



ASX RELEASE

19 August 2021

Revenue Update and Contract Expansion Secured

- Arden Hills manufacturing output of Activated Carbon Pellets ramps up to meet added demand from customer Wisconsin power station customer; now producing 100 tons per week, up from 40 tons last month
- On-track to deliver quarterly revenue of >A\$4.2m (prior quarter: A\$2.7m) in the September quarter; up 55% quarter-on-quarter and driven by first revenue from expanded AC Pellet customer order which will add A\$1.5m to quarterly revenue
- Existing Powder Activated Carbon (PAC) customer in the electricity sector expands order by \$0.4m
- Carbonxt making good progress with Hydrestor® pellet technology for use in the water and wastewater treatment sector – update pending

United States focused Cleantech company **Carbonxt Group Ltd (ASX:CG1)** (“Carbonxt” or “the Company”) is pleased to confirm that it has successfully ramped up manufacturing capacity to fulfil the recently announced US\$2 million contract to supply an additional 1,000 tons of Activated Carbon (“AC”) Pellets from the Arden Hills facility in Minnesota to an existing power station customer in Wisconsin, USA.

With new manufacturing shifts added, output has increased from 40 tons of AC Pellets per week to an average of 100 tons of pellets per week. As a result, this is expected to add at least A\$1.5m of revenue this quarter with September’s quarterly revenue on track to exceed A\$4.2m, a 55% increase on the June quarter and reflective of the fact that demand is starting to pick up in the United States as the impact of the pandemic lessens.

Demand for PAC is also growing with an existing customer in the power generation sector expanding a current order this month by 300 tons which will deliver a further A\$400k+ in revenue.

Carbonxt also continues to make good progress with the deployment and commercialisation of the Hydrestor® pellet technology which is a high quality pelletized activated carbon sorbent developed to remove phosphorous and nitrogen from waterways and wastewater. Nutrient run-off is a large global problem that causes excessive algae blooms. The Company has a number of initiatives underway and looks forward to reporting on this new growth sector opportunity.

Comment

Managing Director Warren Murphy said: *“The ramp up in manufacturing activities at Arden Hills has been steadily increasing as we have added more shifts to meet growing customer demand. We have reached a steady state production rate of over 100 tons of AC Pellets each week while maintaining margins, product quality and safety standards. As such, we are meeting increased customer demand and this will be reflected in this quarter’s revenue performance. We have also maintained a tight control on costs and sales margins and this will be evident from the bottom line. Orders are also growing for our Powder Activated Carbon as today’s expanded customer order announcement reflects – another solid bellwether that sales are now tracking to pre-COVID levels with this quarter just the start of this trend.*



"We will continue to update shareholders on all material developments as well as on progress with respect to the roll-out of new products that extend our reach into large new markets such as water and wastewater treatment."

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

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About Carbonxt

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