



Letter from NOVONIX CEO Dr. Chris Burns

February 2, 2022

I began the work that would become NOVONIX as a graduate student in 2009 at Dalhousie University under Professor Jeff Dahn, a world-renowned researcher in the field of lithium-ion batteries, who later became a key scientific advisor to Tesla. I worked as Senior Research Engineer at Tesla, which only deepened my understanding of the market and my convictions about where the opportunities lie ahead. In 2013, we started NOVONIX because we saw enormous opportunity in the electrification economy for higher performance batteries. Our team understood then that the rise of electric vehicles (EV) and grid energy storage systems – and the materials and technology that would be needed to support them – could potentially reshape global markets and accelerate a cleaner future. Almost nine years into this journey, we see more possibilities than ever before.

At NOVONIX, our mission is to make batteries perform better, with a longer life, at a lower cost. As we see prolific adoption of EVs and energy storage systems, we know that environmentally conscious battery technologies will be key to securing a sustainable future. Our technologies for developing and proving long-life high-performance anodes, cathodes and electrolytes will help fuel the exponential growth of these markets over the next decade and beyond. This growth has significant tailwinds from government emissions targets, corporate EV commitments from virtually every automobile manufacturer, consumer environmentalism, and the drive to electrify our economy.

This is demonstrated by the global, diversified customer base that we've secured. Our customers include some of the largest companies in the world and leaders in the battery sector, and they look to NOVONIX's key products and services to help navigate this global shift. Over the next ten years, lithium-ion battery production is projected to increase another five-fold after already roughly doubling in the last two years, and EVs are expected to make up 28 percent of new automobiles sold. This global growth could drive the need for high-capacity long-life synthetic graphite anode material to millions of tons per year at the end of this decade. To put this into perspective – essentially zero battery grade anode material is currently produced stateside. Our long-term goal is to establish a fully North American battery supply chain to support this growing sector.

Yesterday, we listed our stock on the Nasdaq exchange – a significant step forward to supporting this mission of developing a North American supply chain. It is a natural milestone for our company, and it reflects our ongoing investment in the U.S. Last November, Secretary Jennifer Granholm joined the ceremonial opening of our new plant in Chattanooga, TN, which will create nearly 300 jobs over the next two years and marks the beginning of our journey to become a large-scale supplier of high-capacity long-life synthetic graphite anode material. Our targets are ambitious – by 2030, we aim to increase production to 150,000 metric tons per year of synthetic graphite, enough to power 2.7 million EVs annually and create thousands of green energy jobs.

The total addressable market for our anode materials division is vast, and even if we meet our ambitious goals, we will still only serve a small piece of that market. In parallel, we are looking to play a bigger role in the lithium-ion battery value chain, developing new technologies we believe we will be key to the growth of the industry. We have established our cathode materials group, which is focused on lowering the cost and improving the performance of the most expensive material within battery cells today, and we believe the future is bright. We are emerging as a leading producer of high-performance anode and cathode materials to North America, and it is here that we begin our journey as a Nasdaq-listed company.

The last few years have revealed the significant potential risks of our country's reliance on Asian markets for batteries and battery materials. In the past number of years, and especially last year, we have seen the commitment to onshoring battery manufacturing as a first step to combat this risk. We must now take the next step in reducing those risks by bringing the supply chain of key materials to power the battery manufacturers in North America as well. Only by doing this can we control our ability to meet the country's EV goals by 2030.

Everything we do at NOVONIX is about people. The future we envision, our scientific breakthroughs, the quality of our products and services – none of it would be possible without the amazing and kind people who work with us as employees, partners, friends, and investors. As we turn a new page, we are energized to lead the electrification of our vehicle fleet in the U.S. and drive towards a sustainable future.

We hope you'll enjoy the ride with us.

Best Regards,

Dr. Chris Burns