ASX RELEASE **31 July 2026**

Update to early-conversion incentive

Carbonxt Group Ltd (ASX:CG1) (**Carbonxt** or the **Company**) refers to its announcement on 6 July 2026 titled 'Carbonxt Strengthens Balance Sheet to Support Kentucky Growth' and the proposed 10% per annum discount (**Discount**) as an early-conversion incentive in respect of all CG1 options. CG1 has been advised by ASX that the Discount gives rise to concerns under Listing Rule 6.23.3, which prohibits changes that reduce the exercise price of options.

The ASX in its ASX Compliance Update no. 09/23 dated 8 December 2023 (**Compliance Update**) states the circumstances in which ASX is likely to give a waiver are set out below:

- the options are not quoted and were issued under an employee incentive scheme or as remuneration;
- the options were issued in compliance with the Listing Rules;
- the options represent a relatively small proportion of the entity's undiluted issued capital (in the absence of other factors, ASX considers this to be less than 5% of the entity's undiluted issued capital); and
- granting the waiver will not undermine any prior securityholder approvals or ASX confirmations that have been given for the purposes of the Listing Rules.

Based on the Compliance Update, the Company is unlikely to receive a waiver necessary to implement the Discount in respect of all CG1 options on issue as a portion of these options are quoted and represent more than 5% of CG1's undiluted issued share capital. As a result the Company will not seek approval for the Discount to be applied across all options. However, to give effect to the recapitalisation proposal, in respect of options which are held by Pure Asset Management and Phelbe Pty Ltd which attach to convertible notes issued to them, the Company will seek shareholder approval to apply the relevant Discount provided that ASX grants the necessary waiver pursuant to ASX Listing Rule 6.23.3. The Board will provide a further update in due course.

This announcement has been authorised for release by the Board of Directors.

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About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops and markets specialised Activated Carbon products, primarily focused on the capture of mercury and other 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, waste water treatment and other liquid and gas phase markets.