



ASX RELEASE

6 July 2020

Carbonxt successfully completes \$2 million capital raising to support accelerated growth in FY21

Highlights:

- Carbonxt has received firm commitments to raise approximately \$2 million from leading institutional and sophisticated investors
- Capital raising positions Carbonxt to accelerate growth into FY21 and achieve profitability
- Strong revenue growth and margin expansion is expected in FY21 as customers return to pre-COVID-19 activity levels and Pellet opportunities are realised
- Details of new FY21 guidance and revised FY20 guidance are included in the capital raising investor presentation
- Funds are to provide working capital as Carbonxt delivers on a strong pipeline of opportunities

Carbonxt Group Limited (“**Carbonxt**” or the “**Company**”) is pleased to announce that it has received firm commitments to raise approximately \$2 million (before costs) by way of a placement (“**Placement**”) of 13 million new fully paid ordinary shares in the Company at an issue price of \$0.16 (“**Issue Price**”).

The Placement received strong support from new and existing leading institutional and high net worth investors. Proceeds of the Placement will be applied to the Company’s existing pipeline of opportunities in the US and general working capital requirements.

The Placement will strengthen Carbonxt’s balance sheet and will position the Company to accelerate growth into FY21.

The Issue Price represents a 13.5% discount to the last traded price (as at 30 June 2020), and a 6.8% discount to the 10-day Volume Weighted Average Price (“**VWAP**”) up to and including 30 June 2020. New Shares will be issued under the Company’s available ASX listing rule 7.1 placement capacity and will rank pari passu with existing shares in the Company. Settlement of the Placement is expected to occur on or about Friday, 10 July.

Carbonxt Managing Director, Warren Murphy, commented: *“We are very pleased with the strong support shown by new and existing investors for the capital raising. Carbonxt’s strengthened balance sheet ideally positions the Company to capitalise on strong sector tailwinds and the significant traction and momentum we have developed with customers. We are excited to deliver on the strong pipeline of opportunities in our portfolio, especially in the industrial Pellet market where we are the only manufacturer in the US, as we transition to become a recognised, profitable, and high growth player in the industry.”*

Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement.

This announcement has been authorised for release to ASX by the Board of Directors of Carbonxt Group Limited.

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**For Investor Enquiries**

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About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops and markets specialised Activated Carbon (AC) products, primarily focused on the capture of mercury and sulphur in industrial processes that emit substantial amounts of harmful air pollutants. The Company produces and manufactures Powdered Activated Carbon and Activated Carbon pellets for use in industrial air purification, waste water treatment and other liquid and gas phase markets.