

Carbonxt Group Limited (ASX:CG1)**Carbonxt Achieves 40% ownership and Mechanical Completion of Kentucky Plant**

- **Mechanical completion of production equipment achieved**
- **Third-party verification completed**
- **Carbonxt increases ownership stake to 40%**
- **High customer interest with sample production scheduled for the March quarter**
- **Production plant primed to meet growing demand driven by PFAS regulations**

Carbonxt Group Ltd (ASX:CG1) (Carbonxt or the Company), a United States focused Cleantech company, is pleased to announce the mechanical completion of its cutting-edge activated carbon production plant in Kentucky. This milestone represents a pivotal moment in the company's strategy to expand production capacity and meet escalating demand for premium activated carbon products across North America.

Advancing Towards Full Production

Following the energisation of the kiln circuits and completion of control system integration, the plant is ready to begin commissioning. The facility's innovative kiln design, integrating advanced temperature control and exhaust gas recycling, sets it apart regarding sustainability and operational efficiency. This engineering breakthrough reflects the collaboration between Carbonxt and its joint venture partner, KCP, to establish a market-leading production facility.

Market and Strategic Impact

The activated carbon market is experiencing robust growth globally, with North America seeing accelerated demand due to environmental regulations and industrial needs. The U.S. EPA's PFAS regulations have particularly expanded the water-phase treatment market, now approximately twice the size of the air-phase market. Activated carbon plays a critical role in:

- **Water Treatment:** Removing pollutants such as PFAS and organic contaminants from municipal water supplies.
- **Industrial Air Purification:** Controlling emissions in power generation and industrial processes.
- **Broader Industrial Applications:** Supporting food processing, chemical separation, and pharmaceutical purification.

Despite rising demand, global supply remains constrained, creating favourable market conditions for Carbonxt. With prices for activated carbon products steadily increasing, the Kentucky facility is strategically positioned to address supply shortfalls and capitalise on this market opportunity.

The Kentucky plant provides Carbonxt with the capability to:

- Enter the liquid-phase activated carbon market with domestically manufactured, premium-grade products
- Address sustainability challenges by producing high-performance solutions for critical environmental needs with low CO₂
- Flexibly allocate early production to the spot market or integrate it into existing product lines to generate immediate revenue

Industry Leadership

The Kentucky facility's innovative design and operational efficiency set a new standard in activated carbon production. Its ability to meet the highest quality standards ensures Carbonxt's leadership in the North American market. The facility also aligns with the Company's sustainability commitment, offering solutions addressing pressing environmental challenges such as PFAS contamination and industrial emissions.

Customer interest in the Kentucky plant's output remains high, with multiple sales negotiations underway. The production of samples in the March quarter will enable Carbonxt to finalise long-term offtake agreements, further strengthening its position in the market.

This milestone is a testament to Carbonxt's commitment to delivering innovative solutions for cleaner air and water. With the Kentucky Plant, the Company has significantly upgraded its supply capacity to meet market demand and is shaping the future of environmental sustainability in North America.



Image 1: Front view of the Kentucky Plant, highlighting its conversion to a high-capacity Activate Carbon production facility.



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.

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