



29 August 2025

ASX Release

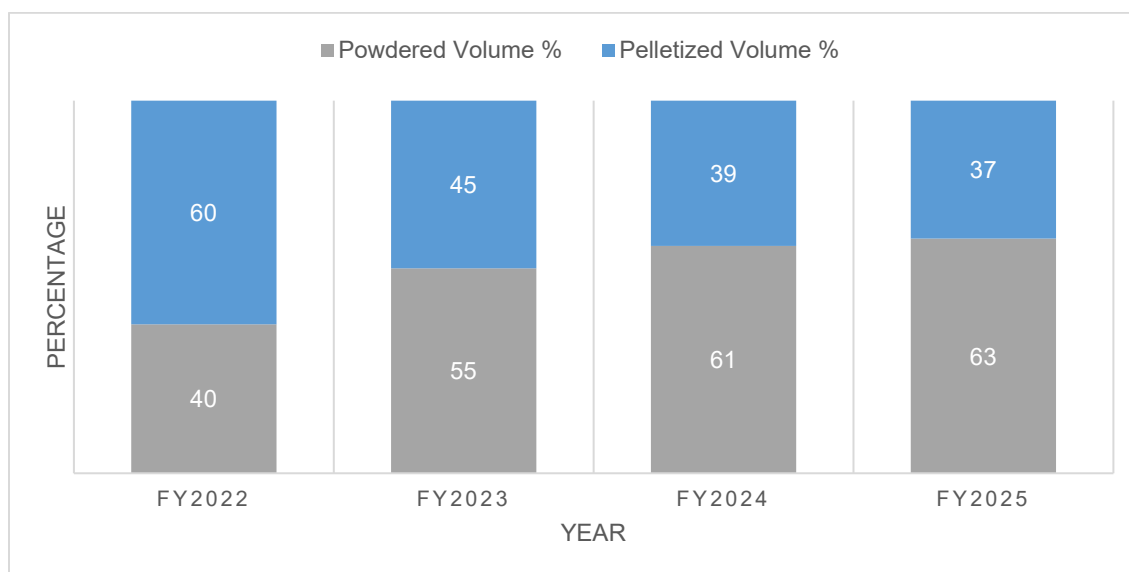
Carbonxt Group Limited – FY25 Results

[All results in AUD]

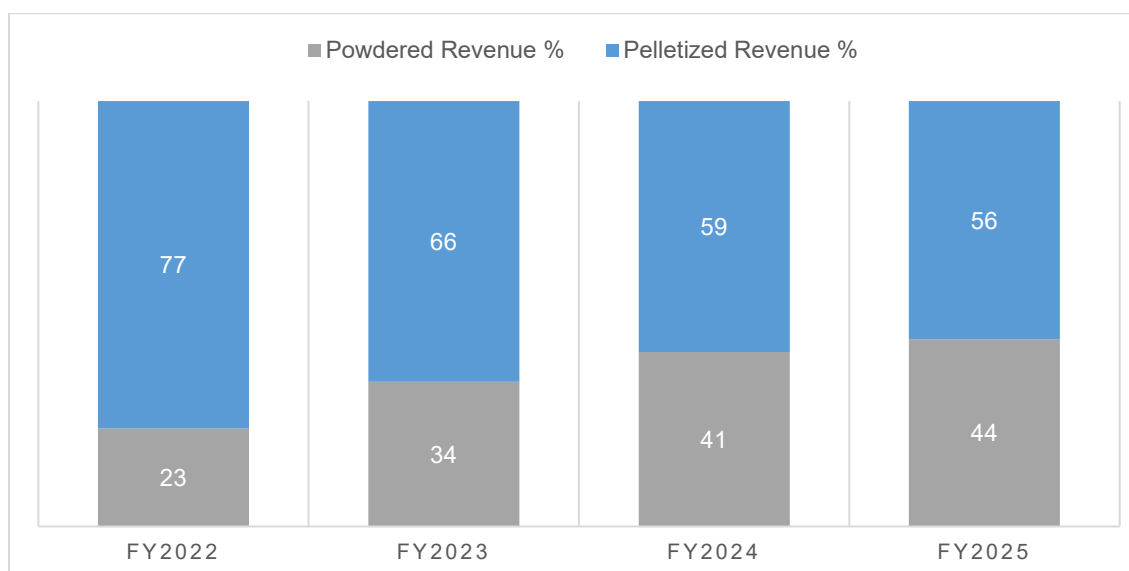
- **Revenue growth:** Group revenue increased 7.1% to \$16.2 million (FY24: \$15.1 million), underpinned by stronger sales across Powdered Activated Carbon (PAC) and the recovery of Activated Carbon Pellet (ACP) volumes in the second half.
- **Gross margin uplift:** Gross margin improved to 52% (FY24: 38%), reflecting stronger pricing, improved product mix, and continued cost optimisation at the Arden Hills (ACP) and Black Birch (PAC) facilities.
- **EBITDA turnaround:** Underlying EBITDA loss reduced significantly to \$0.46 million (FY24: \$3.13 million loss), with positive EBITDA achieved in each month of the second half (1H25: -\$0.69million vs 2H25 +\$0.23million).
- **Net loss reduced:** Net loss before tax narrowed to \$6.7 million, a 17% improvement on the \$8.1 million loss recorded in FY24.
- **Strong PAC sales:** Powdered Activated Carbon was a key driver of revenue, supported by long-term contracts with ReWorld Waste. PAC accounted for an increased share of group revenue, supported by regulatory tailwinds from new U.S. EPA PFAS standards. Additional volume is expected in FY26.
- **ACP volumes stabilised:** Activated Carbon Pellet sales recovered in the second half following the resolution of operational issues at a major customer facility, restoring volumes to historical levels. Additional volume is expected in FY26.
- **Kentucky facility progress:** Ownership increased to 43.7% through an additional US\$2.25 million investment over the year. Mechanical completion has been achieved, however kiln finalisation works have proved more complicated than expected. The imminent commissioning of the facility will position Carbonxt to enter the larger liquid-phase activated carbon market, expanding capacity by ~200%.
- **Capital management:** \$1.0 million convertible note raise completed in June 2025 with major shareholder Phelbe Pty Ltd to support working capital. Subsequent to year-end, a fully underwritten Loyalty Option entitlement offer launched to raise ~\$0.70 million.
- **ESG and sustainability:** Carbonxt continues to supply non-brominated PAC made from renewable feedstock sourced from U.S. sawmills, aligning with customer ESG priorities and strengthening its position in sustainable water and air treatment solutions.
- **Strategic outlook:** With two U.S. production facilities operational and one nearing commissioning, Carbonxt is positioned to capture growth from accelerating PFAS compliance requirements and ongoing expansion of the U.S. activated carbon market, forecast to grow at 5–9% CAGR through 2030 (see below).

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Volume



Revenue



Operational Review

Powdered Activated Carbon (PAC) sales remained strong through FY25, supported by long-term contracts with ReWorld Waste and other carbon companies. PAC accounted for a higher share of revenue as the ReWorld contract increase occurred in FY25.

Activated Carbon Pellet (ACP) volumes recovered in the second half following the resolution of customer operating issues, returning to stable annual level. The Company expects its ACP volumes to increase by approximately 25% in FY26 and is completing contractual discussions on



these contracts. Overall, the Company maintained momentum across its core product lines while continuing to optimise costs, including a major lease restructuring at the Black Birch PAC facility.

Kentucky Facility Update

Significant progress was achieved at Carbonxt's flagship Kentucky facility via the ownership in NewCarbon Processing, LLC. Mechanical completion of the facility was achieved, and major electrical and control works were finalised. Kiln insulation is nearing completion, with the kiln completion delayed from our last expectation of this month.

The insulation works required substantially more modifications than originally envisaged by the Kiln Manufacturer. The kiln is approximately 30m long and 3m in diameter, and after initial site testing, the manufacturer determined that further insulation was required. The agreed engineering solution enables kiln outside temperatures of less than temperatures of 100 degrees Fahrenheit. The insulation was expected to be straightforward to install but has proven to be far more time-consuming. The Contractor now expects this to be completed in two weeks, with the final refractory (lining) then applied to the kiln.

The kiln heating works and the associated controls have all been tested and are working. The power station, both standby and operational facilities, have been tested successfully. Whilst the kiln insulation works were underway other less time critical items have been completed particularly in the back-end handling works, such as extra silos and conveyors.

Carbonxt increased its stake in NewCarbon to 43.7% during the year, with two further investment tranches available to reach 50% ownership. The facility is expected to materially expand Carbonxt's production capacity, providing entry into the liquid-phase activated carbon market – a segment several times larger than the air-phase market currently served.

Update on legislation for PFAS and PFOA - Regulatory Tailwinds from EPA PFAS Standards

The announcement also coincides with a significant regulatory development: the US Environmental Protection Agency (EPA) recently confirmed it will retain strict Maximum Contaminant Levels (MCLs) for Perfluorooctanoic Acid (PFOA) and Perfluorooctane Sulfonic Acid (PFOS) - two of the most persistent and hazardous PFAS (forever chemicals) commonly found in drinking water. These substances have been linked to serious health issues, including cancer, immune system disruption, and developmental problems. The EPA's rule mandates that public water systems must monitor for these chemicals by 2027 and achieve full compliance with the new standards by 2031 (www.epa.gov/newsreleases/). The EPA has also announced its intent to rescind MCLs for other PFAS compounds (PFHxS, PFNA, GenX, and PFBS) pending further review.

While the extended timeline offers utilities more flexibility, the regulatory certainty is accelerating planning and procurement activities across the sector. Carbonxt is already seeing increased engagement from water utilities and distributors seeking reliable domestic sources of high-performance activated carbon. In this market segment, the Kentucky facility is expected to play a central role. With two US production facilities operational and one nearing commissioning, Carbonxt is well-positioned to scale its presence across both industrial and water treatment markets. Demand tailwinds remain strong, driven by environmental regulation, a shift to domestic supply chains, and growing customer interest in sustainable and high-performance activated carbon products.

Item	FY 2025	FY 2024	Change
	\$	\$	
Revenue	16,195,340	15,124,618	7.1%
Gross margin	8,480,998	5,737,677	47.8%
Other income	268,697	264,228	1.7%
Shipping and distribution costs	-1,984,496	-1,797,357	10.4%
Operating expenses	-7,227,762	-7,338,333	-1.5%
Underlying EBITDA	-462,563	-3,133,785	-85.2%
Depreciation and amortisation	-2,275,195	-2,369,736	-4.0%
Underlying Earnings before interest and tax ('EBIT')	-2,737,758	-5,503,521	-50.3%
Net Interest expense	-3,335,026	-2,893,655	15.3%
Share-based payment expense	-103,811	-73,533	41.2%
Share in losses of joint ventures	-2,515	-32,198	-92.2%
Remeasurement (loss)/gain on royalties payable	-582,282	384,408	-251.5%
Loss before income tax expense	-6,761,392	-8,118,499	-16.7%

Revenue & Earnings

- Revenue: \$16.2m (FY24: \$15.1m) – up 7.1%.
- Gross Margin: \$8.5m, representing 52% of revenue (FY24: 38%).
- Underlying EBITDA: (\$0.3m) vs (\$3.1m) loss in FY24 – a 90% improvement.
- Underlying EBIT: (\$2.6m) vs (\$5.5m) loss in FY24.
- Net Loss Before Tax: (\$6.3m) vs (\$8.1m) loss in FY24.

Balance Sheet & Cash Position

- At 30 June 2025, Carbonxt held \$484k in cash.
- Net current liabilities were \$11.5m (FY24: \$12.7m).
- Convertible note raise of \$1.0m completed in June 2025 with Phelbe Pty Ltd.
- Post year-end, a fully underwritten Loyalty Option entitlement offer launched to raise \$698k.

Carbonxt's U.S.-based production assets position the Company to benefit from regulatory and market tailwinds:

- The U.S. EPA reaffirmed strict maximum contaminant levels for PFAS, driving utilities to accelerate planning and procurement.
- Domestic production capacity supports utilities and industrial customers seeking tariff-free, reliable supply chains amid rising trade barriers.
- The global activated carbon market is expected to grow at 5–9% CAGR through 2030.
- In addition, Carbonxt's PAC products use renewable feedstock from U.S. sawmills, aligning with ESG objectives and providing customers with a sustainable, high-performance solution.

Outlook

With three U.S. facilities either operational or in commissioning, Carbonxt is well-positioned for growth in FY26. Key priorities include:

- Commissioning the Kentucky facility and entering the liquid-phase market.
- Leveraging regulatory momentum to capture a larger share of the PFAS treatment segment.
- Sustaining cost discipline to build on the EBITDA turnaround achieved in FY25.

This announcement has been authorised for release to the ASX by the Board of CG1.

ENDS

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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.