ASX RELEASE **1 May 2018**

FY18 Guidance

Further to the announcement released yesterday entitled "March 2018 Quarterly Update", Carbonxt Group Ltd (ASX:CG1) advises that Revenue in FY18 is expected to be around $7.5m compared to $8.8m in the Prospectus. As noted in yesterday's announcement, it was assumed that the sale of pellets to the ReACT plant would commence in the March quarter, rather than the actual expected timing of June 2018, resulting in some of the FY18 forecast revenue being deferred to FY19.

The outlook for FY19 is very positive, with clear visibility of increased revenue from existing segments and new market opportunities.

Gross Margin in 2H18 is expected to be the same as achieved in the first half, at around 28%. The full benefit from the new Black Birch facility will be realised in FY19 with an expected increase in gross margin to 40% - 45%.

EBITDA in 2H18 is expected to be about the same as achieved in 1H18 ie around a loss of $2.0m. Carbonxt remains on track to be profitable by 31 December 2018. The full year EBITDA loss is expected to be $4.0m compared to the Prospectus guidance of $1.5m.

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