



Carbon Revolution – Business Update & Capital Raising

COVID-19 Impact & Actions

Important notices and disclaimer

This investor presentation (**Presentation**) is dated 18 March 2020 and has been prepared by Carbon Revolution Limited (ABN 96 128 274 653) (**Carbon Revolution**). By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation, you acknowledge and agree to the terms set out below.

This Presentation has been prepared in relation to:

a placement of new fully paid ordinary shares in Carbon Revolution (**New Shares**) to institutional investors and certain existing institutional shareholders under section 708A of *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Placement**); and

an offer of New Shares to eligible Carbon Revolution shareholders in Australia and New Zealand under a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**SPP**) (the Placement and SPP together, the **Offer**).

Summary information

This Presentation is for information purposes only and is a summary only. It should be read in conjunction with Carbon Revolution's most recent financial report and Carbon Revolution's other periodic and continuous disclosure information lodged with the Australian Securities Exchange (**ASX**), which is available at www.asx.com.au. The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). Reliance should not be placed on information or opinions contained in this Presentation and, subject only to any legal obligation to do so, Carbon Revolution does not have any obligation to correct or update the content of this Presentation.

Certain information in this Presentation has been sourced from Carbon Revolution's suppliers, customers and representatives. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Carbon Revolution nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not financial product advice or offer

This Presentation does not and does not purport to contain all information necessary to make an investment decision, is not intended as investment or financial advice (nor tax, accounting or legal advice), must not be relied upon as such and does not and will not form any part of any contract or commitment for the acquisition of New Shares. Any decision to buy or sell securities or other products should be made only after seeking appropriate financial advice.

This Presentation is of a general nature and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor.

Any investment decision should be made solely on the basis of your own enquiries. Before making an investment in Carbon Revolution, you should consider whether such an investment is appropriate to your particular investment objectives, financial situation or needs. Carbon Revolution is not licensed to provide financial product advice in respect of its shares.

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**) or any other foreign regulator). This Presentation is not, and does not constitute, an invitation or offer of securities for subscription, purchase or sale in any jurisdiction.

The distribution of this Presentation in jurisdictions outside Australia may be restricted by law and you should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Presentation may not be distributed or released in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Carbon Revolution has no obligation to do or procure) or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

Refer to Appendix B of this Presentation for further details about international offer restrictions.

Investment risk

An investment in Carbon Revolution shares is subject to known and unknown risks, some of which are beyond the control of Carbon Revolution and its directors. Carbon Revolution does not guarantee any particular rate of return or the performance of Carbon Revolution nor does it guarantee any particular tax treatment. You should have regard to the risk factors outlined in Appendix A of this Presentation when making your investment decision. Cooling off rights do not apply to the acquisition of New Shares.



Important notices and disclaimer

Financial information

All financial information in this Presentation is in Australian dollars (\$) or AUD) unless otherwise stated. This Presentation may include certain pro forma financial information. Any such pro forma historical financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Carbon Revolution's views on its, nor anyone else's, future financial position and/or performance. Any pro forma historical financial information has been prepared by Carbon Revolution in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the Australian Accounting Standards (AAS). Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past performance

Past performance, including past share price performance of Carbon Revolution and any pro forma financial information given in this Presentation, is given for illustrative purposes only and should not be relied upon as (and is not) an indication of Carbon Revolution's views on its future financial performance or condition. Past performance of Carbon Revolution cannot be relied upon as an indicator of (and provides no guidance as to) the future performance of Carbon Revolution. Nothing contained in this Presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

Future performance and forward-looking statements

This Presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Carbon Revolution, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Carbon Revolution's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Carbon Revolution, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward-looking statements are based on information available to Carbon Revolution as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), none of Carbon Revolution, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Disclaimer

To the maximum extent permitted by law, Carbon Revolution and the Joint Lead Managers and their respective related bodies corporate and affiliates, and their respective officers, directors, employees, agents and advisers: (i) disclaim all responsibility and liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) for any loss arising from this Presentation or reliance on anything contained in or omitted from it or otherwise arising in connection with this Presentation; (ii) disclaim any obligations or undertaking to release any updates or revision to the information in this Presentation to reflect any change in expectations or assumptions; and (iii) do not make any representation or warranty, express or implied, as to the accuracy, reliability, completeness of the information in this Presentation or that this Presentation contains all material information about Carbon Revolution or that a prospective investor or purchaser may require in evaluating a possible investment in Carbon Revolution or acquisition of shares in Carbon Revolution, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Placement and SPP is determined by reference to a number of matters, including legal requirements and the discretion of Carbon Revolution and the Joint Lead Managers and each of Carbon Revolution and the Joint Lead Managers disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

This document is authorised for release by the Board of Directors of Carbon Revolution Limited



Decisive and pre-emptive action

Pre COVID-19, Carbon Revolution confirmed its outlook was in line the with Prospectus forecast including:

1. OEM and underlying consumer demand was strong
2. Production ramp-up was progressing well
3. Cash position as of 13 March 2020 of \$27 million

Global demand for Carbon Revolution wheels continues to be strong

1. Global market place for carbon fibre wheels is unchanged and demand for Carbon Revolution products remains strong
2. Carbon Revolution continues to meet customer requirements
3. Business opportunity remains sound with continued increase in demand for Carbon Revolution products expected

Half Year Carbon Revolution was on track

1. Wheels sales increase year on year 171% and strong growth in engineering revenue
2. Scale benefits had commenced hitting the bottom line – e.g. Sales, General and Administration expense (SG&A) per wheel 54% down on prior corresponding period (pcp)
3. Industrialisation was progressing well with the rate of wheel production increasing
4. Significant operations ramp up for the second half was on track
5. Outlook was confirmed in line with prospectus forecast



The developing global and local automotive manufacturing situation

The developing global and local situation with respect to COVID-19 has changed dramatically. For example:

1. On 14 March, Ferrari announced a two week closure & seeing first signs of supply chain issues
2. Global supply chains, including in the automotive supply chain, are under stress (Lamborghini and Fiat closures)
3. Stress on supply of raw materials expected

Local business environment is expected to be materially disrupted by Covid-19 outbreak

1. Availability of labour force impacts
2. Impact of Covid-19 mitigation strategies on existing workforce

The company is taking decisive and pre-emptive action

1. Ceasing recruitment activity related to our plan to increase production volumes to minimise the risks from increased contact through the recruiting and hiring process
2. Equity raising of \$25m+ to ensure the company can withstand a prolonged COVID-19 impact period and then resume growth trajectory
3. Post capital raising, Carbon Revolution expects to have sufficient working capital (including proceeds from the Offer) to carry out its stated objectives, including to meet its operational requirements and planned capital investment in the business.

FY20 Implications of COVID-19 containment measures

Impacts include:

1. Ceasing growth related recruitment delays delivery of the current production ramp-up plan
2. Ramp-up still expected to occur with new equipment and existing staff, just at a lower rate
3. Production rate for June 2020 expected to remain broadly in line with prospectus forecast
4. Sales likely to be 87% of prospectus forecast, approximately \$54m (~ 260% growth yoy)
 - Assumes customers continue to purchase to plan
 - Assumes no negative impacts on supply chain continuity
 - Assumes production does not need to stop or be further constrained
5. EBIT expected to reduce by approximately \$5m, via lower gross profit due to lower production and sales
6. No longer expect to become EBITDA positive during Q4 FY20
7. Cash usage expected to increase, impacted by lower EBIT whilst trade working capital increase continues

Offer structure

Equity raising	<ul style="list-style-type: none"> Carbon Revolution will undertake an institutional placement to eligible institutional investors to raise \$25m The issue price for the Placement has been set at \$1.50 per Security ("Issue Price") Approximately 16.7m new shares to be issued, equivalent to 13.1% of total shares currently on issue With a \$25m raising, pro forma net cash post the completion of the Placement will be approximately ~\$50.5 million
Use of proceeds	<ul style="list-style-type: none"> The proceeds of the Placement will be used as follows: <ul style="list-style-type: none"> \$13m to fund increases in working capital (including for purchases of additional raw materials and to increase working capital for FY21); \$7m to fund operating expenditure, given it is likely Carbon Revolution will become EBITDA positive later than expected; \$3.8m to strengthen Carbon Revolution's cash balance throughout calendar year 2020; and \$1.2m to fund the costs of undertaking the Placement and SPP.
Ranking	<ul style="list-style-type: none"> New shares issued under the Placement and SPP will rank pari passu with existing securities
Underwriting	<ul style="list-style-type: none"> The Placement is not underwritten
Security Purchase Plan	<ul style="list-style-type: none"> It is expected that a Security Purchase Plan ("SPP") will follow the completion of the Placement with eligible shareholders in Australia and New Zealand invited to apply for up to \$30,000 of new shares free of brokerage and costs The price for new shares to be issued under the SPP is expected to be the Issue Price of \$1.50 The SPP is likely to be capped at \$3m and will not be underwritten The proceeds of the SPP will provide Carbon Revolution with a further strengthened cash balance throughout calendar year 2020 Further details about the SPP will be provided to eligible shareholders in the SPP booklet expected to be despatched following the Placement

Indicative timetable

Description	Date
Record date for SPP	7.00pm (Melbourne time) Tuesday 17 March 2020
Trading halt lifted, investor presentation and ASX announcement released	Wednesday 18 March 2020
Settlement of new shares under the Placement	Friday 20 March 2020
Allotment and commencement of trading of new shares under the Placement	Monday 23 March 2020
SPP offer expected to open and booklet despatched	Wednesday 25 March 2020
SPP offer closing date	Wednesday 15 April 2020
Announce results of SPP	Monday 20 April 2020
SPP allotment date	Wednesday 22 April 2020
Despatch of holding statements and trading of new shares issued under the SPP commences	Thursday 23 April 2020

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to AEDT.

Appendix A - Key Risks

Overview

This section discusses some of the key risks associated with any investment in Carbon Revolution, which may affect the value of Carbon Revolution shares. The risks set out below are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Carbon Revolution. Before investing in Carbon Revolution, you should be aware that an investment in Carbon Revolution has a number of risks, some of which are specific to Carbon Revolution and some of which relate to listed securities generally, and many of which are beyond the control of Carbon Revolution. Before investing in Carbon Revolution shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Carbon Revolution (such as that available on the websites of Carbon Revolution and ASX and information on key risks included in the November 2019 prospectus), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Topic	Summary
Risks associated with COVID-19	<ul style="list-style-type: none">• There is a risk that Carbon Revolution's operations are further disrupted by the spread of COVID-19. For example, the information in this presentation assumes that customers continue to purchase to plan, Carbon Revolution's supply chain is not disrupted and Carbon Revolution does not need to cease production at its factory.• Some of Carbon Revolution's customers are located in countries which are heavily impacted by the spread of COVID-19. For example, Ferrari is located in Italy and has recently announced that it will cease production for 2 weeks.• In the event that customers reduce or cease ordering wheels or factory disruptions cause Carbon Revolution to reduce production of its wheels or cease producing wheels altogether, this will have a material negative impact on Carbon Revolution's ability to achieve its forecasts. Carbon Revolution may also experience issues meeting required production under customer contracts.• Furthermore, Carbon Revolution may continue to incur costs even though its production may cease, for example to meet its obligations to pay employees or equipment or material suppliers, and this may have a negative impact on Carbon Revolution's cash flow position and financial position.• Government policies or other authoritative directions may substantially impact or curtail Carbon Revolution operations.
Carbon Revolution may not be able to execute its plans and forecasts	<ul style="list-style-type: none">• There is a risk that Carbon Revolution's industrialisation plans and growth strategy may not be successful, or may take longer or cost more than anticipated, which would adversely affect Carbon Revolution's financial position and performance.• Significant technological, engineering and logistical challenges must be overcome in order for Carbon Revolution's industrialisation plans to be achieved. There is a risk that this process may take longer or cost more than anticipated, not achieve the cost reductions or scale anticipated, or that unforeseen issues may arise during the engineering or commissioning process for new equipment. There is also a risk that the capital cost of expanding operations may be higher than anticipated resulting in a lower return on investment than expected. If Carbon Revolution cannot automate and scale its manufacturing process, it will have a material adverse impact on Carbon Revolution's performance and prospects.• There are a range of factors which may result in demand for Carbon Revolution's wheels being lower than anticipated, and many of these factors are outside Carbon Revolution's control. If demand for Carbon Revolution's wheels is lower than anticipated, this will adversely impact Carbon Revolution's ability to generate revenue which will in turn impact on Carbon Revolution's financial performance and prospects.

Appendix A - Key Risks

Topic	Summary
Relationships with customers may deteriorate	<ul style="list-style-type: none"> Carbon Revolution has only nine customer programs (with less than nine OEMs (being Original Equipment Manufacturers)), and losing any one of these may significantly adversely affect its financial performance and prospects. Failing to enter into additional supply contracts and attract additional OEM customers will negatively impact on Carbon Revolution's prospects and likely future financial performance. A range of factors may lead to an OEM terminating its existing supply contract with Carbon Revolution, or not seeking additional supply contracts with Carbon Revolution, or may lead to OEMs to discontinue their relationships or discussions with Carbon Revolution (including where an engineering contract is in place).
Carbon Revolution is not yet profitable or cash flow positive	<ul style="list-style-type: none"> Carbon Revolution is not yet profitable and does not generate enough funds from its operations to continue those operations. Carbon Revolution is the borrower under a loan with Ronal AG, under which Carbon Revolution must pay Ronal the principal amount outstanding, which will be \$13 million, plus accrued interest, by 30 June 2021, and may be required to make pre-payments before this time. Carbon Revolution is also party to the a loan arrangement with the State of Victoria, under which Carbon Revolution was provided with an early advance of \$5.5 million which is outstanding and is expected to be repayable on 30 June 2021. Carbon Revolution's ability to raise additional funds if required, to meet its operational requirements and repay Ronal or the State of Victoria, through debt or the issue of securities will be subject to factors beyond the control of Carbon Revolution and its Directors, including general factors affecting the economy and capital markets (including COVID-19). There is no guarantee that such funding, whether debt, equity or otherwise, will be obtained or available on favourable terms, or at all. Any inability to raise funds when required may adversely impact on Carbon Revolution's financial performance and prospects. Finally, Carbon Revolution has a limited operating history and has not yet become profitable and, as such, its operating history does not provide a meaningful basis for investors to evaluate the business or its financial performance and future prospects.
Carbon Revolution is subject to inherent risks in the development and use of new technology	<ul style="list-style-type: none"> The implementation of new technology and manufacturing processes may be challenging and involves risks inherent in the development and use of new technology and in particular, the manufacturing of composite materials which is known to be complex. Failure to properly implement new technology may result in Carbon Revolution's product failing during trials, failing to gain customer approval or being difficult to profitably commercialise. The cost and time required to develop new wheel technology and to obtain customer validation for new wheels can be uncertain. If Carbon Revolution is unable to successfully continue to develop its existing or new technology, it may not be able to achieve its growth plans, which would adversely affect its operations, financial position and performance. The above risks may also result in higher scrap rates and quality issues than anticipated after customer validation and commencement of production. Higher scrap rates or quality issues may result in higher costs, and/or delays in deliveries to customers, which could result in Carbon Revolution being required to pay costs or damages to its customers, or result in negative customer perception about Carbon Revolution's ability to meet its supply obligations under its supply contracts. This in turn could adversely impact Carbon Revolution's ability to secure new programs, which would have an adverse impact on its ability to generate revenues.

Appendix A - Key Risks

Topic	Summary
Carbon Revolution's operations may be restricted by third-party intellectual property rights	<ul style="list-style-type: none"> Carbon Revolution relies on its own technology to develop, manufacture and sell its carbon fibre wheels. A number of Carbon Revolution's competitors are also developing carbon fibre wheel technology. There is a risk that these competitors may create, or have already created, intellectual property rights (including patents) that restrict Carbon Revolution's ability to exploit its own technology. In particular, Carbon Revolution is aware of certain granted patents and patent applications relating to certain key technologies used in carbon fibre wheels which have been filed by competitors and industry participants in countries which are key markets into which Carbon Revolution supplies its carbon fibre wheels (including the US, Australia, Europe, Japan, and China). To the extent it might be claimed that Carbon Revolution infringes any such patent or patent application (if granted), Carbon Revolution believes that it has reasonable grounds to defend any such claim either on the basis that it does not infringe or that it could successfully challenge the validity of these patents or patent applications (if granted). Furthermore, Carbon Revolution believes that technological developments that it has recently made, which could be applied to both future and existing wheel programs, are likely to reduce such risk of infringement. However, if these patents or patent applications (if granted) are found to be valid and Carbon Revolution is found to infringe them (where it cannot take alternative steps such as modifying its technology or entering into licensing or royalty arrangements), that may materially restrict Carbon Revolution from selling its wheels to its OEM customers. It is also possible that third parties may challenge Carbon Revolution's intellectual property rights or assert intellectual property infringement, breach of confidentiality or make similar claims against Carbon Revolution (or its customers) under patent, trade secret or other intellectual property laws. Such claims, if made, may harm Carbon Revolution's business. If Carbon Revolution is forced to defend claims of intellectual property infringement or breach of confidentiality, whether they are with or without merit or are determined in Carbon Revolution's favour, the costs of such litigation will potentially be significant and will divert Management's attention from normal commercial operations.
Carbon Revolution's may not be able to retain key staff and effectively manage its workforce	<ul style="list-style-type: none"> Carbon Revolution's ability to effectively execute its business strategy depends upon the performance and expertise of its key Management personnel. The loss of key management personnel, or any delay in their replacement, or any extended period where key management personnel are unable to work may therefore adversely affect Carbon Revolution's operations and future performance. The achievement of Carbon Revolution's growth plans requires the services of additional technical, manufacturing and sales staff. Carbon Revolution may not be able to attract and retain the services of such people, and this may limit Carbon Revolution's growth and consequently adversely affect Carbon Revolution's prospects and future financial performance. The most recent enterprise agreement covering Carbon Revolution's production workforce has passed its nominal expiry date. The negotiation of new Enterprise Agreements or changes to awards from time to time may increase the overall costs of running Carbon Revolution's business and such increased costs may not be able to be passed through to customers in full or at all.

Appendix A - Key Risks

Topic	Summary
Carbon Revolution may suffer reputational damage	<ul style="list-style-type: none"> There is a risk that events, including many of the risks described in this section, may damage Carbon Revolution's reputation and brand, including through negative publicity, disputes and negative customer experiences. Damage to Carbon Revolution's reputation may reduce the demand for Carbon Revolution's wheels, adversely impact relationships with key customers, suppliers, employees or government grant providers and diminish the prospects of securing new programs with existing and new OEM customers. Product liability claims brought against Carbon Revolution may result in Carbon Revolution paying damages, an increase in insurance premiums, reputational harm and could have materially adverse effects on Carbon Revolution's activities, business, operating results, financial position and reputation.
Carbon Revolution's estimates of demand may be incorrect	<ul style="list-style-type: none"> The growth of Carbon Revolution is dependent on its ability to increase the volume of wheels that it sells, however the addressable wheel market may be smaller than Carbon Revolution anticipates. Furthermore, market acceptance of Carbon Revolution's wheels may not be as wide as anticipated. If the acceptance of Carbon Revolution's wheels is lower or if the size of the market in which it operates is smaller than anticipated, this may restrict Carbon Revolution's ability to sell wheels and generate revenue which, in turn, may adversely affect the profitability of Carbon Revolution.
Carbon Revolution's competitive position may deteriorate	<ul style="list-style-type: none"> Carbon Revolution operates in a competitive industry, and its competitors could include existing wheel manufacturers, new entrants and OEMs. Carbon Revolution's competitive position may deteriorate, as a result of the action of any of these participants. For example, there are various market participants who are also developing lightweight wheel technologies and/or carbon fibre wheels, which could ultimately be superior or gain greater market approval than Carbon Revolution's wheels. Any such actions of new or existing competitors may reduce the volume of wheels sold by Carbon Revolution or the price at which it can sell wheels. This, in turn, may adversely affect Carbon Revolution's operating and financial performance.

Appendix A - Key Risks

Topic	Summary
Carbon Revolution may be involved in disputes regarding intellectual property	<ul style="list-style-type: none">Carbon Revolution has a portfolio of intellectual property rights that supports the commercialisation of its wheels. The commercial value of the intellectual property is dependent on legal protections provided by a combination of patent rights, registered trademarks, copyright, confidentiality obligations, trade secrecy laws and other intellectual property rights. These legal mechanisms, however, do not guarantee that Carbon Revolution will be able to enforce its intellectual property rights and stop relevant infringement or breaches of its intellectual property, or that Carbon Revolution's competitive position will be maintained.Litigation may be necessary, where commercially feasible, from time to time to enforce Carbon Revolution's rights in its technology and intellectual property. Such litigation can be costly and could have adverse effects on Carbon Revolution's activities, business, operating results and financial position. Likewise, a failure to succeed in protecting any such rights may equally have a materially adverse effect on Carbon Revolution's activities, business, operating results and financial position.
Other risks	A range of other risks apply to Carbon Revolution and an investment in its shares. Some of these are set out in Carbon Revolution's replacement prospectus dated 8 November 2019.

Appendix B – Selling restrictions

International offer restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of Carbon Revolution Limited in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.