

Additional A\$1.5 Million Raised to Support Kentucky Investment

HIGHLIGHTS

- **A\$1.5 million raised through a combination of share placement and convertible notes**
- **Convertible note facility increased from A\$0.5 million to A\$1.665 million**
- **Phelbe Pty Ltd and Nanjia Capital Limited subscribed to the expanded facility**
- **Proceeds to support strategic investment in Kentucky activated carbon plant**

Carbonxt Group Ltd (ASX: CG1) (Carbonxt or the Company) is pleased to advise shareholders that it has secured a further A\$1.5 million in funding through a combination of a A\$339,000 share placement and an increase in the existing convertible note facility, previously disclosed in the Company's Half-Year Report dated [28 February 2025](#).

Carbonxt Managing Director Warren Murphy commented:

"We are delighted to complete this next stage of capital raising. The support shown through the SPP, placement, and convertible notes has been gratifying. As outlined in our announcement of [8 April 2025](#), the funds will be applied directly to the Kentucky facility, which is central to our expansion strategy and long-term revenue growth."

Convertible Notes

As announced in the [Half-Year Report](#), Carbonxt entered into a convertible note facility on 27 February 2025 with major shareholder Phelbe Pty Ltd, raising an initial A\$0.5 million. This facility has increased by A\$1.165 million, bringing the total to A\$1.665 million.

Key terms of the notes include:

- Conversion price: \$0.08 per share
- Term: 2 years
- Interest rate: 9.5% p.a.
- Ranking: Pari-passu with the existing senior debt facility from Pure Asset Management
- Incentive: One option (exercisable at \$0.10) for every two shares issued upon conversion

Of the new subscriptions:

- Phelbe Pty Ltd has subscribed for an additional A\$0.5 million
- Nanjia Capital Limited, investment manager for the Nanjia Capital SAC – ATAF Sub Fund, has subscribed for A\$0.665 million.

Share Placement

A share placement of A\$339,000 at \$0.06 per share has been completed with Phelbe Pty Ltd, Carbonxt's largest individual shareholder.

The shares issued under the placement are fully paid ordinary shares and rank equally with existing shares on issue. The placement was conducted at the same price as the recent [Share Purchase Plan](#) and the [December](#)

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2024 placement (\$0.06 per share). The issue was made within the Company's existing placement capacity under Listing Rule 7.1A and does not require shareholder approval.

Phelbe Pty Ltd is not considered a related party for the purposes of Chapter 10 of the ASX Listing Rules. The Company will lodge a cleansing notice in respect of this issue pursuant to section 708A(5) of the Corporations Act 2001.

Use of Funds

The proceeds will support Carbonxt's strategic investment in a state-of-the-art activated carbon plant in eastern Kentucky, USA. Carbonxt currently holds a 40% interest in the facility and has the right to acquire an additional 10% in three tranches, totalling USD 3.25 million (approx. A\$5.3 million). The first instalment of USD 1 million (approx. A\$1.6 million) will be funded from the combined proceeds of the SPP, convertible notes, and placement.

The funds will be used to:

- Progress Carbonxt's acquisition of an additional 10% in the Kentucky facility
- Fund the first instalment (USD 1 million / approx. A\$1.6 million)
- Provide working capital to support operational expansion and commercial activity

A total of 5,650,000 new shares will be issued on 11 April 2025 and are expected to commence trading on the same date.

This announcement has been authorised for release by the Board of Directors.

- ENDS -

Enquiries

Warren Murphy

Managing Director | Carbonxt Limited

P +61 413 841 216

E w.murphy@carbonxt.com

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.