



NOVONIX

► Quarterly Activities Report

July – September 2022



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Industry and Market Data

This Presentation contains estimates and information concerning our industry and our business, including estimated market size and projected growth rates of the markets for our products. Unless otherwise expressly stated, we obtained this industry, business, market, and other information from reports, research surveys, studies and similar data prepared by third parties, industry, and general publications, government data and similar sources. This Presentation also includes certain information and data that is derived from internal research. While we believe that our internal research is reliable, such research has not been verified by any third party.

Estimates and information concerning our industry and our business involve a number of assumptions and limitations. Although we are responsible for all of the disclosure contained in this Presentation and we believe the third-party market position, market opportunity and market size data included in this Presentation are reliable, we have not independently verified the accuracy or completeness of this third-party data. Information that is based on projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, which could cause results to differ materially from those expressed in these publications and reports.

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NOVONIX Investment Highlights



Our proprietary process technology and capabilities across the value chain drive innovation and commercial opportunities



We develop and supply industry leading battery testing equipment



We are the largest and fastest growing US based supplier of battery grade synthetic graphite with a GWh-scale contract with KORE Power



Our offerings are directly compatible with today's installed and planned battery manufacturing technology



Demand for our technologies underpinned by exponential growth in EV sales and energy storage demand over the next decade and beyond



We have a clear path to profitability with global tier 1 customer base



Our leadership team is highly credentialed, continuing to successfully execute growth agenda

NOVONIX Notable Milestones



09 Aug 2021: Phillips 66 announced US\$150m strategic investment in NOVONIX, advancing NOVONIX's production of synthetic graphite for high-performance lithium-ion batteries.



19 Jan 2022: Phillips 66 and NOVONIX sign Technology Development Agreement to advance the production and commercialization of anode materials for lithium-ion batteries.



01 Feb 2022: American Depository Receipts commenced trading on the Nasdaq and celebrated the milestone by ringing the Closing Bell.



6 June 2022: NOVONIX and Emera Technologies launch the first microgrid battery prototype for customer testing. The prototype unit will be part of an advanced microgrid energy storage system.



19 Oct 2022: Recipient of US\$150 million in DOE grant funding to support build-out of NOVONIX's next 30,000 tonne synthetic graphite manufacturing facility.



August 2021

Today



23 Nov 2021: Ceremonial opening of NOVONIX's new Riverside facility attended by US Secretary of Energy, Jennifer Granholm.



31 Jan 2022: Executed supply and investment agreements for ~12,000 tonnes with US-based KORE Power to advance and strengthen the domestic lithium-ion battery supply chain.



29 Jun 2022: Announced final results of a Life Cycle Assessment (LCA) conducted by Minviro, demonstrating NOVONIX's GX-23 synthetic anode graphite provides an approximate 60% decrease in global warming potential relative to conventional anode grades.



7 Oct 2022: NOVONIX Institute of Advanced Battery Technology is launched with Hamilton County Schools in Chattanooga, TN. It provides students with the skills and knowledge they need to succeed in the battery industry.

U.S. Legislation is Providing Direct Support to NOVONIX's Business Plan

IRA Tax Credits & Consumer Credit

- **Inflation Reduction Act of 2022 ("IRA") includes an estimated \$369 billion in investments** related to "climate change and energy security", including tax and other incentives to promote US production of electric vehicles ("EVs"), renewable energy technologies, and critical minerals, representing the "**single biggest climate investment in U.S. history**", according to Senator Chuck Schumer.
- The IRA includes several provisions aimed at bolstering domestic and regional production of critical minerals. These include:
 - **\$7,500 federal consumer tax credit, starting in 2023 based on the origin of materials and localization of manufacturing**
 - New "advanced manufacturing" and production tax credits
 - \$500 million appropriation for "enhanced" use of the Defense Production Act economic support under banner of national security
 - \$40 billion authorized for loan guarantees under Title XVII of the Energy Policy Act of 2005

Section 301 Tariffs

- From the Trade Act of 1974, if taken off suspension, would see tariffs imposed on foreign imports of graphite to help remove unfair market distortions imposed by China's anticompetitive behaviors and size advantage in the battery materials sector.
- **Includes a 25% tariff on artificial graphite imported from China.** A waiver was applied to this material which is due to expire at the end of this year.
- A determination by the administration is anticipated after the mid-term election next month.

DOE Loans

- DOE Loan Program Office (LPO) has \$15.1 billion in loan authority to support the manufacture of eligible light-duty vehicles and qualifying components under the Advanced Technology Vehicles Manufacturing Loan Program (ATVM), authorized by the Energy Independence and Security Act of 2007, providing debt capital at U.S. Treasury rates.

NOVONIX Selected as Recipient of US\$150 million in DOE Grant Funding

Department of Energy Grant Funding

- A total of \$7 billion in grant funding under President Biden's Bipartisan Infrastructure Law (BIL) has been appropriated to strengthen the North American battery supply chain amidst surging demand and growing calls to onshore these critical industries
- On October 19, 2022, \$2.8 billion was provided by DOE's Office of Manufacturing and Energy Supply Chains (MESC) in collaboration with the Office of Energy Efficiency and Renewable Energy (EERE), authorized by last year's BIL to boost domestic battery manufacturing and supply chains
- US\$150 million Department of Energy (DOE) grant funding was awarded to NOVONIX to expand NAM's domestic production of high-performance, synthetic graphite anode materials – one of 21 winners across 12 categories
- Specifically, the grant funds will be dedicated to the Company's construction of a 30,000 tonnes per annum (tpa) U.S. manufacturing facility, including site selection, plant layout, and engineering design with capability for additional expansion



Wednesday, October 19, 2022, DOE announced that NOVONIX was selected to enter negotiations to receive US\$150 Million in grant funding to support a 30,000 tonnes per annum (tpa) synthetic graphite U.S. manufacturing facility

Corporate Activities

July – September 2022

- CEO, Chris Burns and CFO, Nick Liveris participated in the Evercore ISI Global Clean Energy & Transition Technologies Summit – 15 June 2022
- 2022 Annual Report to Shareholders released – 31 August 2022
- Attended The Battery Show in Novi, Michigan and launched the new 10 AMP Ultra-high Precision Coulometry Module – 12 September 2022
- CEO, Chris Burns and CFO, Nick Liveris attended the Wolfe Research Utilities, Midstream & Clean Energy Conference – 28 September 2022
- Management continues to assess opportunities to develop the Mt. Dromedary high grade graphite deposit asset located in Northern Queensland, Australia
- Cash balance as of 30 September 2022: 181.772 million AUD

Post Quarter Events:

- NOVONIX featured in OTC Markets Community Spotlight – October 2022
- DOE announced that NOVONIX was selected to enter negotiations to receive US\$150 Million in grant funding to support a 30,000 tonnes per annum (tpa) synthetic graphite U.S. manufacturing facility – 19 October 2022
- NOVONIX announced the appointment of Daniel Akerson and Ron Edmonds to Board of Directors – 26 October 2022

NOVONIX Anode Materials Activities

July – September 2022

- Complete full furnace and mill equipment installation in Corporate Place Tennessee to support anode material mass production and qualification
- Launched the NOVONIX Institute of Advanced Battery Materials in partnership with Hamilton County Future Ready Institute, Tennessee
 - Provides career-focused learning aimed at equipping students with the skills and knowledge they need to succeed in the battery industry and other STEM innovation fields.
- Hosted and conducted a tour with Congressman Ro Khanna at Riverside facility.
- NOVONIX participated in Electric Vehicle Market panel hosted by Tennessee Valley Authority.
- Continuing engagements with Samsung SDI and Sanyo, and other tier 1 cell and automotive manufacturers for capacity planning in next production facility

Post Quarter Event:

- DOE announced that NOVONIX Anode Material was selected to enter negotiations to receive US\$150 Million in grant funding to support a 30,000 tonnes per annum (tpa) synthetic graphite U.S. manufacturing facility – 19 October 2022

Battery Technology Solutions (BTS) and Cathode Activities

Battery Technology Solutions Activities

- Completed year on target for growth in hardware sales and service revenue
- Continued to grow key customer accounts and add new strategic accounts
- Shipped first Microgrid Energy Storage System prototype system out testing with Emera before potential field testing
- Launched a new 10 Amp Ultra High Precision Cycler system showcased at The Battery Show (September)

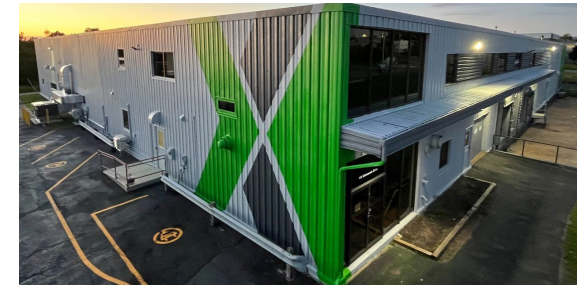


Cathode Synthesis Technology Activities

- Expanding internal cathode development team and capabilities
- Continued progress development internally and collaboratively with Dr. Obrovac's group at Dalhousie pursuing new IP
- Completed installation of analytical lab to support full analysis of materials on-site
- Continued focus on high nickel and cobalt free materials benchmarking to industry leading materials
- Began installation for all key equipment to support 10 tonnes per year pilot line to be commissioned by December 2022

Post Quarter Event:

- Hosting Grand Opening event of location November 8th, 2022 with Canadian Provincial Premier Tim Houston to attend



Contact Information

NOVONIX Anode Materials

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353 Corporate Place, Chattanooga, TN, 37419, USA



NOVONIX Battery Technology Solutions

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110 Simmonds Drive, Dartmouth, NS B3B 1N9, Canada



Send all investor queries to: ir@novonixgroup.com

This announcement has been authorized for release by NOVONIX Chairman, Admiral Robert J. Natter, USN Ret

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

NOVONIX LIMITED

ABN

54 157 690 830

Quarter ended ("current quarter")

30 SEPTEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,809	2,809
1.2 Payments for		
(a) research and development	(2,142)	(2,142)
(b) product manufacturing and operating costs	(1,117)	(1,117)
(c) advertising and marketing	(367)	(367)
(d) leased assets	-	-
(e) staff costs	(8,785)	(8,785)
(f) administration and corporate costs	(3,634)	(3,634)
1.3 Dividends received (see note 3)		-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(662)	(662)
1.6 Income taxes paid		-
1.7 Government grants and tax incentives	78	78
1.8 Other (provide details if material)	8	8
1.9 Net cash from / (used in) operating activities	(13,812)	(13,812)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(20,192)	(20,192)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(16)	(16)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Refunds / (payments for security deposits)	986	986
2.6	Net cash from / (used in) investing activities	(19,222)	(19,222)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	18	18
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10)	(10)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(329)	(329)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(121)	(121)
3.10	Net cash from / (used in) financing activities	(442)	(442)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	207,084	207,084
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(13,812)	(13,812)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(19,222)	(19,222)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(442)	(442)
4.5	Effect of movement in exchange rates on cash held	8,164	8,164
4.6	Cash and cash equivalents at end of period	181,772	181,772

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	171,772	197,084
5.2 Call deposits	10,000	10,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	181,772	207,084

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	907
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Payments to related parties (directors and Nick Liveris) includes director fees, salary and wages, bonuses and superannuation.</p>	

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	60,333	58,124
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	60,333	58,124
7.5	Unused financing facilities available at quarter end		2,209
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <ul style="list-style-type: none"> • Loan facility with BDC for CAD\$2,680,000 secured by first mortgage over the group's freehold land and buildings. The facility is repayable in monthly instalments ending 15 September 2044. Interest rate is variable and is currently 6.55%. As at 30 September 2022 the facility has been fully drawn down. • On 28 May 2021, the Group purchased commercial land and buildings in Nova Scotia, Canada for CAD\$3,550,000 from which the Cathode business will operate. The Group entered into a loan facility with BDC to purchase the land and buildings. The total available amount under the facility is CAD \$4,985,000 and it has been drawn down to CAD\$4,923,000 as at 30 September 2022. Interest rate is variable and is currently 6.55%. The full facility is repayable in monthly instalments, commencing 31 December 2022 and ending 30 November 2047. The land and buildings have been pledged as security for the bank loan. • Loan facility with BDC for CAD\$2,300,000 secured by first mortgage over the group's freehold land and buildings. The facility is repayable in monthly instalments, commencing 31 December 2023 and ending 30 November 2033. Interest rate is variable and is currently 6.05%. As at 30 September 2022 it has been drawn down to \$500,000. • Contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD\$500,000. As at 30 September 2022 it has been fully drawn down. The facility is interest free and repayable in monthly instalments commencing 1 September 2019 and ending 1 December 2025. • Contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD\$500,000. As at 30 September 2022 it has been fully drawn down. The facility is interest free and repayable in monthly instalments commencing 1 April 2020 and ending 1 March 2026. • Contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD\$250,000. As at 30 September 2022 it has been fully drawn down. The facility is interest free and repayable in monthly instalments commencing 1 January 2024 and ending 1 December 2026. • Contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD\$1,000,000. As at 30 September 2022 it has been drawn down to \$900,000. The facility is interest free and repayable in monthly instalments commencing 1 January 2025 and ending 1 December 2036. • On 28 July 2021, the Group purchased commercial land and buildings in Chattanooga for USD \$42.6M to expand the NAM business. The Group entered into a loan facility with PNC Real Estate to purchase the land and buildings. The total available amount under the facility is USD\$30,100,000 and it has been fully drawn down as at 30 September 2022. The facility is repayable in monthly instalments, commencing September 2021 and ending August 2031. The land and buildings have been pledged as security for the loan. 		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(13,812)
8.2 Cash and cash equivalents at quarter end (item 4.6)	181,772
8.3 Unused finance facilities available at quarter end (item 7.5)	2,209
8.4 Total available funding (item 8.2 + item 8.3)	183,981
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	13.3
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 October 2022

Authorised by: By the Chairman of the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been

prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.