CARBON REVOLUTION (ASX:CBR)

1H FY23 FINANCIAL RESULTS

28 FEBRUARY 2023

Disclaimer

This presentation is provided by Carbon Revolution Limited ("Carbon Revolution" or the "Company") and comprises written materials/slides for a presentation concerning the Company and its operations and is for general information purposes only.

This presentation is not a disclosure document and should not be considered as investment advice or an offer or invitation to subscribe for, or purchase any securities in Carbon Revolution, or an inducement to make an offer or invitation with respect to such securities. This presentation does not purport to cover all relevant information about any potential investment in Carbon Revolution. Accordingly, potential investors are advised to seek appropriate independent advice, if necessary, to determine the suitability of any investment. This presentation must not be relied on to make an investment or other financial decision and recipients should conduct their own investigations, enquiries and analysis and place no reliance on this presentation in evaluating any potential investment.

This presentation contains certain forward-looking statements which are based on Carbon Revolution's current expectations (as at the date of the presentation) about future events and on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside the control of Carbon Revolution and its directors, officers and advisors. 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. Carbon Revolution undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such statements or to keep current any of the information provided. Any estimates or projections as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgment of Carbon Revolution and there is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material. Carbon Revolution has no obligation to tell recipients if it becomes aware of any inaccuracy in or omission from the information in this presentation.

No representation, warranty or assurance (express or implied) is given or made by Carbon Revolution that the forward-looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Accordingly, to the maximum extent permitted by applicable laws, none of Carbon Revolution or its respective officers, employees and advisers take any responsibility or assumes liability (including in negligence) for the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omissions from, any information, statement or opinion contained in this presentation. All liability whatsoever (including in negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefore, is excluded.

Other than for the pictures of the Carbon Revolution facilities and machinery, the assets featured in the pictures in this presentation are not assets of the Company.
By accepting this presentation, you acknowledge and agree to be bound by each of the foregoing statements.

Authorised for lodgment to ASX by the Board of Directors of Carbon Revolution Limited.

Purpose and Vision

Purpose

To transform the performance and sustainability of the world’s vehicles

Vision

To be the world leader in light weight wheels

Illustrative

Ford Mustang Dark Horse

Summary of Opportunity

- Carbon Revolution provides a compelling solution to the significant mass-related issues faced by the global automotive industry as it moves towards electrification
- Automotive wheel market is massive ($38Bn[1]), with the premium vehicle and electric vehicle ("EV") segments experiencing strong growth[2]
- Adoption curve of new technologies is well established in the automotive industry
- With a strong track record with leading automotive OEMs (14 awarded programs with 5 global OEMs and over 60,000 wheels sold), Carbon Revolution is the clear market leader
- Carbon Revolution's technology (with 94 patents [3]) is highly valuable for EVs given the substantial range increase and the Company is experiencing substantial traction (4 EV wheel programs in development with one of these now formally awarded)
- The Company benefits from strong revenue visibility and a clear path to growth
- Automation investments driving margin expansion, with substantial opportunity to further optimise through investment in lower-cost geographies

(1) Verified Market Research, Global Automotive Wheel Market Size by Rim October 2022.
(2) IEA.org, Global EV Data Explorer as of 11/18/2022.
(3) 62 granted, 32 pending patents.

Capitalising on Electric SUV/Truck Opportunity across Multiple OEMs

Next-Generation Lightweight Solution for Electrification

Trucks and SUVs are now the heart of the global market, representing the key profit pool for OEMs

Automotive industry focused on electrifying SUV platforms

EVs, and especially EV SUV/Trucks, are inherently heavy due to battery weight

Reduce road noise transmission to enable reduction of sound deadeners (further cost and weight reduction)

Opportunity for greater wheel robustness and durability than aluminum

Compelling styling unique from aluminum

The Company has now been awarded its first EV program with several more in development

Highly Positive Program Update

- Company was recently awarded a large North American EV SUV program which was previously in detailed design and engineering
- One engineering program has been modified and is back in the quotation phase

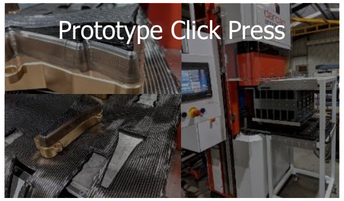
Stage of Program Lifecycle [1]			Programs
Awarded programs in production			**5**
Programs in development	Awarded	**Electric Vehicles**	**1**
		Premium Vehicles	**3**
	Under detailed design and engineering agreement	**Electric Vehicles**	**3**
		Premium Vehicles	**1**
Total Active Programs			**13**
Programs in Aftersales			5
Total Lifetime Programs			**18**

(1) As of February 23, 2023.

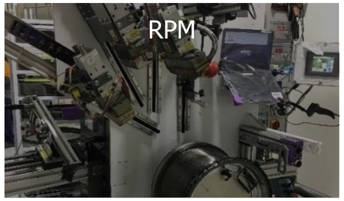
CARBON REVOLUTION

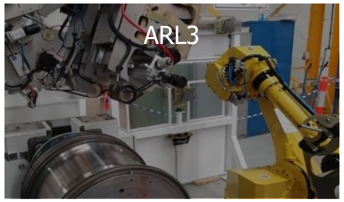
Mega-line Commissioning Tracking Well. Producing Customer Wheels since January 2023

Cutting

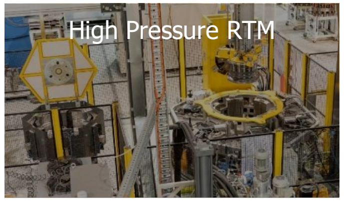


Rim layup





Inj. and moulding



Example Process Evolution

Initial Commercial Production » **Automation of Core Processes** » **Fully Industrialised Production**

- Industrialised and highly automated advanced manufacturing cells which are expected to deliver high volumes with dramatically reduced labour inputs
- Developed by Carbon Revolution and its partners in Australia, deploying state of the art technology
- Commissioning of the first phase of the Mega-line is progressing well. Customer wheels have been in production since January 2023. Additional capacity expected to be added through to 2025
- Securing larger programs is consistent with Carbon Revolution's industrialisation strategy and is underpinned by the Company's strong record of supplying this technology
- Carbon Revolution intends to develop Mega-lines in low-cost countries closer to customer markets to meet the Company's expectation of a significant, long-term growth opportunity

Sales Mix Drives Contribution Margin Growth

Safety favourable to benchmark

- 5.8 lost-time-injury frequency rate (LTIFR) increased from prior period arising from 4 incidents, two of which related to manual handling. Below industry average (1)

Full award of first EV program and increased revenue

- Full award of the Company's first EV program. More in engineering and working through to fully awarded status
- Revenue of $18.0m increased by 2.3%, with wheel revenue up by 4.1% compared to pcp. Corvette sales impacted by customer supply chain constraints – re-ramp occurring currently in 2H FY23
- Average price per wheel increased by 9.5% compared to PCP driven by product mix

EBITDA and operating cashflow

- Positive contribution margin of $1.5m was up 114% compared to PCP from higher wheel prices and stable costs
- Strong focus to improve production processes and drive enhanced contribution margin
- Much improved operating cash flow performance with stronger customer receipts due to sales from the two new Ferrari programs and Corvette programs in late FY22 and grant receipts

Metrics	1H FY23	1H FY22	Change %
Safety – LTIFR(1)	5.8	0	-
Number of Wheels Sold	6,181	6,503	(5.0%)
Revenue ($m)	18.0	17.6	2.3%
Contribution Margin(2) ($m)	1.5	0.7	114%
EBITDA ($m)	(18.5)3	(20.9)	11.5%
Operating cashflow ($m)	5.3	(28.0)	119%

1) LTIFR Lost Time Injury Frequency Rate, per million hours worked. Worksafe Australia manufacturing industry average = 11.1
2) Contribution margin is Wheel Revenue less Direct Costs. Direct costs include: Raw materials and consumables, direct labour, freight and other direct costs
3) Excludes $3.2m of capital raising costs

Consolidated Statement of Comprehensive Income

Revenue growth achieved over prior corresponding period despite customer-supply chain related delay in Corvette ramp up. Ferrari sales almost doubled compared to last half year

Half year contribution margin of $1.5m driven by favourable product mix

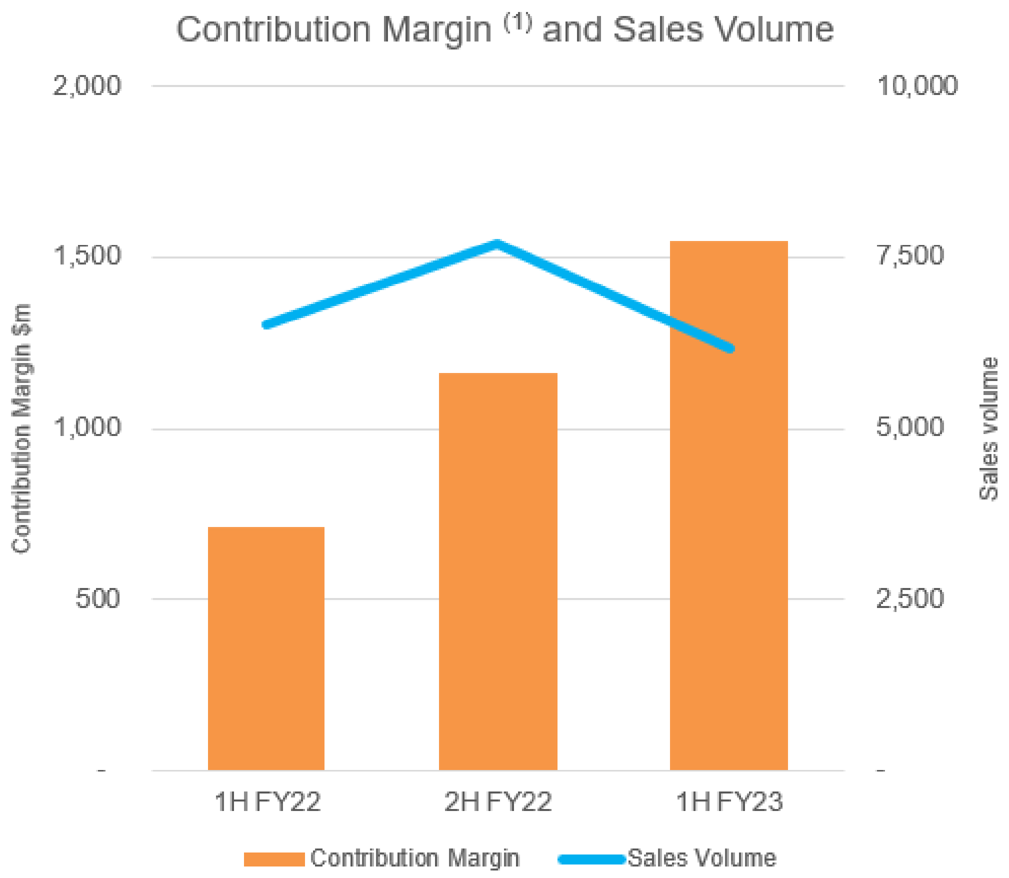
Effective cost control delivers stable expenses

- R&D costs managed to be flat whilst growth underlying activity in new launches and development projects
- SG&A remains flat, despite cost inflationary environment
- Includes non-recurring transaction costs related to the announced merger

Other income increased due to milestone achievement in October of the State of Victoria grant, compared to February last year

Consolidated Statement of Comprehensive Income	1H FY23 $m	1H FY22 $m	*change* %
Total revenue	**18.0**	**17.6**	2.3%
Direct costs	16.5	16.9	-2.4%
Contribution margin	**1.5**	**0.7**	114.3%
Manufacturing overheads & non cash absorbed costs	**9.1**	**8.5**	7.1%
Gross loss	**(7.6)**	**(7.8)**	-2.6%
% of total revenue	**-42%**	**-44%**	
Research and development	**9.1**	**9.0**	1.1%
Selling, General & Admin (excl. one offs)	**9.0**	**9.0**	0.0%
Capital raising transaction costs	**3.3**	**-**	
Total expenses	**21.4**	**18.0**	-18.9%
Other income	**2.5**	**1.7**	47.1%
EBIT	**(26.5)**	**(24.1)**	-10.0%
Net interest expense	**1.0**	**0.7**	42.9%
Loss after tax	**(27.5)**	**(24.8)**	10.9%

Contribution Margin Growth Achieved



	1H FY22	2H FY22	1H FY23
Contribution Margin per Wheel	$109	$150	$250
Avg. Price per Wheel	$2,661	$2,723	$2,914

Higher average wheel price and continued focus on production efficiency offset cost pressures

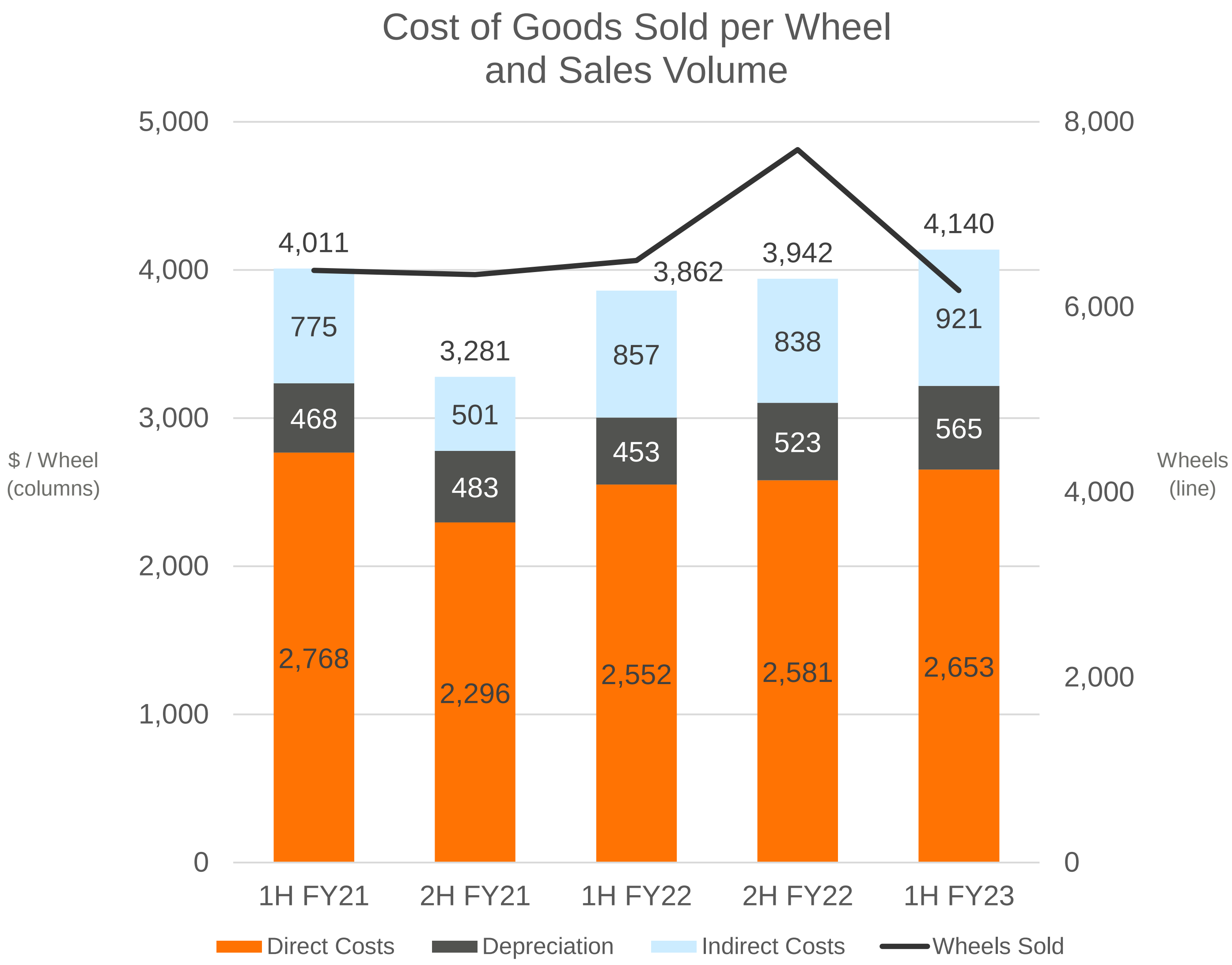
Production mix of wheels strongly weighted to higher cost low pressure moulding, due to pause in Corvette wheel production

Mix of wheels weighted to older technology resulting in higher price and cost per wheel, but with higher margin. Contribution margin improvements in future periods to arise from efficiency and scale benefits

Logistics costs remained elevated during the half, however the international logistics costs appear to be easing early in CY23

1: Contribution margin is Wheel Revenue less Direct Costs. Direct costs include: Raw materials and consumables, direct labour, freight and other direct costs

Operational Efficiencies & COGS Reduction is a Top Priority



Increase in COGS per wheel driven by weighting of wheels on older moulding technology (low pressure)

Reduced production levels in the half impacted COGS

- Direct costs higher due to weighting of more complex wheels and produced on low pressure moulding technology
- Modest raw material increases due to inflation
- Lower volumes impacted labour efficiency and result in a higher fixed cost allocation per wheel

Very few high pressure wheels in 1H FY23 and no Mega-line wheels. Ramp up of Corvette and SUV wheel on high pressure and Mega-line expected in 2H FY23

1: Direct costs include: Raw materials and consumables, direct labour, freight and other direct costs
2: Indirect costs include: Allocated manufacturing overheads, scrap and other allocated indirect costs

Positive Operating Cashflow and Working Capital Reduction

Strong improvement in operating cash flows

- Successful customer initiatives to improve liquidity led to higher customer receipts of $11.5m, lower receivables and improved working capital
- Higher operating grants including grant advances to assist short-term liquidity including MMI grant for $9m in December 2022, which was $4.2m higher than initially expected
- Continued strong cost control focus

Investing cashflows for growth

- Lower investing cash following peak investment in the Mega-line through FY22

Net debt position increased

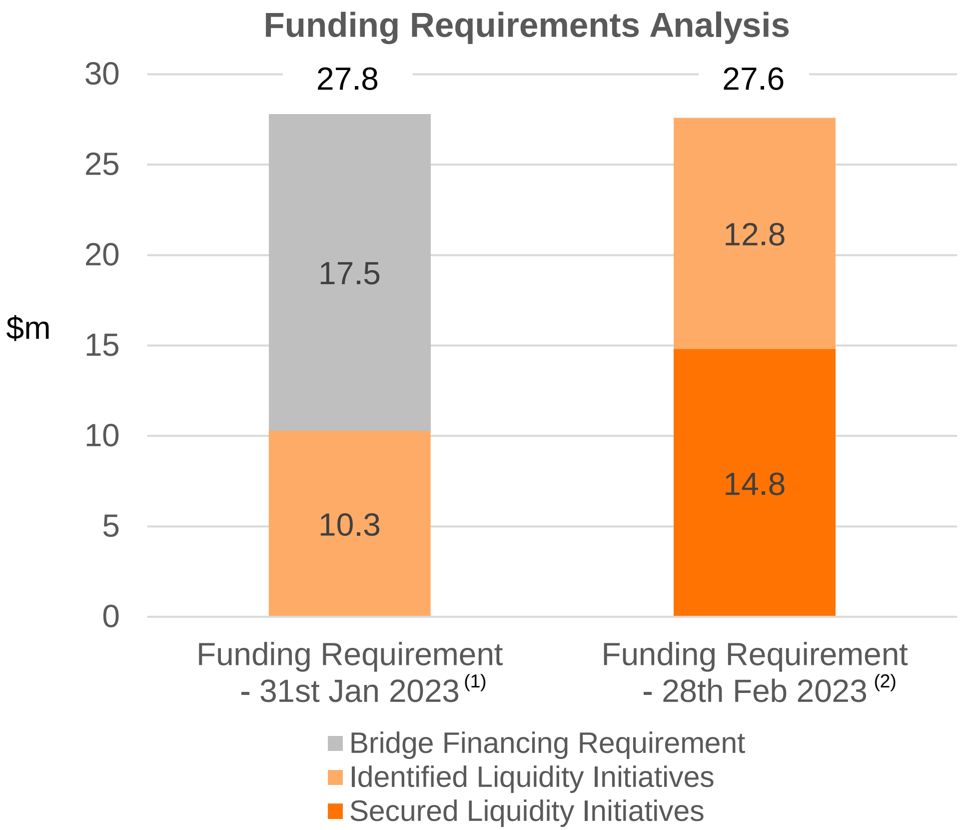
- Small movement in loans and borrowing primarily due to increased usage of supplier financing related to increase in raw materials in anticipation of production restart of Corvette and launch of the SUV wheel
- Net debt increased by $36.7m due primarily to reduction in cash compared to prior corresponding period

	1H FY23	1H FY22	Change
	$m	$m	$m
Cashflow summary			
Net cash from operating activities	5.3	(28.0)	33.3
Net cash used in investing activities	(8.4)	(11.9)	3.5
Net cash from financing activities	(5.8)	0.5	(6.3)
Net cash inflow / (outlfow)	**(8.9)**	**(39.4)**	**30.5**

	1H FY23	1H FY22	Change
	$m	$m	$m
Net Debt Position			
Total loans and borrowings	20.6	17.6	3.0
Less: Cash and cash equivalents	(14.1)	(47.8)	33.7
Net debt/(cash)	**6.5**	**(30.2)**	**36.7**

	1H FY23	1H FY22	Change
	$m	$m	$m
Working Capital			
Receivables	5.7	12.6	(6.9)
Net Contract Asset/ (Liability)	1.2	0.0	1.2
Inventories	20.8	20.4	0.4
Less: Payables	(8.1)	(8.2)	(0.1)
Working Capital	**19.6**	**24.8**	**(5.2)**
Receivables financing	(3.2)	(5.5)	(2.3)
Working Capital adjusted	**16.4**	**19.3**	**(2.9)**

Liquidity & Funding Plan Expected to Bridge to Merger Completion



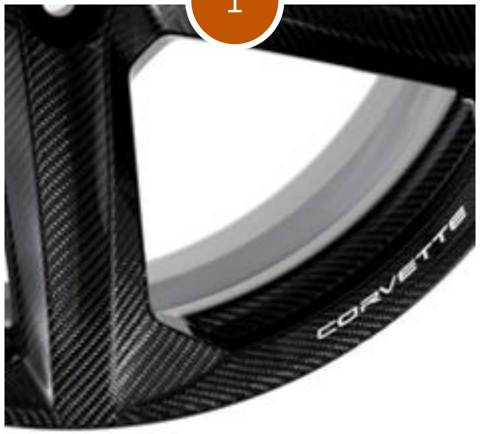
Proposed New Debt Facility[4] of approximately $72m[3] is anticipated to be received late April 2023

Internal Actions	Tightly controlled spending and commitments
Customer Initiatives	Customers supporting with advanced payments involving non-standard terms
Supplier Initiatives	Strong support from key supplier partners with $9.7m of near-term payables deferred until late April / May 2023 at which time they will be repaid from the expected proceeds of the Proposed New Debt Facility
Lender Support	Lenders demonstrating strong support for the business including support of near-term liquidity initiatives
Proposed New Debt Facility[4]	Engaged in due diligence activities on pre-merger re-financing of term debt using intellectual property-backed financing

1) Funding requirement (31st January 2023) is to expected merger completion in June 2023
2) Funding requirement (28th February 2023) is to expected completion of Proposed New Debt Facility in late April 2023
3) Anticipated net cash proceeds, after deduction of upfront interest, fees and other costs, and before re-financing existing term debt
4) Receipt of proceeds under the Proposed New Debt Facility is subject to a number of risks as referred to in the Company's announcement titled "Funding and Liquidity Initiatives Update and Amended Financial Report for FY22" dated 27 February 2023

Summary and Focus for 2H FY23

1



Delivering sales growth from programs in production

- Strong forecast from General Motors for planned production restart for the Corvette Z06 / Z07
- Aligning production with Ferrari requirements
- Commence sales for Premium SUV program

2

Achieving successful launches for programs moving into production

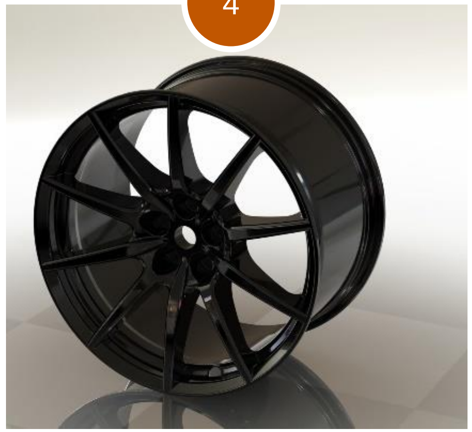
- Production ramp of Premium SUV program has commenced
- Ford Mustang Dark Horse to enter production
- Given Corvette Z06 / Z07 and new program launches, we expect stronger second half sales in FY23

3

Utilising the Mega-line to produce wheels more efficiently

- Complete commissioning of the Phase 1 of the Mega-line. Production wheels being produced
- Ramp up production through the Mega-line
- Increased efficiencies contributing to contribution margin

4



Progressing merger and growth funding

- Customer, supplier and other near-term liquidity and funding initiatives
- Proposed New Debt Facility process
- Progressing merger and growth financing

Summary of Opportunity

Carbon Revolution provides a compelling solution to the significant mass-related issues faced by the global automotive industry as it moves towards electrification

Automotive wheel market is massive ($38Bn[1]), with the premium vehicle and electric vehicle ("EV") segments experiencing strong growth[2]

Adoption curve of new technologies is well established in the automotive industry

With a strong track record with leading automotive OEMs (14 awarded programs with 5 global OEMs and over 60,000 wheels sold), Carbon Revolution is the clear market leader

Carbon Revolution's technology (with 94 patents [3]) is highly valuable for EVs given the substantial range increase and the Company is experiencing substantial traction (4 EV wheel programs in development with one of these now formally awarded)

The Company benefits from strong revenue visibility and a clear path to growth

Automation investments driving margin expansion, with substantial opportunity to further optimise through investment in lower-cost geographies

(1) Verified Market Research, Global Automotive Wheel Market Size by Rim October 2022.
(2) IEA.org, Global EV Data Explorer as of 11/18/2022.
(3) 62 granted, 32 pending patents.

CARBON REVOLUTION (ASX:CBR)

1H FY23 FINANCIAL RESULTS