

**Carbon Revolution Limited**

Geelong Technology Precinct
75 Pigdons Road
Waurin Ponds, 3216
Australia

ABN: 96 128 274 653



Automotive
TS 16949



Quality
ISO 9001



Environment
ISO 14001



Carbon Revolution withdraws FY20 guidance due to COVID-19 uncertainty

Key points:

- Guidance is withdrawn due to increasing and significant uncertainty
- Key customers are in shutdown zones and have now advised that they are temporarily not able to receive our wheels
- Global freight lines are becoming disrupted
- Customers continue to request that Carbon Revolution maintains production
- Underlying demand for Carbon Revolution wheels remains strong over the longer term
- Cash position remains strong, confirmed on 23 March as \$50.5m post \$25m placement
- Manufacturing operations at our Waurin Ponds facility are continuing across all shifts with separation procedures in place

Carbon Revolution Limited (ASX: CBR) today withdraws its FY20 guidance due to increasing and significant short-term uncertainty arising from the global impact of the COVID-19 virus outbreak.

Global automotive supply chains and OEM production activities are now being further impacted by the COVID-19 outbreak, with Italy in lockdown until at least 3 April and the State of Michigan announcing it has moved into lockdown from 24 March to 13 April. This has impacted our customers' ability to receive wheels in the short term. Global supply chains are being disrupted, especially air freight due to airline flight cancellations.

Latest discussions with customers have confirmed that demand remains strong and forward orders are in place. Strong pre-sales are typical of vehicles that our wheels are sold on. Therefore, the company's manufacturing operations at Waurin Ponds continue across all shifts with precautionary measures in place, including:

- We have ceased recruitment activity related to our plan to increase production volumes to avoid increasing the risk of bringing the COVID-19 virus into the business
- Shift separation implemented, allowing cleaning time and clean air between shifts
- Physical separation in the workplace and increased levels of personal protective equipment
- Increased vigilance on cleaning, self-reporting and general health and safety of our team
- Office based staff are working from home and engineering development work is continuing
- Strict working capital and liquidity management

The company is in a strong financial position, with \$50.5m cash on the balance sheet post placement.

The Board and management team continue to monitor this situation and take advice in relation to the outbreak to ensure the health and safety of Carbon Revolution's people and to mitigate the potential direct and indirect impacts on our business.



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

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Carbon Revolution Limited

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