

Carbonxt Restructures Black Birch Lease Secures 37% Premium Placement to Strengthen Growth

HIGHLIGHTS

- Lease restructured for the Black Birch Powdered Activated Carbon (PAC) facility in Georgia
- Lessor agrees to take shares in Carbonxt for lease payments through September 2025
- 7.9 million shares issued at 8 cents per share – a 37% premium to the 15-day VWAP
- Monthly lease payments reduced by over 50%, significantly lowering operating costs
- Share Purchase Plan (SPP) extended to allow shareholders time to assess this material development

United States focused Cleantech company **Carbonxt Group Ltd (ASX:CG1) (Carbonxt or the Company)** is pleased to announce the successful renegotiation of its lease for the Black Birch PAC manufacturing facility in Georgia, delivering a substantial reduction in fixed costs while preserving cash.

Black Birch is a 10,000-ton-per-annum PAC manufacturing facility in Georgia. The site has been operating since late 2018, under a 50-year lease agreement signed in 2017 with a Louisiana-based lessor.

Black Birch Revised PAC Lease Terms

Under the original lease, Carbonxt paid variable monthly lease payments based on the tonnage of activated carbon produced and sold. The agreement was later amended to include a minimum fixed rent, which applied until December 31, 2024, or until the Lessor's financing was repaid.

The new lease amendment secures the lease through September 2025, with a major structural shift:

- The Lessor has agreed to accept CG1 shares instead as payments, demonstrating confidence in Carbonxt's growth strategy.
- Carbonxt will issue 7,862,900 shares at 8 cents per share, equating to an approximate 37% premium to the 15-day VWAP.
- The new lease structure reduces monthly lease payments by over 50%, significantly lowering operating expenses while maintaining complete operational control of Black Birch.

Carbonxt Managing Director Warren Murphy commented:

"We greatly appreciate our lease counterparty's strong support and confidence in Carbonxt's future. This lease restructuring delivers a major reduction in fixed costs, ensuring greater financial flexibility while preserving our operational capabilities. The near 40% premium placement further highlights investor confidence in our growth trajectory. Given the significance of this milestone, the Board has extended the Share Purchase Plan (SPP) to allow shareholders time to participate in this opportunity."

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Share Purchase Plan Extended

The Company would like to advise shareholders that the closing date for the Share Purchase Plan (SPP) announced on 17 February 2025 has been extended to 27 March 2025.

The Company plans to extend the closing date of the SPP to allow shareholders time to consider the material announcement above relating to the Company's entry into the lease for the Black Birch facility and the accompanying issue of securities in CG1.

The SPP timetable has been revised as follows:

Key Event	Date
Record date	7:00pm (Sydney time) on 14 February 2025
Announcement of SPP	17 February 2025
Dispatch of SPP booklet	25 February 2025
SPP opening date	25 February 2025
SPP closing date	27 March 2025
Announcement and settlement of SPP	31 March 2025
Issue of shares issued under the SPP expected to commence on the ASX	On or before 2 April 2025
Holding statements for new shares sent to shareholders	On or before 9 April 2025



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Figure 1: Black Birch Powdered Activated Carbon Facility

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

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Enquiries

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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.

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