ASX RELEASE **31 October 2019**

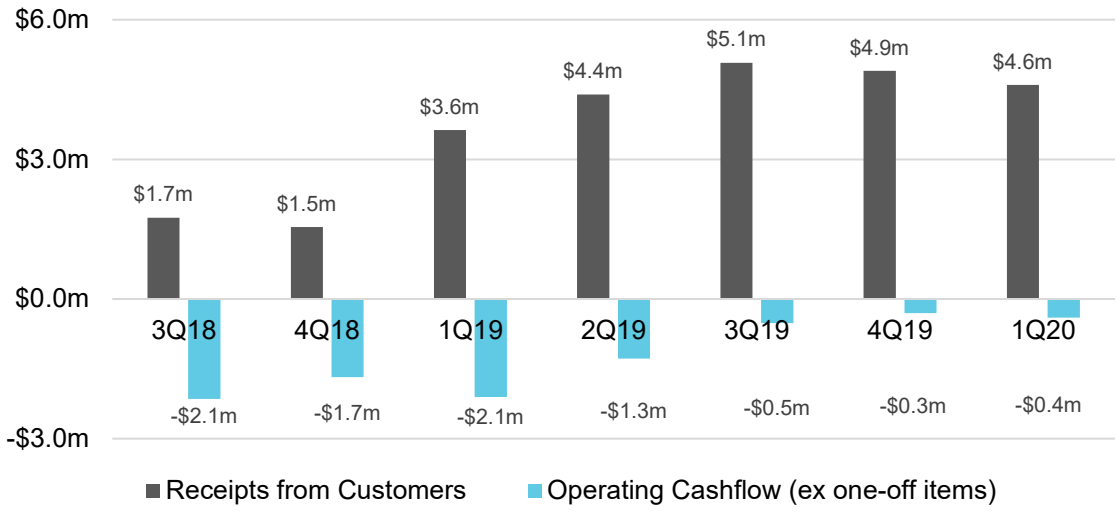
September 2019 Quarterly Update

Carbonxt Group Ltd (ASX:CG1) has released its Appendix 4C Report for the September 2019 quarter and provides the following update for the period. All numbers are in A$ and unaudited.

Revenue and Operating Cash Flow

- Revenue and Operating Cash Flow are broadly in-line with the previous quarter.
- Cash Receipts of $4.6m were recorded in 1Q20, which equates to a 27.8% improvement on the same quarter last year (1Q19: $3.6m).
- During the quarter, our largest customer reduced their purchases for seasonality related operating reasons. We anticipate 2H20 sales to this customer to be approximately A$1.0m higher than 1H20.
- The quarter illustrates the material YoY improvements in Operating Cash Flow. The loss from operations fell to A$0.4m in 1Q20, compared to a loss of A$2.1m in 1Q19.
- Post quarter end, we have successfully acquired over $4m of recurring annual revenues, as per the Announcement of 28 October 2019.

Operating Cashflows (A$m)



Corporate Activities

The Company announced the successful completion of an oversubscribed $4m capital raising on 30 October 2019. We were pleased with the support of existing investors, and welcome multiple new institutions to the register.

Summary and Financial Outlook

The Company continues to develop its customer pipeline and is delighted to have converted over $4m per annum of these opportunities to sales in the last quarter.

Carbonxt Managing Director, Warren Murphy, commented:

"We are delighted with the support received in this week's capital raising and we welcome new shareholders to our register and thank you and our existing shareholders for the demonstrated support. With a stronger capital position, we look forward to supporting the working capital needs of our growing customer base. We will continue to focus on improving our gross margins through further operational experience at our manufacturing facilities".

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About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops and markets specialised Activated Carbon (AC) products, primarily focused on the capture of mercury and sulphur in industrial processes that emit substantial amounts of harmful air pollutants. The Company produces and manufactures Powdered Activated Carbon and Activated Carbon pellets for use in industrial air purification, waste water treatment and other liquid and gas phase markets.