



ASX RELEASE

26 September 2022

Two Tranche Placement Raises \$7M

- **Carbonxt raises ~\$1.3 million through a placement of ~13.1 million shares at \$0.10 per share issued under current placement capacity**
- **Commitments received for a further ~\$5.7 million through the placement of a further ~56.9 million shares at \$0.10 per share subject to shareholder approval**
- **Funds to be used primarily for the establishment and financing of an initial 40% ownership in a new state-of-the-art activated carbon plant located in eastern Kentucky, USA**
- **The Kentucky facility has all its required construction and operations permits and the joint venture will commence the key engineering mobilisation activities when the initial placement funds are received.**
- **Carbonxt will also offer existing shareholders the opportunity to participate in a Share Purchase Plan with new shares to be priced at the same price as the Placement**

United States focused Cleantech company **Carbonxt Group Ltd (ASX:CG1)** (“Carbonxt” or “the Company”) is pleased to announce that it has received commitments to raise A\$7 million through the placement of 70,000,000 fully paid shares at \$0.10 per share before costs (**‘Placement’**) in two tranches:

- **Tranche 1: The Placement of 13,114,383 fully paid ordinary shares to raise \$1,311,438. Shares under the Placement will be issued within the next five days and are being issued pursuant to Carbonxt Group’s available capacity under ASX Listing Rule 7.1;**
- **Tranche 2: The Placement of 56,885,617 fully paid ordinary shares to raise \$5,688,561 subject to shareholder approval for the placement.**

The Placement price of \$0.10 per share represents a 4.8% discount to the last closing price of Carbonxt’s shares.

The previously announced Rights Issue at \$0.14 per share has been terminated.

The record date for the Share Purchase Plan was Friday 23 September 2022. The Company is targeting to raise \$1m and the offer booklet will be dispatched on Friday 30 September 2022.

Funds raised will be used primarily to fund Carbonxt’s initial 40% share in a new state-of-the-art activated carbon plant located in eastern Kentucky, USA in collaboration with joint venture partner KCP, as well as for the cost of the offer and general working capital purposes. Carbonxt holds an option to purchase a further 10% stake in the joint venture for USD 2.2m exercisable by 30 September 2023 or 1 month after operations commence, whichever date occurs earlier.

The planned facility will increase Carbonxt’s current production capacity from ~16,000 tonnes to over 24,000 tonnes, a 50% increase, of activated carbon product with a further expansion available thereafter. It also facilitates the Company’s entry into the ~US\$500m granular activated carbon (‘GAC’) market which significantly increases CG1’s addressable market. CG1 emerges with a diversified supply portfolio in North America with plants located in Kentucky, Minnesota and Georgia.



Managing Director of Carbonxt, Warren Murphy, stated, *“We have received considerable support for this Placement from existing and new investors who recognise the potential for our products and its broad market appeal as industries throughout the world look to reduce their emissions footprint. This funding, which is subject to shareholder approval, ensures we will have the production capacity to position Carbonxt as a leading player in the US market with multiple activated carbon products. The added manufacturing capacity, and the ability to deliver granular activated carbon products, will also allow us to tap into a much wider range of sectors. This funding is a game changer for Carbonxt and sets us up exceptionally well in a sector with strong tailwinds.”*

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.