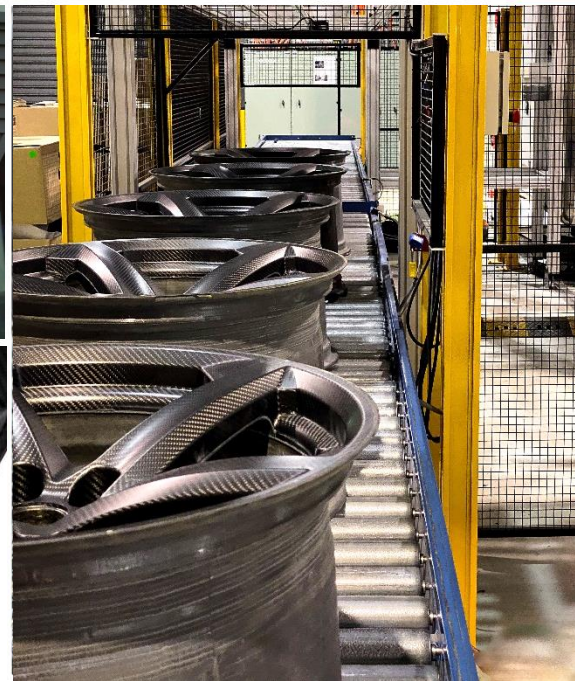
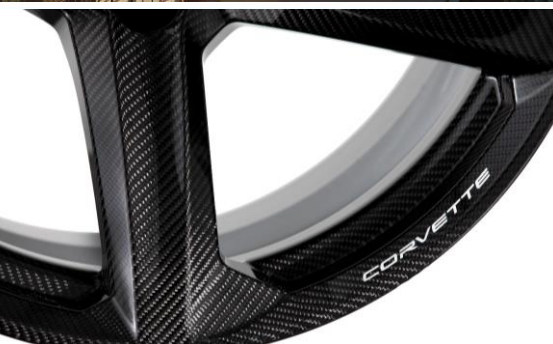


CARBON REVOLUTION (ASX:CBR)

FY22 FINANCIAL RESULTS

29 AUGUST 2022



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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



Why the industry is so excited about carbon fibre wheels



Performance benefits



Fuel efficiency and range extension



Design freedom – size, style and aerodynamics

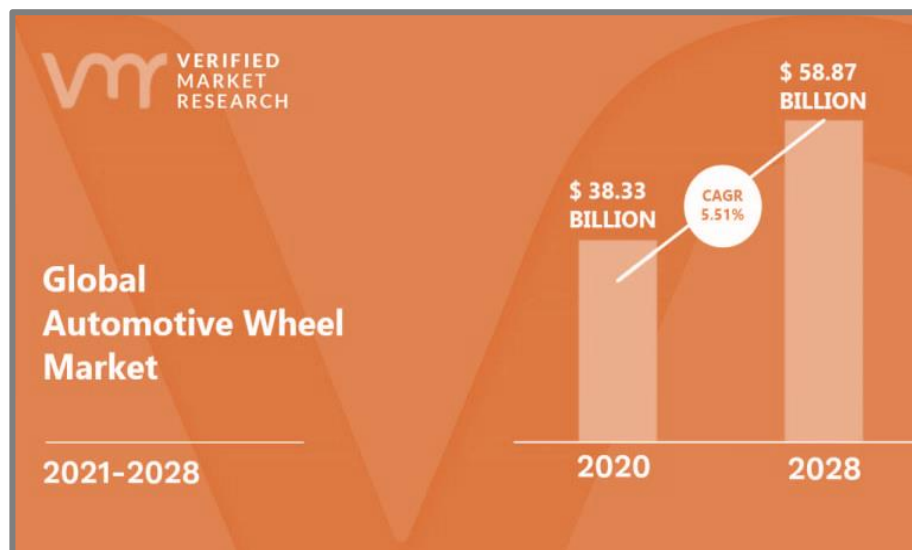
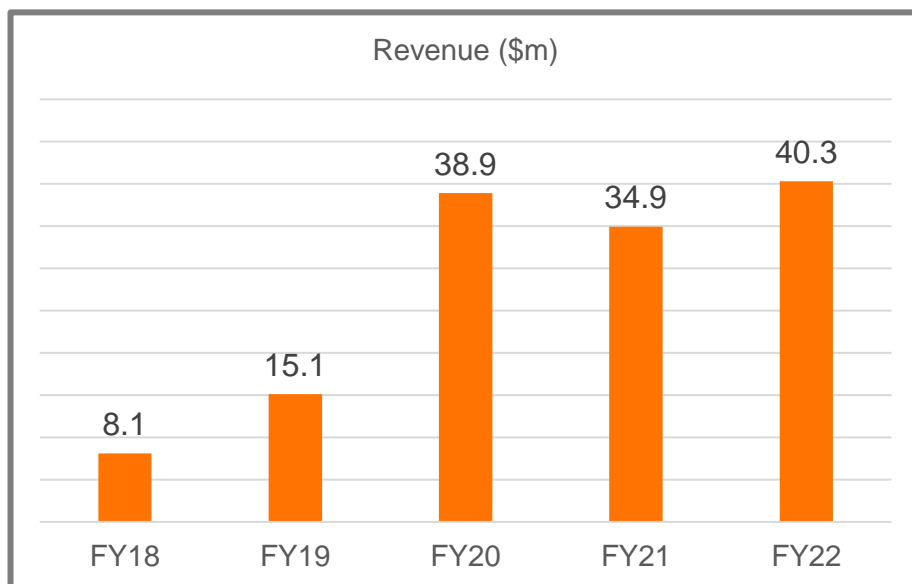


Reduction in road noise

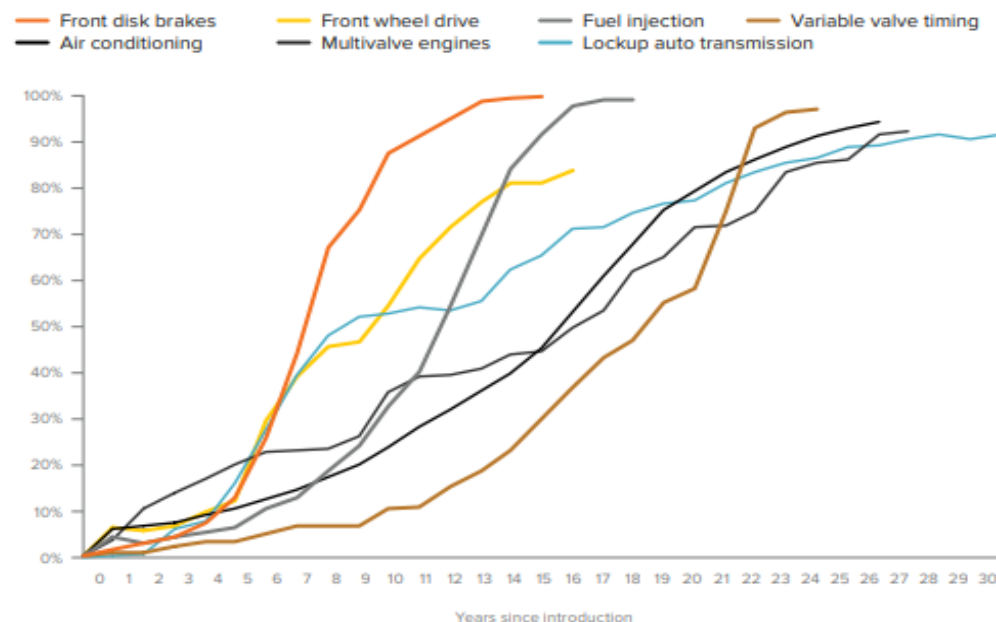
“[The carbon fibre wheel is] much, much stronger than an aluminium wheel.”

“1- to 1.5-second reduction in lap times on a typical 2-minute lap, partly due to their lightness, and partly due to their extraordinary rigidity, which enables tyres and suspension to work more effectively.” Corvette Chief Engineer, Tadge Juechter in October 2021 after the Z06 unveiling

We're a new and disruptive entrant in the global wheel market



Penetration of emerging automotive technologies (% of total potential market)



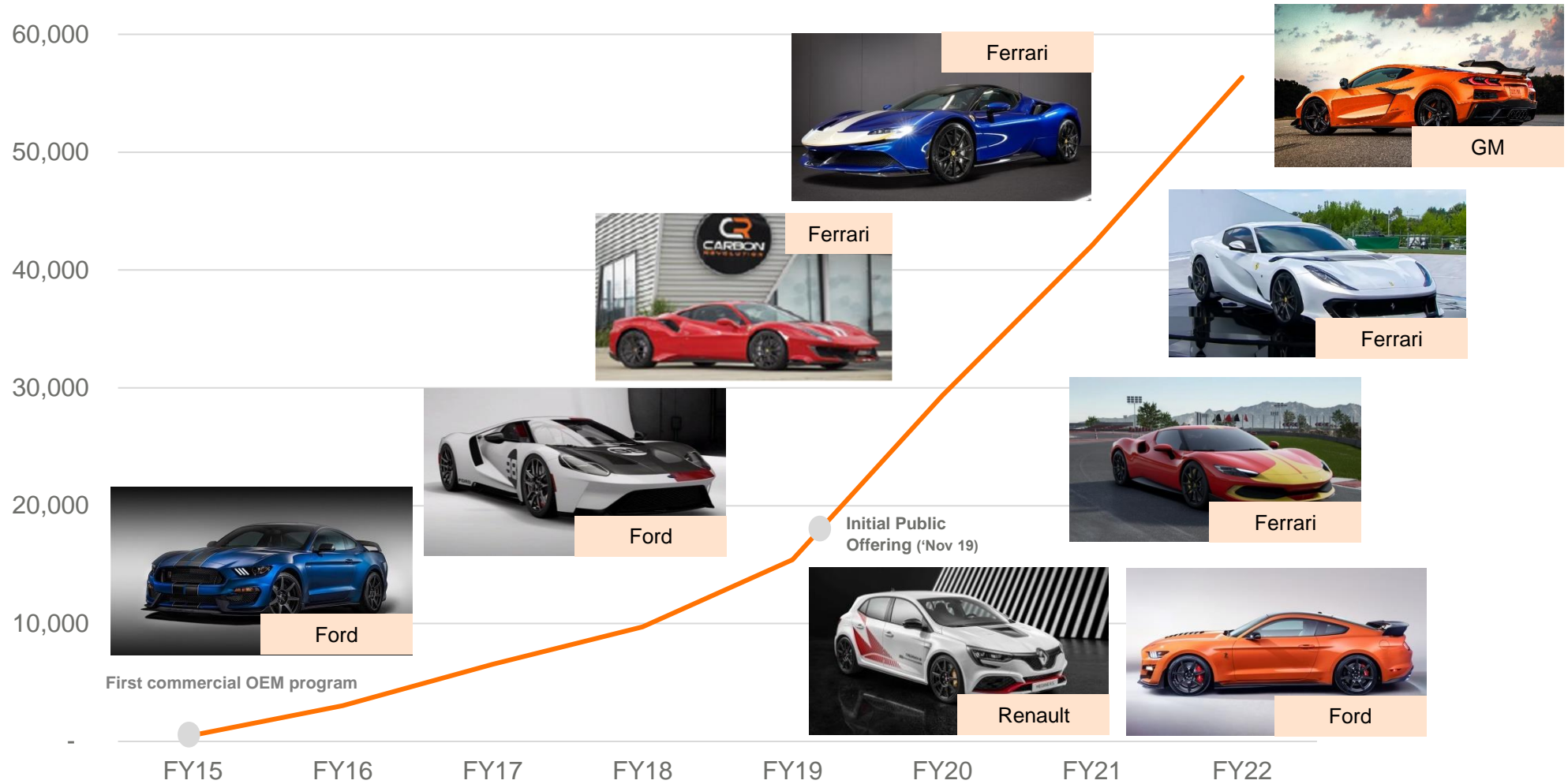
Technology	First year	Years to maturity
Front disk brakes	1960s	14
Front wheel drive	Late 1970s	15
Fuel injection	1980s	15
Variable valve timing	1980s	24
Air conditioning	1960s	26
Multivalve engines	1970s	27
Lockup auto transmission	1970s	30

Source: L.E.K. market study

Note: The size of the total potential market is measured at the point where the technology appears to reach steady state and volumes grow in line with the market.

Strong track record

Almost 60,000 cumulative wheel sales volume¹ with 9 awarded programs announced by OEMs and in the market



Note:

1. Cumulative wheel sales from FY13

Our wheels deliver enormous benefits for EVs, especially SUVs and other large vehicle platforms

- Enormous benefits arise from the 40% - 50% weight saving where it is more important in the vehicle (rotating, unsprung mass). This is an impactful level of mass reduction for car manufacturers
- Our wheels gained initial uptake in the performance segment and are now moving into the premium SUV and large EV segment. A proven pathway to widespread adoption in the automotive market
- As wheel size continues to increase due to consumer preferences, the demand for carbon fibre wheels is expected to accelerate
- Carbon Revolution has a lead over its competitors – no competitor is close to Carbon Revolution and every additional program we deliver is extending the lead – underpinned by a growing intellectual property portfolio



We have good momentum heading into FY23

Record sales and revenue

- Q4 FY22 delivered our highest ever wheel sales
- FY22 revenue; >\$40m for the first time (+15% PcP)

Record active programs

- Launched new Corvette program with strong sales for this in Q4
- Two new programs awarded and two new programs entered engineering agreement
- Includes 4 EV programs

Strong safety record and ESG

- Strong safety performance, finishing the year with a 12-month rolling LTIFR of zero
- Emerging ESG – lifecycle emissions focus and Australian advanced manufacturing partnerships

New production benchmark

- Boxed wheels annualised rate of ~25k in June '22
- The improved production momentum follows resolution of Thermal Barrier Coating (TBC) process and resin quality issue

Production cost focus

- c.\$400 per wheel contribution margin¹ in Q4, demonstrating leverage to volume, with further cost improvements planned
- Tight carbon fibre market and supply chain disruption is bringing raw material cost pressure

Mega-line first production expected Q3 FY23

- Phase 1 has progressed into the first of 3 commissioning stages
- First production is expected in Q3 FY23



Financial Year Summary

Strong safety record

- Zero lost-time-injury frequency rate (LTIFR)
- Outstanding safety performance given the level of new equipment installation and commissioning underway through FY22

Record sales and revenue

- Revenue of \$40.3m increased by 15.5%, driven by strong wheel sales from new programs (1x Corvette, 2x Ferrari)
- Average price per wheel increased by 6.7% helping to offset input price increases

EBITDA and operating cashflow

- Positive contribution margin of \$1.9m and improvement trajectory demonstrates the profit improvement the Company can deliver with volume growth
- Strong focus to improve production processes and drive enhanced contribution margin - TBC performance and resin quality issue are now resolved having added c.\$4.6m of expense during the year
- JobKeeper in prior year results (FY21 \$6.8m)
- Operating cashflows impacted by ramp up in new programs – driving increased receivables at year end and JobKeeper in the pc

Metrics	FY22	FY21	Change %
Safety – LTIFR ¹	0	5.6	100%
Programs in production or development	15	13	15.4%
Number of Wheels Sold	14,205	12,749	11.4%
Revenue (\$m)	40.3	34.9	15.5%
Contribution Margin ² (\$m)	1.9	0.0	-
EBITDA (\$m)	(26.1)	(19.5)	(33.8%)
Operating cashflow (\$m)	(32.2)	(9.3)	(246%)

1 LTIFR Lost Time Injury Frequency Rate, per million hours worked. Worksafe Australia manufacturing industry average = 8.5

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

Long-term sales outlook and pipeline of new programs is very strong

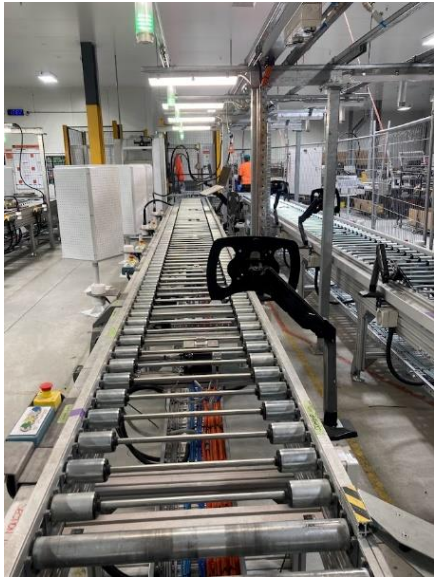
Increase in programs underpin strong growth outlook

- Long-term sales outlook and pipeline for new programs continue to be very strong, with 15 active programs, including two programs awarded this year
- Increase in program quoting and detailed customer enquiries particularly relating to EVs
- First of the four programs that underpin Phase 1 of the Mega-line is expected to enter production during the second half of FY23
- The premium SUV program is set to enter production during FY23
- Ford GT500 (was expected to complete in FY22) and Ford GT program are expected to complete in FY23

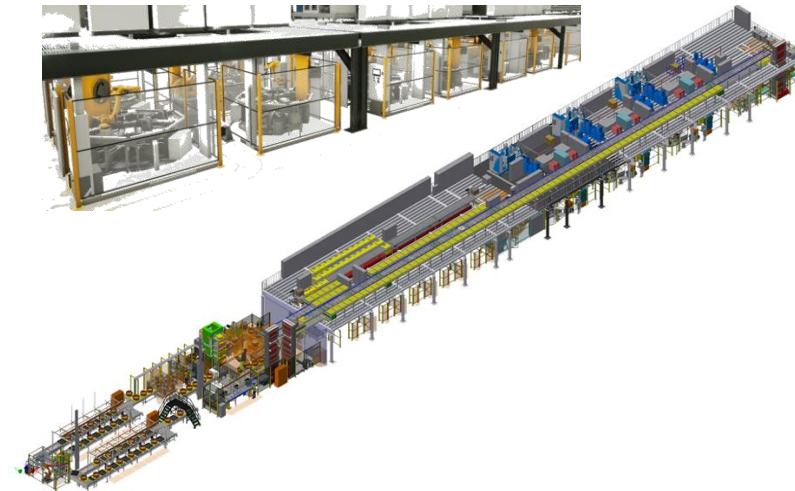
Nine programs in development

Stage of Program Lifecycle (as at 29 August 2022)		Current	This time last year
Awarded programs in production		6	5
Programs in development	Awarded	4	3
	Under detailed design and engineering agreement	5	5
Total		15	13

Mega-line is on track, progressing towards first production



- Phase 1 has progressed into the first of 3 commissioning stages before first production which is expected in Q3 FY23
- Recently the wheel face assembly section was commissioned
- Next is the integration of existing rim-build machines and 2 new high-pressure moulding units
- There are commitments for a further \$6.5m for Phase 1
- Consistent with recent Company updates – the development of the Mega-line is being managed to match forecast customer demand. This results in capital spend being moved into FY24 and FY25



Emerging ESG opportunity

Lifecycle Emissions - A Potential Competitive Advantage

Upstream

- A focus for the composites industry as it expands, including adoption of renewable input sources

Wheel Manufacture

- ISO14001 accredited
- Energy and waste KPIs in place
- Deakin solar micro-grid power supply plan
- Energy efficient processes in pipeline
- Recycled materials usage

Significant In Use Benefits

- Significant benefits during in use phase driven by vehicle efficiency benefits
- Enabler for customer weight savings

End of Life Recycling / Re-use

- A key focus for the global composites industry as it expands
- Driving industry R&D

Strong Australian Partnerships in Advanced Manufacturing

Australian capability

- Established partnerships with leading academic and innovation organisations (eg. Deakin, CSIRO, University of NSW)
- Local equipment partnering on bespoke industrialised equipment (eg. Marand)

Proudly Regional

- Located in the regional city of Geelong, Victoria in the Waurin Ponds advanced manufacturing technology hub
- Strong growth in skilled employment and advanced manufacturing capability in a city with manufacturing heritage

Sustainable

- 100% export with development in Australia
- Supportive and development focused workplace, in particular, women in STEM

Scope 1 and 2 emissions targets will be developed during FY23

Financial Results



Strong revenue growth

Revenue of over \$40m for the first time, an increase of 15%

Wheel sales increased 11.4% due to demand for the Corvette and Ferrari programs

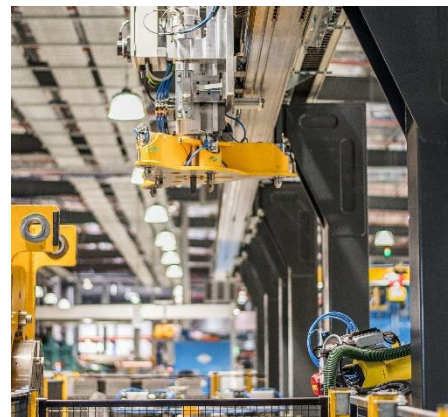
Average price per wheel increased by 6.7%



Q4 production cost improvement

Thermal barrier coating process and resin quality issues that impacted cost are now resolved

Improved processes and higher volumes through the factory delivered a positive contribution margin in Q4



Prudent investment in growth and scale on track

Continued investment in:

- Mega-line project
- R&D spend continues but is confined to contracted wheel programs and future wheel sales, unless the OEM has paid up front for development activities



Cash flow management and focus

Growth in receivables late in FY22 reflects the ramp up in the new Ferrari and Corvette programs

The Company is managing spending very tightly – maintaining an intense focus on the reduction of opex

Strong revenue performance offset by production cost challenges

Revenue up 15.5%, driven by strong wheel sales from new programs (1x Corvette, 2x Ferrari)

Full year contribution margin of \$1.9m driven by strong Q4

One-off production cost challenges mid year now resolved

- TBC performance & resin quality impacted throughput but now resolved (\$4.6m impact)
- Raw materials and supply chain management is bringing cost pressure, in particular, for carbon fibre
- Good progress made in Q4 provides improved baseline heading into FY23

R&D increase driven by a record number of programs in development ahead of future sales. Of the \$5.5m increase, \$3.9m is amortisation of capitalised costs

Strong opex control (SG&A) as the business scales. Other income reduced following JobKeeper completion (\$6.8m)

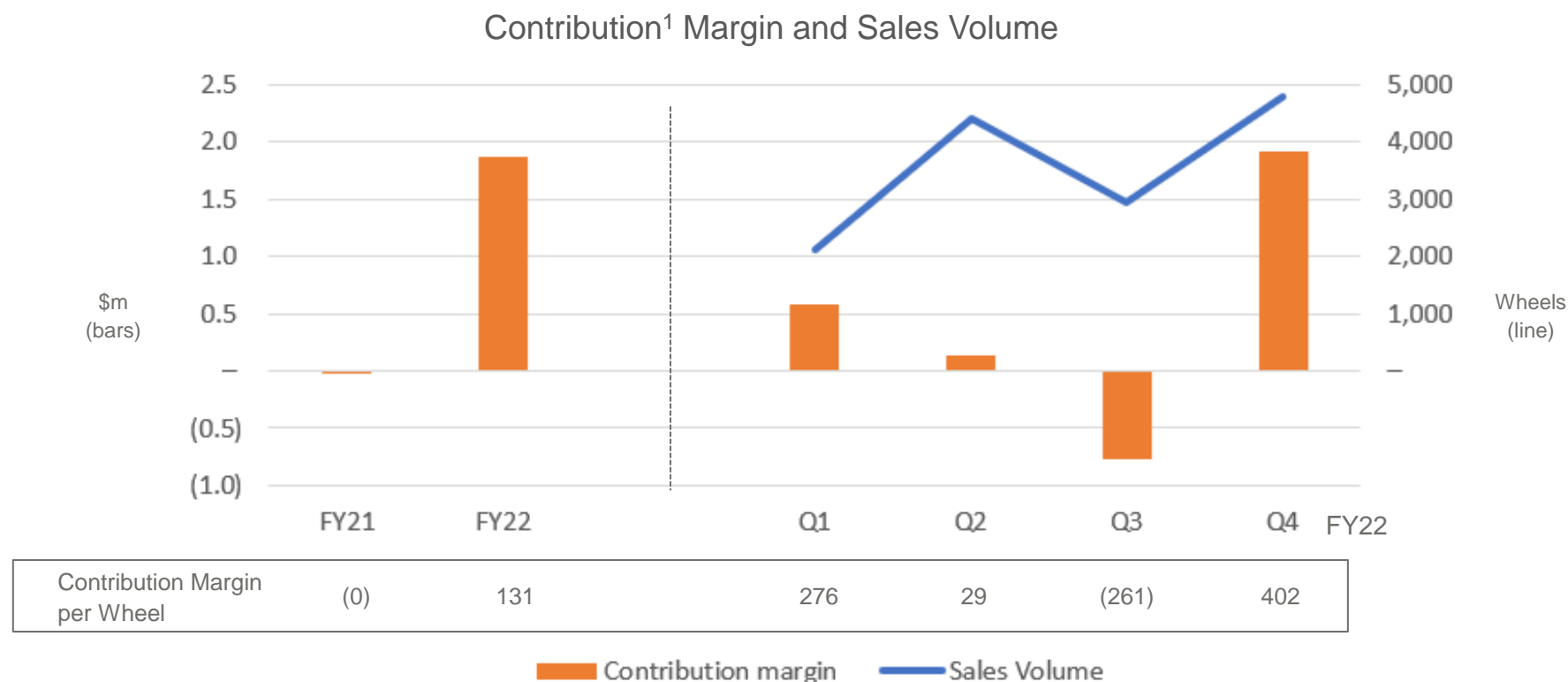
Consolidated Statement of Comprehensive Income	FY22 \$m	FY21 \$m	change \$m
Total revenue	40.3	34.9	5.4
Direct costs	38.5	34.9	(3.5)
Contribution margin	1.9	(0.0)	1.9
Manufacturing overheads & non cash absorbed costs	19.0	14.3	(4.7)
Gross loss	(17.1)	(14.3)	(2.8)
<i>% of total revenue</i>	-42%	-41%	-1.5%
Research and development	12.0	6.5	(5.5)
Selling, General & Admin (excl. one offs)	16.9	17.8	0.9
Total expenses	28.9	24.3	(4.7)
Other income	4.3	10.5	(6.2)
One-off items	-	(2.2)	2.2
EBIT - reported	(41.7)	(30.3)	(11.4)
Net interest expense	1.2	1.6	0.5
Loss after tax	(42.9)	(32.0)	(10.9)

Individual items of income and expense are consistent with statutory information.

Contribution margin is Wheel Revenue less Direct Costs.

Direct costs include: Raw materials and consumables, direct labour, freight and other direct costs

Strong sales drives improved quarterly contribution margin in Q4

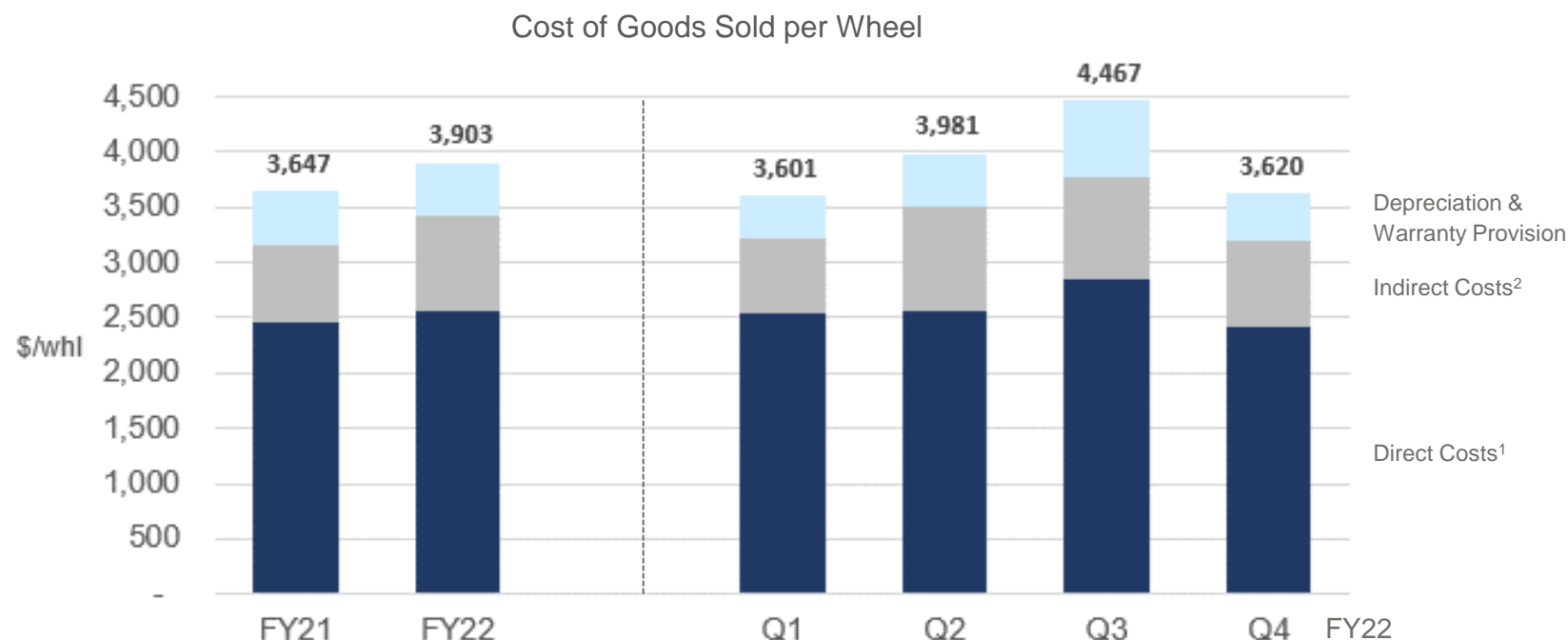


With improved price and reduced direct costs, Q4 returned \$1.9m in direct contribution (c.\$400 per wheel)

- Average price improvement of 6.7% helps offset raw materials price inflation
- Improved direct costs, notwithstanding mix, with resolution of the issues experienced, improved labour productivity and reduced air freight for raw material purchases

Q4 contribution margin demonstrates the business's earnings leverage to volume growth

Delivering operational efficiencies & COGS reduction is a top priority



Direct costs increase of \$111 per wheel from FY21 to FY22 however improvement in Q4 following resolution of issues

- Temporary labour impacts (\$161) primarily during Q2 and Q3 of the year
 - COVID-19 related sick and isolation absences
 - TBC and resin performance impacted labour efficiency in wheel finishing functions (now resolved and throughput improved)
- Higher material (\$74) and freight costs impacted by supply chain disruptions (\$87)

The Company has a strong focus on driving continued improvement in costs

Operating cashflows impacted by working capital build related to new programs. Continued investment in program related growth

Operating cashflows negatively impacted by

- Cash impact of the TBC and resin quality issues experienced during Q2 and Q3 (\$4.6m)
- Ramp up in production of new programs impacting timing of customer receipts in Q4 (\$8.2m receivables growth)
- No JobKeeper payment (\$6.8m)

Investing cashflows for growth

- PP&E investment (\$15.6m) included Mega-line and related tooling
- R&D investment (\$17.3m) in new program development and completion of Diamond Weave technology

Significant increase in working capital (\$7.8m) driven by ramp for new program

- Receivables increased by \$8.2m driven largely by the ramp in new programs
- Receivables financing has not yet increased commensurately as new Corvette wheels not yet financed

	FY22 \$m	FY21 \$m	Change \$m
Cashflow summary			
Net cash used in operating activities	(32.1)	(9.3)	(22.7)
Net cash used in investing activities	(33.0)	(23.9)	(9.0)
Net cash from financing activities	1	87	(85.9)
Net cash inflow / (outflow)	(64.3)	53.4	(117.8)

	FY22 \$m	FY21 \$m	Change \$m
Net Debt Position			
Total loans and borrowings	18.0	16.4	(1.6)
Less: Cash and cash equivalents	(22.7)	(87.3)	(64.6)
Net debt/(cash)	(4.7)	(70.9)	(66.1)

	FY22 \$m	FY21 \$m	Change \$m
Working Capital			
Receivables	20.4	12.2	8.2
Inventories	20.2	18.2	2.0
Less: Payables	(14.5)	(12.1)	(2.3)
Working Capital	26.1	18.3	7.8
Receivables financing	(6.8)	(5.5)	(1.3)
Working Capital adjusted	19.3	12.8	6.5

Short-term and long-term funding alternatives are being pursued

Grant and Debt Funding Opportunities

Carbon Revolution - Funding Table - At 30 June 2022

Facilities In Place	\$m
Cash at bank	22.7
Unused working capital facility	0.7
	<hr/> 23.4
Additional facilities planned in FY23	
MMI Grant (1st tranche)	6.0
Remaining \$4M of EFA Export Line of Credit	4.0
Expanded working capital facility	7.5
Equipment finance leasing	2.5
	<hr/> 20.0
Total current and short term planned liquidity	43.4
MMI (2nd tranche)	6.0
Equipment finance leasing	7.5
Other funding opportunities	13.5
Total planned liquidity and facilities for future utilisation	56.9

Securing \$20m of FY23 new funding facilities is a major focus for management

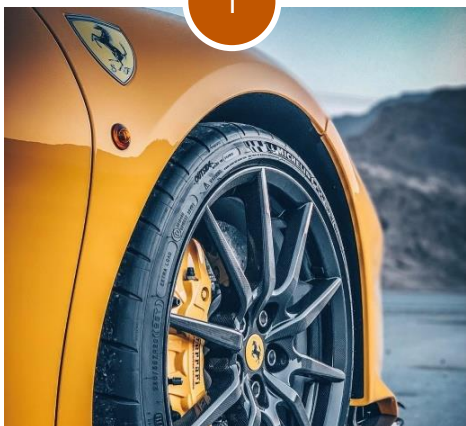
- MMI Grant – awaiting formal documentation. Confirmation now received from Federal Government that the grant will proceed as previously announced
- \$4m ELOC growth hurdles to be met to access this funding
- Working capital finance and leasing – running process to find appropriate provider as working capital requirements increase

Strategic Opportunities

- We have growing demand for our wheels and a clear pathway to profitability. Balance sheet constraints affect our ability to address the growth demands
- We are actively pursuing a range of strategic opportunities including engagement with potential strategic partners that have investment capability and complementary strengths in manufacturing
- These activities are at an early stage and remain confidential. We will provide information as our plans develop

Summary and focus for FY23

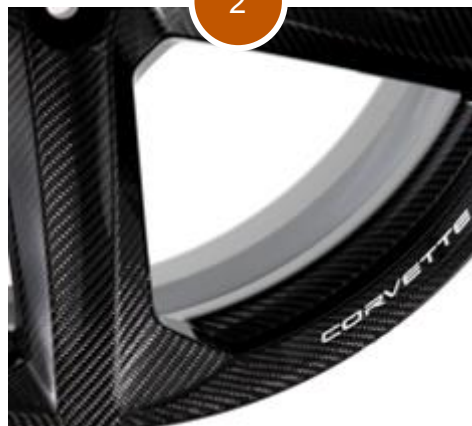
1



Delivering sales growth from programs in production

- Matching supply to GM's planned production ramp for the Corvette Z06 / Z07
- Sustainable increase in Ferrari program production
- Completion of GT500 and GT production

2



Achieving successful launches for programs moving into production

- Premium SUV program
- First Mega-line program
- Given Corvette Z06 / Z07 and new program launches, we expect stronger second half FY23

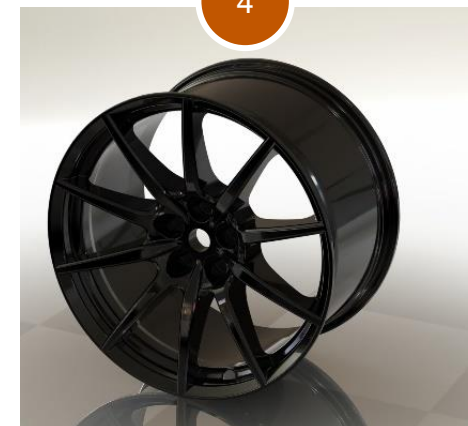
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Utilising Phase 1 of the Mega-line to produce wheels more efficiently

- Complete commissioning of productive assets
- Ramp production through the Mega-line
- Increased contribution per wheel

4



Reducing cash burn and securing additional financing

- Minimise operating and capital spend
- New borrowing facilities
- Securing appropriate short and long-term funding

Compelling Market Position

Demonstrated Value Proposition



Carbon fibre wheels make cars lighter, faster, quieter and more efficient. A compelling business proposition for car manufacturers

Global Leader



Commercial adoption of CR wheels across numerous major OEMs and models. Demonstrated track record – almost 60,000 wheels sold to date

Large and Growing Market



Addressable market is enormous. Carbon fibre wheels are emerging as an enabler to larger wheel sizes which are becoming increasingly popular

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

Clear Industrialisation Pathway



Industrialisation pathway is clear and progressing well. Mega-line supported by market demand, particularly from EV and larger wheel segments.

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FY22 FINANCIAL RESULTS

