



CARBON REVOLUTION LIMITED
(ASX: CBR)

ASX & MEDIA RELEASE

30 April 2021

RETAIL ENTITLEMENT OFFER BOOKLET

Carbon Revolution Limited (ASX: CBR or "Carbon Revolution") advises that, in respect of its underwritten 1 for 4.38 accelerated non-renounceable entitlement offer ("Entitlement Offer") announced on Friday, 23 April 2021, the retail component of the Entitlement Offer ("Retail Entitlement Offer") opens today.

Enclosed is a copy of the Retail Entitlement Offer Booklet in respect of the Retail Entitlement Offer.

Carbon Revolution also advises that it will today complete despatch of the Retail Entitlement Offer Booklet (including personalised entitlement and acceptance forms) to eligible retail shareholders.

The Retail Entitlement Offer will close at 5.00pm (Melbourne time) on Friday, 14 May 2021.

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Approved for release by the Board of Directors of Carbon Revolution Limited

This announcement may not be distributed or released in the United States. This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The New Shares (as defined in the Retail Entitlement Offer Booklet) have not been, nor will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Carbon Revolution Limited

Retail Entitlement Offer Booklet

1 for 4.38 pro rata accelerated non-renounceable entitlement offer of Carbon Revolution ordinary shares at \$1.60 per New Share

Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 14 May 2021

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICES

This Information Booklet is dated 30 April 2021 and relates to the Retail Entitlement Offer, which is part of the Entitlement Offer by Carbon Revolution Limited. Capitalised terms in this section have the meaning given to them in this Information Booklet.

This Information Booklet has been issued by Carbon Revolution Limited (ACN 128 274 653) (**Carbon Revolution**).

The Retail Entitlement Offer is made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73). This Information Booklet is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with ASIC. This Information Booklet does not contain all of the information which would be required to be disclosed in a prospectus or product disclosure statement. As a result, it is important for you to read and understand the publicly available information in relation to Carbon Revolution and the Entitlement Offer (for example, the information available on Carbon Revolution's website at <https://investors.carbonrev.com/Investor-Centre/> or on ASX's website at www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Shares. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

Please contact your professional adviser or the Carbon Revolution Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (outside Australia) between 8.30am and 5.30pm (Melbourne time) on Monday to Friday if you have any questions.

This Information Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide to participate in the Retail Entitlement Offer. In particular, the Investor Presentation in Section 3 of this Information Booklet details important factors and risks that could affect the financial and operating performance of Carbon Revolution. Please refer to the 'Key risks' section of the Investor Presentation for details. When making an investment decision in connection with the Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 5 of this Information Booklet).

In addition to reading this Information Booklet in conjunction with Carbon Revolution's other periodic and continuous disclosure announcements including the Investor Presentation and Carbon Revolution's announcements to ASX and on its website, you should conduct your own independent review, investigations and analysis of Carbon Revolution and the New Shares and obtain any professional advice you require to evaluate the merits and risks of an investment in Carbon Revolution before making any investment decision.

By paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Shareholders.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Information Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Carbon Revolution to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Carbon Revolution with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States disclaimer

None of the information in this Information Booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet (or any part of it), the accompanying ASX Announcements and Investor Presentation nor the accompanying Entitlement and Acceptance Form may be released or distributed directly or indirectly, to persons in the United States.

The Entitlements and 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. The Entitlements may not be taken up or exercised by persons in the United States, and the New Shares may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Definitions, time and currency

Defined terms used in this Information Booklet are contained in Section 6. All references to time are to Melbourne time, unless otherwise indicated.

All references to '\$' are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 5 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Carbon Revolution recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

Carbon Revolution collects information about each Applicant for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Carbon Revolution.

By paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you will be providing personal information to Carbon Revolution (directly or through the Share Registry). Carbon Revolution collects, holds and will use that information to assess your Application. Carbon Revolution collects your personal information to process and administer your shareholding in Carbon Revolution and to provide related services to you. Carbon Revolution may disclose your personal information for purposes related to your shareholding in Carbon Revolution, including to the Share Registry, Carbon Revolution's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Carbon Revolution holds about you. To make a request for access to your personal information held by (or on behalf of) Carbon Revolution, please contact Carbon Revolution through the Share Registry.

Governing law

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Victoria, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Victoria, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by Carbon Revolution or any of its officers.

Past performance

Investors should note that Carbon Revolution's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) Carbon Revolution's future performance including Carbon Revolution's future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Carbon Revolution and certain plans and objectives of the management of Carbon Revolution. Forward-looking statements include those containing words such as "anticipate", "believe", "expect", "estimate", "should", "will", "plan", "could", "may", "intends", "guidance", "project", "forecast", "target", "likely" and other similar expressions, and include, but are not limited to, statements regarding the outcome and effects of the Retail Entitlement Offer. Any forward-looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Carbon Revolution and the Lead Manager Parties. This includes any statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements may include projections, guidance on future revenues, earnings, dividends and estimates.

These forward-looking statements contained in this Information Booklet involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Carbon Revolution, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Carbon Revolution. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

The forward-looking statements are based on information available to Carbon Revolution as at the date of this Information Booklet. Except as required by law or regulation (including the Listing Rules), Carbon Revolution is under no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

The Lead Manager has not authorised, approved or verified any forward-looking statements.

Lead Manager

UBS AG, Australia Branch (ABN 47 088 129 613), E&P Corporate Advisory Pty Limited (ABN 21 137 980 520) and Bell Potter Securities Limited (ABN 25 006 390 772) (the **Joint Lead Managers**) are acting as joint lead managers to the Entitlement Offer. UBS AG, Australia Branch (ABN 47 088 129 613) is also acting as sole underwriter of the Entitlement Offer. Neither the Joint Lead Managers, their affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor their directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Joint Lead Manager Parties**), nor the advisers to Carbon Revolution or any other person, has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet (or any other materials released by Carbon Revolution) and none of them makes or purports to make any statement in this Information Booklet and there is no statement in this Information Booklet which is based on any statement by any of them.

The Joint Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Carbon Revolution.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Carbon Revolution and the Joint Lead Managers. To the maximum extent permitted by law, Carbon Revolution and the Joint Lead Managers and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. To the maximum extent permitted by law, the Joint Lead Manager Parties disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Information Booklet being inaccurate or due to information being omitted from this Information Booklet, whether by way of negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Information Booklet.

The Joint Lead Manager Parties take no responsibility for any part of this Information Booklet or liability for any loss or damage whatsoever arising from the use of any part of this Information Booklet or otherwise arising in connection with it.

The Joint Lead Manager Parties make no recommendation as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties, express or implied, to you concerning the Entitlement Offer or any such information, and by paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

Risks

Refer to the 'Key risks' section of the Investor Presentation included in Section 3 of this Information Booklet for a summary of general and specific risk factors that may affect Carbon Revolution. You should consider these risks carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision in connection with the Retail Entitlement Offer.

No cooling off

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw an Application once it has been accepted.

Trading New Shares

Carbon Revolution will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Carbon Revolution or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Carbon Revolution, its officers or its related bodies corporate in connection with the Retail Entitlement Offer.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Chair's letter

Dear Shareholder

On behalf of Carbon Revolution Limited (**Carbon Revolution**), I am pleased to invite you to participate in a 1 for 4.38 accelerated non-renounceable pro rata entitlement offer of new ordinary shares in Carbon Revolution (**New Shares**) at an offer price of \$1.60 per New Share (**Offer Price**) (**Entitlement Offer**).

On Friday, 23 April 2021, Carbon Revolution announced its intention to raise approximately \$95 million through a placement to institutional investors (**Placement**) and the Entitlement Offer (together, the **Capital Raising**). The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Placement were successfully completed before trading in our Shares recommenced on Monday, 26 April 2021.

This Information Booklet relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**).

Purpose of the Capital Raising

At the commencement of the Capital Raising, Carbon Revolution announced that it is proceeding with construction of Phase 1 of its first Mega-line, to be funded via part of the proceeds of the fully underwritten Capital Raising. This investment is a significant milestone for Carbon Revolution and the next step towards full industrialisation.

The decision to proceed with Phase 1 of the Mega-line follows Carbon Revolution securing formal agreements to initiate detailed design and engineering relating to four new Original Equipment Manufacturer programs, a significant proportion of which are for electric vehicles. Following extensive collaboration with these customers, Carbon Revolution believes it will require additional capacity of circa 75,000 wheels per annum in order to deliver these programs. These programs are expected to enter production in CY2023 and CY2024.

Please refer to the Investor Presentation included in Section 3 of this Information Booklet for further information.

Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Placement and Institutional Entitlement Offer, being \$1.60 per New Share. The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that accompanies this Information Booklet. You also have the opportunity to apply for additional New Shares in excess of your Entitlement under the Oversubscription Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise transferable.

Information included in this Information Booklet

This Information Booklet contains important information, including:

- Carbon Revolution's ASX announcements relating to the Capital Raising, including the Investor Presentation, which provides information about Carbon Revolution, the Capital Raising and key risks for you to consider;
- instructions on how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that accompanies this Information Booklet, which details your Entitlement and instructions on how to complete it; and
- instructions on how to take up all or part of your Entitlement, and additional New Shares in excess of your Entitlement under the Oversubscription Facility, via BPAY®.

The Retail Entitlement Offer closes at **5.00pm (Melbourne time) on Friday, 14 May 2021.**

Instructions on how to apply are set out in this Information Booklet and your Entitlement and Acceptance Form. For further information regarding the Retail Entitlement Offer, call the Carbon Revolution Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (from outside Australia) between 8.30am to 5.30pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer period.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the directors and management team of Carbon Revolution, I invite you to consider this opportunity and thank you for your ongoing support of Carbon Revolution.

Yours faithfully

James Douglas
Non-Executive Chair
Carbon Revolution Limited

Summary of the Capital Raising

Placement	
Offer Price	\$1.60 per New Share
Number of Shares	Approximately 26.0 million New Shares
Gross proceeds	Approximately \$41.6 million
Entitlement Offer	
Ratio	1 New Share for every 4.38 Existing Shares
Offer Price	\$1.60 per New Share
Number of Shares	Approximately 20.0 million New Shares under the Institutional Entitlement Offer and approximately 13.4 million New Shares under the Retail Entitlement Offer
Gross proceeds	Approximately \$53.4 million, comprising approximately \$31.9 million under the Institutional Entitlement Offer and approximately \$21.5 million under the Retail Entitlement Offer

Key dates

Activity	Date
Announcement of Entitlement Offer and Placement	Friday, 23 April 2021
Institutional Entitlement Offer and Placement opens	Friday, 23 April 2021
Institutional Entitlement Offer and Placement closes	Friday, 23 April 2021
Announcement of results of Institutional Entitlement Offer and Placement / Shares recommence trading	Monday, 26 April 2021
Record Date for Entitlement Offer (7.00pm Melbourne time)	Tuesday, 27 April 2021
Retail Entitlement Offer opens	Friday, 30 April 2021
Information Booklet and Entitlement and Acceptance Form despatched	Friday, 30 April 2021
Allotment of New Shares under the Institutional Entitlement Offer and Placement	Wednesday, 5 May 2021
Commencement of trading of New Shares issued under the Institutional Entitlement Offer and Placement	Wednesday, 5 May 2021
Retail Entitlement Offer closes (5.00pm Melbourne time)	Friday, 14 May 2021
Allotment of New Shares under the Retail Entitlement Offer	Friday, 21 May 2021
Commencement of trading of New Shares issued under the Retail Entitlement Offer	Monday, 24 May 2021
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Monday, 24 May 2021

This Timetable above is indicative only and may change. Carbon Revolution reserves the right to amend any or all of these dates and times subject to the Corporations Act, the Listing Rules and other applicable laws. In particular, Carbon Revolution reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late Applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date of New Shares. Carbon Revolution also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

Carbon Revolution Offer Information Line: 1300 553 490 (within Australia) or +61 1300 553 490 (outside Australia) between 8.30am and 5.30pm (Melbourne time) on Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 14 May 2021. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Table of contents

Chair's letter -----	4
Summary of the Capital Raising -----	6
Key dates -----	6
Enquiries-----	7
1 Summary of options available to you -----	9
2 How to apply -----	10
3 ASX Announcements and Investor Presentation-----	18
4 Additional information-----	19
5 Australian taxation consequences-----	21
6 Definitions -----	26
7 Corporate information -----	29

1 Summary of options available to you

If you are an Eligible Retail Shareholder, you may take one of the following actions:

- take up all of your Entitlement;
- take up all of your Entitlement and also apply for additional New Shares under the Oversubscription Facility;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 14 May 2021.

If you are a retail Shareholder that is not an Eligible Retail Shareholder, you are an “**Ineligible Retail Shareholder**”. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Offer Price (see Section 2 “How to Apply” for instructions on how to take up your Entitlement).• The New Shares will rank equally in all respects with Existing Shares.
2. Take up all of your Entitlement and also apply for additional New Shares in excess of your Entitlement under the Oversubscription Facility	<ul style="list-style-type: none">• If you take up all of your Entitlement, you may also apply for additional New Shares under the Oversubscription Facility, up to an additional 50% of your Entitlement (see Section 2.7 for instructions on how to apply for additional New Shares). There is no guarantee that you will be allocated any additional New Shares under the Oversubscription Facility.
3. Take up part of your Entitlement	<p>If you do not take up your Entitlement in full:</p> <ul style="list-style-type: none">• those Entitlements not taken up will lapse and you will not receive any payment or value for them;• you will not be entitled to apply for additional New Shares under the Oversubscription Facility; and• you will have your percentage holding in Carbon Revolution reduced as a result of the Capital Raising.
4. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<p>If you do not take up your Entitlement:</p> <ul style="list-style-type: none">• you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred; and• you will have your percentage holding in Carbon Revolution reduced as a result of the Capital Raising.

2 How to apply

2.1 Overview

Carbon Revolution intends to raise approximately \$95 million by conducting the Capital Raising. The Capital Raising comprises:

- the **Entitlement Offer** pursuant to which Carbon Revolution is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 4.38 Existing Shares held on the Record Date. The Offer Price per New Share is \$1.60. The Entitlement Offer is intended to raise approximately \$53.4 million, comprising approximately \$31.9 million under the Institutional Entitlement Offer and approximately \$21.5 million under the Retail Entitlement Offer; and
- the **Placement** which is being undertaken in conjunction with the Entitlement Offer. The Placement raised approximately \$41.6 million at the same Offer Price per New Share as the Entitlement Offer.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcements and the Investor Presentation¹ included in this Information Booklet for information on the rationale for the Capital Raising, the use of proceeds of the Capital Raising and for further information about Carbon Revolution.

2.2 Institutional Entitlement Offer

Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlements under the Institutional Entitlement Offer at the Offer Price of \$1.60 per New Share.

New Shares equivalent to the number not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer, as well as Entitlements of certain Ineligible Institutional Shareholders, were offered to Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlement, as well as to certain other institutional investors.

The Institutional Entitlement Offer was successfully conducted on Friday, 23 April 2021 and raised approximately \$31.9 million. Please see Carbon Revolution's ASX announcement dated Monday, 26 April 2021 for further information about the outcome of the Institutional Entitlement Offer.

New Shares are expected to be issued under the Institutional Entitlement Offer on Wednesday, 5 May 2021.

2.3 Placement

Institutional investors were invited to bid for New Shares under the Placement at the Offer Price of \$1.60 per New Share.

The Placement was successfully conducted on Friday, 23 April 2021 and raised approximately \$41.6 million. Please see Carbon Revolution's ASX announcement dated Monday, 26 April 2021 for further information about the outcome of the Placement.

New Shares are expected to be issued under the Placement on Wednesday, 5 May 2021.

¹ The ASX Announcements and the Investor Presentation are current as at the date of their release. There may be other announcements that have been made by Carbon Revolution after 23 April 2021 and before the Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 14 May 2021 that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, you should check whether any further announcements have been made by Carbon Revolution before submitting an Application.

2.4 Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73), which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

Eligible Retail Shareholders are being invited to subscribe for all or part of their Entitlement and are being sent this Information Booklet with a personalised Entitlement and Acceptance Form.

Eligible Retail Shareholders who take up all of their Entitlement may also apply for additional New Shares in excess of their Entitlement, up to an additional 50% of their Entitlement, under the Oversubscription Facility.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Shareholders, being Shareholders on the Record Date who have an address on the Carbon Revolution register in Australia or New Zealand and are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer. A person in the United States or acting for the account or benefit of a person in the United States is not entitled to participate in the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements, logistical and registry constraints, and the discretion of Carbon Revolution. Carbon Revolution and the Joint Lead Managers disclaim any liability in respect of the exercise or otherwise of that determination and discretion, to the maximum extent permitted by law.

The Retail Entitlement Offer seeks to raise approximately \$21.5 million. The Offer Price under the Retail Entitlement Offer is the same as the Offer Price under the Institutional Entitlement Offer and the Placement.

The Retail Entitlement Offer opens on Friday, 30 April 2021 and is expected to close at 5.00pm (Melbourne time) on Friday, 14 May 2021.

2.5 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 4.38 Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) accompanies this Information Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement.

Eligible Retail Shareholders that take up all of their Entitlement in full may also apply for additional New Shares, up to an additional 50% of their Entitlement, under the Oversubscription Facility. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Eligible Retail Shareholders should be aware that an investment in Carbon Revolution involves risks. The key risks identified by Carbon Revolution are set out in the section entitled 'Specific risks' from page 29 of the Investor Presentation (enclosed in Section 3).

2.6 Options available to you

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form. Eligible Retail Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may also apply for additional New Shares under the Oversubscription Facility (refer to Section 2.7);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 2.8); or
- (c) allow their Entitlement to lapse (refer to Section 2.9).

Ineligible Retail Shareholders may not participate in the Retail Entitlement Offer.

Carbon Revolution reserves the right to reject any Application that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is 5.00pm (Melbourne time) on Friday, 14 May 2021.

2.7 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Oversubscription Facility

If you wish to take up all of your Entitlement, you are required to make payment via BPAY®² by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Melbourne time) on Friday, 14 May 2021.

If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Oversubscription Facility. Any Application Monies received for more than your full Entitlement of New Shares will be treated as applying for as many additional New Shares as it will pay for in full, up to an additional 50% of your Entitlement.

If you apply for additional New Shares under the Oversubscription Facility, and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same time and on the same terms that other New Shares are issued under the Retail Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

Any New Shares referable to Entitlements not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility, up to an additional 50% of their Entitlement. Additional New Shares will only be allocated to Eligible Retail Shareholders if available and then up to 50% of their Entitlement, and subject to the Corporations Act, Listing Rules and other applicable laws and regulations. If Eligible Retail Shareholders apply for more additional New Shares than available under the Oversubscription Facility, Carbon Revolution will scale back applications for additional New Shares in its absolute discretion, which may include having regard to the pro rata Entitlement of Eligible Retail Shareholders who apply for additional New Shares.

No interest will be paid to Applicants on any Application Monies received or refunded. Refund amounts (greater than \$2.00), if any, will be paid in Australian dollars. You will be paid either by direct credit to the nominated bank account as noted on the share register as at the Closing Date or by cheque sent by ordinary post to your address as recorded on the share register. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to <https://investorcentre.linkmarketservices.com.au/>.

2.8 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, you are required to make payment via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form.

If Carbon Revolution receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

If you do not wish to take up any part of your Entitlement, do not take any further action in respect of that part of your Entitlement and that part of your Entitlement will lapse.

2.9 Allowing your Entitlement to lapse

If you do not wish to take up all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

² Registered by BPAY Pty Ltd (ABN 69 079 137 518).

2.10 Consequences of not taking up all or part of your Entitlement

If you do not take up all or part of your Entitlement in accordance with the instructions set out above, your Entitlement will lapse and those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been taken up) may be acquired by Eligible Retail Shareholders under the Oversubscription Facility.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in Carbon Revolution will also be diluted to the extent that New Shares are issued under the Capital Raising.

The directors of Carbon Revolution reserve the right to issue any New Shares not issued in the Entitlement Offer (**Shortfall Shares**) to new investors or existing Shareholders within 3 months of close of the Entitlement Offer at a price no less than the Offer Price. The allocation of Shortfall Shares will be within the complete discretion of Carbon Revolution, having regard to factors such as Carbon Revolution's desire for an informed and active trading market, its desire to establish a wide spread of shareholders, the size and type of funds under management of particular investors, the likelihood that particular investors will be long-term shareholders, and any other factors Carbon Revolution considers appropriate.

2.11 Payment

You are required to pay your Application Monies using BPAY®.

Cash payments will not be accepted. Additionally, due to postal delays and for public health and safety reasons in light of the COVID-19 pandemic, payments by cheque, bank draft or money order will not be accepted. Receipts for payment will not be issued.

Carbon Revolution will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement, and in respect of any excess amount applying for as many additional New Shares under the Oversubscription Facility as it will pay for in full, up to an additional 50% of your Entitlement.

Any Application Monies (greater than \$2.00) received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded.

2.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

When paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your Application will not be recognised as valid.

Please note that by paying by BPAY®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.13;
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and

- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for additional New Shares (if any) under the Oversubscription Facility, to the extent of the excess.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (Melbourne time) on Friday, 14 May 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

2.13 Entitlement and Acceptance Form is binding

A payment made through BPAY® constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. Carbon Revolution's decision whether to treat an acceptance as valid is final.

By making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have received and read, and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Information Booklet, and Carbon Revolution's constitution;
- (c) you authorise Carbon Revolution to register you as the holder(s) of New Shares allotted to you under the Retail Entitlement Offer;
- (d) all details and statements in the personalised Entitlement and Acceptance Form are complete, accurate and up to date;
- (e) if you are a natural person, you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you accept that there is no cooling off period under the Retail Entitlement Offer and that once Carbon Revolution receives any payment of Application Monies via BPAY®, you may not withdraw your Application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price;
- (h) you authorise Carbon Revolution, the Joint Lead Managers, the Share Registry and their respective officers, employees or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the Institutional Entitlement Offer and the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Carbon Revolution and the Joint Lead Managers; and
 - (ii) each of Carbon Revolution and the Joint Lead Managers, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) you represent and warrant (for the benefit of Carbon Revolution, the Joint Lead Managers and each of their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or

through a nominee, are not an Ineligible Institutional Shareholder under the Institutional Entitlement Offer and are otherwise eligible to participate in the Retail Entitlement Offer;

- (k) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (l) the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (m) this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Carbon Revolution and is given in the context of Carbon Revolution's past and ongoing continuous disclosure announcements to ASX;
- (n) you acknowledge the statement of risks in the 'Specific risks' section of the Investor Presentation included in Section 3 of this Information Booklet, and that an investment in Carbon Revolution is subject to risks;
- (o) none of Carbon Revolution, the Joint Lead Managers, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or the performance of Carbon Revolution, nor do they guarantee the repayment of capital from Carbon Revolution;
- (p) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (q) you authorise Carbon Revolution to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (r) the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (s) you are an Eligible Retail Shareholder;
- (t) you acknowledge that the Entitlement and the New Shares have not been, and will not be, registered under the U.S. Securities Act or under the laws of any state or other jurisdiction of the United States and that, accordingly the Entitlements may not be taken up or exercised by a person in the United States and the New Shares may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- (u) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any country outside Australia and New Zealand;
- (v) if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, including in regular way transactions on ASX or otherwise where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (w) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting an Application is resident in Australia or New Zealand and is not in the

United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Entitlement Offer Booklet, the Entitlement and Acceptance Form or any information or materials relating to the Retail Entitlement Offer to any such person; and

- (x) you make all other representations and warranties set out in this Information Booklet.

2.14 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for the grant of the Entitlement, or for exercising the Entitlement in order to subscribe for New Shares under the Retail Entitlement Offer or for additional New Shares under the Oversubscription Facility.

2.15 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Carbon Revolution. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

Carbon Revolution is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Carbon Revolution is not able to advise on foreign laws.

2.16 Withdrawal of the Entitlement Offer

Subject to applicable law, Carbon Revolution reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case Carbon Revolution will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Carbon Revolution will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Carbon Revolution.

2.17 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Carbon Revolution Offer Information Line on 1300 553 490 (within Australia) or +61 1300 553 490 (outside Australia) at any time from 8.30am to 5.30pm (Melbourne time) on Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 14 May 2021. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Eligible Retail Shareholders should be aware that an investment in Carbon Revolution involves risks. The key risks identified by Carbon Revolution are set out from page 29 of the Investor Presentation (in Section 3).



CARBON REVOLUTION LIMITED
(ASX: CBR)
ASX & MEDIA RELEASE
23 April 2021

\$95M EQUITY RAISING TO FUND PHASE 1 OF THE FIRST MEGA-LINE

Summary

- Carbon Revolution Limited (ASX:CBR) has decided to commence construction of Phase 1 of the first Mega-line ("Phase 1 of Mega-line")
- Carbon Revolution has secured formal agreements to initiate detailed design and engineering relating to four new Original Equipment Manufacturer ("OEM") programs, a significant proportion of which are for electric vehicles.¹ Following extensive collaboration with these customers, Carbon Revolution believes it will require additional capacity of circa 75,000 wheels per annum in order to deliver these programs
- Once completed, Phase 1 of Mega-line is expected to provide additional manufacturing capacity of circa 75,000 wheels per year, approximately doubling Carbon Revolution's total capacity to circa 155,000 wheels per year, and to reduce labour per wheel to less than 10 hours
- Phase 1 of Mega-line is expected have a pay back period of approximately 2 years when fully utilised² and provide a strong return on invested capital
- The Company is pleased to announce the appointment of Ron Collins, a long serving senior executive and previous head of chassis engineering at Ford, to Carbon Revolution's US business development team as Vice President, North America
- Carbon Revolution is undertaking a fully underwritten \$95 million equity raising comprising a 1 for 4.38 pro-rata Accelerated Non-Renounceable Entitlement Offer ("Entitlement Offer") to raise circa \$53.5 million and an Institutional Placement ("Placement") to raise circa \$41.6 million (together the "Equity Raising")
- The Equity Raising together with additional working capital financing arrangements is expected to provide sufficient funding for Carbon Revolution to reach cash flow breakeven³
- Carbon Revolution is also announcing its Q3 FY21 results today. The Company saw strong growth with revenue and volumes rebounding from Q2 FY21 and progressed with reducing labour hours per wheel to 31 hours, heading towards its near-term target of 17 hours per wheel

¹ Refer to slide 28 of the investor presentation released after this announcement for further information on the wheel program lifecycle, and the stage of these agreements.

² Key assumptions and inclusions: (1) Average gross margin (excluding depreciation and allocated overheads) is assumed to be in the range of \$600 to \$800 per wheel. This is dependent on limited price reductions, achievement of labour cost reduction targets from 17 labour hours⁵ to <10 labour hours per wheel and other economies of scale arising from higher production volumes (including raw material costs); (2) Capital costs include equipment, tooling and incremental capitalised program development; (3) Incremental overheads and working capital in line with normal business requirements.

³ This excludes funding any capital expenditure for Phase 2 of Mega-line (and associated program-specific tooling and development capex)

Carbon Revolution today announces that it is proceeding with construction of Phase 1 of its first Mega-line, to be funded via part of the proceeds of the fully underwritten Equity Raising. This investment is a significant milestone for the Company and the next step towards full industrialisation.

The decision to proceed with Phase 1 of the Mega-line follows Carbon Revolution securing formal agreements to initiate detailed design and engineering relating to four new Original Equipment Manufacturer ("OEM") programs, a significant proportion of which are for electric vehicles. Following extensive collaboration with these customers, Carbon Revolution believes it will require additional capacity of circa 75,000 wheels per annum in order to deliver these programs. These programs are expected to enter production in CY2023 and CY2024.

To date, Carbon Revolution has sold circa 40,000 wheels with 6 awarded programs announced by OEMs and in the market. The 4 new agreements underpinning Phase 1 of Mega-line will increase the total number of unannounced programs⁴ under detailed design and engineering agreements to 10 programs.

Chair, James Douglas, said "Carbon Revolution is excited to begin this next chapter in our development as a company. I believe that commencing construction of Phase 1 of Mega-line represents the most significant operational decision for Carbon Revolution in its history. The Mega-line is expected to deliver a step change in production scale and economics that enable the company to deliver large volume programs to a broader cross-section of the market. We are committed to investing in, improving and growing our operations to position Carbon Revolution to continue to play a leading role in the design and development of carbon fibre wheel technology into the future, and maximising value and sustainable returns for its shareholders."

Chief Executive Officer Jake Dingle said "The award of these new OEM formal agreements validates Carbon Revolution's strategy and our world-class products and technology. This is a proud day for Australian advanced manufacturing, and I am excited about, and committed to, the execution of our ambitious growth plans. We thank our shareholders and partners, particularly the Victorian government and Deakin University, as well as the entire Carbon Revolution team who have worked hard to achieve this milestone."

"Our OEM relationships have recently been enhanced through the appointment of Ron Collins to Carbon Revolution's US business development team as Vice President, North America. Ron was a senior executive with Ford Motor Company and brings over 30 years of experience within the car industry including as global head of chassis engineering at Ford. Ron is a great addition to our business development team and will help fast track growth in North America."

"The last twelve months have seen a significant shift by major OEMs towards an EV future. Coupled with increasing government support around the world, the adoption of EVs looks set to accelerate in the coming years. We believe carbon fibre wheel technology will play an important role in enhancing vehicle range through weight savings and improved aerodynamics. Carbon Revolution is excited to be involved in one of the most significant shifts in the automotive industry since the implementation of mass production in the early 1900s."

⁴ The company has formal agreements for 16 programs, including 11 awarded programs (of which 6 have been announced by OEMs, 5 have been awarded but are not yet announced and 3 have completed serial production (run out) during FY21). In addition, there are now 5 programs under formal design and engineering agreements (the latest agreements fall in this category) and that have also not yet been announced by the OEMs. Refer to slide 28 of the investor presentation released after this announcement for further information on the wheel program lifecycle, and the stage of the new agreements.

Phase 1 of the Mega-line investment

The Mega-line represents the next phase of industrialisation of Carbon Revolution's production process to full industrialisation; with the Mega-line to consist of industrialised and fully automated advanced manufacturing cells which are expected to deliver high volumes with dramatically reduced labour inputs. Developed by the company and its partners in Australia, the Mega-line will deploy state of the art technologies and will supply to the global automotive market.

Initial commercial supply to date has focused on achieving required product performance and manufacturing quality. Over the course of FY20, there was particular focus on the automation of core manufacturing processes, including automated preforming, face and rim layup and high pressure moulding. With the construction of the Mega-line, Carbon Revolution will achieve fully industrialised production by using proven industrialisation part-flow automation to link each of the automated core manufacturing processes resulting in a significant further reduction in direct labour inputs and costs as well as a step change in production capacity.

As announced in its H1 FY21 results on 24 February 2021, Carbon Revolution has completed the initial design of the Mega-line. Carbon Revolution's Mega-line technology has been developed using in-house expertise, equipment partners, and advanced 3D and simulation tools to reduce risk during design, construction, and commissioning. The Mega-line will connect key modules already used in Carbon Revolution's facilities, such as high-pressure moulding and fascia technology, using proven industrial part-flow automation. Additionally, a number of new generation automated modules will be introduced, reducing the number of manual labour touchpoints in the production process.

Phase 1 of the Mega-line is anticipated to provide a step-change improvement in Carbon Revolution's production process. Once complete, Carbon Revolution expects it to provide additional capacity of circa 75,000 wheels per annum, and at full production, the labour hours per wheel is expected to reduce from circa 17 hours⁵ to below 10 hours. Notwithstanding the improved labour productivity of the Mega-line, the growth in production ahead will see an increase in the workforce at our Geelong facility. Importantly, the increased levels of automation will drive a shift to higher skills reflecting truly modern and advanced manufacturing. This first Mega-line is the first of four Mega-lines that are expected to be developed at Carbon Revolution's Geelong facility.

Construction of Phase 1 of Mega-line is expected to take approximately 18 months and can be efficiently completed in stages given the Mega-line's modular components. Phase 1 of Mega-line capacity is expected to be commissioned progressively from early CY2023, in time for the anticipated program start of production dates.

The capital requirement to build Phase 1 of the Mega-line is circa \$47 million. There are additional costs, including development and tooling of circa \$16 million and \$8 million respectively, associated with the new OEM programs, which have also been taken into account when sizing the Equity Raising. Should Carbon Revolution seek to invest in Phase 2 and complete the first Mega-line, the incremental cost to complete Phase 2 construction is expected to be significantly lower at circa \$23 million (excluding program-specific tooling and development capex), as core infrastructure for the entire line will be completed in Phase 1. Phase 2 of the Mega-line is expected to provide further capacity of circa 75,000 wheels per annum.

⁵ Near-term target run rate for production wheels produced on the high pressure moulding line with fascia.

Equity Raising

The fully underwritten \$95 million Equity Raising is comprised of the 1 for 4.38 pro-rata Accelerated Non-Renounceable Entitlement Offer to raise approximately \$53.5 million and the Institutional Placement to raise approximately \$41.6 million.

The proceeds of the Equity Raising will be used as follows:

- approximately \$47 million: Phase 1 of Mega-line total expansion capital expenditure;
- approximately \$8 million: Program tooling capex for the relevant programs;
- approximately \$16 million: Program development capex predominantly related to Phase 1 of Mega-line related programs;
- approximately \$13 million: Global business development and general costs; and
- approximately \$10 million: Grant advance repayments and transaction costs.

The Equity Raising together with additional working capital financing arrangements is expected to provide sufficient funding for Carbon Revolution to reach cash flow breakeven³, based on Phase 1 of Mega-line and awarded OEM programs.

Under the Entitlement Offer, eligible shareholders will be entitled to subscribe for 1 new Carbon Revolution fully paid ordinary share (each a “New Share”) for every 4.38 existing shares (“Entitlement”) held as at 7:00pm (Melbourne time) on Tuesday, 27 April 2021. All New Shares offered under the Equity Raising will be issued at a price of \$1.60 per New Share (“Offer price”), which represents a:

- 25.0% discount to the theoretical ex-rights price (“TERP”)⁶ of \$2.13; and
- 31.9% discount to the last closing price of Carbon Revolution shares of \$2.35 on Thursday, 22 April 2021.

Approximately 59.4 million New Shares will be issued under the Equity Raising (comprising approximately 40.6% of Carbon Revolution’s existing issued capital). New Shares issued under the Equity Raising will rank equally with existing ordinary shares. Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those Entitlements not taken up.

Placement

Up to approximately 26.0 million New Shares are expected to be issued to eligible new and existing institutional investors under the Placement at the Offer price. The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below).

New Shares issued under the Placement will not be eligible to participate in the Entitlement Offer.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of the Entitlement Offer (“Institutional Entitlement Offer”), which is being conducted today, 23 April 2021.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on the ASX or transferred.

⁶ TERP is the theoretical price that Carbon Revolution shares should trade at immediately after the ex rights date for the Entitlement Offer. It is a theoretical calculation only and the actual price at which Carbon Revolution shares trade immediately after the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Carbon Revolution’s closing share price of \$2.35 on Thursday, 22 April 2021 and includes New Shares issued under the Entitlement Offer and Placement.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible new and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

Carbon Revolution's shares will remain in a trading halt pending completion of the Institutional Entitlement Offer and Placement.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the retail component of the Entitlement Offer ("Retail Entitlement Offer") at the same Offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Friday, 30 April 2021 and close at 5.00pm (Melbourne time) on Friday, 14 May 2021.

Under the Retail Entitlement Offer, eligible retail shareholders may apply for additional New Shares in excess of their entitlement up to a maximum of 50% of their entitlement under an oversubscription facility ("Oversubscription Facility"). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by eligible retail shareholders. The scaleback of applications for additional New Shares under the Oversubscription Facility will be subject to the terms set out in the retail offer booklet.

Further details about the Retail Entitlement Offer will also be set out in the retail offer booklet, which Carbon Revolution expects to lodge with the ASX and dispatch to eligible retail shareholders on Friday, 30 April 2021. The retail offer booklet will also enclose personalised entitlement and acceptance forms.

Key Dates for the Equity Raising

Description	Date
Trading halt and announcement of Equity Raising	Friday, 23 April 2021
Institutional Entitlement Offer and Placement opens	Friday, 23 April 2021
Institutional Entitlement Offer and Placement closes	Friday, 23 April 2021
Trading Halt lifted and announcement to ASX of results of Institutional Entitlement Offer and Placement	Monday, 26 April 2021
Record Date for determining Entitlements to subscribe for New Shares under the Entitlement Offer	7:00pm (Melbourne time) Tuesday, 27 April 2021
Retail offer booklet despatched and Retail Entitlement Offer opens	Friday, 30 April 2021
Settlement of Institutional Entitlement Offer and Placement	Tuesday, 4 May 2021
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and Placement	Wednesday, 5 May 2021
Retail Entitlement Offer closes	5:00pm (Melbourne time) Friday, 14 May 2021
Results of the Retail Entitlement Offer announced to ASX	Wednesday, 19 May 2021
Settlement of Retail Entitlement Offer	Thursday, 20 May 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 21 May 2021
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 24 May 2021

The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares issued under the Entitlement Offer and the Placement is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Carbon Revolution reserves the right to amend this timetable at any time, either generally or in particular cases, without notice.

Group Outlook

Carbon Revolution has also today released its Q3 FY21 Quarterly Activities Report & Appendix 4C. Please refer to that report for an update on recent trading activities.

Further Information

Further details of Phase 1 of the Mega-line and the Equity Raising are set out in the investor presentation released to the ASX today. The investor presentation contains important information that shareholders and investors should consider, including details about key risks and international offer restrictions with respect to the Equity Raising.

UBS AG, Australia Branch is appointed as sole underwriter and Joint Lead Manager, with Bell Potter and E&P Corporate Advisory also acting as Joint Lead Managers.

Investor Briefing

The accompanying investor and analyst briefing will be at 10.30am (AEST) on Friday, 23 April 2021. To pre-register for this event please use the following link:

https://carbonrev.zoom.us/webinar/register/WN_rZdLuGvwTgO6FBLSf_rAlw

Registered participants will receive a calendar invite and meeting link (and dial in number if required) which is to be used when connecting.

A recording of the briefing will be made available on the Carbon Revolution Investor Centre website: <https://investors.carbonrev.com/Investor-Centre/?page=results-and-presentations>

Approved for release by the Board of Directors of Carbon Revolution Limited

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Carbon Revolution

Mega-line Investment & Equity Raising

23 April 2021



1

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- an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Carbon Revolution (**New Shares**) to be made to eligible institutional shareholders of Carbon Revolution (**Institutional Entitlement Offer**) and eligible retail shareholders of Carbon Revolution (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (*Non-Traditional Rights Issues*) Instrument 2016/84 (**Entitlement Offer**); and
- a placement of New Shares to institutional investors and certain existing institutional shareholders under section 708A of Corporations Act as modified by ASIC Corporations (*Disregarding Technical Relief*) Instrument 2016/73 (**Placement**).

the Entitlement Offer and Placement together, the **Equity Raising**.

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The retail offer booklet for the Retail Entitlement Offer will be available following its lodgement with ASX. Any eligible retail shareholder in Australia or New Zealand who wishes to participate in the Retail Entitlement Offer should consider the retail offer booklet before deciding whether to apply under that offer.



2

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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.



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You acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer 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.

Allocation of Shares

Pursuant to ASX Listing Rule 7.2, the directors of Carbon Revolution give notice that they reserve the right to issue any New Shares not issued in the Entitlement Offer (Shortfall Shares) to new investors or existing shareholders within 3 months of close of the offer at a price no less than the Offer Price. The allocation of Shortfall Shares will be within the complete discretion of Carbon Revolution, having regard to factors such as Carbon Revolution's desire for an informed and active trading market, its desire to establish a wide spread of shareholders, the size and type of funds under management of particular investors, the likelihood that particular investors will be long-term shareholders, and any other factors Carbon Revolution considers appropriate.



Agenda



Growth Announcement

Mega-line Investment

Equity Raising

**Q3 FY21 Quarterly Activities
Report & Appendix 4C**

Appendix

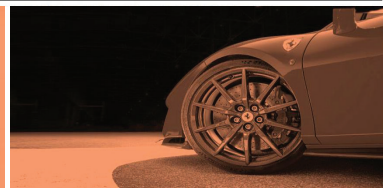
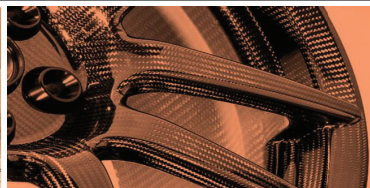


5

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Growth Announcement

Jake Dingle – CEO



6

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Growth announcement

- Carbon Revolution has decided to commence construction of Phase 1 of the first Mega-line ("Phase 1 of Mega-line"). The Company will invest circa \$72m – consisting of circa \$47m in plant and equipment at its Geelong facility to approximately double capacity, with an additional circa \$8m investment in tooling and circa \$16m investment in program development
- Carbon Revolution has secured formal agreements to initiate detailed design and engineering relating to four new Original Equipment Manufacturer ("OEM") programs¹, a significant proportion of which are for electric vehicles. Following extensive collaboration with these customers, Carbon Revolution believes it will require additional capacity of circa 75,000 wheels per annum in order to deliver these programs
- To fund this, the Company is undertaking a fully underwritten \$95m equity raising, comprising of a c.\$53.5m Accelerated Non-Renounceable Entitlement Offer and c.\$41.6m Institutional Placement. The Equity Raising together with additional working capital financing arrangements is expected to provide sufficient funding for Carbon Revolution to reach cash flow breakeven²
- OEM relationships have been enhanced through the recent appointment of Ron Collins to Carbon Revolution's US business development team as Vice President, North America. Ron was a senior executive with Ford Motor Company and brings over 30 years of experience within the car industry including as Ford's global head of chassis engineering
- Carbon Revolution is also announcing its Q3 FY21 results today. The Company saw strong growth with revenue and volumes rebounding from Q2 FY21 and progressed with reducing labour hours per wheel to 31 hours, heading towards its near-term target of circa 17 hours per wheel³

Carbon Revolution is the global leader in carbon fibre wheel technology. The Mega-line technology is expected to provide the step change to production scale and economics that enables the Company to deliver large volume programs to a broader cross-section of the market



Note:

- For further information on the wheel program lifecycle, and the stage of these agreements, refer to slide 28
- This excludes funding any capital expenditure for Phase 2 of Mega-line (and associated program-specific tooling and development capex) (refer to slide 21)
- Near-term target run rate for production wheels produced on the high pressure moulding line with fascia

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Carbon Revolution's compelling fundamentals

Demonstrated Value Proposition

Carbon fibre wheels make cars lighter, faster, quieter, and more fuel efficient, providing a compelling business proposition to global car manufacturers

Global Leader

Successfully developed and manufactured single piece carbon fibre wheels with commercial adoption across several major OEM models. Demonstrated track record in the market, with circa 40,000 wheels sold to date

Large and Growing Market

Addressable market is very large with increasing penetration, both in production or under development. Large wheel sizes are becoming more popular and are well suited for carbon fibre

Uniquely suited to EV

Value proposition is uniquely suited to EV requirements. The global EV transition presents a significant growth opportunity

Proprietary Technology

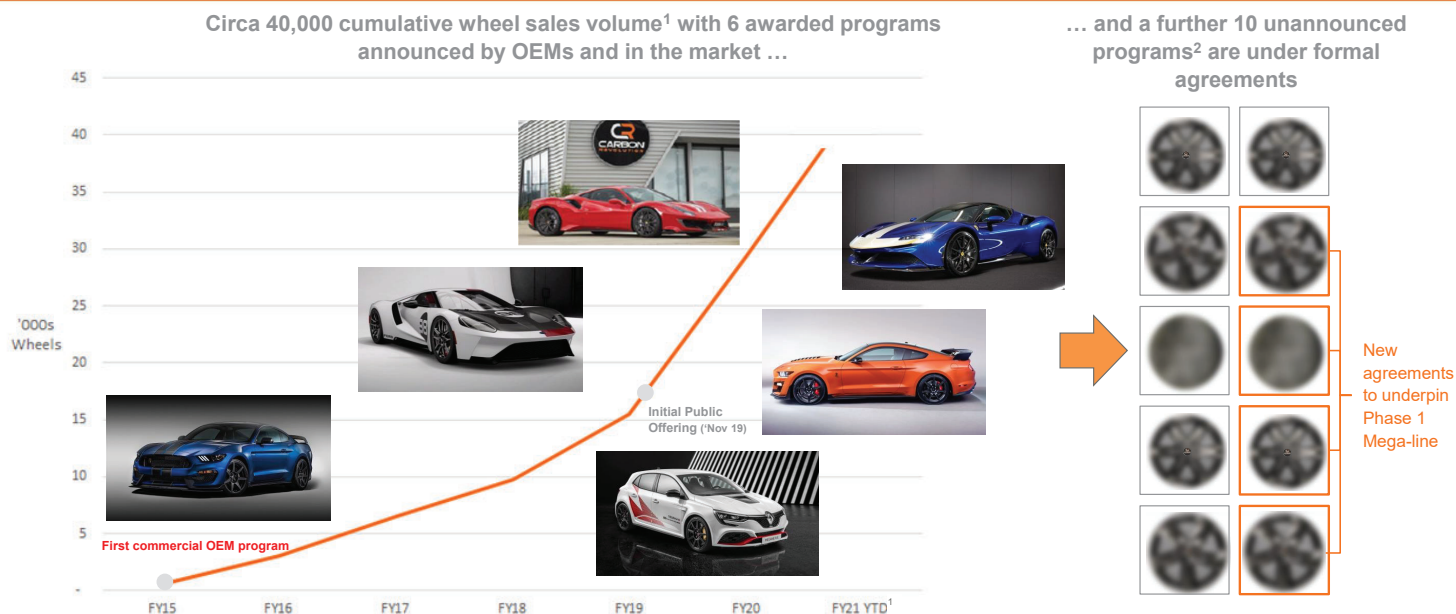
Product technology is globally unique and our leading market position and targeted R&D program are enabling us to extend our lead. We hold 44 granted patents in 6 patent families (with a further 3 pending in those families) plus 29 pending patents in an additional 5 patent families

Clear Industrialisation Pathway

Our industrialisation pathway is clear and progressing well. The decision to invest in Mega-line is supported by market demand, particularly from EV and larger wheel segments



The expected volumes for these 4 new programs build on the existing OEM programs which have delivered sales of circa 40,000 wheels to date



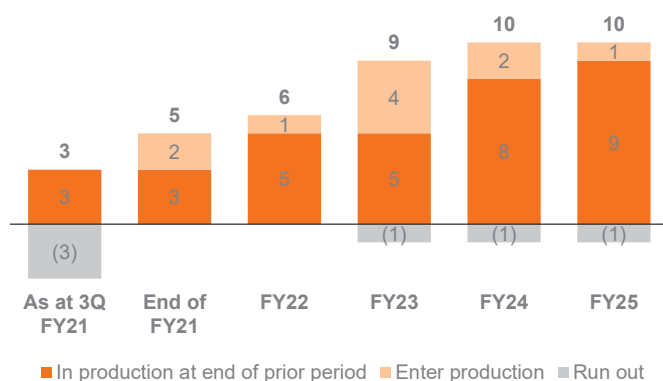
Note:
 1. Cumulative wheel sales from FY13 to 31st March 2021
 2. The Company has agreements for 16 programs, including 11 awarded programs (of which 6 have been announced by OEMs, 5 have been awarded but are not yet announced and 3 have completed serial production (run out) during FY21). In addition, there are now 5 programs under formal design and engineering agreements and that have also not yet been announced by the OEMs.

9

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Programs are expected to enter production progressively over the next 5 years, with 10 programs to be in production by FY24

Number of programs expected to be in production (3Q FY21 to FY25)¹



- 10 programs not currently in production
 - 5 awarded programs not yet in production. Together with programs in production, the business has sufficient installed capacity for these contracted programs unless there is significant further expansion in those programs due to customer demand
 - 5 programs under detailed design and engineering agreement which represent circa 75k wheels per annum
- The Company has an extensive business development pipeline and expects to increase program sales above these levels

Stage of Program Lifecycle (as at Q3 FY21)		Number of Programs
Awarded programs in production during Q3 FY21		3
Programs in development	Awarded	5
	Under detailed design and engineering agreement	5
Programs that have run out during FY21 (not in serial production)		3



Note:
 1. Based on current program timing plans received from OEMs. Subject to change.

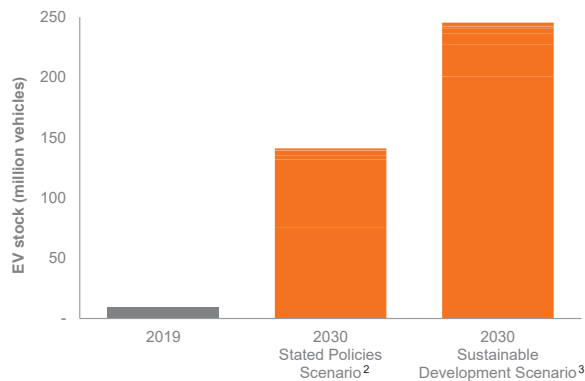
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Carbon Revolution is well positioned for the global EV transition

The automotive market is rapidly transitioning to Electric Vehicles ("EV")

Global electric vehicle stock by scenario¹



Source: IEA (2020) Global EV Outlook. All rights reserved

Notes:

1. Includes battery electric and plug-in hybrid electric passenger light-duty vehicles, light commercial vehicles, buses and trucks
2. Stated Policies Scenario indicates stock if existing government EV policies are incorporated
3. Sustainable Development Scenario indicates stock if policies are fully compatible with the climate goals of the Paris Agreement, including the EV30@30 campaign targets to collectively reach a 30% market share for EVs in all modes except two-wheelers by 2030

Carbon Revolution's carbon fibre wheel value proposition is uniquely suited to EVs

- 40% - 50% mass reduction achievable versus aluminium wheels
 - Greater efficiency / range
 - Better performance / handling
- Aerodynamics – material enables greater efficiency in aerodynamic design increasing range
- Strength and durability from physical properties and design are ideally suited to large wheel sizes
- Road noise reduction and increased comfort
- Distinctive and sought-after aesthetics

"... Moving to electric vehicles will redefine the design of cars, including their weight and with it the materials used for their construction ..."

Major OEM Executive, JEC Automotive and Composite Materials: Current State and Forecast 2018

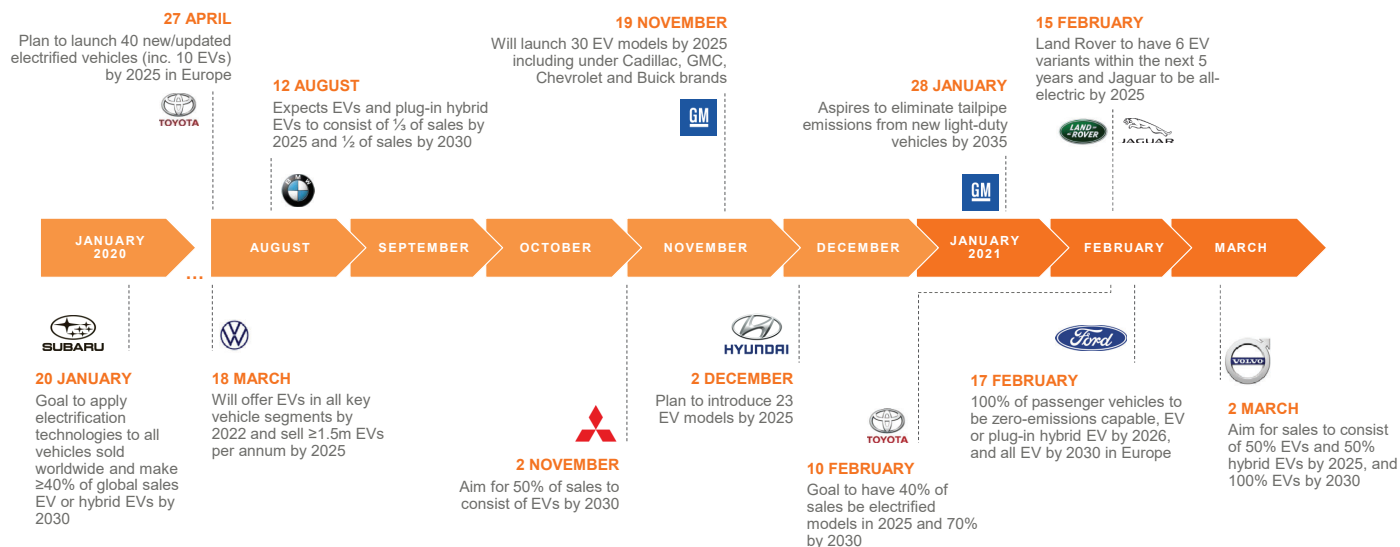


11

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EVs are the future and will drive demand for carbon fibre wheels

Select OEM EV announcements since January 2020



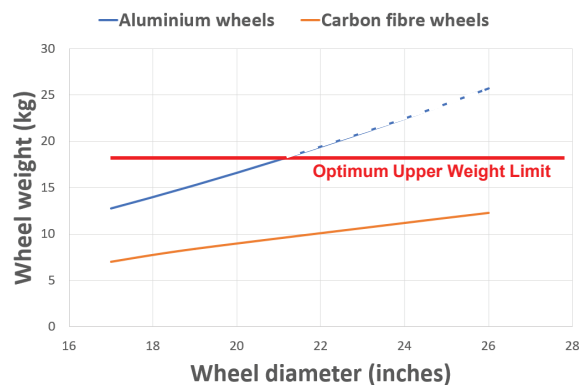
12

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The global trend towards larger wheels is enabled by carbon fibre wheels

Demand for larger 23"- 26" wheels in Truck & SUV categories is growing. Carbon fibre is the most viable option for larger wheels

Indicative wheel weight required to meet load thresholds



Source: Management estimates having regard to vehicle weight and dynamics, chassis engineering and manual handling requirements

Designers are calling for larger and larger wheels

"... larger diameter wheels and tyres are absolutely what designers are looking for... we are absolutely heading towards 24 and 26 inch wheels..."

Mike Simcoe, General Motors, Vice President of Global Design

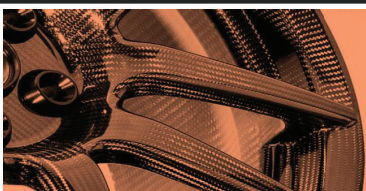
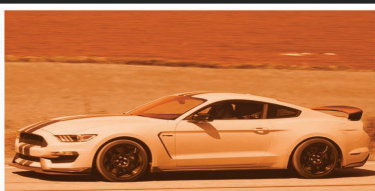
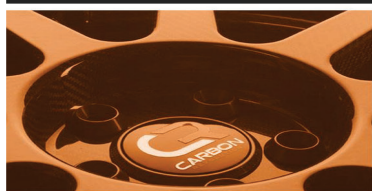
Brembo Red Podcast, Episode 2 (19 September 2019)



13

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Mega-line Investment Jake Dingle – CEO

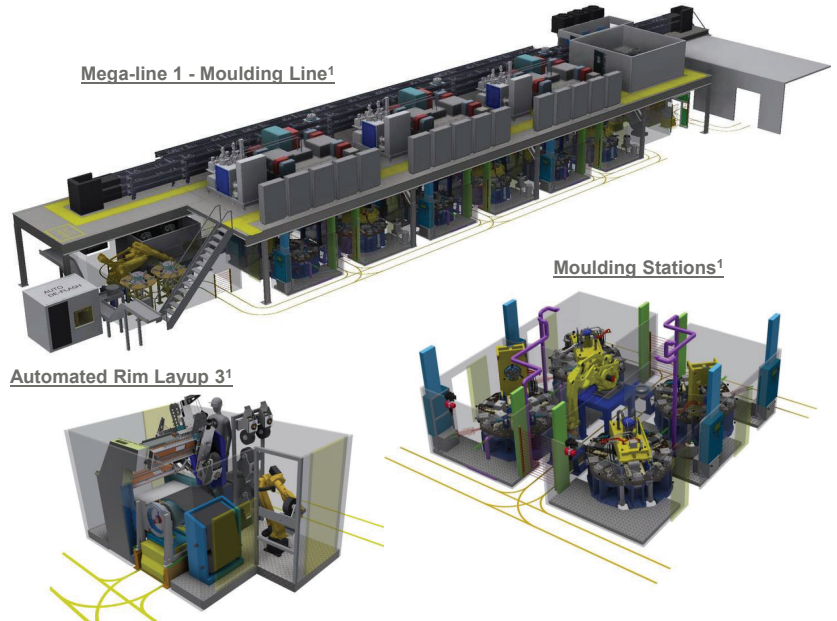


14

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Phase 1 Mega-line is expected to deliver capacity of 75k wheels per annum

- Carbon Revolution's Mega-lines represent industrialised and fully automated advanced manufacturing cells which are expected to deliver high volumes with dramatically reduced labour inputs. A full Mega-line is expected to have 150,000 wheels per year of capacity
- Developed by the Company and its partners in Australia, Mega-lines will deploy state of the art technologies and will supply to the global automotive market. As demand continues to increase it is expected that the Geelong facility will ultimately house four Mega-lines
- Carbon Revolution has secured formal agreements to initiate detailed design and engineering relating to 4 new OEM programs²
- Following extensive collaboration with these customers, Carbon Revolution estimates volumes at circa 75,000 wheels per annum in aggregate, which includes a significant proportion of EV and large wheel formats. The volumes from these programs underpin the development of Phase 1 of the Mega-line
- Securing larger programs is consistent with Carbon Revolution's industrialisation strategy and is enabled by the Company's strong record of supplying this technology
- These multiple programs are expected to enter production in CY2023 and CY2024
- Engineering and development of the new programs is now underway with styling activities progressing



Note:
1. Images show the current status of Mega-line design
2. For further information on the wheel program lifecycle, and the stage of these agreements, refer to slide 28

15

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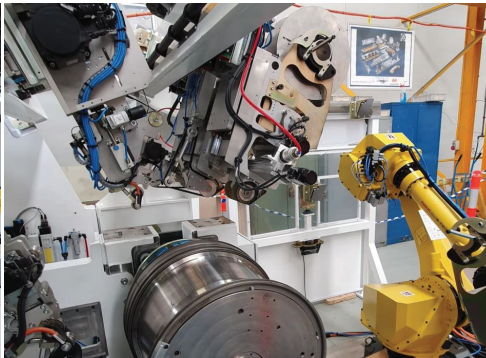
Mega-line technology combines automated part handling with proven automated processes

- As announced in its 1H21 results, Carbon Revolution has completed the initial design of the Mega-line using in-house expertise, equipment partners, and advanced 3D and simulation tools
- The Mega-line will connect either the current or next generation of key modules in Carbon Revolution's production line using proven industrial part-flow automation
- New machinery is to be supplied and installed predominantly by existing Carbon Revolution partners

Industrial Cutting Press¹



Automated Rim Layup (ARL) Generation 3



Multiple ARL Generation 3's in Mega-line with robot vehicle loading capability¹

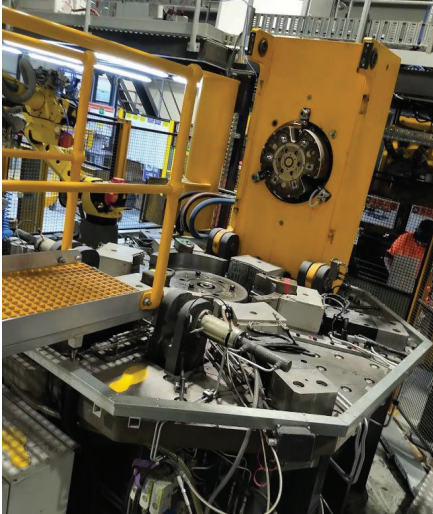


Note:
1. Images show the current status of Mega-line design

16

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Mega-line technology combines automated part handling with proven automated processes (cont.)



Generation 2 Moulding Station



Multiple Generation 2 Moulding Stations in Mega-line with robot vehicle loading capability¹



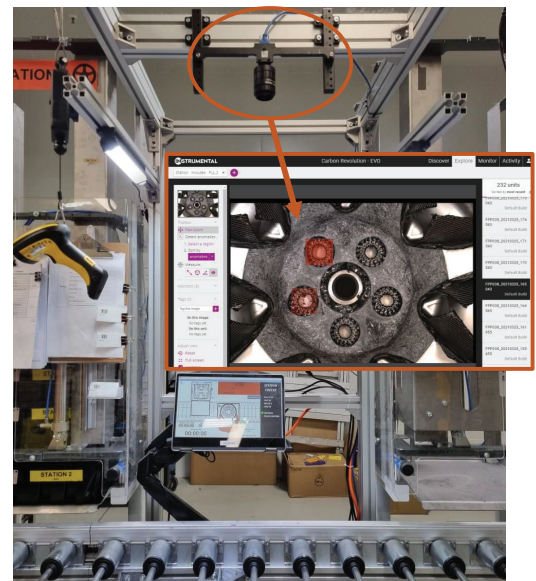
Note:
1. Images show the current status of Mega-line design

17

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Industry 4.0 tool kit used to optimise the equipment design and enable fast and de-risked execution

- Discrete Event Simulation¹, which uses statistical analysis to model the entire Mega-line throughput, has been used to optimise the configuration of the Mega-line to deliver the required volume of wheels without excess equipment or bottlenecks
- Advanced 3D Visualisation developed using advanced simulation technology has been used to enable fast assessment of designs and improvements
- Virtual Commissioning developed and used to develop machine software for a fast, low risk commissioning phase
- Big Data Analytics used to predict machine behaviour and optimise performance
- Vision Systems with artificial intelligence and machine learning processing used to ensure a consistent high quality product



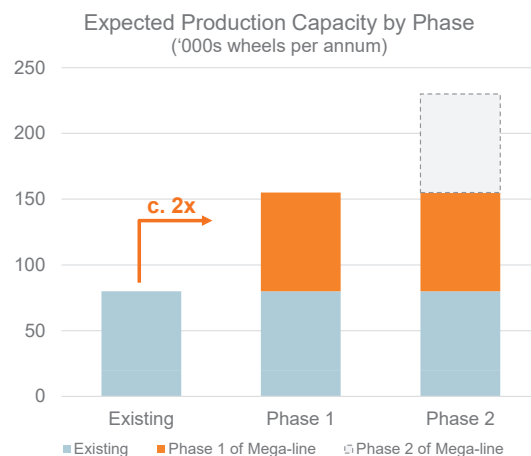
Note:
1. Discrete Event Simulation is a modelling approach that considers the operation of a system (i.e. the Mega-line) as a sequence of discrete events

18

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Mega-line (Phase 1) expected to deliver strong returns

- Phase 1 of Mega-line is expected to:
 - Increase production capacity from 80k to circa 155k wheels per annum representing an increase of circa 75k wheels per annum
 - Reduce labour hours from circa 17¹ to <10 hours per wheel
- Total capital equipment cost for Phase 1 of Mega-line is anticipated to be circa \$47 million and provide a useful life of >10 years
 - Current or next generation manufacturing equipment combined with automated part-flow are the key building blocks of the Mega-line
 - The initial design phase for the Mega-line is complete allowing the commencement of sourcing with our project partners
- Tooling investment of circa \$8 million and program development investment of circa \$16 million to support the new OEM programs
- Phase 1 of Mega-line is expected to pay back in approximately 2 years when fully utilised and provide a strong return on invested capital. This is based on targeted average gross margins of between \$600 - \$800 per wheel²
- With the core Mega-line infrastructure being delivered in Phase 1, the incremental cost to complete Phase 2 of Mega-line is expected to be circa \$23m (excluding program-specific tooling and development capex) and provide an expected further capacity of circa 75k wheels per annum



Construction of Phase 1 of Mega-line is expected to take 18 months and additional capacity is expected to be commissioned progressively from early CY2023 in time for the relevant program start of production dates



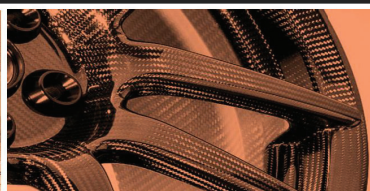
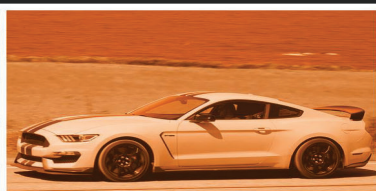
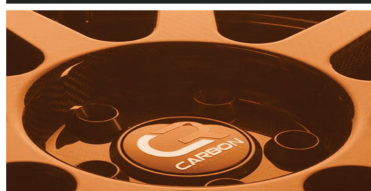
Note:
1. 19
2.

Near-term target run rate for wheels produced on the high pressure moulding line with fascia
Key assumptions: (1) Average gross margin (excluding depreciation and allocated overheads) is assumed to be in the range of \$600 to \$800 per wheel. This is dependent on limited price reductions, achievement of labour cost reduction target (described above) and other economies of scale arising from higher production volumes (including raw material costs); (2) Capital costs include equipment, tooling and incremental capitalised program development; (3) Incremental overheads and working capital in line with normal business requirements

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Equity Raising

Gerard Buckle – CFO



Sources and uses of Equity Raising proceeds

Gross proceeds of \$95 million along with additional working capital financing arrangements is expected to provide sufficient funding for Carbon Revolution to reach cash flow breakeven¹. This includes funding Phase 1 of Mega-line equipment capex as well as program tooling and development required for Mega-line OEM volumes, plus additional global business development spending

Sources	\$m
Entitlement Offer	53.5
Placement	41.6
Total sources	95.0

Description

- Refer to slide 22 for further detail

Uses	\$m
Mega-line Investment	71.5
Phase 1 of Mega-line equipment capex	47.0
Program tooling capex	8.3
Program development capex	16.2
Global business development and general costs	13.2
State of Victoria grant advance repayment	4.6
Cost of Equity Raising	5.7
Total uses	95.0

Description

- Includes Mega-line equipment capital expenditure of \$47.0m, related program tooling capital expenditure of \$8.3m and program development capital expenditure of \$16.2m
- Phase 1 of Mega-line equipment expansion (FY21 - FY23)
- Tooling investment required for the relevant programs
- Program development capex cost (to Mar '23) predominantly related to Phase 1 of Mega-line programs
- \$2.9m of global brand development and pursuing European and Asian growth opportunities. \$10.3m of additional funding for general costs including due to the effect of program delays related to COVID-19 (as disclosed in the Q3 FY21 Appendix 4C)
- Repayment of grant advance and accrued facility fee



Note:
1. This excludes funding any capital expenditure for Phase 2 of Mega-line (and associated program-specific tooling and development capex)

21

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Equity Raising – key details

Equity Raising size and structure	<ul style="list-style-type: none"> 1 for 4.38 pro rata Accelerated Non-Renounceable Entitlement Offer to raise circa \$53.5 million (includes both accelerated institutional and retail components) Circa \$41.6 million Institutional Placement Circa 59.4 million New Shares to be issued (equivalent to circa 40.6% of existing shares on issue)
Offer price	<ul style="list-style-type: none"> Offer price of \$1.60 per New Share <ul style="list-style-type: none"> Represents 25.0% discount to TERP¹ of \$2.13 on Thursday, 22 April 2021 Represents 31.9% discount to last close price of \$2.35 on Thursday, 22 April 2021
Institutional investors	<ul style="list-style-type: none"> The Institutional Entitlement Offer and Placement will be conducted on Friday, 23 April 2021
Retail investors	<ul style="list-style-type: none"> The Retail Entitlement Offer will open on Friday, 30 April 2021 and close on Friday, 14 May 2021 Details will be provided to eligible retail shareholders in the retail offer booklet, expected to be dispatched to shareholders on Friday, 30 April 2021
Director participation	<ul style="list-style-type: none"> All Directors intend to participate in the Retail Entitlement Offer
Ranking	<ul style="list-style-type: none"> New Shares will rank equally with existing Carbon Revolution shares
Underwriting and syndicate	<ul style="list-style-type: none"> Equity Raising is fully underwritten by Sole Underwriter and Joint Lead Manager, UBS AG, Australia Branch Bell Potter and E&P Corporate Advisory are acting as Joint Lead Managers
Major shareholders	<ul style="list-style-type: none"> Ronal AG and Deakin University will not be participating in the Equity Raising; however, both have stated their continued support for Carbon Revolution and its strategy



Note:
1. TERP is the theoretical price that Carbon Revolution shares should trade at immediately after the ex rights date for the Entitlement Offer. It is a theoretical calculation only and the actual price at which Carbon Revolution shares trade immediately after the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Carbon Revolution's closing share price of \$2.35 on Thursday, 22 April 2021 and includes New Shares issued under the Entitlement Offer and Placement

22

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Indicative Equity Raising timetable

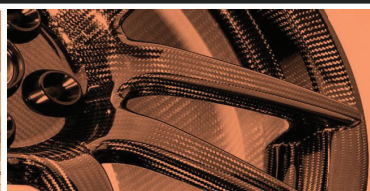
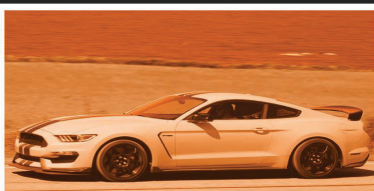
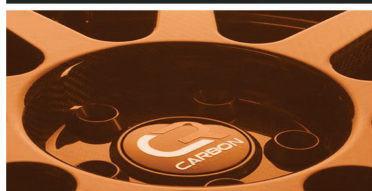
Description	Date (2021)
Trading halt and announcement of Equity Raising	Friday, 23 April
Institutional Entitlement Offer and Placement opens	Friday, 23 April
Institutional Entitlement Offer and Placement closes	Friday, 23 April
Trading Halt lifted and announcement to ASX of results of Institutional Entitlement Offer and Placement	Monday, 26 April
Record Date for determining Entitlements to subscribe for New Shares under the Entitlement Offer	7:00pm Tuesday, 27 April
Retail offer booklet despatched and Retail Entitlement Offer opens	Friday, 30 April
Settlement of Institutional Entitlement Offer and Placement	Tuesday, 4 May
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer and Placement	Wednesday, 5 May
Retail Entitlement Offer closes	5:00pm Friday, 14 May
Results of the Retail Entitlement Offer announced to ASX	Wednesday, 19 May
Settlement of Retail Entitlement Offer	Thursday, 20 May
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 21 May
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 24 May

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



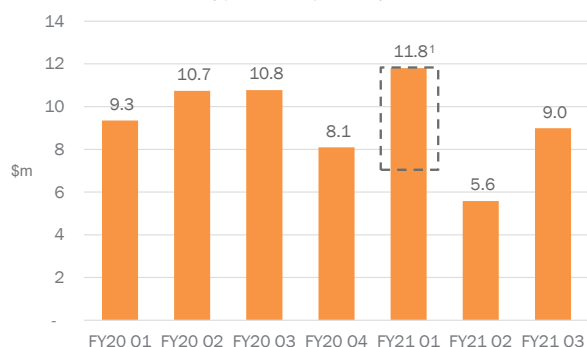
Q3 FY21 Quarterly Activities Report & Appendix 4C

Jake Dingle – CEO, Gerard Buckle - CFO



Q3 FY21: Rebounding from COVID-19 impacts

Quarterly Total Revenue - \$m
(Q1 FY20 - Q3 FY21)



Per wheel	FY21 H1	FY21 Q3	Delta
COGS	\$4,011	\$3,155	▼ \$856 (21% decrease)
Labour hours	43	31	▼ 12 (28% decrease)

Near term target: c.17 hrs p/w

- Strong growth in quarterly revenue to \$9.0m, a 61.2% increase on Q2 FY21. Revenue included \$1.6m in engineering services and tooling revenue for the quarter
- Wheels sales have rebounded strongly in Q3 FY21, with a 58.9% increase over Q2 FY21 to 3,134 wheels sold
- COGS per wheel ("p/w") reduced by \$856 or 21% from H1 FY21 to \$3,155 p/w. This improved COGS was predominantly driven by lower hours p/w and increased production volumes
- The new fascia process and the lift in volume are having a positive impact, with labour hours p/w reducing to 31 hours p/w in Q3 FY21
 - In March, the business has recorded days and weeks in the range of 22 to 27 average hours p/w across all wheels²
 - For an increasing proportion of GT500 wheels, the labour hours are now down to 21 hours p/w. The business is rapidly heading towards its near-term target of circa 17 hour p/w for wheels produced with fascia and on the high pressure moulding line
- Cash balance was \$13.3m at the end of Q3 FY21. Positive net cashflow from operations (including Government grants and working capital reduction) continued with a \$1.2m inflow and a working capital facility of \$7.5m was established in Q3 FY21 to support near-term growth
- FY21 one-off items:
 - The business had anticipated that a proportion of Q4 FY21 revenue growth would be derived from one-off painted wheel sales (addressing pre fascia WIP) and through further increases in off-take of a key customer program. Due to COVID-19 impacts on our customers, these sales are now not expected within FY21, meaning wheel sales volume is likely to be in line with FY20
 - Notwithstanding the potential future sales for painted wheel inventory, a non-cash provision of \$1.5m will be raised for the related work-in-progress inventory. Gross margin is not expected to be positive during H2 FY21 as a result of the lower sales and the inventory provision
 - SG&A will include a one-off cost of \$1.5m of legal and accounting fees related to an internal project

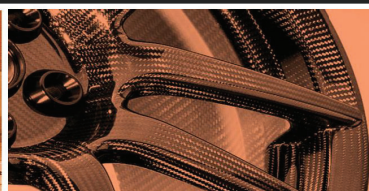
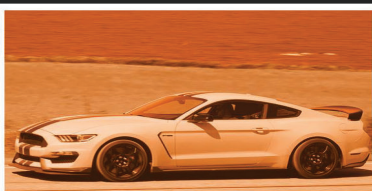
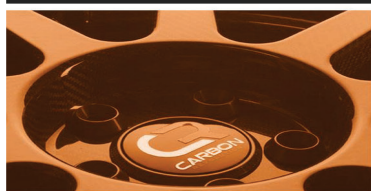


Note:
1. Includes \$1.5m of wheels despatched via sea freight in Q4 FY20, recognised as revenue in Q1 FY21,
as previously discussed
2. Including low pressure and development wheels, typically higher cost wheels

25

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26

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Pro forma statement of financial position

\$ million	As at 31-Dec-20	Impact of the Equity Raising	Pro Forma 31-Dec-20
Cash & cash equivalents	15.4	84.7	100.1
Receivables	4.3	-	4.3
Inventories	22.8	-	22.8
Property, plant & equipment	48.5	-	48.5
Intangibles	20.3	-	20.3
Right of-use asset	9.1	-	9.1
Other assets	1.1	-	1.1
Total assets	121.6	84.7	206.3
Payables	(8.6)	1.1	(7.5)
Deferred income	(6.5)	-	(6.5)
Borrowings	(16.5)	3.5	(13.0)
Lease liability	(9.1)	-	(9.1)
Provisions	(3.5)	-	(3.5)
Total liabilities	(44.2)	4.6	(39.6)
Net assets	77.4	89.3	166.7

- The Pro Forma Statement of Financial Position shows the consolidated position of Carbon Revolution as if the Equity Raising had completed on 31 December 2020
- Carbon Revolution's Statement of Financial Position has been extracted from the 31 December 2020 half year review accounts
- Impact of the Equity Raising reflects the:
 - proceeds from the equity raising of \$95m, net of estimated raising costs (\$5.7m); and
 - repayment of the State of Victoria grant advance including accrued facility fee (\$4.6m)
- No adjustment made to Pro Forma Statement of Financial Position for the Mega-line investment



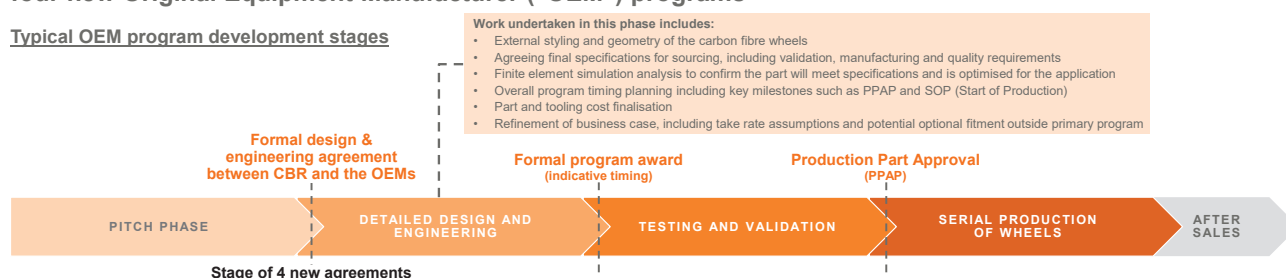
27

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Typical OEM program development stages

Carbon Revolution has secured formal agreements to initiate detailed design and engineering relating to four new Original Equipment Manufacturer ("OEM") programs

Typical OEM program development stages



- Formal design and engineering agreements signed with the OEMs allow Carbon Revolution to initiate work on the detailed program specific design and engineering phase.
- In Carbon Revolution's experience, all program detailed design and engineering agreements of this kind have resulted in a formal award. These new OEM agreements are the standard method of program initiation. These agreements provide a high degree of confidence for formal program award post the detailed design and engineering phase
- Carbon Revolution and the relevant OEM collaborate to estimate the forecast production requirements for each program based on expected vehicle sale volumes and carbon fibre wheel option take up rates throughout all stages
- Upon formal award of the program, Carbon Revolution will have an obligation to have capacity to produce and supply, if requested, a minimum number of wheels for the OEM over a specified period
- These expected new OEM volumes underpin the development of Phase 1 of Mega-line



28

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Specific 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 which are specific to Carbon Revolution and some of which relate to listed securities generally, and all of which are beyond the control of Carbon Revolution. Before investing in New 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), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision. Many of the risks highlighted in this section may be heightened due to the current and potential future impacts of COVID-19.

Topic	Summary
Carbon Revolution may not be able to achieve manufacturing consistency	<ul style="list-style-type: none"> Any inability of Carbon Revolution's manufacturing processes and procedures to consistently deliver the required quantity of wheels at the required quality standards and specification targets and within the required customer timeframes, at the expected cost levels, may result in higher scrap rates, quality issues and/or costs per wheel, or shipping wheels late or not according to customer specifications, which may result in loss of customers, failure to obtain new wheel programs or increased costs for Carbon Revolution, which would negatively impact its financial performance. Shipping wheels late or not according to customer specifications could result in Carbon Revolution being required to pay costs or damages to its customers, or result in negative customer perceptions 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 or retain customers, which would have an adverse impact on its ability to generate revenues.
Carbon Revolution's wheel programs and customers are concentrated and relationships with existing customers may deteriorate	<ul style="list-style-type: none"> Of the 11 programs awarded to Carbon Revolution, Carbon Revolution has only eight awarded customer programs in serial production or yet to enter production (with less than eight OEMs (being Original Equipment Manufacturers)), and losing any one of these may significantly adversely affect its financial performance and prospects. Three awarded programs have completed serial production and are now in run out / after sales support stage. These customers and the wheel programs Carbon Revolution has been awarded are relatively concentrated in terms of customer type and product type (being limited to high performance vehicles and their manufacturers) and geography. As a result, Carbon Revolution is exposed to a range of risks, including of customer failure, or the risk that consumer preferences shift in a way that is unfavourable to Carbon Revolution. Failing to obtain additional wheel programs and attract additional OEM customers from a range of types, geographies and markets will negatively impact on Carbon Revolution's prospects and likely future financial performance. In order for Carbon Revolution to expand the type of customers it sells to and the wheel programs it is awarded, it will be required to reduce its wheel prices so as to open a large addressable market. There is a risk that it will not be able to do so (or do so to the extent expected), or that the demand for carbon fibre wheels is lower than expected, either of which would negatively impact on Carbon Revolution's prospects. A range of factors (including the occurrence of many of the risks outlined in this Appendix A) 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 OEMs to discontinue their relationships or discussions with Carbon Revolution, any of which would negatively impact Carbon Revolution's prospects and financial performance.



Specific risks

Topic	Summary
Carbon Revolution may not be able to execute its Mega-line plans and industrialisation plans generally	<ul style="list-style-type: none"> There is a risk that the Mega-line does not deliver the expected volumes, production efficiencies, product quality or cost reduction benefits forecast by Carbon Revolution, or may take longer or cost more than anticipated to do so, which would adversely affect Carbon Revolution's financial position and performance. This may occur, for example, if: new technology being implemented in conjunction with the Mega-line does not deliver the expected results or benefits, takes longer or costs more than expected to implement, or results in greater product quality issues or production variability issues than expected, if the supplier/s of the equipment does/do not manage the project effectively or consistent with Carbon Revolution's forecasts in relation to the completion of the project; or if the wheel designs demanded by Carbon Revolution's customers for production on the Mega-line are different to the designs assumed by Carbon Revolution, requiring investment in additional equipment for certain production stages of the Mega-line. Associated with this, there is a risk that new and larger volume OEM wheel programs which Carbon Revolution plans to commence production on the Mega-line experience delays or cost overruns due to delays in completing the Mega-line, the Mega-line not performing to expectations or other issues which can be experienced in relation to the installation and commissioning of major equipment projects. Delays could result in cost overruns, or impact customer programs which may result in a reduction in program revenues, contractual claims against Carbon Revolution by customers, or deteriorating relationships with customers. Cost overruns may also result in the Mega-line not delivering the margins Carbon Revolution expects, and as a result negatively impact the financial performance of Carbon Revolution. Carbon Revolution may not have the internal resources or capability, or be able to employ or engage the appropriate capability, required in order to successfully complete the Mega-line project or fully utilise the expected benefits of the Mega-line once commissioned and in production. In particular, the above risks, if they eventuate, would result in Phase 1 of the Mega-line delivering lower than expected returns (in particular, a gross margin (excluding depreciation and allocated overheads) per wheel lower than the assumed rate of \$600-\$800 per wheel), and a longer pay back period than expected (in particular, longer than the expected pay back period of approximately two years after full utilisation). This would in turn negatively impact Carbon Revolution's prospects and financial performance. The pay back period may also be impacted if one or more customers defer the commencement of production on a wheel program. In addition to the completion of the Mega-line, other 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 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 to the extent anticipated, it will have a material adverse impact on Carbon Revolution's performance and prospects. Failure to properly implement new technology may result in Carbon Revolution's products 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.



Specific risks

Topic	Summary
Phase 1 Mega-line formal agreements to initiate detailed design and engineering work may not result in wheel sales	<ul style="list-style-type: none"> The initial Phase 1 Mega-line investment is intended to increase Carbon Revolution's wheel production capacity in anticipation of the award of wheel programs the subject of the 4 new formal agreements to initiate detailed design and engineering work relating to new programs described on slides 7, 9, 10, 28. However, there is a risk that the formal agreements to initiate detailed design and engineering relating to these 4 new OEM programs do not result in awarded wheel programs or that awarded wheel programs do not result in the volumes anticipated. Further, the nature of automotive contracts means that, if wheel programs are awarded, there is no commitment for production wheel orders made by the OEM until production wheel orders are placed. Failure to achieve the wheel sales volumes anticipated would adversely impact the returns on the Mega-line along with Carbon Revolution's financial performance and prospects.
Carbon Revolution's costs may increase as a result of climate change, and other environment and sustainability regulations and standards	<ul style="list-style-type: none"> Carbon Revolution's operations, suppliers, and customers may be directly or indirectly affected by climate change, extreme weather events, and other natural disasters. There has been an increased frequency of natural disasters globally in recent years and it is expected that this trend will continue in the medium to long term. Climate, weather and natural disaster events could lead to an adverse impact on Carbon Revolution's business and operational position. Carbon Revolution's costs may increase as it implements initiatives in response to climate change, either voluntarily or in response to requirements imposed by customers, suppliers or regulators. Suppliers may pass on cost increases directly related to the impact of climate change on their own operations, and Carbon Revolution may not be able to pass these cost increases on to customers via increased wheel prices. Carbon Revolution's costs may also increase as a result of increased taxes or tariffs related to climate change. Changing regulatory requirements or customer, consumer or investor standards and expectations in relation to climate change, sustainability and environmental matters may increase Carbon Revolution's operational and compliance costs, or adversely impact Carbon Revolution's reputation. Carbon Revolution, its suppliers and service providers are required to comply with environmental laws and regulations. The production and transportation of Carbon Revolution's products and other inputs in the production process involve the risk of accidents, spills or contamination. Any of these occurrences could cause harm to the environment, which may lead to disruption in Carbon Revolution's operations and supply chain, regulatory sanctions and remedial costs, any of which could negatively impact Carbon Revolution's operating and financial performance.
Carbon Revolution may not be able to successfully implement product or process change	<ul style="list-style-type: none"> Carbon Revolution aims to implement improvements to its products, new production processes and other innovations, some of which are required in response to customer demands or preferences. Any failure to do so will result in Carbon Revolution failing to realise the expected benefits of any changes (including failure to meet desired wheel specifications), and may result in wasted time and costs, or result in higher scrap rates or costs per wheel. In turn, this may negatively impact Carbon Revolution's operations and products and hence its financial performance and position.



31

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Specific risks

Topic	Summary
Workplace incidents or accidents may occur	<ul style="list-style-type: none"> The manufacturing of Carbon Revolution's wheels involves certain labour-intensive processes, exposure to hazardous chemicals and the use of various machinery and equipment. There may be an incident or accident at Carbon Revolution's facility that results in serious injury or death to employees, contractors or other third parties, or damage to property. The occurrence of any workplace incident may result in a fine imposed by a regulatory authority, an interruption of manufacturing operations, a worker's compensation claim, a work health and safety claim or a damages claim against Carbon Revolution. Such claims or events may also adversely impact Carbon Revolution's business and reputation. In addition, the Phase 1 Mega-line will be a construction project involving the erection of mezzanine structures and the installation and commissioning of heavy equipment, and following installation, the use of new equipment and processes in day-to-day production operations. These activities carry a greater risk to health and safety than standard production operations using existing equipment. Further, safety incidents and near misses can result in delays to project timetables which may impact Carbon Revolution's financial performance and prospects. Employees or other personnel may have mental health issues which may be caused by or exacerbated at the workplace, or may affect work performance.
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 three-year amortising loan with Export Finance Australia (EFA) with a principal amount owing of \$13 million, under which Carbon Revolution must pay EFA quarterly repayments until 11 November 2023. Carbon Revolution is also party to a grant advance arrangement with the State of Victoria, under which Carbon Revolution was provided with an early advance of money payable to Carbon Revolution under a grant agreement of which \$3.5 million plus accrued costs of \$1.1 million are outstanding and are required to be repaid on 30 June 2021. Carbon Revolution also has an up to \$7.5m working capital finance facility, where the outstanding balance will vary with the receivables financed through this facility at any time. Carbon Revolution's ability to raise additional funds if required to meet its operational requirements and repay EFA and 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. Carbon Revolution may also experience difficulties extending or replacing its working capital financing facilities. Carbon Revolution will be required to seek EFA's consent to amend the loan agreement with EFA as a result of the Mega-line investment and required growth in working capital financing, and there is a risk that EFA does not agree to the amendments sought by Carbon Revolution, which may adversely impact on Carbon Revolution's financial performance and prospects or the Company may need to repay the loan in order to increase its working capital financing capacity. Carbon Revolution also has certain loan covenants under the EFA loan agreement, and any failure to meet loan covenant obligations 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.



32

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Specific risks

Topic	Summary
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. 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. Carbon Revolution's competitive position may deteriorate including as a result of deterioration of its relationship with its customers, failure to develop its products or the action of any of its competitors. Competitor actions may include introducing equivalent or better technology, offering better pricing, or otherwise taking market share from Carbon Revolution. Any actions by competitors or the occurrence of other factors resulting in Carbon Revolution failing to maintain product design, manufacturing and performance leadership in the global automotive carbon fibre wheel market may reduce its ability to secure wheel programs or the price at which it sells its wheels, which would in turn adversely affect its ability to generate revenue.
Carbon Revolution's key equipment may fail	<ul style="list-style-type: none"> Loss or failure of key infrastructure or equipment may occur, causing manufacturing down-time and impacting Carbon Revolution's ability to meet customer on-time delivery requirements. Shipping wheels late or failing to ship wheels could result in Carbon Revolution losing revenue and 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.
Concentration of Carbon Revolution's supply chain mix may adversely impact Carbon Revolution's business	<ul style="list-style-type: none"> In some cases, Carbon Revolution sources certain materials from a single supplier and in other cases from a small number of suppliers. There is a risk that Carbon Revolution's production commitments to OEMs are impacted in the event of a supplier failure or supply issues, or that Carbon Revolution has to incur increased costs to secure alternative sources of supply. This risk will be amplified by global or local shocks or other events such as Covid-19. The occurrence of any of these events may adversely impact Carbon Revolution's operations and ability to generate revenue.
Carbon Revolution may not be able to retain key staff, effectively manage its workforce, or attract sufficiently skilled personnel	<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 current enterprise agreement covering Carbon Revolution's production workforce is past 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. Failure to pass costs on will impact Carbon Revolution's financial performance.



Specific risks

Topic	Summary
Carbon Revolution's or a third party's information technology systems may fail or be subject to attack	<ul style="list-style-type: none"> Carbon Revolution relies on its information technology systems to perform key functions critical to its operations. By their nature, Carbon Revolution's information technology systems, as well as those provided to it by third party technology vendors, are vulnerable to damage, interruption or failure from a number of sources, including natural disasters, power losses, computer systems failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic losses of data and similar events, computer viruses, penetration by hackers seeking to disrupt operations or misappropriate information and other breaches of security. Any damage or interruption to, or failure of, Carbon Revolution's information systems or those provided by third party technology vendors could significantly curtail, directly and indirectly, Carbon Revolution's ability to conduct its business, lead to loss of critical or commercially sensitive data or intellectual property and could result in significant costs being incurred, for example to rebuild systems or respond to regulatory inquiries or actions.
Carbon Revolution's products may be exposed to product recall and/or product liability issues	<ul style="list-style-type: none"> Product failures, product recalls or product liability claims brought against Carbon Revolution may result in Carbon Revolution paying damages, an increase in insurance premiums, losing customer programs, not winning new customer programs or reputational harm and could have materially adverse effects on Carbon Revolution's activities, business, operating results, financial position and reputation..
Carbon Revolution may suffer brand and reputational damage, or brand awareness and brand power may not increase as expected	<ul style="list-style-type: none"> There is a risk that the occurrence of events, including many of the risks described in this section, may damage Carbon Revolution's reputation and brand, including through negative publicity, disputes, negative customer experiences, poor product performance, product failures or product recalls. 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. Further, awareness of Carbon Revolution's brand and its products is an important factor for Carbon Revolution to secure new OEM customers and wheel programs, and to improve the rate at which Carbon Revolution's wheels are optioned on OEM vehicles. There is a risk that Carbon Revolution fails to create sufficient awareness and understanding of its products across OEMs, car retailers, and end-consumers, slowing the rate at which Carbon Revolution is awarded wheel programs or the rate at which end consumers option Carbon Revolution wheels on their vehicles. Lack of end-consumer passion for Carbon Revolution's products may also lead to OEMs adopting dual supply strategies (offering more than one carbon fibre wheel on the cars for which Carbon Revolution has a wheel program), increasing pricing pressure and reducing the margins at which Carbon Revolution sells its wheels.



Specific risks

Topic	Summary
Carbon Revolution's operations may be restricted by third party intellectual property rights, or it may be unable to protect its own intellectual property rights	<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 time consuming 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 have a materially adverse effect on Carbon Revolution's activities, business, operating results and financial position. 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. 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.
Risks associated with Global shock and COVID-19	<ul style="list-style-type: none"> There is a risk that global shocks (for example, pandemics, terrorist activity or global or localised recessions or similar) cause a significant reduction in demand from Carbon Revolution's customers (including where a customer is forced to shut down temporally or permanently) or consumer demand for OEM vehicles and hence carbon fibre wheels or otherwise impact Carbon Revolution's operations. In particular, some of Carbon Revolution's customers are located in countries which are heavily impacted by COVID-19. In the event that customers reduce or cease ordering wheels (for example because their factories cease production during lockdowns), this will adversely impact Carbon Revolution's ability to generate revenue. Similarly, disruptions (for example lockdowns in Australia) which cause Carbon Revolution to reduce production of its wheels or cease producing wheels altogether will have a material negative impact on Carbon Revolution's ability to generate revenue. 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.
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.



Specific risks

Topic	Summary
Carbon Revolution may fail to meet forecasts	<ul style="list-style-type: none"> The forward-looking statements, opinions and estimates provided in this presentation, rely on various contingencies and assumptions. Various factors, both known and unknown, may impact upon the performance of Carbon Revolution and cause actual performance to vary significantly from expected results. There can be no guarantee that Carbon Revolution will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate.
Carbon Revolution is subject to fluctuations in financial markets and exchange rates	<ul style="list-style-type: none"> Carbon Revolution incurs the majority of its costs in Australian Dollars. However, a substantial amount of Carbon Revolution's revenues from wheel sales are generated in currencies other than Australian Dollars. Carbon Revolution is subject to adverse exchange movements, particularly, adverse movements in the USD:AUD exchange rate and EUR:AUD exchange rate.
Other risks	<ul style="list-style-type: none"> 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.



Equity Raising risks

Topic	Summary
Equity funding risk	<ul style="list-style-type: none">Carbon Revolution has entered into an underwriting agreement under which UBS AG, Australia Branch (the Sole Underwriter) has agreed to fully underwrite the Equity Raising, subject to the terms and conditions of the underwriting agreement between Carbon Revolution and the Sole Underwriter (Underwriting Agreement). The Sole Underwriter's obligation to underwrite the Equity Raising is conditional on certain customary matters, including Carbon Revolution delivering certain certificates, sign-offs and opinions. If certain events occur, the Sole Underwriter may terminate the underwriting agreement.Termination of the Underwriting Agreement may have a material adverse effect on the price of Carbon Revolution's shares and the success of the Equity Raising, and could have an adverse impact on the amount of proceeds raised under the Equity Raising. In these circumstances, Carbon Revolution would need to utilise alternative funding to meet the near term funding requirements of the Mega-line development, or it may not be able to fund the Mega-line development at all. This would have a materially adversely affect on Carbon Revolution's business prospects and financial condition.
Risk of dilution	<ul style="list-style-type: none">Investors who do not participate in the Equity Raising, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in Carbon Revolution diluted (in addition to the dilution resulting from the Placement). Investors may also have their investment diluted by future capital raisings by Carbon Revolution. Carbon Revolution may issue new shares to finance acquisitions, capital expenditure or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. Carbon Revolution will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short term detriment caused by the potential dilution associated with a capital raising.



Selling restrictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company 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 to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) 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.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.



Underwriting agreement summary

Carbon Revolution has entered into an underwriting agreement with UBS AG, Australia Branch, E&P Corporate Advisory Pty Limited and Bell Potter Securities Limited (the **Joint Lead Managers**) (**Underwriting Agreement**), pursuant to which the Joint Lead Managers are acting as joint lead managers and bookrunners of the Equity Raising, and UBS AG, Australia Branch is acting as sole underwriter of the Equity Raising.

The Underwriting Agreement contains representations and warranties and indemnities in favour of the Joint Lead Managers. A Joint Lead Manager may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of the following events:

- a statement contained in any of the Equity Raising documents is or becomes misleading or deceptive or likely to mislead or deceive, or the Equity Raising documents omit any information they are required to contain (having regard to sections 708AA and 708A of the Corporations Act and any other applicable requirements);
- a Cleansing Notice is defective (within the meaning of section 708A(10) or 708AA(11) of the Corporations Act, as the case may be), or a notice is issued or is required to be issued in accordance with section 708AA(10) or 708A(9) of the Corporations Act to correct a Cleansing Notice under the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);
- ASIC: (i) makes an application for an order under Part 9.5 of the Corporations Act in relation to the Equity Raising or the Equity Raising documents; (ii) commences any investigation or hearing under Part 3 of the *Australian Securities and Investments Commission Act 2001* (Cth) in relation to the Equity Raising or the Equity Raising documents; (iii) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Equity Raising or Carbon Revolution; (iv) makes a determination under section 708A(2) or 708AA(3) of the Corporations Act or advises or indicates that it intends to investigate whether or not to make such a determination; or (v) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, Carbon Revolution or any of its directors, officers, employees or agents in relation to the Equity Raising, unless any of the foregoing are not made public and are withdrawn within two business days or if they occur within two business days of the date of settlement of the Institutional Entitlement Offer and Placement or the Retail Entitlement Offer (as applicable) they have not been withdrawn by the day before the relevant settlement date;
- unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of a Joint Lead Manager have a material adverse effect on the success or settlement of the Equity Raising) by the ASX for official quotation of the new shares is refused, or is not granted on or before the date of allotment of the Institutional Entitlement Offer and Placement or the trading date for the Retail Entitlement Offer (or such later date agreed in writing by the Joint Lead Managers in their absolute discretion) or is subsequently withdrawn, qualified or withheld, or ASX advises Carbon Revolution or its legal advisors that official quotation of the New Shares will not be granted;
- in relation to a certificate required to be given by Carbon Revolution to the Joint Lead Managers in accordance with the Underwriting Agreement: (i) a certificate is not furnished when required to be furnished by Carbon Revolution in accordance with a provision of the Underwriting Agreement; or (ii) a certificate contains a statement which is untrue, incorrect, or misleading or deceptive (including by omission);
- any event specified in the timetable for the Equity Raising: (i) prior to and including the settlement date for the Institutional Entitlement Offer and Placement is delayed by more than one business day; or (ii) after the settlement date for the Institutional Entitlement Offer and Placement, is delayed for more than two business days, in either case without the prior written approval of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed);
- Carbon Revolution ceases to be admitted to the official list of ASX or Carbon Revolution shares are suspended from trading on, or cease to be quoted on, ASX after the date the Institutional Entitlement Offer and Placement opens;
- Carbon Revolution or a related body corporate becomes insolvent or there is an act or omission which, in the reasonable opinion of a Joint Lead Manager, may result in a Carbon Revolution or a related body corporate becoming insolvent;
- Carbon Revolution withdraws the Equity Raising (or any part of it);
- there is an event or occurrence, including any statute, order, rule or regulation, official directive or request (including on compliance with which is in accordance with the general practice of persons to whom the directive or request is addressed) of any government agency which makes it illegal for a Joint Lead Manager to satisfy an obligation under the Underwriting Agreement, or to market, promote or settle the Equity Raising in accordance with the Underwriting Agreement;
- there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Carbon Revolution Group (taken as a whole) from the position fairly disclosed by Carbon Revolution to ASX before the date of the Underwriting Agreement or in the Equity Raising documents;
- a government agency commences proceedings or makes an order (including an interim order) or a declaration in connection with the Equity Raising (or any part of it) or any agreement entered into in respect of the Equity Raising (or any part of it);
- a director of Carbon Revolution: (i) is charged with an indictable offence or any regulatory body commences any public action against the director in his or her capacity as a director of Carbon Revolution or announces that it intends to take any such action; or (ii) is disqualified from managing corporation under sections 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;



39

Not for Distribution or Release in the United States

Underwriting agreement summary (cont.)

- civil or criminal proceedings are brought against Carbon Revolution or any officer of Carbon Revolution in relation to any fraudulent, misleading or deceptive conduct relating to Carbon Revolution whether or not in connection with the Equity Raising;
- at any time prior to 4.00pm on the date of settlement of the Retail Entitlement Offer, the S&P/ASX 200 Index falls to a level that is 87.5% or less of the level as at the close of trading on the business day immediately prior to the date of the Underwriting Agreement and closes at or below that 87.5% level on three consecutive business days, or if it fails to that 87.5% level less than three business days before the date of settlement of the Institutional Entitlement Offer and Placement or the Retail Entitlement Offer, it closes at or below that 87.5% level on each business day before the date of settlement of the Institutional Entitlement Offer and Placement or the Retail Entitlement Offer, as the case may be;
- "a representation or warranty made or given or deemed to have been made or given by Carbon Revolution under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;
- "there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or any new regulation is made under any law, or a government agency adopts a policy (but excludes any law, regulation or policy that is announced prior to the date of the Underwriting Agreement), or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Government Agency that such a law or regulation will be introduced or policy adopted (as the case may be);
- "Carbon Revolution fails to perform or observe any of its obligations under the Underwriting Agreement;
- "hostilities not existing at the date of the Underwriting Agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United Kingdom, the United States of America, Japan, North Korea, South Korea or the People's Republic of China, or a significant terrorist act is perpetrated anywhere in the world;
- "any of the following occurs: (i) a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; (ii) trading in all securities quoted or listed on ASX, the London Stock Exchange, the New York Stock Exchange or the Hong Kong Stock Exchange is suspended or limited in a material respect; or (iii) the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States of America, the United Kingdom, Japan, Hong Kong (Special Administrative Region of the People's Republic of China) or any change or development involving a prospective adverse change in any of those conditions or markets;
- "a change in the CEO, CFO, the Vice President North America or the directors of Carbon Revolution is announced or occurs;
- "the due diligence report prepared in connection with the Equity Raising or any other information supplied by or on behalf of Carbon Revolution to the Joint Lead Managers is or becomes misleading or deceptive or likely to mislead or deceive, whether by omission or otherwise;
- "an obligation arises that would require Carbon Revolution to give ASX a notice under section 708AA(12) of the Corporations Act (as notionally inserted by Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);
- "there is an application to a government agency for an order (including any interim order), declaration or other remedy in connection with the Equity Raising (or any part of it) or any agreement entered into in respect of the Equity Raising (or any part of it); or
- "any of the agreements to initiate detailed design and engineering relating to new OEM programs referred to in this Presentation is amended without the consent of the Joint Lead Managers (such consent not to be unreasonably withheld or delayed).

The ability of a Joint Lead Manager to terminate the Underwriting Agreement in respect of the above termination events denoted with an asterisk (*) will depend on whether the event:

- has, or is likely to have, a material adverse effect on the: (i) ability of the Joint Lead Manager to market, promote or settle the Equity Raising; (ii) success of the Equity Raising; or (iii) likely price at which the New Shares will trade on ASX; or
- leads, or is likely to lead to a reasonable probability of: (i) a contravention by that Joint Lead Manager or that Joint Lead Manager being involved in a contravention of the Corporations Act or any other applicable law; or (ii) a liability for that Joint Lead Manager under the Corporations Act or any other applicable law.

If a Joint Lead Manager terminates its obligations under the Underwriting Agreement, it will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Equity Raising. If Carbon Revolution withdraws the Equity Raising, it will not receive any proceeds. In each of these circumstances, Carbon Revolution would need to utilise alternative funding options to achieve its objectives as described in this Presentation.



40

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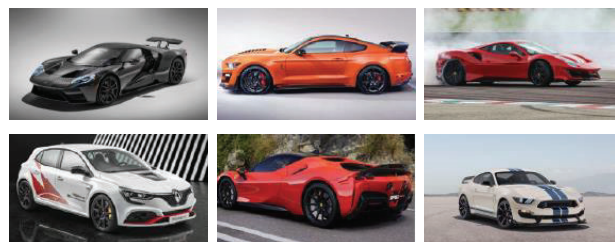
About Carbon Revolution

PERFORMANCE IS EVERYTHING. EFFICIENCY IS EVERYTHING ELSE.

- Established in 2007, Carbon Revolution is an Australian-based global technology company which has successfully innovated, commercialised and industrialised the supply of carbon fibre wheels to the global automotive industry
- The Company was founded with the purpose of bringing a disruptive efficiency technology to all vehicles. Carbon Revolution has progressed from single prototypes to designing and manufacturing wheels for some of the most prestigious brands in the world
- Carbon Revolution designs and manufactures what it believes to be the world's most technically advanced and highest performing wheels on the planet, equal to the most advanced lightweight technologies on any car
- These wheels have potential application across a broad range of transportation industries including automotive, aerospace and industrial uses
- The Company's principal operations, which include its corporate office and manufacturing facilities, are located in Geelong, 75 kilometres from Melbourne, Australia. Carbon Revolution also has a number of team members in North America and Europe, to service current and prospective OEM customers. Currently, there are over 350 staff in the business



Announced programs





CARBON REVOLUTION LIMITED
(ASX: CBR)

ASX & MEDIA RELEASE

26 April 2021

CARBON REVOLUTION SUCCESSFULLY COMPLETES INSTITUTIONAL ENTITLEMENT OFFER AND PLACEMENT

Summary

- \$31.9 million raised in the Institutional Entitlement Offer, with a take up rate of 90.3% by eligible institutional shareholders¹
- \$41.6 million raised through the Placement, which received demand from both existing and new investors
- Retail Entitlement Offer opens Friday, 30 April to raise an additional \$21.5 million
- Proceeds from the Institutional Entitlement Offer and Retail Entitlement Offer and Placement (together the “Equity Raising”) are to fund Phase 1 of the first Mega-line. They are anticipated, together with additional working capital financing arrangements, to provide sufficient funding for Carbon Revolution to reach cash flow breakeven²

Carbon Revolution Limited (ASX: CBR or the “Company”) is pleased to announce today that it has successfully completed the institutional component (“Institutional Entitlement Offer”) of its underwritten 1 for 4.38 accelerated non-renounceable entitlement offer (“Entitlement Offer”) and the underwritten Institutional Placement (“Placement”) that was announced on Friday, 23 April 2021 to raise \$73.5 million at a price of \$1.60 per share.

Chief Executive Officer Jake Dingle said “We are grateful for the support of our institutional shareholders and their participation in the Equity Raising, which provides the funding required to proceed with construction of Phase 1 of the first Mega-line. Phase 1 of Mega-line is expected to provide an additional circa 75,000 wheels per annum capacity and is underpinned by the expected volume from the four new OEM formal agreements to initiate detailed design and engineering. The expected step change in production scale and economics from the Mega-line will support the Company’s pathway towards profitability.

¹ Excludes Ronal AG and Deakin University who did not participate (as foreshadowed in the investor presentation separately lodged with the ASX on Friday, 23 April 2021).

² This excludes funding any capital expenditure for Phase 2 of Mega-line (and associated program-specific tooling and development capex).

“The management team is now focused on executing the Mega-line strategy which in the first instance includes collaborating with our OEM customers on detailed engineering and design work, and successfully delivering on the key milestones of the vehicle programs that relate to these formal agreements. We are also working closely with our project partners to commence sourcing of the Mega-line. The Phase 1 Mega-line construction activities will be carefully coordinated to avoid impacting these programs.”

Institutional Entitlement Offer and Placement

The Institutional Entitlement Offer had a take-up rate by eligible institutional shareholders of 90.3%³.

Under the Institutional Entitlement Offer, Carbon Revolution will issue circa 20.0 million Carbon Revolution fully paid ordinary shares (each a “New Share”) at a price of \$1.60 per share to raise \$31.9 million. Under the Placement, Carbon Revolution will issue circa 26.0 million New Shares, also at a price of \$1.60 per share to raise \$41.6 million.

New Shares issued under the Institutional Entitlement Offer and Placement will rank equally in all respects with existing shares and are expected to be allotted and commence trading on the ASX on a normal settlement basis on Wednesday, 5 May 2021.

Carbon Revolution expects its trading halt to be lifted and Carbon Revolution shares to recommence trading from market open today.

Carbon Revolution confirms that, pursuant to Listing Rule 7.1, the Placement is being undertaken within its existing placement capacity and does not require shareholder approval⁴.

Retail Entitlement Offer

The retail component of the Entitlement Offer (“Retail Entitlement Offer”), which is fully underwritten, is expected to raise a further \$21.5 million. The Retail Entitlement Offer opens on Friday, 30 April 2021 and will close at 5.00pm (Melbourne time) on Friday, 14 May 2021.

Retail shareholders who have a registered address in Australia or New Zealand (“Eligible Retail Shareholders”) will be able to subscribe for 1 New Share for every 4.38 fully paid ordinary shares in Carbon Revolution held as at 7:00pm (Melbourne time) on the Record Date of Tuesday, 27 April 2021, at the Offer price of \$1.60 per New Share.

Under the Retail Entitlement Offer, Eligible Retail Shareholders may apply for additional New Shares in excess of their entitlement up to a maximum of 50% of their entitlement under an oversubscription facility (“Oversubscription Facility”). Additional New Shares will only be available under the Oversubscription Facility to the extent that there are entitlements under the Retail Entitlement Offer that are not taken up by Eligible Retail Shareholders. The scaleback of applications for additional New Shares under the Oversubscription Facility will be subject to the terms set out in the retail offer booklet.

³ Excludes Ronal AG and Deakin University who did not participate (as foreshadowed in the investor presentation separately lodged with the ASX on Friday, 23 April 2021).

⁴ Carbon Revolution obtained a standard waiver from ASX allowing it to calculate its placement capacity having regard to the New Shares to be issued under the Entitlement Offer.

Eligible Retail Shareholders are encouraged to carefully read the retail offer booklet which sets out further details about the Retail Entitlement Offer. Carbon Revolution expects to lodge the retail offer booklet with the ASX and despatch it to Eligible Retail Shareholders on Friday, 30 April 2021. The retail offer booklet will also enclose personalised entitlement and acceptance forms.

Key Dates for the Retail Entitlement Offer

Description	Date
Record Date for determining Entitlements to subscribe for New Shares under the Entitlement Offer	7:00pm (Melbourne time) Tuesday, 27 April 2021
Retail offer booklet despatched and Retail Entitlement Offer opens	Friday, 30 April 2021
Retail Entitlement Offer closes	5:00pm (Melbourne time) Friday, 14 May 2021
Results of the Retail Entitlement Offer announced to ASX	Wednesday, 19 May 2021
Settlement of Retail Entitlement Offer	Thursday, 20 May 2021
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 21 May 2021
Normal trading of New Shares issued under the Retail Entitlement Offer	Monday, 24 May 2021

The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares issued under the Entitlement Offer and the Placement is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable laws, Carbon Revolution reserves the right to amend this timetable at any time, either generally or in particular cases, without notice.

Further Information

Further details of Phase 1 of the Mega-line and the Equity Raising are set out in the investor presentation separately lodged with the ASX on Friday, 23 April 2021. The investor presentation contains important information that shareholders and investors should consider, including details about key risks and international offer restrictions with respect to the Equity Raising.

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Approved for release by the Board of Directors of Carbon Revolution Limited

This announcement may not be distributed or released in the United States.

This announcement is not financial product advice and has not taken into account your objectives, financial situation or needs. This announcement has been prepared for release in Australia. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

This announcement 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 announcement 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. 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 announcement. The forward-looking statements are based on information available to Carbon Revolution as at the date of this announcement. 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.

4 Additional information

4.1 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) have an address on the Carbon Revolution register in Australia or New Zealand;
- (b) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (c) are not Eligible Institutional Shareholders and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Carbon Revolution has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

4.2 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

4.3 Allotment

Carbon Revolution will apply for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, Carbon Revolution will repay all Application Monies (without interest).

Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on Friday, 21 May 2021. Application Monies will be held by Carbon Revolution on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Shares allotted under the Retail Entitlement Offer will commence trading on a normal basis on Monday, 24 May 2021.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

4.4 Reconciliation

In any entitlement offer, investors may believe that they own more Existing Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all eligible Shareholders have the opportunity to receive their full Entitlement.

Carbon Revolution may need to issue a small quantity of additional New Shares to ensure all eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Carbon Revolution also reserves the right to reduce the number of an Entitlement or New Shares allocated to eligible Shareholders or persons claiming to be eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not eligible Shareholders.

4.5 Underwriting arrangements

The Joint Lead Managers are acting as joint lead managers to the Capital Raising. UBS AG, Australia Branch is acting as sole underwriter of the Capital Raising.

Carbon Revolution has entered into an Underwriting Agreement with the Joint Lead Managers in respect of the Capital Raising. Please see pages 39 to 40 of the Investor Presentation set out in Section 3 of this Information Booklet for a summary of the key terms of the Underwriting Agreement.

4.6 Joint Lead Managers

Neither the Joint Lead Managers nor any of their related bodies corporate and affiliates, nor any of their directors, officers, partners, employees, representatives, agents, consultants, partners or advisers have authorised, permitted or caused the issue, despatch or provision of this Information Booklet and they do not take responsibility for any statements made in this Information Booklet or any action taken by you on the basis of such information. The Joint Lead Managers have not authorised, approved or verified any forward-looking statements included in this Information Booklet. To the maximum extent permitted by law, each Joint Lead Manager Party excludes and disclaims all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise, and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this Information Booklet.

The Joint Lead Manager Parties take no responsibility for any part of the Information Booklet or liability (including, without limitation, any liability arising from fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage whatsoever arising from the use of any part of the Information Booklet or otherwise arising in connection with it.

None of the Joint Lead Manager Parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties, express or implied, to you concerning this Entitlement Offer or any such information and you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

4.7 Continuous disclosure

Carbon Revolution is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

Carbon Revolution is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Carbon Revolution has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Carbon Revolution shares. That information is available to the public from ASX.

5 Australian taxation consequences

5.1 General

This section does not constitute financial product advice as defined in the Corporations Act and is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments.

Below is a general summary of the Australian income tax (including capital gains tax (**CGT**)), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are Australian resident individuals, complying superannuation entities, trusts, partnerships and corporate investors and hold their Shares and New Shares, or additional New Shares acquired under the Oversubscription Facility, on capital account.

The comments do not apply to Eligible Retail Shareholders who:

- are not a resident for Australian income tax purposes;
- exempt from Australian income tax;
- hold their Shares and New Shares, or additional New Shares acquired under the Oversubscription Facility, as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading) or acquired their Shares or New Shares for the purpose of resale at a profit;
- are subject to the 'TOFA provisions' in Division 230 of the Income Tax Assessment Act 1997 in relation to the Shares or New Shares, or additional New Shares acquired under the Oversubscription Facility (except as otherwise noted in section 5.7); or
- acquired the Shares in respect of which the Retail Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme.

This summary is general in nature and is not intended to be an authoritative or complete statement of all potential tax implications for each investor or relied upon as tax advice. This summary does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice and should not be relied upon as such. The precise implications of ownership or disposal will depend upon each investor's specific circumstances. Australian tax laws are complex. Eligible Retail Shareholders should seek advice from an appropriate professional adviser in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

The comments below are based on the Australian tax legislation and administrative practice in force as at 9.00am (Melbourne time) on the date of this Information Booklet. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time unless otherwise specified. The comments also do not take into account tax legislation of any country other than Australia.

Carbon Revolution and its officers, employees, taxation advisers or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

5.2 Issue of Entitlement

The issue of the Entitlement should not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

5.3 Exercise of Entitlement and applying for additional New Shares

New Shares will be acquired where an Eligible Retail Shareholder exercises all or part of its Entitlement under the Retail Entitlement Offer. Additional New Shares will be acquired where the Eligible Retail Shareholder acquires additional New Shares under the Oversubscription Facility.

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss at the time of exercising its Entitlement under the Retail Entitlement Offer.

For Australian CGT purposes, New Shares should be taken to have been acquired on the day that an Eligible Retail Shareholder exercises its Entitlement and additional New Shares will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Retail Shareholder under the Oversubscription Facility. The cost base of each New Share should be equal to the Offer Price (plus certain non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring the New Shares).

5.4 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of its Entitlement in accordance with the instructions set out above in Section 2, then that Entitlement will lapse. The Eligible Retail Shareholder will not receive any consideration for an Entitlement that is not taken up. There should be no Australian tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

5.5 Taxation in respect of dividends on New Shares

Any future dividends or other distributions made in respect of New Shares and additional New Shares acquired under the Oversubscription Facility should be subject to the same income taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

It is possible for a dividend to be fully franked, partly franked or unfranked. Franking credits broadly represent the extent to which Australian corporate tax has been attributed to the dividend. It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such things as off-market share buy-backs.

Australian resident individuals and complying superannuation entities

Any dividends paid by Carbon Revolution on a New Share, or additional New Shares acquired under the Oversubscription Facility, will constitute assessable income of an Australian tax resident investor. Australian tax resident investors who are individuals or complying superannuation entities should include the dividend together with any franking credit attached to that dividend in their assessable income in the year the dividend is paid.

Such investors should be entitled to a tax offset equal to the franking credit attached to the dividend. The tax offset can be applied to reduce the tax payable on the investor's taxable income. Where the tax offset exceeds the tax payable on the investor's taxable income, the investor should be entitled to a tax refund equal to the excess.

To the extent that the dividend is unfranked, the investor will generally be taxed at his or her prevailing marginal rate on the dividend received (with no tax offset).

Corporate investors

Corporate investors are required to include both the dividend and any associated franking credit in their assessable income. Corporate investors are then entitled to a tax offset up to the amount of the franking credit attached to the dividend. Excess franking credits received by corporate

investors will not give rise to a refund entitlement for a company, but can be converted into carry forward tax losses instead.

An Australian resident corporate investor should be entitled to a credit in its own franking account to the extent of the franking credits attached to the distribution received. This will allow the corporate investor to pass the franking credits on to its investor(s) on the subsequent payment of franked dividends.

Trusts and partnerships

Investors who are trustees (other than trustees of complying superannuation entities) or partnerships should include both the dividend and any associated franking credit in determining the net income of the trust or partnership.

The relevant beneficiary or partner may be entitled to a tax offset equal to the franking credits included in the beneficiary's or partner's share of the net income of the trust or partnership.

Shares held at risk

The benefit of franking credits can be denied where an investor is not a 'qualified person', in which case the investor will not need to include the amount of the franking credits in their assessable income and will not be entitled to a tax offset.

Broadly, to be a 'qualified person', two tests must be satisfied, namely the holding period rule and the related payment rule.

Under the holding period rule, an investor is required to hold New Shares, and additional New Shares acquired under the Oversubscription Facility, 'at risk' for more than 45 days continuously (which is measured as the period commencing the day after the Shares were acquired and ending on the 45th day after the New Shares become ex-dividend) in order to qualify for franking benefits, including franking credits. This holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed \$5,000.

Under the related payment rule, a different testing period applies where the investor has made, or is under an obligation to make, a related payment in relation to the dividend. The related payment rule requires the investor to have held the New Shares at risk for the continuous 45 day period as above but within the period commencing on the 45th day before, and ending on the 45th day after the day the New Shares become ex-dividend.

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of 'dividend washing' arrangements. Shareholders should consider the impact of these rules given their own personal circumstances.

5.6 Disposal of New Shares or additional New Shares

The disposal of New Shares or additional New Shares acquired under the Oversubscription Facility should constitute a disposal for CGT purposes for most Australian resident investors. Some investors may hold their New Shares or additional New Shares on revenue account, as trading stock, or be subject to the Taxation of Financial Arrangements regime. These investors should seek their own professional advice in respect of the consequences of a disposal of shares.

On disposal of a New Share or additional New Shares acquired under the Oversubscription Facility, an Eligible Retail Shareholder should make a capital gain if the capital proceeds received

on disposal exceed the total cost base of the New Share or additional New Share. An Eligible Retail Shareholder should make a capital loss if the capital proceeds are less than the total reduced cost base of the New Share or additional New Share. In the case of an arm's length on-market sale, the capital proceeds should generally equal the cash proceeds from the sale. The CGT cost base of the New Shares and additional New Shares is broadly the amount paid to acquire the New Shares or additional New Shares plus any transaction/incidental costs.

Where the Eligible Retail Shareholder is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising any capital gain arising from the disposal (in their proportionate shares).

A CGT discount may be applied against any capital gain (after reduction of the capital gain by applicable capital losses) where the Eligible Retail Shareholder which realises the capital gain is an individual, complying superannuation entity or trustee. The CGT discount may be applied in these circumstances, provided that the New Shares or additional New Shares acquired under the Oversubscription Facility have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been satisfied. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50%, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses.

If the Eligible Retail Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. Eligible Retail Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

Capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income. As with capital gains, where the Eligible Retail Shareholder realising the capital loss is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising the capital loss (in their proportionate shares).

5.7 Taxation of Financial Arrangements (TOFA)

The TOFA provisions operate to make assessable or deductible, gains or losses arising from certain financial arrangements. Certain taxpayers (including individuals) are generally excluded from the operation of the TOFA provisions, however they can make an election for it to apply. Shareholders who are subject to TOFA should obtain their own tax advice as the particular implications under TOFA (if any) will depend on their individual circumstances.

5.8 GST

The rights received under the Entitlement as well as the taking up of the New Shares and additional New Shares acquired under the Oversubscription Facility should be classified as an "input taxed financial supply" for Australian GST purposes. Accordingly, Australian GST should not be payable in respect of amounts paid for the acquisition of the New Shares or additional New Shares.

No GST should be payable in respect of dividends paid to Eligible Retail Shareholders.

An Australian resident Eligible Retail Shareholder registered for GST may not be entitled to claim full input tax credits in respect of GST on expenses incurred relating to the acquisition, redemption or disposal of the Shares or New Shares or additional New Shares (e.g. lawyers' and accountants' fees).

Investors should seek their own tax advice on the impact of GST in their own particular circumstances.

5.9 Stamp duty

Stamp duty should not be payable by Eligible Retail Shareholders in respect of receiving rights under the Entitlement, the taking up of New Shares under the Retail Entitlement Offer or additional New Shares under the Oversubscription Facility on the assumption that all acquisitions occur when all of the securities in Carbon Revolution are quoted on the market operated by ASX and no Shareholder (together with interests of associated persons and interests acquired under associated transactions) holds an interest of 90% or more in Carbon Revolution.

5.10 Tax file numbers

An investor is not required to quote their tax file number (**TFN**) to Carbon Revolution. However, if a TFN (or certain exemption details) is not provided, Australian withholding tax may be required to be deducted by Carbon Revolution from dividends at the maximum marginal tax rate plus the Medicare levy. An investor who holds Shares or New Shares as part of an enterprise may quote its Australian Business Number instead of its TFN.

6 Definitions

\$ or cents means Australian dollars or cents.

Applicant means an Eligible Retail Shareholder who has submitted a valid Application.

Application means the arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount payable for the New Shares applied for through BPAY®.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and the securities exchange operated by it.

ASX Announcements means the initial announcement in relation to the Capital Raising released to ASX on Friday, 23 April 2021 and the announcement in relation to the completion of the Institutional Entitlement Offer and Placement released to ASX on Monday, 26 April 2021, incorporated in Section 3 of this Information Booklet.

BPAY means BPAY Pty Ltd (ABN 69 079 137 518).

Business Day has the same meaning as in the Listing Rules.

Capital Raising means the Placement and Entitlement Offer.

Carbon Revolution means Carbon Revolution Limited (ACN 128 274 653).

CGT means capital gains tax.

Closing Date means 5.00pm (Melbourne time) on Friday, 14 May 2021, the day the Retail Entitlement Offer closes.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means the unique Customer Reference Number on the personalised Entitlement and Acceptance Form.

CY mean calendar year.

Eligible Institutional Shareholder means, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Shareholder on the Record Date who:

- (a) is not an Ineligible Institutional Shareholder;
- (b) successfully received an invitation from the Joint Lead Managers to participate in the Institutional Entitlement Offer (either directly or through a nominee); and
- (c) is not in the United States.

Eligible Retail Shareholder has the meaning given in Section 4.1.

Entitlement means the right to subscribe for 1 New Share for every 4.38 Existing Shares held by eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Information Booklet.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Existing Shares means the Shares already on issue on the Record Date.

GST means goods and services tax, as defined in the GST Act.

GST Act means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Ineligible Institutional Shareholder means a Shareholder who is an institutional or sophisticated Shareholder on the Record Date with an address on the Carbon Revolution share register outside the Permitted Jurisdictions or to whom ASX Listing Rule 7.7.1(a) applies.

Ineligible Retail Shareholder means a Shareholder (or beneficial holder of Shares) other than an Eligible Institutional Shareholder, Ineligible Institutional Shareholder or Eligible Retail Shareholder.

Institutional Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer to Eligible Institutional Shareholders.

Information Booklet means this document.

Investor Presentation means the presentation to investors released to ASX on Friday, 23 April 2021, incorporated in Section 3 of this Information Booklet.

Joint Lead Managers means UBS AG, Australia Branch (ABN 47 088 129 613), E&P Corporate Advisory Pty Limited (ABN 21 137 980 520) and Bell Potter Securities Limited (ABN 25 006 390 772).

Joint Lead Manager Parties means each Joint Lead Manager's affiliates, related bodies corporate (as that term is defined in the Corporations Act), and their respective directors, employees, officers, representatives, agents, partners, consultants and advisers.

Listing Rules means the official listing rules of ASX.

New Shares means Shares to be allotted and issued under the Entitlement Offer.

Offer Information Line means 1300 553 490 (within Australia) or +61 1300 553 490 (outside Australia). The Offer Information Line will be answered live and operate between 8.30am and 5.30pm (Melbourne time) on Monday to Friday during the Retail Entitlement Offer period.

Offer Price means \$1.60 per New Share.

Oversubscription Facility means the opportunity for Eligible Retail Shareholders who take up all of their Entitlement to also apply for additional New Shares in excess of their Entitlement, up to an additional 50% of their Entitlement.

Permitted Jurisdiction means Australia, New Zealand, Singapore, Hong Kong, Switzerland and any other jurisdiction as agreed between the Joint Lead Managers and Carbon Revolution.

Placement means the institutional placement to institutional investors that raised approximately \$41.6 million at the Offer Price.

Record Date means 7.00pm (Melbourne time) on Tuesday, 27 April 2021.

Retail Entitlement Offer means the pro rata non-renounceable offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 4.38 Existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of \$1.60 per New Share pursuant to this Information Booklet.

Share means a fully paid ordinary share in the capital of Carbon Revolution.

Share Registry means Link Market Services Limited (ACN 083 214 537).

Shareholder means a holder of Shares.

Timetable means the indicative table set out in the “Key dates” section of this Information Booklet.

Underwriting Agreement means the underwriting agreement between Carbon Revolution and the Joint Lead Managers.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

7 Corporate information

Carbon Revolution

Carbon Revolution Limited
Building NR
Geelong Technology Precinct
75 Pigdons Rd
Waurin Ponds, VIC 3216

Tel: +61 3 5244 5987
www.carbonrev.com

Carbon Revolution Offer Information Line

Australia: 1300 553 490

International: +61 1300 553 490

Open 8.30am to 5.30pm (Melbourne time) on Monday to Friday, before the Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 14 May 2021

Joint Lead Managers

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square
Sydney NSW 2000

E&P Corporate Advisory Pty Limited
Mayfair Building, 171 Collins Street
Melbourne VIC 3000

Bell Potter Securities Limited
Level 29, 101 Collins Street
Melbourne VIC 3000

Legal Adviser

Herbert Smith Freehills
Level 42, 101 Collins Street
Melbourne VIC 3000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000