



ASX RELEASE

22 July 2024

\$24m Contract to Leading US Waste Management Business

- **Significant contract extension for the ongoing supply of premium Powder Activated Carbon ('PAC') products to Reworld – an existing Carbonxt customer and a leading provider of sustainable waste solutions in the US waste-to-energy industry**
- **Contract is for a four-year term and comprises a material expansion to the supply of PAC from Carbonxt to Reworld from the Company's Black Birch facility, which will generate annual revenues of ~\$6m for the duration of the contract**
- **Commencing in October 2024, revenues from the Reworld contract extension will represent an increase of over 25% in total annual revenues for the Group, alongside a significant uplift in gross margin for the Black Birch facility**
- **Carbonxt's renewable product portfolio, superior product performance and customer service were highlighted as primary factors in Reworld's decision to extend and expand the contract**
- **Reworld contract follows Carbonxt's recent \$4.3m up-front forward sale to utility provider Wisconsin Public Service (WPS), further consolidating the Company's strong position and ahead of the forthcoming commissioning of its flagship activated carbon production facility in Kentucky**

All amounts are in AUD unless otherwise stated.

United States focused Cleantech company **Carbonxt Group Ltd (ASX:CG1)** ("**Carbonxt**" or "**the Company**") is pleased to report that it has secured a four-year contract extension to supply premium PAC products from the Company's fully-owned Black Birch facility to Reworld, an existing Carbonxt customer and a global leader in sustainable waste solutions, which will generate group revenues of approximately \$6 million per annum for the duration of the contract.

Commencing in October 2024, annual revenues from the contract will represent an increase of over 25% on existing group revenues. In addition, as a result of previous efficiency improvements carried out at Black Birch to boost capacity, along with improved economies of scale from the expanded contract volume, the sale of PAC products to Reworld is expected to achieve gross margins for the Black Birch facility of over 40%.

The PAC will be used in the majority of Reworld's US thermomechanical treatment facilities (TTFs) that utilize an activated carbon technology to remove mercury, dioxins and furans. The PAC will be manufactured and supplied from Carbonxt's Black Birch facility in Georgia, which utilizes recovered wood-based material to produce its carbon products.

Carbonxt presently supplies a minor share of Reworld's PAC requirements. The new 4-year contract commencing in October 2024 will see Carbonxt supply a majority of Reworld's PAC needs.

A key decision factor for Reworld was the renewable and recycled nature of the Carbonxt PAC products, as Reworld is committed to supplier sustainability and prioritizes suppliers with recycled products. This decision aligns strategically with the focus by Reworld on a more circular economy, advancing zero-waste-to-landfill initiatives and a commitment to sustainability objectives.

Carbonxt will now play a significant role for Reworld in meeting its emission compliance objectives and help drive them towards their sustainability goals. As part of the contract, Carbonxt is joining Reworld's Preferred

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Supplier Program and will be partnering with Reworld in various sustainability efforts including the development and purchase of renewable energy credits (RECs). This program aligns both companies' sustainable business practices and supports the potential for additional collaborative business opportunities.

The contract with Reworld follows a recent \$4.3m sale of Activated Carbon (AC) products to US utility Wisconsin Public Service (WPS) (refer ASX Announcement 28 May 2024). The WPS contract was agreed on forward-sale terms, providing Carbonxt with a material increase in short-term cash.

The recent sales momentum for premium activated carbon products in the US market comes ahead of the forthcoming commissioning of Carbonxt's flagship, state-of-the-art activated carbon production facility in Kentucky in joint venture with its US development partner, KCP.

The field team is overseeing final development works at the Kentucky plant, which remains on track for first production in Q3 CY2024. Negotiations with several large customers for the sale of premium AC products from Kentucky are well advanced, and the Company looks forward to providing further updates soon as production commences.

Comment

Managing Director Warren Murphy said: *"This contract expansion and extension with Reworld is a significant development for the Company, and firmly establishes Carbonxt's presence in the US waste-to-energy sector. Reworld's expansive network of sustainable waste facilities coupled with Carbonxt's renewable products enables large-scale emission compliance through a greener supply chain. This is an industry where the need for technologies to meet sustainability and decarbonisation goals is growing rapidly, and our suite of renewable best-in-class PAC products are a perfect fit. With an increase in demand from additional new sectors and ongoing solid performance from our technology portfolio, we remain in a strong position to scale up operations and deliver further value to our shareholders."*

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.

About Reworld™

Reworld™ is a leader in sustainable waste solutions, providing innovative and environmentally responsible services to a global community. Reworld™ is committed to advancing zero waste initiatives and supporting sustainability goals through state-of-the-art technologies that reimagine, reduce, reuse, recycle, recover and renew. For more information, visit www.reworldwaste.com.