year's AGM I listened to Peter describing the record levels of climate change recorded in 2023. Unfortunately, 2024 is again setting new records.

The World Meteorological Organization's State of the Climate Report, published at the opening of this year's UN Climate Change Conference, COP29, found that not only are the past ten years the warmest on record, but 2024 will be the first year where global temperatures average more than 1.5 degrees Celsius above pre-industrial levels[1].

[1] World Meteorological Organization. State of the Climate 2024 Update for COP29. November 2024

This means that just eight years on from the signing of the Paris agreement, the first target limit for global temperature rises is set to be exceeded. This brings even sharper focus to the urgency with which the world must act. And of course, this means that Calix's mission is more relevant and more urgent than ever.

We are not alone in this mission. Pressure for industrial decarbonisation continues to build. Around the world, organisations have made net-zero commitments to their shareholders and communities. Rigorous and transparent reporting standards will hold these commitments to account. And government support is moving from strategy to implementation and impact.

In Europe, the EU's Emissions Trading System currently offers free carbon permits for hard-to-abate industries like cement and steel. But half of these permits will be removed by 2030, with all permits removed by 2034. This means that cement or steel producers in Europe, or those importing into Europe, will need to pay the prevailing carbon price for each tonne of CO2 they emit.

To balance this penalty and further support producers in reducing their emissions, the EU has committed to introduce a new Clean Industrial Deal, which will include further investment in clean technologies.

In Asia, multiple countries continued to progress Emissions Trading Systems. Most notably, this includes the Chinese Government's announcement that it will add cement, steel and aluminium to an expanded Chinese carbon market by the end of the year[2].

In the US, the prospect of a Trump administration has been weighing heavily on sentiment towards decarbonisation efforts. But for Calix – and particularly for our subsidiary, Leilac – there are some reasons for optimism. 45Q is the critical incentive for Carbon Capture Use and Storage, or CCUS projects. It significantly benefits oil and gas companies which have many projects in Republican states, and it has enjoyed bipartisan support. Indeed, 45Q was enhanced under the first Trump administration, before being enhanced again under the Inflation Reduction Act.

[2] Reuters. China plans to include steel, cement and aluminium in its carbon market in 2024 . September 2024

Here in Australia, the Safeguard Mechanism will provide increasing incentives to decarbonise. At the same time, the Future Made in Australia package, including its Innovation Fund, as well as the Critical Minerals Facility and the National Reconstruction Fund, all have the potential to support scaling and deployment of the clean technologies needed for Australia to compete in a decarbonising global economy.

Despite these policy drivers and the opportunities presented, it is taking time for industries to mobilise and turn strategy into action. In particular, decarbonisation of hard-to-abate industries requires deep change. In many cases, it means fundamentally changing the way materials have been made for hundreds of years and significant investment in capital, as well as coordination across the supply chain.

In 2024, financial markets have reinforced these challenges and clean tech share prices have been impacted; Calix being no exception.

However, while momentum has slowed, it hasn't stalled. And the world remains committed to the journey. The current slow rate of progress means that greater pace will be needed in the future. And Calix is focused on being ready to accelerate.

We have a unique technology platform, one that has the potential to deliver leading solutions to support decarbonisation in some of the world's largest and most carbon-intensive industrial sectors.

Indeed, this was recognised earlier this week at COP29 in Baku, where our Zero Emissions Steel TechnologY, or ZESTY, was announced as the winner of the Net-Zero Industries Award for Outstanding Project. ZESTY was chosen from decarbonisation projects across member countries that account for over 50% of global industrial emissions and with a combined USD$13 billion in annual investment in research, development and demonstration. This award reflects the impressive progress to date, and potential for Calix to deliver a globally leading solution for green iron and steel.

For each of our target sectors, we have a path for stepwise scaling and commercial demonstration. And we are building world-leading partnerships to

work with us to develop, prove and deploy the technology.

As such, Calix remains well positioned to create significant shareholder value while addressing some of the most significant challenges of our time.

As we navigate challenging capital markets and adapt to the pace of decarbonisation in each industry, Calix has renewed its focus on two dimensions.

First, 2024 has seen a significant focus towards the financial sustainability of Calix's core operating business. This includes a sharp focus on costs and cash runway. In the 2024 financial year we improved cash-burn from AU$27 million in the first half to just AU$5 million in the second half. More recently we have implemented further cost reduction measures which have released an additional AU$6m of annualised savings. Importantly, these savings have been achieved while maintaining core organisational capability.

At the same time, there has been an increased focus on immediate revenue generation and margin growth in the core business. This includes organic growth in our Magnesia business and a focus on paid engineering services in Leilac.

Secondly, we have refined our prioritisation of projects. As a result, we have paused development against longer-term opportunities in agriculture, biotech and magnesium metal. This is in addition to the previous pause of activity in batteries and has enabled clearer focus on progress in our most prospective industry sectors. These are cement and lime (including its application in Direct Air Capture of carbon dioxide), iron and steel, lithium and alumina. Phil will talk more to the prioritisation, progress and funding model for each of our key projects within these sectors.

We also continue to deliver on other important aspects of sustainability in our operations, including safety, people, environment and governance. I'm pleased to report that 2024 has seen significant progress on each of these fronts.

Providing a safe, equitable and inclusive workplace remains a primary focus. Continuous improvement in 2024 included an enhanced Health and Safety Management System and new measures to support diversity, equality and inclusion.

Our People are fundamental to realising the potential of Calix. Their commitment,

resilience and determination are more important than ever as we navigate the path from concept to commercial deployment.

Environmental sustainability is core to who we are. We recognise the role our company plays in advancing positive change, beginning with our own carbon footprint. We continue to improve the way we measure our own Scope 1, 2, and 3 emissions. Our FY24 footprint will form the baseline from which we will set quantifiable emission targets in line with a 1.5-degree pathway, and then we will track our progress.

In terms of board renewal, since last year's AGM, we have welcomed Dr Sarah Ryan and Peter Dixon to the board, and they both stand for election today. We also farewelled Peter Turnbull after more than a decade of dedicated service to the company.

Peter joined the board in 2009, became Chair in 2013 and – together with our CEO, Phil Hodgson – he oversaw Calix's transformation from a small Australian R&D company to a publicly listed and global organisation. This journey included establishing Calix's first commercial operations, a successful IPO, world-leading projects and partnerships, and a thorough board renewal process. We thank Peter for his diligent service and stewardship. He leaves Calix with strong foundations from which we can deliver significant global impact.

For our founder Dr Mark Sceats, this AGM will be his last as an Executive Director, as he retires from the board at the end of this meeting. I am pleased to say that Mark continues in his role as Chief Scientist, and that his passion, innovation and creativity show no sign of slowing. Mark's contribution to Calix is immeasurable. We sincerely thank him for his service and wise counsel as a member of the board, and we look forward to his continuing contribution as Creator and Disruptor in Chief.

The retirement of Mark Sceats and Peter Turnbull, along with the appointment of Sarah Ryan and Peter Dixon, concludes the current phase of board renewal. I'm delighted to Chair this renewed board through Calix's next phase of growth. For more information on our governance and reporting, I invite you to visit the investor centre of our website.

In conclusion, our ambition is unapologetically bold, driven by the potential of our core technology and the urgency of the challenges we seek to address. At the same time, we are taking pragmatic and disciplined steps to navigate the challenges of the current external environment.

On behalf of the board of directors, I would like to thank our senior management colleagues and the whole Calix team for their dedication to the goals Calix has set. I would also like to thank our customers and partners for their continued commitment and collaboration.

Finally, on behalf of the Calix board, management team and all the staff, we would like to thank each of our fellow Calix shareholders. Your ongoing support – particularly through more challenging times – is very much valued and appreciated.

Thank you all for your attention, and I hand now to Calix CEO and Managing Director, Phil Hodgson.

–ENDS–

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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