



Carbon Revolution Limited
Geelong Technology Precinct
75 Pigdons Road
Waurin Ponds, 3216
Australia

ABN: 96 128 274 653



Automotive
TS 16949



Quality
ISO 9001



Environment
ISO 14001



Carbon Revolution (ASX code: CBR) Successful completion of \$25m Placement

Carbon Revolution Limited (ASX: CBR) announced today that it has raised A\$25m through a non-underwritten institutional share placement. The placement was undertaken to position the company as strongly as possible to deal with the impacts on the business associated with the COVID-19 virus outbreak. Carbon Revolution also intends to undertake a non-underwritten share purchase plan capped at A\$3m.

The Board and management team have been monitoring this situation and taking advice in relation to the outbreak to ensure the health and safety of Carbon Revolution's people and to mitigate the potential direct and indirect impacts on the business.

Global automotive supply chains and OEM production activities are now being directly impacted by the COVID-19 virus outbreak. Most recently one of Carbon Revolution's key customers, Ferrari, has announced that it will cease producing vehicles for a two-week period until 27 March 2020.

Following the recent news that the outbreak is now affecting Carbon Revolution's customers directly, combined with the increasing number of cases in Australia the Board has decided to cease recruitment activity related to our plan to increase production volumes, in order to minimise the risks of COVID-19 infections from increased human contact through the recruiting and hiring process. This measure reflects our commitment to the safety of our team and the Board is of the view that it is in the best interests of the business overall.

This decision relating to recruitment will impact the Company's ability to deliver the sales volume included in its FY20 prospectus forecast. The Company now forecasts total revenue for the financial year ended 30 June 2020 to be approximately 87% of the FY20 prospectus forecast, or approximately \$54m. This is a significant reduction but remains a 260% increase on the prior year. The Company now does not expect to become EBITDA positive during FY20 and now forecasts EBIT for FY20 to reduce by approximately \$5m compared to the FY20 prospectus forecast. These forecasts assume:

- customers continue to purchase to plan;
- no negative impacts on supply chain continuity;
- production does not need to stop or be further constrained.

The pro forma net cash position of the Company post the completion of the Placement will be approximately \$50.5 million.

To put the Company in a stronger position to manage through this uncertain period, we have elected to strengthen the Company's balance sheet considerably through this capital raising. This action will enable Carbon Revolution to continue to grow with greater security in relation to funding working capital and securing key raw materials. It will also better position the Company to cope with downside scenarios that may result in temporary slowdowns or stoppages in production due to impacts on our workforce, our customers or our supply chain.

For personal use only



Carbon Revolution Limited
Geelong Technology Precinct
75 Pigdons Road
Waurin Ponds, 3216
Australia

ABN: 96 128 274 653



Automotive
TS 16949

SAI GLOBAL



Quality
ISO 9001

SAI GLOBAL



Environment
ISO 14001

SAI GLOBAL

Chairman James Douglas said “The capital raising has been well supported by existing institutional shareholders whose participation has validated the Board and management team’s prudent and measured response to the current environment. Our primary objective is to keep our workforce safe and to ensure that Carbon Revolution is well positioned to deal with the impacts of the COVID-19 virus. We feel that this approach will give us the best chance of still meeting the needs of Carbon Revolution’s customers while we carefully manage the risks that this virus poses to our team and operations. The Board and management team will continue to monitor the situation closely and act on new information as it comes to hand.”

Subject to the assumptions noted above, the Company expects the wheel production rate for June 2020 to remain broadly in line with the prospectus forecast. The decision to cease recruitment activity should not impact the Company’s ability to deliver on contracted minimum capacity obligations to its OEM customers.

The Carbon Revolution team will continue its strong focus on increasing production efficiencies and bringing forward industrialisation activities that will set the business up well for the FY21 year and beyond.

The situation is constantly evolving and Carbon Revolution will continue monitoring it closely.

DETAILS OF THE INSTITUTIONAL PLACEMENT (PLACEMENT)

The non-underwritten placement of new fully paid ordinary shares in Carbon Revolution (**New Shares**) to existing and new investors will raise A\$25 million.

The Placement has been conducted at \$1.50 per New Share (**Placement Price**).

The Placement will result in approximately 16.7 million New Shares being issued, representing approximately 13.1% of Carbon Revolution’s existing issued capital. The New Shares which will be issued under the Placement will be issued under Carbon Revolution’s ASX Listing Rule 7.1 (15%) capacity.

New Shares issued under the Placement will rank equally with existing Carbon Revolution shares from their date of issue.

The Placement is being managed by E&P Corporate Advisory Pty Ltd and Bell Potter Securities Ltd.

DETAILS OF THE SHARE PURCHASE PLAN (SPP)

Following completion of the Placement, Carbon Revolution will also offer existing eligible shareholders the opportunity to participate in a non-underwritten SPP, subject to an aggregate cap of \$3 million.

Under the SPP, eligible Carbon Revolution shareholders, being shareholders who had a registered address in Australia or New Zealand on Carbon Revolution’s register at 7.00pm (Melbourne time) on

For personal use only



Carbon Revolution Limited
Geelong Technology Precinct
75 Pigdons Road
Waurin Ponds, 3216
Australia

ABN: 96 128 274 653



Automotive
TS 16949

SAI GLOBAL



Quality
ISO 9001

SAI GLOBAL



Environment
ISO 14001

SAI GLOBAL

Tuesday, 17 March 2020, will have the opportunity to apply for up to A\$30,000 of New Shares free of any brokerage, commission and transaction costs. The SPP will be priced at the Placement Price and the scheduled closing date is Wednesday, 15 April 2020.

New Shares issued under the SPP will rank equally with existing Carbon Revolution shares from their date of issue. Full details of the SPP will be set out in the SPP Offer Booklet, which will be released to the ASX and sent to eligible shareholders in due course.

Carbon Revolution shares are expected to resume normal trading on the ASX from market open today (18 March 2020).

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

David Nock
Company Secretary
Carbon Revolution Limited

For personal use only



Carbon Revolution Limited
Geelong Technology Precinct
75 Pigdons Road
Waurin Ponds, 3216
Australia

ABN: 96 128 274 653



Automotive
TS 16949



Quality
ISO 9001



Environment
ISO 14001



KEY DATES FOR THE PLACEMENT AND SPP

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

The above timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares issued under the Placement and the SPP 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, including extending the period for the SPP or accepting late applications, either generally or in particular cases, without notice.

FURTHER INFORMATION

Further details are set out in the investor presentation released to the ASX today. The investor presentation contains important information including details about key risks and international offer restrictions with respect to the Placement.

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

For personal use only



Carbon Revolution Limited
Geelong Technology Precinct
75 Pigdons Road
Waurin Ponds, 3216
Australia

ABN: 96 128 274 653



Automotive
TS 16949

SAI GLOBAL



Quality
ISO 9001

SAI GLOBAL



Environment
ISO 14001

SAI GLOBAL

management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

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

For personal use only