



Quarterly Activities Report

JANUARY – MARCH 2019

*Accelerating adoption of batteries
for a cleaner energy future*

30 April 2019



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- Company overview
- January – March activities
- 2019 outlook
- Strategic investment by the St Baker Energy Innovation Fund
- Capital structure
- Board of directors
- Executive team
- Investment highlights
- Exploration and mining tenements
- About NOVONIX and further information
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CORPORATE INFORMATION

STOCK INFORMATION

ASX Code	NVX
ASX Share Price @ 29 April 2019	A\$0.60
52 Week Low - High	A\$0.360 – A\$0.855
Shares on issue	123m
Market Capitalisation	A\$74m

CURRENT CASH POSITION

Cash available at 31 March 2019	A\$3.56m
Issue of 2 nd Tranche of convertible notes to the St Baker Energy Innovation Fund (July) and subject to Shareholder Approval	A\$4m
Cash (including cash arranged)	A\$7.56m

FY2018 FINANCIAL INFORMATION

FY2018 Revenue	A\$2.1m
Total Assets @ 30 June 2018	A\$34.2m
Total Liabilities @30 June 2018	A\$1m

SHAREHOLDINGS

	(m)	%
Board and KMP – ordinary shares	49.55	40%



- **NOVONIX is an international battery technology company**
- **Maker of battery anode material with high capacity & long life**
- **Maker of battery tech that accelerates R&D from years to weeks**
- **Provider of battery consulting, development and testing services**
- **Battery testing technology used by battery & OEM multinationals**
- **Based in USA and Canada with sales in fourteen countries**
- **Now scaling battery anode materials production in USA**
- **Board experienced in building billion-dollar businesses**
- **Owner of a world-class natural graphite deposit (18%TGC)**

January – March activities

PUREgraphite (PG)

- Exercised “call option” to increase NVX ownership from 50% to 75% and production rights to 100% above 1,000tpa
- Completed pre-shipment acceptance testing for primary commercial processing equipment
- Expanded product trials and technical review with both domestic and international customers prospects
- Evaluating industrial property options suitable for larger scale production plans
- Commenced hand-over of CEO and CFO roles to NOVONIX executives and appointment of COO

Battery Technology Solutions (BTS)

- Equipment sales flat while demand for services (external battery testing and R&D) increasing strongly from low base
- Slippage of a large “customized” order into next year (due to customer changes) will impact FY19 sales
- Updated BTS sales revenue growth of 10% vs 30% previously forecast, but FY20 will have a head start
- Filed US provisional patent for cathode material processing methods aimed at increasing life & reducing cost

Corporate

- Arranged \$10.9m to fund the exercise of PUREgraphite “call option” (\$6.9m received in January and \$4m due in July)
- Extraordinary General Meeting of the Company Shareholders held on 8 March 2019 to approve financing

PUREgraphite (PG)

- Integrate PG as a NVX-controlled subsidiary, increase production rights to 100% > 1,000 tpa
- Expand product trials and technical interchange with domestic US & global battery makers
- Achieve first commercial production by the end of June 2019
- Achieve first sales of battery anode material in second half of 2019
- Progressively increase production capacity towards 1,000 tpa
- Secure industrial property suitable for larger scale production plans

Battery Technology Solutions (BTS)

- Advance battery materials R&D programs working with Dalhousie University
- Advance development of new battery testing technology (including DTA)
- Grow BTS sales revenue with greater focus on battery consulting, development and testing

PUREgraphite Expansion & Strategic Investment by St Baker Energy Innovation Fund

\$10.9m arranged via 3 year convertible notes

- \$10m via placement to strategic investor, St Baker Energy Innovation Fund
- \$0.9m via placement to another leading Australian institutional investor
- \$6.9m received in January; remaining \$4m in July subject to Shareholder approval

Use of Funds

- Increase ownership, production rights & achieve control in PUREgraphite \$7.1m
 - Ownership interest in PUREgraphite increased from 50% to 75%
 - Production rights increased from 50% to 100% for tons >1,000 tpa
 - Control of JV achieved
- Additional CAPEX & OPEX for higher ownership level \$3.6m
- Cost of raising \$0.2m



- Invests in disruptive products in the clean energy sector
- These are some of the investments within the portfolio

<https://www.stbenergy.com.au/>

EV Charging, LED Lighting, Solar, Battery Tech & Materials, Smart Controls



TRITIUM

<https://www.tritium.com.au/>



www.goevie.com



Undiluted Basis:	Number (m)	% (Undiluted)
Board and key management personnel – ordinary shares	49.55	35.47%
Other shareholders – ordinary shares	73.59	64.53%
	123.14	100%

Fully Diluted Basis:	Number (m)	% (fully diluted)
Board and key management personnel – ordinary shares	49.55	23.99%
Board and key management personnel – options and rights	34.6	16.75%
Employees and Contractors – options	5.10	2.47%
Other shareholders – ordinary shares	73.59	35.64%
Other shareholders – Convertible Notes @40cps; expiry January 2022	17.25	8.35%
Other shareholders – Convertible Notes @60cps; expiry August 2020	9.17	4.44%
Other shareholders – options @80cps	17.25	8.36%
	206.51	100%

Notes: Board and Management Options & Rights have strike or performance hurdle prices between \$0.30 and \$1.57

Chairman
Tony Bellas



Managing Director
Philip St Baker



Executive Director
Greg Baynton



Non-Executive Director
Admiral Robert J. Natter



Non-Executive Director
Andrew N. Liveris AO



Non-Executive Director
Robert Cooper



**Group Chief Operating Officer
CEO of PUREgraphite / CEO of BTS**
Dr Chris Burns



**Group VP Business Development
CFO of PUREgraphite / CFO of BTS**
Nick Liveris



Group Managing Director
Philip St Baker



Group Executive Director
Greg Baynton



Group CFO and Co Secretary
Suzanne Yeates



Opportunity to position at an early stage in a global market with exponential growth

- Exponential demand for rechargeable lithium-ion batteries being driven by EV and energy storage demand growth

Established brand in the rechargeable lithium-ion battery industry

- NOVONIX is an established brand name known for making the most accurate battery cell test equipment in the world

Global footprint of blue-chip customers and sales in 14 countries

- Battery cell testing tech used by battery & auto makers including PANASONIC, SAMSUNG, CATL, LG, SK, GM, TESLA, DYSON, BOSCH, GE

Innovative new products being commercialised in large growing market

- Developing & commercialising innovations in battery materials & battery test equipment and undertaking R&D in next generation materials

Backed by a board experienced in building and running billion dollar businesses

- Extensive experience in BD, resources, energy, advanced materials, battery industry, project financing, project delivery, operations and scaling

Highly-incentivised Board and Management

- The Board and Management hold ~40% of the equity in the company

Large world-class high grade (18%TGC) natural graphite resource in Australia

- Considering strategic options for the Mt Dromedary Battery Materials Project (possible partnering and/or divestment)

TENEMENT LIST

Tenement	Permit Holder	Grant date	NVX Rights	Expiry date
EPM 26025	Exco Resources Limited	14/12/2015	100% (Sub-Blocks Normanton 3123 D, J, N, O and S)	13/12/2020
EPM 17323	MD South Tenements Pty Ltd (Subsidiary of NOVONIX Limited)	20/10/2010	100%	19/10/2021
EPM 17246	MD South Tenements Pty Ltd	26/10/2010	100%	25/10/2018
MLA100121	Novonix Limited	application	100%	

NOVONIX LIMITED (ASX: NVX) is an international battery technology company that makes advanced battery materials and testing technologies and provides battery development services with operations in the USA and Canada and sales in 14 countries.

NOVONIX's mission is to accelerate the adoption of batteries for a cleaner energy future.

FOR FURTHER INFORMATION

Philip St Baker

Managing Director

Phone: +61 438 173 330

Email: phil@novonixgroup.com

Website: www.novonixgroup.com

Corporate

Group Managing Director

Contact: Philip St Baker
Email: phil@novonixgroup.com
Telephone: +1 970-376-4918
Telephone: +61 438-173-330

Group Executive Director

Contact: Greg Baynton
Email: greg@novonixgroup.com
Telephone: +61 414-970-566

Group CFO and Co Secretary

Contact: Suzanne Yeates
Email: suzanne.yeates@oasolutions.com.au
Telephone: +61 439-310-818

Battery Technology Solutions



Dartmouth, Nova Scotia, CANADA

177 Bluewater Road, Bedford, NS B4B 1H1,
Canada

CEO - NOVONIX BTS

Contact: Dr Chris Burns
Email: chris@novonixgroup.com
Telephone: +1 902-449-9121

CFO - NOVONIX BTS

Contact: Nick Liveris
Email: nick@novonixgroup.com
Telephone: +1 989-859-3213

PUREgraphite



Chattanooga, Tennessee, USA

1084 Duncan Avenue, Chattanooga, TN,
37404, USA

CEO - PUREgraphite

Contact: Dr Chris Burns
Email: chris@novonixgroup.com
Telephone: +1 902-449-9121

CFO - PUREgraphite

Contact: Nick Liveris
Email: nick@novonixgroup.com
Telephone: +1 989-859-3213