

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F**

(Mark One)

- REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934
or
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2023
or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
or
 SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission file number: 001-41208
NOVONIX LIMITED
(Exact name of Registrant as specified in its charter)
NOVONIX LIMITED
(Translation of Registrant's name into English)
Australia
(Jurisdiction of incorporation or organization)
NOVONIX LIMITED
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange and on which registered
American Depositary Shares, each representing four ordinary shares, no par value	NVX	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 488,733,461 Ordinary Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or (15)(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "accelerated filer," "large accelerated filer" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued by the International Accounting Standards Board

Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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INTRODUCTION AND USE OF CERTAIN TERMS

We have prepared this annual report on Form 20-F using a number of conventions, which you should consider when reading the information contained herein. In this annual report, “NOVONIX,” the “Company,” the “Group,” “our company,” “we,” “us” and “our” refer to NOVONIX Limited and its consolidated subsidiaries, taken as a whole. Additionally, this annual report uses the following conventions:

- “US\$,” “U.S. dollars,” “\$” and “dollars” mean United States dollars;
- “A\$” mean Australian dollars;
- “C\$” mean Canadian dollars, unless otherwise noted;
- “ADSs” mean American depository shares, each of which represents four of our ordinary shares, no par value;
- “ADRs” mean the American depository receipts that may evidence the ADSs;
- “ASX” refers to the Australian Stock Exchange; and
- “NASDAQ” refers to the Nasdaq Stock Market LLC.

EXPLANATORY NOTE

On December 20, 2022, the Board of Directors of NOVONIX Limited (the “Board of Directors” or the “Board”) approved a change of fiscal year end from June 30 to December 31 to better align the reporting of the Company’s results with its industry peers. As a result, in February 2023, we filed a transition report on Form 20-F for the six-month transition period of July 1, 2022 to December 31, 2022. Unless otherwise noted, all references to “fiscal year” in this annual report on Form 20-F refer to the fiscal year which, prior to the transition period, ended on June 30, and which, after the transition period, ended December 31, 2023. Our consolidated financial statements for the fiscal year ended December 31, 2023, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. A comparison of our operating results for the twelve-month periods ended December 31, 2023 and 2022 has been included within “Item 5. Operating and Financial Review and Prospects.”

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this annual report, including statements regarding our future results of operations, financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would,” or the negative of these words or other similar terms or expressions.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of known and unknown risks, uncertainties, other factors and assumptions, including the risks described in *Item 3. Key Information—D. Risk Factors* contained herein.

These risks are not exhaustive. Other sections of this annual report may include additional factors that could harm our business and financial performance. New risk factors may emerge from time to time, and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward-looking statements.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this annual report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. We undertake no obligation to update any forward-looking statements made in this annual report to reflect events or circumstances after the date of this annual report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this annual report. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

You should read this annual report and the documents that we reference in and have filed as exhibits to the annual report with the understanding that our actual future results, levels of activity, performance and achievements may be different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our business is subject to numerous risks and uncertainties that you should consider before investing in our securities. These risks are described more fully below and include, but are not limited to, risks relating to the following:

- We will need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control our costs.
- Our DOE grant, and any future grants, loans or incentives we may obtain from government agencies, will impose restrictions and compliance obligations on us, with associated costs and risks.
- We face significant challenges in our attempt to develop our anode and cathode materials to produce them at volumes with acceptable performance, yields and costs. The pace of development in materials science is often not predictable. We may encounter substantial delays or operational problems in the scale-up of our anode materials production or the commercialization of our cathode materials technology.
- Our reliance on certain limited or sole source suppliers subjects us to a number of risks.
- The energy storage market continues to evolve and is highly competitive, and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.
- Our anode materials business is subject to fluctuating and potentially unfavorable market conditions for graphite.
- We may not realize any of the benefits of the proposed regulations providing tax credits to U.S. producers of graphite.
- The systems, equipment and processes we use in the production of our anode materials are complex, and we are subject to many operational risks, any of which could substantially increase our costs and limit the operational performance of our anode materials operations, which would adversely affect our business.
- Our future growth and success will depend on our ability to sell effectively to large customers.
- We depend, and expect to continue to depend, on a limited number of customers for a significant percentage of our revenue.
- We may not be able to engage target customers successfully and to convert such contacts into meaningful orders in the future.
- Our commercial relationships are subject to various risks which could adversely affect our business and future prospects.

- Our business and future growth depend substantially on the growth in demand for electric vehicles and batteries for grid energy storage.
- Our projected operating and financial results rely in large part upon assumptions and analyses we have developed. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our projected results.
- We may not be able to establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction or acquisition of additional equipment necessary to support our growth and negatively impact our business.
- We may not be able to accurately estimate the future supply and demand for our materials and equipment, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements or prices of components increase, we could incur additional costs or experience delays.
- If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed.
- Labor shortages, turnover, and labor cost increases could adversely impact our ability to scale up manufacturing of our anode materials and commercialize our cathode technology.
- We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.
- Any global political, economic and financial crisis (as well as the indirect effects flowing therefrom) could negatively affect our business, results of operations, and financial condition.
- Our systems and data may be subject to disruptions or other security incidents, and we may face alleged violations of laws, regulations, or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales.
- From time to time, we may be involved in litigation, regulatory actions or government investigations and inquiries, which could have an adverse impact on our profitability and consolidated financial position.
- We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.
- We have a concentration of beneficial ownership among Phillips 66, LG Energy Solution, and our executive officers, non-executive directors and their affiliates that may prevent new investors from influencing significant corporate decisions.
- From time to time we may enter into negotiations for acquisitions, dispositions, partnerships, joint ventures or investments that are not ultimately consummated or, if consummated, may not be successful.
- Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events.
- Terrorist activity, acts of war and political instability around the world could adversely impact our business.
- We are subject to substantial regulation and unfavorable changes to, or our failure to comply with, these regulations could substantially harm our business and operating results.
- We are subject to environmental, health and safety requirements which could adversely affect our business, results of operation and reputation.
- We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.
- Our success depends upon our ability to obtain and maintain intellectual property protection for our materials and technologies.
- Termination of our collaborative research agreement with Dalhousie University to support the development of current and future technology would likely harm our business, and even if it continues, it may not help us successfully develop any new intellectual property.

- Our patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from interfering with our commercialization of our products.
- Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our technologies and processes.
- Our lack of registered trademarks and trade names could potentially harm our business.
- We may be unable to obtain intellectual property rights or technology necessary to develop and commercialize our materials and equipment.
- We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business.
- We may be subject to claims by third parties asserting misappropriation of intellectual property, or claiming ownership of what we regard as our own intellectual property.
- An active U.S. trading market may not develop.
- The trading price and volume of the ADSs may be volatile, and purchasers of the ADSs could incur substantial losses.
- Future sales of our ordinary shares or the ADSs or the anticipation of future sales could reduce the market price of our ordinary shares or the ADSs.
- If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable reports about our business, the price of the ADSs and their trading volume could decline.
- We do not currently intend to pay dividends on our securities and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the ADSs.
- The dual listing of our ordinary shares and the ADSs may negatively impact the liquidity and value of the ADSs.
- U.S. investors may have difficulty enforcing civil liabilities against our company, our directors or members of senior management and the experts named in this annual report.
- Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares or the ADSs.
- Our Constitution and Australian laws and regulations applicable to us may differ from those which apply to a U.S. corporation.
- Holders of ADSs will not be directly holding our ordinary shares.
- Your right as a holder of ADSs to participate in any future preferential subscription rights offering or to elect to receive dividends in ordinary shares may be limited, which may cause dilution to your holdings.
- You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.
- You may be subject to limitations on the transfer of your ADSs and the withdrawal of the underlying ordinary shares.
- ADS holders' rights to pursue claims are limited by the terms of the deposit agreement.
- We and the depositary are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement and we may terminate the deposit agreement, without the prior consent of the ADS holders.
- ADS holders have limited recourse if we or the depositary fail to meet our respective obligations under the deposit agreement.
- As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws that apply to public companies that are not foreign private issuers.
- As a foreign private issuer we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from NASDAQ corporate governance listing standards and these practices may afford less protection to shareholders than they would enjoy if we complied fully with NASDAQ corporate governance listing standards.
- We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

- We are an “emerging growth company” under the JOBS Act and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ordinary shares and ADSs less attractive to investors.
- We have incurred and will continue to incur significant, increased costs as a result of operating as a company with ADSs that are publicly traded in the United States, and will incur increased costs as a result of becoming a recipient of United States government funding and incentives, and our management will be required to devote substantial time to new compliance initiatives.
- If we fail to implement and maintain an effective system of internal controls or fail to identify and remediate our material weaknesses thereof, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our Company and the market price of the ADSs may be negatively impacted.
- We currently report our financial results under IFRS, which differs in certain significant respects from U.S. generally accepted accounting principles, or U.S. GAAP.
- We are subject to risks associated with currency fluctuations, and changes in foreign currency exchange rates could impact our results of operations.
- Our ability to utilize our net operating losses to offset future taxable income may be prohibited or subject to certain limitations.
- If we are a passive foreign investment company, there could be adverse U.S. federal income tax consequences to U.S. holders.
- If a U.S. person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.
- Future changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.

Risks Related to Our Business

We will need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control our costs.

We require significant capital to develop and grow our business and expect to incur significant expenses, including those relating to acquisition of production equipment, facility expansion, research and development, property acquisition and maintenance, regulatory compliance, and sales as we scale our commercial operations and build and market our materials, equipment and service offerings. We also expect our general and administrative costs to increase as we scale our operations. Our ability to generate operating cash flow and become profitable in the future will depend not only on our ability to successfully market our materials, equipment and services, but also to control our costs, and will require us to obtain additional funding.

We have applied, and intend to continue to seek government support, through grants, loans and tax or other incentives from federal, state and provincial governments in the U.S. and Canada, and our ability to obtain and use funds from such programs, depends, among other things, on our ability to raise matching funding in a timely manner. For example, in the fourth quarter of 2023, we finalized the documentation for our \$100 million grant from the Office of Manufacturing & Energy Supply Chains ("MESC Office") of the U.S. Department of Energy ("DOE") to expand domestic production of high-performance, synthetic graphite anode materials at our Riverside facility in Chattanooga, Tennessee. To use this grant, we are required to provide a cost share that matches the costs reimbursed under the grant.

Similarly, we are pursuing funding support under the DOE Loan Programs Office's Advanced Technology Vehicles Manufacturing ("ATVM") program. A loan through the ATVM program may provide leverage up to 80% of eligible project costs of a potential new production facility, and we would be required to raise the remainder of eligible project costs (and fund non-eligible project costs) with equity. We also submitted applications to the DOE to receive 48C tax credits for our existing Riverside facility and a new potential production facility. The application process for these financial resources is highly competitive, and we cannot predict whether we will ultimately be awarded or receive funds from any of these

sources or be successful in obtaining any additional grants, loans or tax or other incentives. Our ability to obtain grants, loans or tax or other incentives from government entities in the future is subject to the availability of funds under applicable government programs, our ability to raise matching funds and equity, approval of our applications to participate in such programs, achievement of milestones for funding, and ongoing compliance with various laws and regulations as described below.

Our ability to manage our operations and growth effectively depends upon the continual improvement of our reporting systems and operational, financial and management controls. We may not be able to implement administrative and operational improvements cost-effectively or in a timely manner, and we may discover deficiencies in existing systems and controls, the remediation of which might also increase our costs. Among other activities that may increase our costs, we will need to increase our headcount across the Company. In particular, we will require additional key staff for product development, scientific, financial, administrative, and compliance personnel or vendors to support financial, administrative and compliance activities. These challenges may impact our strategic focus and our deployment and allocation of resources. If we do not meet these challenges, we may be unable to execute our business strategies and may be forced to expend more resources than anticipated addressing these issues.

While not currently part of our growth strategy, we may acquire additional technology and complementary businesses in the future. If we are unable to successfully manage our growth and the increased complexity of our operations, and to obtain and appropriately allocate and deploy resources, our business, financial position, results of operations and prospects may be harmed.

As of December 31, 2023, we had \$78.7 million in cash, cash equivalents and short-term investments. We require significant additional capital to achieve our plans to expand our production capacity for our anode materials to meet our existing customer commitments and anticipated customer demand. Additional capital may not be available to us on acceptable terms, or at all. If we raise additional funds through collaboration and licensing arrangements with third parties, we may have to relinquish some rights to our technologies or our product candidates on terms that may not be favorable to us. Any additional capital-raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to develop and commercialize our current and future product and service offerings or delay, reduce or altogether cease certain operations or future commercialization efforts. See also — ***“We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future,”*** below, ***“Item 5.B. Liquidity and Capital Resources,”*** and ***“Item 18. Financial Statements.”***

If we do not satisfy the terms of our DOE grant, we may be unable to take advantage of all or part of the entire award and may be subject to penalties under the grant terms, which would have a material adverse effect on our business.

As a result of the DOE grant, we are required to comply with a number of laws and regulations and to prepare and furnish financial reports and other records. Relevant requirements include certain accounting requirements and complying with the cost allowability principles; the U.S. National Environmental Policy Act and other environmental, health and safety requirements; prevailing wage requirements; compliance with export control laws and regulations; requirements to perform work in the U.S. unless DOE grants a waiver; preferences for American-made equipment and products; requirements to substantially manufacture in the U.S. products embodying or produced through the use of a new invention developed under the grant, unless such manufacture is not commercially feasible and DOE agrees to foreign manufacture; requirements to grant liens in favor of the U.S. government on property acquired or developed with grant funds and restrictions on the sale or disposition of such property; data management requirements and restrictions on disclosing sensitive information; affirmative action and pay transparency requirements; requirements for cyber- and technology security, including employment of security officers; requirements to pre-approve participation by foreign nationals in the project; and requirements to pass-down certain of such requirements to our subrecipients and subcontractors. If we are unable to meet these requirements, we may be unable to be reimbursed under or otherwise receive any or all of the funds under the grant, may be required to return unused funds, and may be subject to claims or penalties, including the loss of our eligibility for continued participation in the grant program and other government programs. Other grants and loans for which we have applied would impose similar and potentially additional requirements and, in each case, use of such government funding subjects us to increased inspection and monitoring. We expect that

the DOE's MESC Office will, and the DOE's Office of Inspector General may, review our compliance, and the adequacy of our practices for maintaining compliance. In the event of improper or illegal activities, or false or misleading statements in our applications or submissions to the government, we are subject to possible civil and criminal penalties, sanctions, or suspension or debarment from multiple government programs. The associated costs and risks may have a material adverse effect on our business.

We face significant challenges in our attempt to develop our anode and cathode materials to produce them at volumes with acceptable performance, yields and costs. The pace of development in materials science is often not predictable. We may encounter substantial delays or operational problems in the scale-up of our anode materials production or the commercialization of our cathode materials technology.

Developing anode and cathode materials that meet the requirements for wide adoption by our potential customers is a difficult undertaking. We are still in the development stage for certain of our materials and face significant challenges in producing our materials to required specifications and at commercial volumes. Some of the development challenges that could prevent the successful scale up of production of our materials include changes in product performance from small to large scale production, challenges in deployment of mass production equipment, and inability to produce materials cost effectively at large volumes. If we are unable to cost efficiently design, manufacture, market, and sell our materials, our margins, profitability and prospects would be materially and adversely affected. We have only recently produced materials with our proprietary Generation 3 continuous induction graphitization furnace ("Generation 3 furnace systems") and we have yet to produce cathode materials beyond lab and small pilot volumes. Any delay in the manufacturing scale-up of our anode materials or in the progression of our cathode synthesis technology would negatively impact our business as it will delay revenue generation and negatively impact our customer relationships.

Our Riverside facility in Chattanooga Tennessee, is targeted to produce anode materials of up to 20,000 tonnes per annum ("tpa"). We utilize new proprietary furnace technology ("Generation 3 furnace systems") developed in collaboration with Harper International Corporation ("Harper"). We have installed Generation 3 furnace systems at our Riverside facility and are continuing the commissioning of those systems to meet our production targets. Our ability to produce at targeted capacity is largely dependent upon Harper manufacturing and supplying Generation 3 furnace systems on a schedule that meets our needs, our successful implementation of the same, and our ability to recruit and retain an increased number of skilled staff focused on plant design, engineering and operations. The targeted production capacity of our Riverside facility is planned to support our supply agreement with KORE Power, Inc., ("KORE Power"), a U.S. based developer of battery cell technology for the clean energy industry, and our off-take agreement with Panasonic Energy Co., Ltd. ("Panasonic Energy"), along with potential future customers.

While we have a continued, phased expansion plan of up to 150,000 tpa to meet expected market demand growth, our plan is contingent on the successful satisfaction of a number of factors, some of which are beyond our control. These factors include, among others, our ability to obtain funding on attractive terms to enable further expansion of our current production facilities and our ability to expand our production capacity through acquisitions, joint ventures or other inorganic means. Acquisitions, if pursued, involve many risks, any of which could materially harm our business, including the diversion of management's attention from core business concerns, failure to effectively exploit acquired technologies, failure to successfully integrate the acquired business or realize expected synergies or the loss of key employees from either our business or the acquired businesses. If we are unable to execute on those expansion efforts for any reason, we may experience a delay in the manufacturing scale-up or the scale-up may not occur at all, which would result in the loss of customers and materially damage our business, prospects, financial condition, and operating results.

The progression of our cathode materials technology from lab to commercial scale manufacturing is contingent upon the success of our all-dry, zero-waste cathode synthesis process methodology. If production of cathode materials using this methodology, either on a pilot or commercial scale, is not successful, our business, prospects, financial condition, operating results and brand may be materially adversely affected.

Our reliance on certain limited or sole source suppliers subjects us to a number of risks.

Our anode materials business is dependent on our continued ability to source certain specialized systems, equipment, components and raw materials from a limited number of suppliers. Our ability to scale up our commercial production of synthetic graphite anode materials and meet our production targets depends on the successful and timely delivery, commissioning, operation and availability of, for example, the Generation 3 furnace systems developed in collaboration with and supplied by Harper. If the successful commissioning is delayed or the systems otherwise fail to perform as expected, we may be delayed or prevented from meeting our production targets or our obligations to customers under our off-take agreements, which would have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects.

We purchase certain of our systems, equipment, components and raw materials from limited sources of supply, and disruption of these sources could negatively affect our ability to produce materials. For example, we may source specialty petroleum needle coke, a key precursor to the synthetic graphite anode material we produce, from Phillips 66 or a select few other suppliers. Even where alternative sources of equipment, materials and components are available, the quality and cost of the alternative materials, regulatory and contractual requirements to qualify materials for use in our production, the time required to establish new relationships with reliable suppliers, and the time potentially to re-qualify products with customers could result in production delays and possible loss of sales. Our inability or delay in obtaining the systems, equipment components or raw materials needed for our business may harm our customer relationships or require us to find alternative supply sources at increased costs, which could have a material adverse effect on our business, financial condition, liquidity, results of operations and prospects.

The energy storage market continues to evolve and is highly competitive, and we may not be successful in competing in this industry or establishing and maintaining confidence in our long-term business prospects among current and future partners and customers.

The energy storage market in which we compete continues to evolve and is highly competitive. Certain energy storage technologies, such as lithium-ion battery technology have been widely adopted and current and future competitors may have greater resources than we do and may also be able to devote greater resources to the development of their current and future technologies. These competitors also may have greater access to customers and may be able to establish cooperative or strategic relationships among themselves or with third parties that may further enhance their resources and competitive positioning. In addition, lithium-ion battery manufacturers may continue to reduce cost and expand supply of conventional batteries and therefore negatively impact the ability for us to sell our materials, equipment and services at market-competitive prices and yet at sufficient margins.

Automotive original equipment manufacturers ("OEMs") are researching and investing in energy storage development and production. We expect competition in energy storage technology and electric vehicles ("EVs") to intensify due to increased demand for these vehicles and a regulatory push for EVs, continuing globalization, and consolidation in the worldwide automotive industry. Developments in alternative technologies or improvements in energy storage technology made by competitors may materially adversely affect the sales, pricing and gross margins of our business. If a competing technology is developed that has superior operational or price performance, our business will be harmed. Similarly, if we fail to accurately predict and ensure that our technology can address customers' changing needs or emerging technological trends, or if our customers fail to achieve the benefits expected from our materials, equipment and services, our business will be harmed.

We must continue to commit significant resources to develop our technologies in order to establish a competitive position, and these commitments will be made without knowing whether such investments will result in materials, equipment and services that potential customers will accept. There is no assurance we will successfully identify new customer requirements, develop and bring our materials, equipment and services to market on a timely basis, or that products and

technologies developed by others will not render our materials, equipment and services obsolete or noncompetitive, any of which would adversely affect our business and operating results.

Customers will be less likely to purchase our materials, equipment and services if they are not convinced that our business will succeed in the long term. Similarly, suppliers and other third parties will be less likely to invest time and resources in developing business relationships with us if they are not convinced that our business will succeed in the long term. Accordingly, in order to build and maintain our business, we must maintain confidence among current and future partners, customers, suppliers, analysts, ratings agencies and other parties in our long-term financial viability and business prospects. Maintaining such confidence may be particularly complicated by certain factors including those that are largely outside of our control, such as our limited operating history, size and financial resources relative to our competitors, market unfamiliarity with our materials, equipment and services, any delays in scaling manufacturing, delivery and service operations to meet demand, competition and uncertainty regarding the future of energy storage technologies and our eventual production and sales performance compared with market expectations.

Our anode materials business is subject to fluctuating and potentially unfavorable market conditions for graphite.

Graphite is not a traded commodity like many base and precious metals, and its sales prices are generally not public. Sales agreements are typically negotiated on an individual and private basis with each potential customer. In addition, there are a limited number of producers of battery-grade graphite, most of whom are producers in China and may make it difficult for new market entrants by increasing their production capacity and lowering sales prices. Factors such as foreign currency fluctuation, supply and demand, industrial disruption and actual graphite market sale prices could have an adverse impact on our ability to sell our synthetic graphite anode materials profitably. If battery manufacturers use less graphite than expected, or if the demand for EV and energy storage grid batteries is less than anticipated, it could have a material adverse effect on the sales price, profitability and development strategy of our business.

We may not realize any of the benefits of the proposed regulations providing tax credits to U.S. producers of graphite.

Under current proposed regulations issued by the U.S. Department of Treasury and Internal Revenue Service, the production of graphite, including synthetic graphite, is eligible for Section 45X, the Advanced Manufacturing Production Tax Credit. Because the current regulations are in proposed form, there is a risk that the treatment of synthetic graphite is subject to change under the final regulations. Further, U.S.-produced graphite is also indirectly incentivized under Section 30D, the Clean Vehicle Tax Credit, which requires that the critical materials (and the associated constituent materials) contained in the battery cells of the clean vehicle must, to a certain applicable percentage, be extracted or processed in the U.S. or a country with whom the U.S. has a free trade agreement. In addition, the critical mineral (and the associated constituent materials) cannot be extracted, processed or recycled by a foreign entity of concern ("FEOC"). In proposed rules, the U.S. Department of Treasury and IRS suggested that where a critical material is an insignificant cost and "non-traceable," it can be excluded from tracking for FEOC purposes. Although the proposed rules did not list graphite as non-traceable, recent comments filed in response to the proposed regulations have requested that graphite be deemed non-traceable. Final regulations have not been adopted and may result in our not being eligible for tax credits associated with our production of synthetic graphite.

The systems, equipment and processes we use in the production of our anode materials are complex, and we are subject to many operational risks, any of which could substantially increase our costs and limit the operational performance of our anode materials operations, which would adversely affect our business.

We rely heavily on complex systems, equipment and processes for our operations and the production of our synthetic graphite anode materials. We are commissioning our Generation 3 furnace systems to become qualified to operate at large-scale production. The work required to integrate our systems, equipment, and processes into the production of our anode materials is time intensive and requires us to work closely with Harper and other third-party suppliers to ensure they work properly for our proprietary battery materials technology. This work has involved and will continue to involve a significant degree of uncertainty and risk and may result in a delay in the scaling up of anode materials production or result in additional, unforeseen production costs. Any delay in the scale-up of our production would negatively impact our

business as it will delay time to revenue and negatively impact our customer relationships and agreements. Even if we complete the commissioning of our systems and achieve volume production of our anode materials, if the cost, performance characteristics or other specifications of the materials fall short of our targets or our customer requirements, our sales, product pricing and margins could be adversely affected.

Operational problems with our production equipment could also result in the personal injury or death of workers, safety or environmental incidents, the loss of production equipment, damage to manufacturing facilities, monetary losses, delays, and unanticipated fluctuations in production. In addition, operational problems may result in environmental damage, administrative fines, increased insurance costs and potential legal liabilities. These operational risks could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects.

Our future growth and success will depend on our ability to sell effectively to large customers.

Our current and potential customers are primarily battery manufacturers and automotive OEMs that tend to be large enterprises. Therefore, our future success will depend on our ability to effectively sell our materials, equipment and services to such large customers. Sales to these customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller customers. These risks include, but are not limited to, (i) increased pricing power and leverage held by large customers in negotiating contractual arrangements with us, (ii) higher minimum volume requirements that we may be unable to meet and (iii) longer sales cycles and the associated risk that substantial time and resources may be spent on a potential customer that elects not to purchase our materials, equipment or services.

Purchases by large organizations are frequently subject to budget constraints, multiple approvals and unanticipated administrative, processing and other delays. Finally, large organizations typically have longer implementation cycles, require greater product functionality and scalability, require a broader range of services, demand that vendors take on a larger share of risks, require acceptance provisions that can lead to a delay in revenue recognition and expect greater payment flexibility. All of these factors can add further risk to business conducted with these potential customers.

We depend, and expect to continue to depend, on a limited number of customers for a significant percentage of our revenue.

Our Battery Technology Solutions ("BTS") business is currently our only business that is generating revenue, and BTS has generated most of its revenue from a limited number of customers. For the year ended December 31, 2023, the Company had two customers, included in consulting services revenue stream, that accounted for approximately 17% and 15% of total revenues, respectively. For the six months December 31, 2022, the Company had three major customers, included in the consulting services revenue stream, that accounted for approximately 27%, 22%, and 11% of total revenue, respectively and two major customers, included in the hardware sales revenue stream, that accounted for approximately 25% and 12% of total revenues, respectively. For the year ended June 30, 2022, the Company had two customers, included in the consulting services revenue stream that accounted for approximately 15%, and 12% of total revenues, respectively and one major customer, included in the hardware sales and consulting services revenue streams, that accounted for 11% of total revenue. For the year ended June 30, 2021, the Company had three customers, included in the consulting services revenue stream, that accounted for approximately 17%, 14% and 10% of total revenues, respectively. Our anode materials business is not yet generating revenue, and our plans to scale the business are dependent upon our collaborations with customers such as Panasonic Energy and KORE Power resulting in sales of our anode materials to those parties. Similarly, our joint development agreement with LG Energy Solution, Ltd. ("LG Energy Solution" or "LGES") requires successful completion of certain development work before off-take of our anode materials. Because we rely, and will continue to rely, on a limited number of customers for significant percentages of our revenue, a decrease in demand or significant pricing pressure from any of our major customers for any reason could have a materially adverse impact on our business, financial condition, and results of operations.

In addition, a number of factors outside our control could cause the loss of, or reduction in, business or revenues from any customer, including, without limitation, pricing pressure from competitors, a change in a customer's business strategy or financial condition, or change in market conditions. Our customers may also choose to pursue alternative technologies

and develop alternative products in addition to, or in lieu of, our materials and equipment, either on their own or in collaboration with others, including our competitors. The loss of any major customer or key project, or a significant decrease in the volume of customer demand or the price at which we sell our materials and equipment to customers, could materially adversely affect our financial condition and results of operations.

We may not be able to engage target customers successfully and to convert such contacts into meaningful orders in the future.

Our success, and our ability to increase revenue and operate profitably, depends in part on our ability to identify target customers and convert such contacts into meaningful orders or expand on current customer relationships. In addition to new customers, our future success depends on whether our current customers are willing to continue using our materials and equipment as well as whether their product lines continue to incorporate our materials and equipment.

For example, although our anode materials business has signed a non-binding memorandum of understanding with Samsung SDI, one of the world's leading EV battery manufacturers, it is non-binding and does not guarantee a long-term agreement will be entered into. Similarly, our joint development agreement with LGES requires successful completion of certain development work before any off-take of our anode materials. The satisfaction of quality standards and milestones of delivering mass production volume samples will be required for final qualification with battery manufacturers. There is no assurance that these conditions will ultimately be satisfied. However, if future production requirements, or similar production requirements with other potential customers, are not met, or the materials produced are not of acceptable quality, we may lose these customers and lose credibility with other domestic and international battery manufacturers and automotive OEMs, any of which could materially adversely affect our financial condition and results of operations.

Our research and development efforts aim to create materials and equipment that are on the cutting edge of technology, but competition in our industry is high. To secure acceptance of our materials and equipment, we must constantly develop and introduce materials and equipment that are cost-effective and with enhanced functionality and performance to meet evolving industry standards. If we are unable to meet our customers' performance or volume requirements or industry specifications, or retain or convert target customers, our business, prospects, financial condition and operating results could be materially adversely affected.

Our commercial relationships are subject to various risks which could adversely affect our business and future prospects.

Many of our commercial relationships are conditional, subject to supply performance, market conditions, quality assurance processes and audits of supplier processes or other agreed upon conditions. There can be no assurance that we will be able to satisfy these conditions. If we are unsuccessful in meeting the demand for high-quality materials and equipment, our business and prospects will be materially adversely affected.

In addition, our business partners may have economic, business or legal interests or goals that are inconsistent with our goals. Any disagreements with our business partners may impede our ability to maximize the benefits of any partnerships and slow the commercialization of materials and equipment. Our arrangements may require us, among other things, to pay certain costs or to make certain capital investments, for which we may not have the resources. In addition, if our business partners are unable or unwilling to meet their economic or other obligations under any business arrangements, our business and prospects will be materially adversely affected.

Our business and future growth depend substantially on the growth in demand for EVs and batteries for grid energy storage.

The demand for our materials is directly related to the market demand for EVs and batteries for grid energy storage. However, the markets we have targeted may not achieve the level of growth we expect during the time frame projected. If markets fail to achieve our expected level of growth, we may have excess production capacity and may not be able to generate enough revenue to obtain profitability. If the market for EVs or batteries for grid energy storage does not develop at the rate or in the manner or to the extent that we expect, or if critical assumptions that we have made regarding the efficiency of our energy solutions are incorrect or incomplete, our business, prospects, financial condition and operating results could be harmed.

Our projected operating and financial results rely in large part upon assumptions and analyses we have developed. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our projected results.

Management's projected operating and financial results reflect current estimates of our future performance. Whether actual operating and financial results and business developments will be consistent with our expectations and assumptions as reflected in our projections depends on a number of factors, many of which are outside our control, including, but not limited to the factors described throughout this annual report. Unfavorable changes in any of these or other factors, most of which are beyond our control, could materially and adversely affect our business, results of operations and financial results.

We may not be able to establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction or acquisition of additional equipment necessary to support our growth and negatively impact our business.

As we expand our anode materials manufacturing capabilities, we will rely on third-party suppliers for components and materials. Any disruption or delay in the supply of components or materials by our key third-party suppliers or pricing volatility of such components or materials could temporarily disrupt research or production of our anode materials until an alternative supplier is able to supply the required material. In such circumstances, we may experience prolonged delays, which may materially and adversely affect our results of operations, financial condition and prospects.

We may not be able to control fluctuation in the prices for materials or negotiate agreements with suppliers on terms that are beneficial to us. Our business depends on the continued supply of certain proprietary materials, components and equipment. We are exposed to multiple risks relating to the availability and pricing of such materials and components. Substantial increases in the prices for our raw materials or components would increase our operating costs and materially impact our financial condition.

Currency fluctuations, trade barriers, extreme weather, pandemics, tariffs or shortages and other general economic or political conditions may limit our ability to obtain key components for our battery cell testing equipment or significantly increase freight charges, raw material costs and other expenses associated with our business, which could further materially and adversely affect our results of operations, financial condition and prospects.

We may not be able to accurately estimate the future supply and demand for our materials and equipment, which could result in a variety of inefficiencies in our business and hinder our ability to generate revenue. If we fail to accurately predict our manufacturing requirements or prices of components increase, we could incur additional costs or experience delays.

It is difficult to predict our future revenues and appropriately budget for our expenses, and our views as to industry trends that may emerge may prove false, which could affect our business. Currently, there is limited historical basis for making judgments on the demand for our materials or equipment, or our ability to develop, manufacture, and deliver our materials or equipment, or our profitability in the future. If we overestimate our requirements, our suppliers may have

excess inventory, which indirectly would increase our costs. If we underestimate our requirements, our suppliers may have inadequate inventory, which could interrupt manufacturing of our materials or equipment and result in delays in shipments and revenues. In addition, lead times for materials that our suppliers order may vary significantly and depend on factors such as the specific supplier, contract terms and demand for each material at a given time. If we fail to order sufficient quantities of materials in a timely manner, the delivery of materials or equipment to our potential customers could be delayed, which would harm our business, financial condition and operating results.

Additionally, agreements for the purchase of certain components used in the manufacture of our materials and equipment may contain pricing provisions that are subject to adjustment based on changes in market prices of key components. Substantial increases in the prices for such components would increase our operating costs and could reduce our margins if we cannot recoup the increased costs. Any attempts to increase the announced or expected prices of our materials and equipment in response to increased costs of components could be viewed negatively by our potential customers and could adversely affect our business, prospects, financial condition or operating results.

If we are unable to attract and retain key employees and qualified personnel, our ability to compete could be harmed.

Our success depends on our ability to attract and retain our executive officers, key employees and other highly skilled personnel, and our operations may be severely disrupted if we lost their services. As we build our operations and become better known, there is an increased risk that competitors or other companies will seek to recruit and hire our key personnel. The failure to attract, integrate, train, motivate and retain such key personnel could seriously harm our business and prospects.

In addition, we are highly dependent on the services of Dr. Chris Burns, our Chief Executive Officer, and other senior technical and management personnel, including our executive officers, who would be difficult to replace. If Dr. Burns or other key personnel were to depart, we may not be able to successfully attract and retain senior leadership necessary to grow our business. We do not currently maintain "key person" life insurance on the lives of our executives or any of our employees. This lack of insurance means that we may not receive adequate compensation for the loss of the services of these individuals.

Labor shortages, turnover, and labor cost increases could adversely impact our ability to scale up manufacturing of our anode materials and commercialize our cathode technology.

We continue to face aggressive competition for talent, wage inflation and pressure to improve benefits and workplace conditions to remain competitive. Challenging labor market conditions and the highly competitive wage pressure resulting from qualified labor shortage have made it difficult to attract and retain the best talent.

A sustained labor shortage or increased turnover rates within our employee base could lead to increased costs, such as increased overtime or financial incentives to meet demand and increased wage rates to attract and retain employees, and could negatively affect our ability to scale up manufacturing for our anode and cathode materials.

We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.

We incurred net losses of \$46.2 million, \$27.9 million, \$51.9 and \$13.4 million for the twelve months ended December 31, 2023, six months ended December 31, 2022, and years ended June 30, 2022 and 2021, respectively, and net operating cash outflows of \$36.2 million, \$18.9 million, \$29.2 million and \$6.1 million the twelve months ended December 31, 2023, six months ended December 31, 2022, and years ended June 30, 2022 and 2021, respectively. At December 31, 2023 and 2022, we had a cash balance of \$78.7 million and \$99.0 million, respectively, and net current assets of \$89.2 million and \$116.1 million, respectively.

We expect our expenses to increase in connection with our ongoing activities, particularly as we continue to purchase additional production equipment associated with the manufacture of synthetic graphite. For example, in July 2021, we purchased commercial land and buildings in Chattanooga, USA for \$42.6 million to expand our anode materials business and concurrently entered into a loan facility with DBR Investments Co. Limited for \$30.1 million with an interest rate of

4.09%. The loan has been fully drawn down as at December 31, 2023. The total liability at December 31, 2023 is \$28.4 million. In addition, we expect to incur significant commercialization expenses related to sales and marketing to the extent that such sales and marketing are not the responsibility of any future customers. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses, impact our ability to repay our debt (including our \$30 million principal amount of unsecured convertible notes issued to LGES) and require future capital raises to maintain the business. These conditions give rise to a material uncertainty that may cast significant doubt (or raise substantial doubt as contemplated by PCAOB standards) as to our ability to continue as a going concern. If we were not able to continue as a going concern, or if there were continued doubt about our ability to do so, the value of your investment would be materially and adversely affected. See also — "**We have incurred and will continue to incur significant, increased costs as a result of operating as a company with ADSs that are publicly traded in the United States, and will incur increased costs as a result of becoming a recipient of United States government funding and incentives, and our management will be required to devote substantial time to new compliance initiatives.**", below.

Any global political, economic and financial crisis (as well as the indirect effects flowing therefrom) could negatively affect our business, results of operations, and financial condition.

In recent times, global political, economic and financial crises negatively have affected businesses, even domestic, across a range of industries, including the energy storage industry. In addition, there are currently political and trade tensions among a number of the world's major economies, which have resulted in the implementation of tariff and non-tariff trade barriers, including the use of export control restrictions against certain countries and individual companies. Prolongation or expansion of such trade barriers may result in a decrease in the growth of the global economy and the battery industry, and could cause turmoil in global markets that may result in declines in sales from which we generate our income through our materials, technologies and services. Also, any increase in the use of export control restrictions to target certain countries and companies, any expansion of the extraterritorial jurisdiction of export control laws in the jurisdiction in which we operate, or a complete or partial ban on products sales to certain companies could impact not only our ability to supply our materials, technologies and services to such customers, but also customers' demand for our materials, technologies and services.

Any future systemic political, economic or financial crisis or market volatility, including but not limited to, interest rate fluctuation, inflation or deflation and changes in economic, fiscal and monetary policies in major economies, could cause revenue or profits for the battery industry as a whole to decline dramatically, and if the economic conditions or financial conditions of our current or target customers were to deteriorate, the demand for our materials, technologies and services may decrease. Further, in times of market instability, sufficient external financing may not be available to us on a timely basis, on commercially reasonable terms to us, or at all. If sufficient external financing is not available when we need such financing to meet our capital requirements, we may be forced to curtail our expansion, modify plans or delay the deployment of new or expanded materials, technologies and services until we obtain such financing. Thus, further escalation of trade tensions, the use of export control restrictions as a non-tariff trade barrier or any future global systemic crisis could materially and adversely affect our results of operations.

Our systems and data may be subject to disruptions or other security incidents, and we may face alleged violations of laws, regulations, or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales.

We may face challenges with respect to information security and maintaining the security and integrity of our systems and other systems used in our business, as well as with respect to the data stored on or processed by these systems. Our proprietary process technology is unique and may make us a target. We are also at risk for interruptions, outages and breaches of: (a) operational systems, including business, financial, accounting, product development, data processing or production processes, owned by us or our third-party vendors or suppliers and (b) facility security systems, owned by us or our third-party vendors or suppliers. A cyber incident could be caused by disasters, insiders (through inadvertence or with malicious intent) or malicious third parties (including nation-states or nation-state supported actors) using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud,

trickery or other forms of deception. Advances in technology, an increased level of sophistication or expertise of hackers, the ease of gathering intelligence from social media for social engineering, and new discoveries in the field of cryptography or others can result in a compromise or breach of the systems used in our business or of security measures used in our business to protect confidential information, personal information, and other data. The techniques used by cyber attackers change frequently and cybersecurity incidents could be difficult to detect. Although we maintain information technology measures designed to protect ourselves against intellectual property theft, data breaches and other cybersecurity incidents, such measures will require updates and improvements, and we cannot guarantee that such measures will be adequate to detect, prevent or mitigate cyber incidents. The implementation, maintenance, segregation and improvement of these systems requires significant management time, support and cost, and these systems may be insufficient to prevent significant data breaches.

Our ability to conduct our business and operations depends on the continued operation of information technology and communications systems. Systems used in our business, including data centers and other information technology systems, are vulnerable to damage or interruption. Such systems could also be subject to break-ins, cyber attacks, sabotage and intentional acts of vandalism, as well as disruptions and security incidents as a result of non-technical issues, including intentional or inadvertent acts or omissions by employees, service providers, or others. Such cyber incidents could: significantly disrupt operational systems; result in loss of trade secrets or other proprietary or competitively sensitive information; compromise certain information of customers, employees, suppliers, or others; jeopardize the security of our facilities; and expose us to remediation costs, monetary and reputational damages, legal liability and regulatory actions under evolving laws and regulations related to data protection and privacy.

Moreover, there are inherent risks associated with developing, improving, expanding and updating current systems, including the disruption of our data management, procurement, production execution, finance, supply chain and sales and service processes. These risks may affect our ability to manage our data and inventory, procure parts or supplies or produce, sell, deliver and service our materials and equipment, adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, applicable laws, regulations and contracts. We cannot be sure that these systems upon which we rely, including those of our third-party vendors or suppliers, will be effectively implemented, maintained or expanded as planned. If we do not successfully implement, maintain or expand these systems as planned, our operations may be disrupted, our ability to accurately and timely report our financial results could be impaired, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results. Moreover, our proprietary information or intellectual property could be compromised or misappropriated and our reputation may be adversely affected. If these systems do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

We use and expect to continue to use outsourced service providers to help provide certain services, and any such outsourced service providers face similar security and system disruption risks as us. Some of the systems used in our business will not be fully redundant, and our disaster recovery planning cannot account for all eventualities. Any data security incidents or other disruptions to any data centers or other systems used in our business could result in lengthy interruptions in our service.

From time to time, we may be involved in litigation, regulatory actions or government investigations and inquiries, which could have an adverse impact on our profitability and consolidated financial position.

We may be involved in a variety of litigation, other claims, suits, regulatory actions or government investigations and inquiries and commercial or contractual disputes that, from time to time, are significant. In addition, from time to time, we may also be involved in legal proceedings arising in the normal course of business including commercial or contractual disputes, warranty claims and other disputes with potential customers and suppliers; intellectual property matters; personal injury claims; environmental, health and safety issues; tax matters; and employment matters. From time to time, such legal proceedings may be commenced by a significant customer, which may damage our relationship with such customer. Our significant customers generally are larger enterprises and may be able to or choose to devote greater resources to such legal proceedings. It is difficult to predict the outcome or ultimate financial exposure, if any, represented

by these matters, and there can be no assurance that any such exposure will not be material. Such claims may also negatively affect our reputation. See also “***—We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business.***”, below.

We may become subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

We may become subject to product liability claims, even those without merit, which could harm our business, prospects, operating results, and financial condition. We face inherent risk of exposure to claims in the event our materials and equipment do not perform as expected or malfunction resulting in personal injury or death. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our materials, equipment and business and inhibit or prevent commercialization of other future materials or equipment, which would have a material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any claim seeking significant monetary damages either in excess of our coverage, or outside of our coverage, may have a material adverse effect on our reputation, business and financial condition. We may not be able to secure additional product liability insurance coverage on commercially acceptable terms or at reasonable costs when needed, particularly if we do face liability for our materials and equipment and are forced to make a claim under our policy.

We have a concentration of beneficial ownership among Phillips 66, LG Energy Solution, and our executive officers, non-executive directors and their affiliates that may prevent new investors from influencing significant corporate decisions.

In September 2021, we consummated a transaction with Phillips 66 pursuant to which Phillips 66 purchased 77,962,578 ordinary shares of NOVONIX for a total purchase price of \$150 million (the “Phillips 66 Transaction”). As a result of the Phillips 66 Transaction, as of December 31, 2023, Phillips 66 beneficially owned approximately 16% of our ordinary shares (based on the number of our outstanding ordinary shares). As of December 31, 2023, as the holder of our unsecured convertible notes, LGES beneficially owned approximately 5.47% of our ordinary shares, and our executive officers, non-executive directors and their affiliates beneficially owned approximately 4% as a group. Based on their beneficial ownership, such security holders will be able to exercise a significant level of influence over all matters requiring shareholder approval. This influence could have the effect of delaying or preventing a change of influence or changes in our management and will make the approval of certain transactions difficult or impossible without the support of these shareholders and their votes. In addition, pursuant to the terms of the Phillips 66 Transaction, Phillips 66 has the right to nominate one director to our Board of Directors and certain rights to be notified of, and participate in, issuances of shares by the Company (other than distributions of shares to the Company’s shareholders on a pro rata basis). The interests of Phillips 66 and these shareholders may differ from our interests or those of our other shareholders, and these shareholders might not exercise their voting power in a manner favorable to our other shareholders.

From time to time we may enter into negotiations for acquisitions, dispositions, partnerships, joint ventures or investments that are not ultimately consummated or, if consummated, may not be successful.

From time to time we may consider acquisitions, dispositions, partnerships, joint ventures or investments that we believe may allow us to implement our growth strategy. Our transactions with and investments in other companies are inherently risky and could disrupt our ongoing businesses. For example, in January 2022, we entered into definitive supply and investment agreements with KORE Power to become the exclusive supplier of graphite anode materials in support of KORE Power's battery manufacturing operations in the U.S. and acquired an approximate 5% equity stake in KORE Power. Notwithstanding the successful completion of this transaction, there can be no assurance that we will realize the intended benefits of this relationship. Changes to the valuation of this investment have impacted, and may continue to impact, our financial results. In addition, our agreement to form an incorporated joint venture with TAQAT Development Company to develop and produce anode materials for EV and energy storage system ("ESS") batteries in the Middle East and North Africa region, which we announced in March 2023, may not ultimately be consummated. If the fair value of any of our investments decreases, our financial results could be adversely affected. Moreover, general operational risks, such as inadequate or failing internal controls of companies we invest in, may also expose our investments to risks of those companies.

We hold tenement rights in a high-grade natural flake graphite deposit located in Northern Queensland, Australia (the "MDG Project"). As of the date of this annual report, we have not generated any revenue from the sale of natural graphite and we have generally put any exploration or development of these assets on hold. In October 2023, we decided to pursue potential opportunities to realize the value of these assets through a strategic transaction. While the Company may engage in discussions with interested third parties regarding the MDG Project, there can be no assurances that any such discussions will result in any transaction involving these assets or that any required tenement rights will be renewed on satisfactory terms, within expected timeframes or at all. If we fail to complete a strategic transaction for the MDG Project or renew our tenement rights on terms we find acceptable, we may not be able to realize the value of these assets.

We cannot forecast the number, timing or size of any future strategic transactions, or the effect that any such transactions might have on our operating or financial results. We may not be able to successfully identify future opportunities or complete any such transactions if we cannot reach agreement on commercially favorable terms, if we lack sufficient resources to finance the transaction on our own and cannot obtain financing at a reasonable cost or if regulatory authorities prevent such transactions from being completed. Management resources may also be diverted from operating our existing businesses to focusing on such opportunities, and we may also incur substantial out-of-pocket costs. Moreover, any such transaction may not be viewed favorably by investors or other stakeholders.

Our facilities or operations could be damaged or adversely affected as a result of natural disasters and other catastrophic events.

Our facilities or operations could be adversely affected by events, conditions and circumstances outside of our control, such as natural disasters, wars, health epidemics, and other calamities. We cannot assure you that our backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services or manufacture materials or equipment. Any disruptions or other adverse events, whether within or beyond our control, at any of our facilities or in their surrounding areas could have a particularly significant impact on our business performance and financial results.

Moreover, our facilities located in Chattanooga, Tennessee, currently account for 100% of the production of our anode materials, and our facility in Bedford, Nova Scotia, currently accounts for 100% of the production of our battery testing equipment. As a result, any disruptions or other adverse events, whether within or beyond our control, at those facilities or in the surrounding area could have a particularly significant impact on our business performance and financial results.

Terrorist activity, acts of war and political instability around the world could adversely impact our business.

Terrorist attacks, acts of war and other hostilities, political instability, and the national and international responses to the same, have created many economic and political uncertainties and could adversely affect our business and results of operations in ways that we cannot presently predict. Such events could adversely affect global and regional economies and financial markets in general, which could result in an economic downturn that could adversely affect our operations and ability to finance our operations. Given the uncertainties relating to the Israel-Hamas war and the related Houthi attacks on commercial shipping vessels in the Red Sea and Suez Canal, and Russia's invasion of Ukraine and the international response to these conflicts, including the duration or expansion of the conflicts, we cannot predict the impact that either of these conflicts may have on our future business. U.S. and foreign government-imposed sanctions and export restrictions, as well as escalating hostilities that threaten transportation routes, could adversely affect our business partners, suppliers or customers located in or doing business with Russia or in the Middle East, including as the result of supply disruptions or inability to ship or collect payments for their products. These impacts on our business partners, suppliers and customers, in turn, could negatively affect demand for our products and services and increase our operating costs, which could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects. In some cases, we are not insured for losses and interruptions caused by terrorist acts and acts of war.

Risks Related to Regulatory Matters

We are subject to substantial regulation, and unfavorable changes to, or our failure to comply with, these regulations could substantially harm our business and operating results.

Our materials, and the purchasers of our materials, are regulated under international, federal, state and local laws, including export control laws. We expect to incur significant costs in complying with these regulations. Regulations related to the battery and EV industry and alternative energy are currently evolving and we face risks associated with changes to these regulations.

To the extent the laws change, our materials and equipment may not comply with applicable international, federal, state or local laws, which would have an adverse effect on our business. Compliance with changing regulations could be burdensome, time consuming, and expensive. To the extent compliance with new regulations is cost prohibitive, our business, prospects, financial condition and operating results would be adversely affected.

Internationally, there may be laws in jurisdictions we have not yet entered or laws we are unaware of in jurisdictions we have entered that may restrict our sales or other business practices. The laws in this area can be complex and difficult to interpret and may change over time. Continued regulatory limitations and other obstacles that may interfere with our ability to commercialize our materials and equipment could have a negative and material impact on our business, prospects, financial condition and results of operations.

We are subject to environmental, health and safety requirements which could adversely affect our business, results of operation and reputation.

Our facilities and operations are subject to numerous environmental, health and safety (“EHS”) laws and regulations, which require significant capital investment on an ongoing basis. These laws and regulations regulate, among other things, the discharge of materials into the environment, air emissions, the handling and disposal of wastes, remediation of contaminated sites and other matters relating to worker and consumer health and safety, and to the protection of the environment. Non-compliance with applicable EHS laws could give rise to liability, including the potential for civil or criminal fines or penalties, unforeseen capital expenditures or other legal liability. In addition, EHS laws or their enforcement may change or become more stringent over time, which could increase our operating costs, subject us to additional liabilities and cause delays in our processes. We may also face liability for the remediation of contaminated sites, including at third-party contaminated sites where we or our predecessors in interest have sent waste for treatment or disposal. Remediation liability may be imposed without regard to whether we knew of, or caused, the release of such regulated substances. In addition, under environmental laws, we may be liable for the entire cost to remediate a contaminated site, even where multiple parties contributed to the contamination.

Our operations pose a number of safety risks which could result in the personal injury or death of our workers, fire or explosion, damage to machinery or materials and equipment, or production delays. For example, our manufacturing operations utilize furnaces and equipment heated to extremely high temperatures, for which our existing safety measures, including policies and procedures in place to protect against health and safety incidents or damage to our facility and equipment in the event of a fire or other incident, might not prevent serious injury or death or property damage. Consequences of safety incidents may include litigation, regulatory action, increased insurance premiums, mandates to halt production, workers’ compensation claims, or other liabilities, all of which may adversely impact our business, including harm to our reputation, finances or ability to operate.

In addition, our supply-chain and manufacturing processes rely on the use of fossil fuels for product materials and energy consumption. Changes in rules and regulations (e.g., greenhouse gas regulations, air emission compliance requirements) applicable to us or entities in our supply chain or stricter scrutiny of our sustainability performance by various stakeholders could require us to make changes to our operations, which could increase our operating costs, cause delays or otherwise have an adverse impact on our business.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations in various jurisdictions in which we conduct or in the future may conduct activities, including the U.S. Foreign Corrupt Practices Act (“FCPA”), the U.K. Bribery Act 2010, the Australian Criminal Code Act 1995 (“Criminal Code”), the Australian Anti-Money Laundering and Counter Terrorism Financing Act 2006, and other anti-corruption laws and regulations. The FCPA, the U.K. Bribery Act 2010, and the Criminal Code prohibit us and our officers, directors, employees and business partners acting on our behalf, including agents, from corruptly offering, promising, authorizing or providing anything of value, or providing benefit to a “foreign official”, or (under the Criminal Code) another person with the intention this will benefit a “foreign public official”, for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The FCPA also requires companies to make and keep books, records and accounts that accurately reflect transactions and dispositions of assets and to maintain a system of adequate internal accounting controls. The U.K. Bribery Act also prohibits non-governmental “commercial” bribery and soliciting or accepting bribes. Our policies and procedures that are designed to comply with these laws may not be sufficient and our directors, officers, employees, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses, all of which could materially and adversely affect our business, results of operations, financial condition and reputation. In addition, changes in these laws in the future could adversely impact our business. See also “—**Any global political, economic and financial crisis (as well as the indirect effects flowing therefrom) could negatively affect our business, results of operations, and financial condition.**”, above.

Risks Relating to Intellectual Property

Our success depends upon our ability to obtain and maintain intellectual property protection for our materials and technologies.

Our success will depend in significant part on our ability to establish and maintain adequate protection of our owned intellectual property, and the ability to commercialize materials and equipment resulting therefrom, without infringing the intellectual property rights of others. We rely upon a combination of the intellectual property protections afforded by patent, trade secret and other intellectual property laws in the United States, Canada, and other jurisdictions, as well as license agreements and other contractual protections, to establish, maintain and enforce rights in our proprietary technologies.

In addition to patent protection, we rely substantially on trade secrets, including unpatented know-how, technology and other proprietary materials and information, to maintain our competitive position. We seek to protect our intellectual property, in part, by requiring employees and consultants to waive or assign their intellectual property rights to us and by protecting our trade secrets by entering into confidentiality or non-disclosure agreements with our employees, consultants, business partners and other third parties. While it is our policy to enter into such agreements, these steps may be inadequate as we may fail to enter into agreements with all necessary parties, the assignments may not be self-executing or any of these parties may breach the agreements, and there may be no adequate remedy available for such breach of an agreement. We may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could harm our business, financial condition, results of operations and prospects.

Despite our efforts to protect our proprietary rights, third parties may nevertheless attempt to copy or otherwise obtain and use our intellectual property. Monitoring unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to prevent infringement, misappropriation, or violation of our intellectual property rights may not be sufficient. Enforcing a claim that a party infringed intellectual property or misappropriated a trade secret is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, some courts both within and outside the United States may be less willing, or unwilling, to protect trade secrets or other intellectual property. Moreover, if a competitor lawfully obtained, reverse engineered or independently developed any technology or information that we protect as trade secret, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Our inability to prevent unauthorized use of our intellectual property could harm our business and competitive position.

Furthermore, our owned and in-licensed intellectual property rights may be subject to a reservation of rights by one or more third parties. In some instances, when new technologies are developed with government funding (and in particular, the U.S. government), the government may obtain certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention or to have others use the invention on its behalf. These rights may permit the government to disclose our confidential information to third parties and to exercise march-in rights to use or allow third parties to use our licensed technology. For example, the United States federal government retains such rights in inventions produced with its financial assistance under the Bayh-Dole Act. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. Further, the Draft Interagency Guidance Framework for Considering the Exercise

of March-In Rights released by the U.S. Department of Commerce's National Institute of Standards and Technology on December 7, 2023 proposes to expand the U.S. government's "march-in" authority under the Bayh-Dole Act. We recently reached agreement on the terms of a grant from the MESC Office of the DOE and, once funds are received, we plan to use those funds to purchase equipment and facility infrastructure to expand Riverside's production capacity to 20,000 tonnes per annum. As a result of these laws and the U.S. Competitiveness Provisions that are part of the terms of our grant, our rights in certain inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. An exercise by the government of such rights or by any third party of its reserved rights could harm our competitive position, business, financial condition, results of operations and prospects.

Termination of our collaborative research agreement with Dalhousie University to support the development of current and future technology would likely harm our business, and even if it continues, it may not help us successfully develop any new intellectual property.

In February 2021, we entered into a five-year collaborative research agreement with the Research Group of Dr. Mark Obrovac at Dalhousie University ("Dalhousie") to develop new battery technologies. The agreement may be terminated at will by either party upon 90 days' notice, subject to certain conditions. If Dalhousie elects to terminate this agreement, our ability to continue to develop our technologies could be adversely impacted.

In addition, as of the date of this annual report, most of our patent portfolio has been developed, or includes technology developed, through our collaboration with Dalhousie. Although this collaboration has been historically successful in new intellectual property generation, there can be no assurance that it will be successful in future efforts to develop any new intellectual property. Moreover, while we have the first right to file patent applications based on intellectual property generated under our agreement with Dalhousie, and we would be the sole owner of any such patent and the intellectual property incorporated therein, there can be no guarantee that we will successfully commercialize any such patents or developed intellectual property. Disputes may arise between us and the other parties to this and related agreements regarding intellectual property, including with respect to: the scope of rights granted under, and ownership of the intellectual property resulting from, the agreements and other interpretation-related issues; the amount and timing of payments; the rights and obligations of the parties under the agreements; and the use of intellectual property by each of the parties.

Any disputes with Dalhousie may prevent or impair our ability to maintain our current collaboration arrangement. We benefit from the intellectual property development assistance from Dalhousie to develop, manufacture, expand, and accelerate our materials and technology. We cannot assure you that we will be able to continue to obtain the benefits granted to us under these agreements. Termination of the collaboration with Dr. Obrovac's Research Group at Dalhousie could result in the loss of important rights and would likely harm our ability to further develop our technology.

Our patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from interfering with our commercialization of our products.

We currently hold one issued patent. We have applied for seven additional patents, and we intend to continue to apply for, patents with claims covering our technologies and processes, including our patent-pending all-dry, zero-waste cathode synthesis technology and any innovations resulting from such process, when and where we deem it appropriate to do so. We have filed patent applications in the United States, Canada and in certain non-U.S. jurisdictions to obtain patent rights to inventions we have developed, with claims directed to compositions of matter, methods of use and other technologies relating to our programs, including battery applications. There can be no assurance that any of these applications will result in patents being issued. Conversely, we may choose not to file a patent application in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such trade secrets or know-how. In addition, there can be no assurance that any of our current and future patents will effectively protect our technologies and processes or be sufficiently broad to effectively prevent others from commercializing competitive technologies, processes and products. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or

in some cases not at all. Therefore, we cannot be certain that we or our current or future collaborators were the first to make the inventions claimed in our owned patent or pending patent applications, or that we or our current or future collaborators were the first to file for patent protection of such inventions. For a description of our patent portfolio, see *Item 4. Business Overview - Intellectual Property*.

Any changes we make to our technologies or processes to cause them to have what we view as more advantageous properties may not be covered by our existing patent and patent applications, and we may be required to file new applications and/or seek other forms of protection for any such altered technologies or processes. The patent landscape surrounding our underlying technology and processes is potentially crowded, and there can be no assurance that we would be able to secure patent protection that would adequately cover an alternative to our current technologies or processes.

The patent prosecution process is expensive and time-consuming, and we and our current or future collaborators may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our current or future collaborators will fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection for them. Moreover, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain or enforce the patents, covering technology that we license to third parties and may be reliant on our current or future collaborators to perform these activities, which means that these patent applications may not be prosecuted, and these patents enforced, in a manner consistent with the best interests of our business. If our current or future collaborators fail to establish, maintain, protect or enforce such patents and other intellectual property rights, such rights may be reduced or eliminated. If our current or future collaborators are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

Further, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be invalidated, circumvented, narrowed or challenged in the courts or patent offices in the United States and abroad. In recent years, these areas have been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future collaborators' patent rights are highly uncertain. The legal protection afforded to inventors and owners of intellectual property in countries outside of the United States may not be as protective or effective as that in the United States and we may, therefore, be unable to acquire and enforce intellectual property rights outside the United States to the same extent as in the United States. In many non-U.S. countries, patent applications and/or issued patents, or parts thereof, must be translated into the native language. If our patent applications or issued patents are translated incorrectly, they may not adequately cover our technologies. Furthermore, others may independently develop or commercialize similar or alternative technologies, or design around our patents.

Filing, prosecuting, enforcing and defending patents in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States may be less extensive than those in the United States. The requirements for patentability differ and certain countries have heightened requirements for patentability, requiring more disclosure in the patent application. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of those patents and limit our potential revenue opportunities. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. Competitors may use technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. Accordingly, our efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our technologies and processes.

Our success is heavily dependent on intellectual property rights, including patents. Obtaining and enforcing patents involves technological and legal complexity, and obtaining and enforcing patents is costly, time-consuming and inherently uncertain. The U.S. Supreme Court in recent years has issued rulings either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations or ruling that certain subject matter is not eligible for patent protection. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by Congress, the federal courts, the USPTO and equivalent bodies in non-U.S. jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patent and patents we may obtain in the future.

Patent reform laws, such as the Leahy-Smith America Invents Act, as well as changes in how patent laws are interpreted, could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents.

Our lack of registered trademarks and trade names could potentially harm our business.

As of the date of this annual report, we do not own any registered trademarks, but we are pursuing trademark registrations and may continue to pursue them in the future. The unauthorized use or other violation of any of our trademarks or trade names could diminish the brand recognition or value of our business which would have a material adverse effect on our financial condition and results of operation.

Trademarks and trade names distinguish our products and services from the products and services of others. If our potential future customers are unable to distinguish our products and services from those of other companies, we could lose sales and distributors to our competitors because potential customers may not be able to differentiate between our products. We do not have any registered trademarks and trade names, so we must rely on common law rights in such trademarks or trade names, which are different in each jurisdiction, if any such rights exist.

Third parties may oppose our trademark applications or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, there can be no assurance that competitors will not infringe our trademarks or that we will have adequate resources to maintain and enforce our trademarks.

We may be unable to obtain intellectual property rights or technology necessary to develop and commercialize our materials and equipment.

The patent landscape around our programs is complex, and there may be one or more third-party patents and patent applications containing subject matter that might be relevant to our programs. Depending on what claims may ultimately issue from these patent applications, and how courts construe the issued patent claims, as well as depending on the ultimate method of use of our processes, we may need to obtain a license to practice the technology claimed in such patents. There can be no assurance that such licenses will be available to us on commercially reasonable terms, or at all. If a third party does not offer us a necessary license or offers a license only on terms that are unattractive or unacceptable to us, we might be unable to develop and commercialize one or more of our programs, which would harm our business, financial condition and results of operations. Moreover, even if we obtain licenses to such intellectual property, but subsequently fail to meet our obligations under the relevant license agreements, or such license agreements are terminated for any other reasons, we may lose our rights to the technologies licensed under those agreements.

The licensing or acquisition of third-party intellectual property rights is an area in which many companies operate that have interests that are in conflict with ours, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain the existing intellectual property rights we have, we may have to abandon development of the relevant programs, which could harm our business, financial condition, results of operations and prospects.

We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business.

Third parties may infringe our patents or misappropriate or otherwise violate our intellectual property rights. In the future, we may initiate legal proceedings to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity or scope of intellectual property rights we own or control. Also, third parties may initiate legal proceedings or counterclaims against us to challenge the validity or scope of intellectual property rights we own, control or to which we have rights. These proceedings can be expensive and time-consuming and many of our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating intellectual property rights we own, control or have rights to, particularly in countries where the laws may not protect those rights as fully as in the United States. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated, narrowed, held unenforceable or interpreted in such a manner that would not preclude third parties from entering the market with competing products.

Third-party pre-issuance submission to the USPTO, or opposition, derivation, revocation, reexamination, inter partes review or interference proceedings, or other pre-issuance or post-grant proceedings or other patent office proceedings or litigation in the United States or other jurisdictions provoked by third parties or brought by us, may be necessary to determine the inventorship, priority, patentability or validity of inventions with respect to our patents or patent applications. An unfavorable outcome could leave our technology or processes without patent protection, allow third parties to commercialize our technology and processes and compete directly with us, without payment to us, or could require us to obtain license rights from the prevailing party in order to be able to manufacture or commercialize our technologies or processes without infringing third-party patent rights. Our business could be harmed if the prevailing party in such a case does not offer us a license on commercially reasonable terms, or at all. Even if we obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future technologies.

We may not be aware of all third-party intellectual property rights potentially relating to our technologies or processes, or future technologies or processes, including patents or pending or future patent applications that, if issued, would block us from commercializing our materials and equipment. As to pending third-party applications, we cannot predict with any certainty which claims will issue, if any, or the scope of such issued claims. Even if we believe third-party intellectual property claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could materially and negatively affect our ability to commercialize any materials and equipment and any other technologies covered by the asserted third-party patents.

We may be subject to claims by third parties asserting misappropriation of intellectual property, or claiming ownership of what we regard as our own intellectual property.

We cannot guarantee that the technology and processes related to our materials and equipment, or our commercialization thereof, do not and will not infringe or otherwise violate any third party's intellectual property. Companies, organizations or individuals, including our current and future competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop or sell our products or processes, which could make it more difficult for us to operate our business. From time to time, we may receive inquiries from holders of such proprietary rights inquiring whether we are infringing or violating their proprietary rights and/or seek court declarations that they do not infringe upon, misappropriate or otherwise violate our intellectual property rights or challenging our ownership or the validity or enforceability of our intellectual property rights. Although we seek to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may also be subject to claims that we or these employees have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of any such employee's former employer, or that third parties have an interest in our patents as an inventor or co-inventor. Companies holding patents or other intellectual property rights relating to batteries, electric motors or electronic power management systems may bring suits alleging misappropriation, infringement or violation of such rights or otherwise asserting their rights and seeking licenses.

In addition, if we or any of our commercialization partners are determined to have misappropriated, infringed upon or violated a third party's intellectual property rights and we were unable to successfully challenge the validity or enforceability of such rights, we or our commercialization partners may be required to do one or more of the following:

- cease selling, incorporating or using products or processes that incorporate or use the challenged intellectual property;
- pay substantial damages or other monetary compensation, including treble damages and attorneys' fees in the case of willful patent infringement;
- obtain a license from the holder of the infringed or violated intellectual property right, which license may not be available on reasonable terms or which license could be non-exclusive (thereby giving our competitors and other third parties access to the same technologies licensed to us) or could require substantial licensing and royalty payments; or
- redesign our batteries or other products or processes material to our business in order to avoid infringement or other violation.

Any of the foregoing would harm our business, prospects, financial condition and operating results. In addition, any litigation or claims, whether or not valid, could result in substantial costs and diversion of resources and management's attention.

We also license patents and other intellectual property from third parties, and we may face claims that our use of this intellectual property infringes the rights of others. In such cases, we may seek indemnification from our licensors under our license contracts with them. However, our rights to indemnification may be unavailable or insufficient to cover our costs and losses or otherwise provide us with the continued rights to use such licensed intellectual property.

Risks Related to the ADSs

An active U.S. trading market may not develop.

While our ordinary shares have been listed on the Australian Securities Exchange, or the ASX, since December 2015, and trading on the OTCQX Best Market from September 2020 until December 2023, there has been no public market on a U.S. national securities exchange for our ordinary shares. We listed our ADSs on NASDAQ in January 2022. Prior to the listing of the ADSs on NASDAQ in January 2022, there was no public market for the ADSs. There can be no assurance that an active trading market for the ADSs will develop or be sustained. In the absence of an active trading market for the ADSs, investors may not be able to sell their ADSs.

The trading price and volume of the ADSs may be volatile, and purchasers of the ADSs could incur substantial losses.

The price and trading volumes of our ordinary shares and ADSs may be significantly affected by many factors, including:

- actual or anticipated fluctuations in our or our competitors' financial condition and operating results;
- variations in our financial performance from the expectations of market analysts;
- actual or anticipated changes in our growth rate relative to our competitors;
- competition from existing products or new products that may emerge;
- announcements by us or our competitors of significant business developments, acquisitions or expansion plans, strategic partnerships, joint ventures, collaborations or capital commitments;
- adverse results or delays in our or any of our competitors' products development;
- adverse regulatory decisions;
- the termination of a strategic alliance or the inability to establish additional strategic alliances;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- ADS price and volume fluctuations attributable to inconsistent trading volume levels of the ADSs;
- price and volume fluctuations in trading of our ordinary shares on the ASX;
- short selling or other market manipulation activities;
- additions or departures of key management, or scientific or technology personnel;
- disruptions in our supply or manufacturing arrangements;
- disputes or other developments related to proprietary rights, including patents, litigation matters and our ability to obtain patent and other intellectual property protection for our technologies;
- litigation involving our company;
- announcement or expectation of additional debt or equity financing efforts;
- natural disasters or other calamities or disease outbreaks;
- sales of ordinary shares or the ADSs by us, our affiliates or our other shareholders; and
- general economic and market conditions.

In addition, equity markets generally have experienced, and may in the future experience, extreme price and volume fluctuations, and often these movements do not reflect the operational and financial performance of the listed companies concerned. In particular, share prices of companies in the battery industry have been highly volatile in the past and may continue to be highly volatile in the future. Our operations currently focus on battery materials, technology and services. Therefore, we are especially vulnerable to these factors to the extent that they continue to affect the battery industry. Fluctuations in the share markets in Australia and the United States, as well as macroeconomic conditions, could significantly affect the price of the ADSs. As a result of this volatility, investors may not be able to sell their ADSs at or above the price originally paid for the security.

These and other market and industry factors may cause the market price and demand for the ADSs to fluctuate, regardless of our actual operating performance, which may limit or prevent investors from readily selling their ADSs and may otherwise negatively affect the liquidity of the trading market for the ADSs.

Future sales of our ordinary shares or ADSs or the anticipation of future sales could reduce the market price of our ordinary shares or ADSs.

Sales of a substantial number of shares or ADSs in the public market, or the perception that such sales could occur, could adversely affect the market price of our ordinary shares and the ADSs and may make it more difficult for you to sell your ADSs at a time and price that you deem appropriate. We have recently raised funds through the sales of our ordinary shares. For instance, we raised A\$115 million in March 2021 and A\$16 million in May 2021 through placements of our ordinary shares. In addition, in September 2021, Phillips 66 acquired 77,962,578 ordinary shares for an aggregate purchase price of \$150 million, and in June 2023, we issued unsecured convertible notes to LGES that are currently convertible into up to 28,263,492 ordinary shares. See Item 7. Major Shareholders and Related Party Transactions, and Item 10.C – Material Contracts.

The ordinary shares subject to subscription under outstanding options and performance rights exercisable for ordinary shares could become eligible for sale in the public market in the future, subject to certain legal and contractual limitations. Sales of a large number of the ordinary shares in the public market could depress the market price of the ADSs. If these additional ordinary shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of the ordinary shares and ADSs could decline substantially, which could impair our ability to raise additional capital through the issuance of ordinary shares, ADSs or other securities in the future, and may cause you to lose part or all of your investment.

If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable reports about our business, the price of the ADSs and their trading volume could decline.

The trading market for the ADSs depends in part on the research and reports that securities or industry analysts publish about us or our business. If additional securities or industry analysts do not cover our Company, the trading price for the ADSs could be negatively impacted. If one or more of the analysts who covers us downgrades our equity securities or publishes incorrect or unfavorable research about our business, the price of the ADSs would likely decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, or downgrades our securities, demand for the ADSs could decrease, which could cause the price of the ADSs or their trading volume to decline.

We do not currently intend to pay dividends on our securities and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the ADSs.

We have not declared or paid any cash dividends on our ordinary shares since our listing on the ASX and do not currently intend to do so for the foreseeable future.

We currently intend to invest our future earnings, if any, to fund our operations and growth. Therefore, you are not likely to receive any dividends on your ADSs for the foreseeable future and the success of an investment in the ADSs will depend upon any future appreciation in its value. Consequently, investors may need to sell all or part of their holdings of the ADSs after price appreciation, which may never occur, as the only way to realize any future gains on their investment. There is no guarantee that the ADSs will appreciate in value or even maintain the price at which you have purchased them. Investors seeking cash dividends should consider not purchasing the ADSs.

While we do not anticipate paying any cash dividends on our ordinary shares in the foreseeable future, if such a dividend is declared, the depositary for the ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to take any other action to permit the distribution of the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to you. These restrictions may negatively impact the value of your ADSs. In addition, exchange rate fluctuations may affect the amount of Australian dollars that we are able to distribute, and the amount in U.S. dollars that our shareholders receive upon the

payment of cash dividends or other distributions we declare and pay in Australian dollars, if any. These factors could harm the value of the ADSs, and, in turn, the U.S. dollar proceeds that holders receive from the sale of the ADSs.

The dual listing of our ordinary shares and the ADSs may negatively impact the liquidity and value of the ADSs.

Since the listing of the ADSs on NASDAQ, our ordinary shares have continued to be listed on the ASX. We cannot predict the effect of this dual listing on the value of our ordinary shares and ADSs. However, the dual listing of our ordinary shares and the ADSs may dilute the liquidity of these securities in one or both markets and may negatively impact the development of an active trading market for the ADSs in the United States. The price of the ADSs could also be negatively impacted by trading in our ordinary shares on the ASX.

U.S. investors may have difficulty enforcing civil liabilities against our company, our directors or members of senior management and the experts named in this annual report.

Certain members of our senior management and Board of Directors named in this annual report are non-residents of the United States, and a substantial portion of the assets of such persons are located outside the United States. As a result, it may be impracticable to serve process on such persons in the United States or to enforce judgments obtained in U.S. courts against them based on civil liability provisions of the securities laws of the United States. Even if you are successful in bringing such an action, there is doubt as to whether Australian courts would enforce certain civil liabilities under U.S. securities laws in original actions or judgments of U.S. courts based upon these civil liability provisions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Australia or elsewhere outside the United States. An award for monetary damages under U.S. securities laws would be considered punitive if it does not seek to compensate the claimant for loss or damage suffered and is intended to punish the defendant. The enforceability of any judgment in Australia will depend on the particular facts of the case as well as the laws and treaties in effect at the time. The United States and Australia do not currently have a treaty or statute providing for recognition and enforcement of the judgments of the other country (other than arbitration awards) in civil and commercial matters.

As a result, our public shareholders may have more difficulty in protecting their interests through actions against us, our management or our directors than would shareholders of a corporation incorporated in a jurisdiction in the United States. In addition, as a company incorporated in Australia, the provisions of the Corporations Act 2001 (Cth), or the "Corporations Act," regulate the circumstances in which shareholder derivative actions may be commenced, which may be different, and in many ways less permissive, than for companies incorporated in the United States.

Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares or ADSs.

We are incorporated in Australia and are subject to the takeover laws of Australia. Subject to a range of exceptions, the takeover provisions in the Corporations Act prohibit the acquisition of a direct or indirect interest in our issued voting shares if the acquisition of that interest will lead to a person's voting power in us increasing from 20% or below to more than 20%, or increasing from a starting point that is above 20% and below 90%. Australian takeover laws may discourage takeover offers being made for us or may discourage the acquisition of a significant position in our ordinary shares. This may have the ancillary effect of entrenching our Board of Directors and may deprive or limit our shareholders' opportunity to sell their ordinary shares.

Our Constitution and Australian laws and regulations applicable to us may differ from those which apply to a U.S. corporation.

As an Australian company we are subject to different corporate requirements than a corporation organized under the laws of the United States. Our Constitution, as well as the Corporations Act, sets forth various rights and obligations that apply to us as an Australian company and which may not apply to a U.S. corporation. These requirements may operate differently than those which apply to many U.S. companies. You should carefully review the summary of these matters set forth under "Description of Securities Registered Under Section 12 of the Exchange Act," as well as our Constitution, which are included as exhibits to this annual report, prior to investing in our securities.

Holders of ADSs will not be directly holding our ordinary shares.

A holder of ADSs will not be treated as one of our shareholders and will not have direct shareholder rights, unless they surrender the ADSs to receive the ordinary shares underlying their ADSs in accordance with the deposit agreement and applicable laws and regulations. Our Constitution and Australian law govern our shareholder rights. The depository, through the custodian or the custodian's nominee, will be the holder of the ordinary shares underlying ADSs. The deposit agreement among us, the depository and holders of ADSs, and all other persons directly and indirectly holding ADSs, sets out ADS holder rights, as well as the rights and obligations of us and the depository. See *Item 12. Description of Securities Other Than Equity Securities – American Depositary Shares.*

Your right as a holder of ADSs to participate in any future preferential subscription rights offering or to elect to receive dividends in ordinary shares may be limited, which may cause dilution to your holdings.

The deposit agreement provides that the depository will not make rights available to you unless the distribution to ADS holders of both the rights and any related securities are either registered under the Securities Act of 1933, as amended (the "Securities Act"), or exempted from registration under the Securities Act. If we offer holders of our ordinary shares the option to receive dividends in either cash or shares, under the deposit agreement the depository may require satisfactory assurances from us that extending the offer to holders of ADSs does not require registration of any securities under the Securities Act before making the option available to holders of ADSs. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. Accordingly, ADS holders may be unable to participate in our rights offerings or to elect to receive dividends in shares and may experience dilution in their holdings. In addition, if the depository is unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, it will allow the rights to lapse, in which case you will receive no value for these rights. Under the terms of our subscription agreement with Phillips 66, Phillips 66 also has certain rights to be notified of, and participate in, issuance of shares by the Company, which opportunities may not be available to you or other holders of ADSs.

You may not be able to exercise your right to vote the ordinary shares underlying your ADSs.

Holders of ADSs may exercise voting rights with respect to the ordinary shares represented by the ADSs only in accordance with the provisions of the deposit agreement. The deposit agreement provides that, upon receipt of notice of any meeting of holders of our ordinary shares, the depository will fix a record date for the determination of ADS holders who shall be entitled to give instructions for the exercise of voting rights. Upon timely receipt of notice from us, if we so request, the depository shall distribute to the holders as of the record date (i) the notice of the meeting or solicitation of consent or proxy sent by us and (ii) a statement as to the manner in which instructions may be given by the holders.

You may instruct the depository to vote the ordinary shares underlying your ADSs. Otherwise, you will not be able to exercise your right to vote, unless you withdraw the ordinary shares underlying the ADSs you hold. However, you may not know about the meeting far enough in advance to withdraw those ordinary shares in time to vote them yourself. If we ask for your instructions, the depository, upon timely notice from us, will notify you of the upcoming vote and arrange to deliver our voting materials to you and will try to vote ordinary shares as you instruct. We cannot guarantee that you will

receive the voting materials in time to ensure that you can instruct the depository to vote your ordinary shares or to withdraw your ordinary shares so that you can vote them yourself.

Under our Constitution, any resolution to be considered at a meeting of the shareholders shall be decided on a show of hands unless a poll is demanded in accordance with the terms of our Constitution. A poll may be demanded before a vote is taken, or, in the case of a vote taken on a show of hands, immediately before or immediately after, the declaration of the result of the show of hands. Under voting by a show of hands, the depository will vote (or cause the custodian to vote) all ordinary shares held on deposit at that time in accordance with the voting instructions received from a majority of holders of ADSs who provide timely voting instructions.

You may be subject to limitations on the transfer of your ADSs and the withdrawal of the underlying ordinary shares.

Your ADSs are transferable on the books of the depository. However, the depository may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depository may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depository are closed, or at any time if we or the depository think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason subject to your right to surrender your ADSs and receive the underlying ordinary shares. Temporary delays in the surrendering of your ADSs and receipt of the underlying ordinary shares may arise because the depository has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, you may not be able to surrender your ADSs and receive the underlying ordinary shares when you owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities. See *Item 12. Description of Securities Other Than Equity Securities – American Depositary Shares*.

ADS holders' rights to pursue claims are limited by the terms of the deposit agreement.

The deposit agreement provides that holders and beneficial owners of ADSs, including those holders and owners who acquired ADSs in secondary transactions, irrevocably waive the right to a trial by jury in any legal proceeding arising out of or relating to the deposit agreement or the ADSs, including in respect of claims under U.S. federal securities laws, against us or the depository to the fullest extent permitted by applicable law. If this jury trial waiver provision is prohibited by applicable law, an action could nevertheless proceed under the terms of the deposit agreement with a jury trial. To our knowledge, the enforceability of a jury trial waiver under the U.S. federal securities laws has not been finally adjudicated by a federal court. However, we believe that a jury trial waiver provision is generally enforceable under the laws of the State of New York, which govern the deposit agreement, by a court of the State of New York or a federal court, which have non-exclusive jurisdiction over matters arising under the deposit agreement, applying such law. In determining whether to enforce a jury trial waiver provision, New York courts and federal courts will consider whether the visibility of the jury trial waiver provision within the agreement is sufficiently prominent such that a party has knowingly waived any right to trial by jury. We believe that this is the case with respect to the deposit agreement and the ADSs. In addition, New York courts will not enforce a jury trial waiver provision in order to bar a viable setoff or counterclaim sounding in fraud or one which is based upon a creditor's negligence in failing to liquidate collateral upon a guarantor's demand, or in the case of an intentional tort claim (as opposed to a contract dispute), none of which we believe are applicable in the case of the deposit agreement or the ADSs.

No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with any provision of the applicable U.S. federal securities laws. If you or any other holder or beneficial owner of ADSs brings a claim against us or the depository in connection with such matters, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depository. If a lawsuit is brought against us and/or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial

by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

As the jury trial waiver relates to claims arising out of or relating to the ADSs or the deposit agreement, we believe that the waiver would likely continue to apply to ADS holders or beneficial owners who withdraw the ordinary shares from the ADS facility with respect to claims arising before the cancellation of the ADSs and the withdrawal of the ordinary shares, and the waiver would likely not apply to ADS holders or beneficial owners who subsequently withdraw the ordinary shares represented by ADSs from the ADS facility with respect to claims arising after the withdrawal. However, to our knowledge, there has been no case law on the applicability of the jury trial waiver to ADS holders or beneficial owners who withdraw the ordinary shares represented by the ADSs from the ADS facility.

We and the depositary are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, and we may terminate the deposit agreement, without the prior consent of the ADS holders.

We and the depositary are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. In the event that the terms of an amendment are materially prejudicial to ADS holders' substantial rights, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to terminate the ADS facility at any time for any reason, or the depositary agent may on its own initiative terminate the deposit agreement. If the ADS facility will terminate, ADS holders will receive at least 30 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is materially prejudicial to the substantial rights of the ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying ordinary shares, but will have no right to any compensation whatsoever.

ADS holders have limited recourse if we or the depositary fail to meet our respective obligations under the deposit agreement.

The deposit agreement expressly limits our obligations and liability and those of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith;
- are not liable if we are or it is prevented or delayed by law or circumstances beyond our or its control from performing our or its obligations under the deposit agreement;
- are not liable if we exercise or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any consequential or punitive damages for any breach of the terms of the deposit agreement; and
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person.

These provisions of the deposit agreement limit the ability of holders of the ADSs to obtain recourse if we or the depositary fail to meet our respective obligations under the deposit agreement.

As a foreign private issuer, we are exempt from a number of rules under the U.S. securities laws that apply to public companies that are not foreign private issuers.

We are a foreign private issuer, as defined in the SEC's rules and regulations and, consequently, we are not subject to all of the disclosure requirements applicable to public companies organized within the United States. For example, we are exempt from certain rules under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that regulate disclosure obligations and procedural requirements related to the solicitation of proxies, consents or authorizations applicable to a security registered under the Exchange Act, including the U.S. proxy rules under Section 14 of the Exchange Act. In addition, our senior management and directors are exempt from the reporting and "short-swing" profit recovery

provisions of Section 16 of the Exchange Act and related rules with respect to their purchases and sales of our securities. Moreover, while we currently make annual and semi-annual filings with respect to our listing on the ASX and expect to file financial reports on an annual and semi-annual basis, we will not be required to file annual and current reports and financial statements with the Securities and Exchange Commission ("SEC") as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act and will not be required to file quarterly reports on Form 10-Q or current reports on Form 8-K under the Exchange Act. We will also be exempt from the provisions of Regulation FD, which prohibits the selective disclosure of material nonpublic information to, among others, broker-dealers and holders of a company's securities under circumstances in which it is reasonably foreseeable that the holder will trade in the company's securities on the basis of the information. In addition, foreign private issuers are not required to file their annual report on Form 20-F until four months after the end of each fiscal year.

These exemptions and leniencies will reduce the frequency and scope of information and protections to which you are entitled as an investor and there may be less publicly available information concerning our company than there would be if we were not a foreign private issuer.

As a foreign private issuer, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from NASDAQ corporate governance listing standards, and these practices may afford less protection to shareholders than they would enjoy if we complied fully with NASDAQ corporate governance listing standards.

As a foreign private issuer with ADSs listed on NASDAQ, we are subject to NASDAQ corporate governance listing standards. However, the governance rules of NASDAQ permit foreign private issuers to follow the corporate governance practices of their home country. Some corporate governance practices in Australia may differ from NASDAQ corporate governance listing standards. For example, we could include non-independent directors as members of our Remuneration Committee and our Nominating and Corporate Governance Committee, and our independent directors may not necessarily hold regularly scheduled meetings at which only independent members of the Board of Directors are present. In addition, the corporate governance practice in our home country, Australia, does not require a majority of our Board to consist of independent directors (although it is recommended). Currently, we intend to follow home country practice to the maximum extent possible. Therefore, our shareholders may be afforded less protection than they otherwise would have under corporate governance listing standards applicable to U.S. domestic issuers. For an overview of our corporate governance practices, see *Item 6. Directors, Senior Management and Employees —C. Board Practices*.

We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.

While we currently qualify as a foreign private issuer, the determination of foreign private issuer status is made annually based on the last business day of an issuer's most recently completed second fiscal quarter and, accordingly, our next determination will be made based on information as of June 30, 2024. In the future, we would lose our foreign private issuer status if we fail to meet the requirements necessary to maintain our foreign private issuer status as of the relevant determination date. For example, if 50% or more of our securities are held by U.S. residents and more than 50% of our senior management or directors are residents or citizens of the United States, we could lose our foreign private issuer status. As of December 31, 2023, approximately 16.7% of our outstanding ordinary shares were held by U.S. residents.

The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher. If we cease to be a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive in certain respects than the forms available to a foreign private issuer. We would be required under current SEC rules to prepare our financial statements in accordance with U.S. GAAP rather than IFRS, and modify certain of our policies to comply with corporate governance practices required of U.S. domestic issuers. Such conversion of our financial statements to U.S. GAAP would involve significant time and cost. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers such as the ones described above and exemptions from procedural requirements related to the solicitation of proxies.

We are an “emerging growth company” under the JOBS Act and will be able to avail ourselves of reduced disclosure requirements applicable to emerging growth companies, which could make our ordinary shares and ADSs less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act (the “JOBS Act”), and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies.” These include exemptions from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We cannot predict if investors will find the ADSs less attractive because we may rely on these exemptions. If some investors find the ADSs less attractive as a result, there may be a less active trading market for the ADSs and the price of the ADSs may be more volatile. We may take advantage of these exemptions until such time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of (i) the last day of the fiscal year in which we have more than \$1.235 billion in annual revenue; (ii) the last day of the fiscal year in which we qualify as a “large accelerated filer”; (iii) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year in which the fifth anniversary of our first sale of common equity securities pursuant to an effective registration statement under the Securities Act has occurred.

We have incurred and will continue to incur significant, increased costs as a result of operating as a company with ADSs that are publicly traded in the United States, and will incur increased costs as a result of becoming a recipient of United States government funding and incentives, and our management will be required to devote substantial time to new compliance initiatives.

As a company with ADSs that are publicly traded in the United States, we have incurred and will incur significant legal, accounting, insurance, administrative and other expenses. In addition, the Sarbanes-Oxley Act, Dodd-Frank Wall Street Reform and Consumer Protection Act and related rules implemented by the SEC and NASDAQ have imposed various requirements on public companies listed in the United States, including requiring the establishment and maintenance of effective disclosure and procedures and internal control over financial reporting. In addition, our receipt of grants and other funding and incentives from U.S. government agencies will heighten the importance of accurate reporting and internal controls and will impose compliance obligations under a number of other laws and regulations. See also – ***“Our DOE grant, and any future grants, loans or incentives we may obtain from governmental agencies, will impose restrictions and compliance obligations on us, with associated costs and risks.”***, above, and *Item 4 – Regulation – Department of Energy Grant Terms and Conditions*.

The cost of complying with these requirements may place a strain on our systems and resources. To maintain and improve the effectiveness of our disclosure controls and procedures, we must commit significant resources. Among other things, this has required and will require us to commit additional management, operational and financial resources to identify new professionals to join our company. These activities also may divert management’s attention from other business

concerns, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Moreover, these requirements have increased and will continue to increase our legal and financial compliance costs and make certain activities, such as procurement and tracking of compliance by sub-contractor and contractual counterparties, more time-consuming and costly. These requirements could also make it more difficult and expensive for us to attract and retain qualified persons to serve on our Board of Directors, our Board committees or as our senior management. Furthermore, if we are unable to satisfy our obligations as a public company listed in the United States, or are alleged to have made false or misleading statements in our applications for government support or other documentation submitted to the government, we could be subject to delisting of the ADSs, fines, sanctions and other regulatory action and potentially civil litigation, which may adversely affect our business, results of operation or financial condition and could result in delays in achieving or maintaining an active and liquid trading market for the ADSs.

If we fail to implement and maintain an effective system of internal controls or fail to identify and remediate our material weaknesses thereof, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence in our Company and the market price of the ADSs may be negatively impacted.

As a public company, we are required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our SEC reports and provide an annual management report on the effectiveness of internal control over financial reporting. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023. Based on this evaluation, management has concluded that as of December 31, 2023, we had not maintained effective internal control over financial reporting as a result of the existence of material weaknesses, as further noted below. Consequently, management, with the participation of our Chief Executive Officer and Chief Financial Officer, also concluded that our disclosure controls and procedures were not effective as of December 31, 2023.

In connection with the preparation of our financial statements as of and for the year ended June 30, 2022, we identified certain control deficiencies in the design and implementation of our internal control over financial reporting that constituted material weaknesses. These material weaknesses have not yet been fully remediated as of December 31, 2023. As described in *Item 15. Controls and Procedures* of this Form 20-F, we are continuing to implement our remediation plans to address the identified material weaknesses, and our management continues to be actively engaged in the remediation efforts. The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

The presence of material weaknesses could result in financial statement errors which, in turn, could lead to errors in our financial reports or delays in our financial reporting, which could require us to restate our financial statements. Remediating material weaknesses will absorb management's time and will require us to incur additional expenses, which could have a negative effect on the trading price of our ordinary shares and the ADSs. In order to establish and maintain effective disclosure controls and procedures and internal controls over financial reporting, we will need to expend significant internal and external resources and provide significant management oversight. Developing, implementing and testing changes to our internal controls may require specific compliance training of our directors and employees, entail substantial costs in order to modify our existing accounting systems, take a significant period of time to complete and divert management's attention from other business concerns. These changes may not, however, be effective in establishing and maintaining adequate internal controls.

If we are unable to conclude that we have effective internal controls over financial reporting, investors may lose confidence in our operating results, the price of our ordinary shares and the ADSs could decline and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404 of the Sarbanes-Oxley Act, we may not be able to remain listed on NASDAQ.

We currently report our financial results under IFRS, which differs in certain significant respects from U.S. generally accepted accounting principles, or U.S. GAAP.

Currently we report our financial statements under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. There have been and there may in the future be certain significant differences between IFRS and U.S. GAAP, and those difference may be material. As a result, our financial information and reported earnings for historical or future periods could be significantly different if they were prepared in accordance with U.S. GAAP. In addition, we do not intend to provide a reconciliation between IFRS and U.S. GAAP unless it is required under applicable law. As a result, you may not be able to meaningfully compare our financial statements under IFRS with those companies that prepare financial statements under U.S. GAAP.

We are subject to risks associated with currency fluctuations, and changes in foreign currency exchange rates could impact our results of operations.

Our ordinary shares are quoted in Australian dollars on the ASX and the ADSs are quoted in U.S. dollars. In the past year, the Australian dollar has generally weakened against the U.S. dollar; however, this trend may not continue and may be reversed. Any significant change in the value of the Australian dollar may have a negative effect on the value of the ADSs in U.S. dollars. In particular, if the Australian dollar weakens against the U.S. dollar, then, if we decide to convert our Australian dollars into U.S. dollars for any business purpose, appreciation of the U.S. dollar against the Australian dollar would have a negative effect on the U.S. dollar amount available to us. Consequently, appreciation or depreciation in the value of the Australian dollar relative to the U.S. dollar would affect our financial results reported in U.S. dollar terms without giving effect to any underlying change in our business or results of operations. As a result of such foreign currency fluctuations, it could be more difficult to detect underlying trends in our business and results of operations.

Risks Related to Tax Matters

Our ability to utilize our net operating losses to offset future taxable income may be prohibited or subject to certain limitations.

Prior or future changes in our ownership could limit our ability to use our net operating losses ("NOLs") to offset future taxable income. In general, in the United States, Section 382 of the Internal Revenue Code of 1986, as amended, provides an annual limitation with respect to the ability of a corporation to utilize its tax attributes, including its NOLs, against future taxable income in the event of a change in ownership. The use of tax losses incurred prior to a change in ownership may also be limited in Australia. We have not determined whether we have undergone a change in ownership for United States or Australian tax purposes, and it is possible that we may have undergone such a change previously or may undergo such a change as a result of future transactions in our stock (many of which are outside our control). If it is determined that we have previously experienced such an ownership change, or if we undergo one or more ownership changes as a result of future transactions, we may be unable to use all or a portion of our NOLs to offset our future taxable income in the United States or Australia. Any limitations on our ability to use our NOLs may cause income taxes to be paid earlier than otherwise would be paid if such limitations were not in effect and could cause such NOLs to expire unused, in each case, reducing or eliminating the benefit of such NOLs. This could adversely affect our financial condition and operating results.

If we are a passive foreign investment company, there could be adverse U.S. federal income tax consequences to U.S. holders.

Generally, we will be a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules with respect to the income and assets of our subsidiaries, either: (1) at least 75% of our gross income is "passive income" or (2) at least 50% of the average quarterly value of our total gross assets (which would generally be measured by fair market value of our assets) is attributable to assets that produce "passive income" or are held for the production of "passive income." Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income.

We believe that we were not a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2023. However, there can be no assurance that we will not be a PFIC for the current taxable year or for any subsequent year. The determination of PFIC status is a factual determination that must be made annually and cannot be made until the close of a taxable year. The determination depends on, among other things, the composition of our income and assets. In this regard, cash generally is treated as a passive asset for PFIC purposes, and the composition of our income and assets will be affected by the amount and timing of any cash we receive, including from any grant funding, government loans or other sources, and the spending of such funds. The fair market value of our assets (including goodwill) may be determined in large part based on the market price of the ADSs and our ordinary shares, which may fluctuate. Moreover, the determination of PFIC status depends, in part, on the application of complex U.S. federal income tax rules which are subject to differing interpretations. Accordingly, there can be no assurance that we would not be a PFIC for the current taxable year or any future taxable year.

If we were to be a PFIC, a U.S. holder would be subject to increased tax liability (generally including an interest charge on certain taxes treated as having been deferred under the PFIC rules) on any gain realized on a sale or other disposition of the ADSs or ordinary shares and on the receipt of certain “excess distributions” received with respect to the ADSs or ordinary shares, unless such U.S. holder makes certain elections. One such election, the “QEF Election,” will be unavailable to a U.S. holder because we do not intend to provide information that a U.S. holder would need to make a valid QEF Election.

U.S. holders should consult their tax advisors regarding the potential application of the PFIC rules to their ADSs or ordinary shares.

If a U.S. person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a U.S. person is treated as owning, directly or indirectly, at least 10% of the value or voting power of our equity, such U.S. person would be treated as a “United States shareholder” with respect to each “controlled foreign corporation” in our Company, if any. Because our Company currently includes one entity that is treated as a U.S. corporation for U.S. federal income tax purposes, all of our current non-U.S. subsidiaries and any future newly formed or acquired non-U.S. subsidiaries that are treated as corporations for U.S. federal income tax purposes will be treated as controlled foreign corporations, regardless of whether we are treated as a controlled foreign corporation. A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income its pro rata share of “Subpart F income,” “global intangible low-taxed income” and investments in U.S. property by controlled foreign corporations, regardless of whether we make any distributions on the ADSs or ordinary shares. An individual who is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. Failure to comply with controlled foreign corporation reporting obligations may subject a United States shareholder to significant monetary penalties. We cannot provide any assurances that we will furnish to any United States shareholder information that may be necessary to comply with the reporting and tax paying obligations applicable under the controlled foreign corporation rules of the Internal Revenue Code. U.S. persons should consult their tax advisors regarding the potential application of these rules to their investment in the ADSs.

Future changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.

Our tax treatment is subject to the enactment of, or changes in, tax laws, regulations and treaties, or the interpretation thereof, tax policy initiatives and reforms under consideration and the practices of tax authorities in jurisdictions in which we operate, including those related to the Organization for Economic Co-Operation and Development's Base Erosion and Profit Shifting Project and other initiatives. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in specific context of withholding tax) dividends paid. We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices, could affect our financial position and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders, and increase the complexity, burden and cost of tax compliance.

Item 4. Information on the Company

A. History and Development of the Company

We were incorporated under the laws of Australia in 2012 under the name Graphitecorp Pty Limited. In 2015, we completed an initial public offering of our ordinary shares and the listing of our ordinary shares on the Australian Securities Exchange, or the ASX, and changed our name to GRAPHITECORP Limited. In 2017, we changed our name to NOVONIX Limited.

The principal place of business of NOVONIX Limited is located at Level 38, 71 Eagle Street, Brisbane, Queensland 4000, Australia, and our registered office is located at Level 11, 66 Eagle Street, Brisbane, Queensland 4000, Australia. Our telephone number is +1 423-298-1007. Our agent for service of process in the United States is National Registered Agents, Inc., located at 1209 Orange Street, Wilmington, DE 19801.

In June 2017, we acquired Battery Testing Services, Inc., now known as NOVONIX Battery Technology Solutions, Inc. ("BTS"). BTS was founded by Dr. Chris Burns and researchers from the research group at Dalhousie University, headed by Dr. Jeff Dahn. BTS aims to provide innovative battery R&D capabilities and technological advantage.

NOVONIX Anode Materials (formerly PUREgraphite, LLC) was established in March 2017 as a joint venture to develop and commercialize ultra-high purity high performance graphite anode material for the lithium-ion battery market focused on electric vehicles ("EVs"), energy storage systems ("ESSs") and specialty applications. In fiscal year 2019, we exercised our call option, pursuant to which we acquired all our joint venture partner's interest in NOVONIX Anode Materials and increased our ownership to 100%.

On July 28, 2021, we completed the purchase of an approximately 404,000 square-foot facility in Chattanooga, Tennessee, "Riverside", the site planned for expansion of our anode materials production capacity. Additionally, NOVONIX Anode Material has also initiated work on further expansion plans beyond Riverside. The team focused on plant design and engineering are continuing work on the 30,000 tpa (Phase 2) plant build-out including site selection, plant layout, engineering design and feasibility, which will involve working with private sector firms and multiple levels of government. For more information on our anode materials production, see "Item 4.B. Business Overview - NOVONIX Anode Materials Division."

Since the beginning of fiscal year 2020 and through the date of this report, we have incurred capital expenditures of approximately \$154 million, primarily consisting of purchases of property, plant and equipment and capital leases in connection with the expansion of our business and development of our technologies. Capital expenditure commitments as of the end of fiscal 2023 but not recognized as liabilities were approximately \$9.3 million. For more information on our capital expenditure, see *Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources*, and *Item 8. Financial Information*.

The SEC maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our website address is www.novonixgroup.com. The reference to our website is an inactive textual reference only and information contained in, or that can be accessed through, our website is not part of this annual report.

B. Business Overview

NOVONIX is a leading battery materials and technology company aiming to revolutionize the global lithium-ion battery industry with innovative, sustainable technologies, high-performance materials, and more efficient production methods. The Company manufactures industry-leading battery cell testing equipment, is growing its high-performance synthetic graphite anode material manufacturing operations, and has developed an all-dry, zero-waste cathode synthesis process. Through advanced R&D capabilities, proprietary technology, strategic partnerships, and as a leading North American supplier of battery-grade synthetic graphite, NOVONIX has gained a prominent position in the EV and ESS battery industry and is working to power a cleaner energy future.

Our mission is underpinned by an increasing emphasis on environmentally conscious battery technologies and is key to a sustainable future with prolific adoption of EVs and grid ESS. We are focused on the development of materials, processes and technologies that support key sustainability criteria in the field of battery materials and technologies, including longer life batteries, higher-energy efficiency, manufacturing processes, reduced chemical usage, reduced waste generation, and the use of cleaner power inputs. Our vision is to accelerate adoption of battery technologies for a cleaner energy future. This is demonstrated by our values, which include integrity, respect, and collaboration that support social impact and embody NOVONIX's approach to corporate responsibility.

NOVONIX is well-positioned to be an industry leader at the forefront of product innovation and intellectual property development in the battery materials and technology industry with a focus on supporting the onshoring of the battery supply chain. The Company has built a team of top talent with the experience to drive innovation company-wide and believes it has the next generation technology needed to support the rapidly growing EV and ESS markets in North America. NOVONIX is focused on scaling its production capacity of synthetic graphite to meet the growing demands of its customers, through increasing production capabilities at its facility in Chattanooga, Tennessee, and future expansions. Additionally, NOVONIX continues to focus on developing improved and sustainable technologies, pursuing strategic partnerships with leading international battery companies, and growing an intellectual property pipeline that will position the Company at the forefront of next-generation battery technology.

Throughout fiscal year 2023, NOVONIX continued to focus on the execution of its business strategy and growth initiatives. NOVONIX had net assets of \$183.9 million including \$78.7 million in cash and cash equivalents at December 31, 2023. The Company reported a statutory after-tax loss for the year ended December 31, 2023, of \$46.2 million. These financial results are in line with management expectations.

Our Growth Strategies

NOVONIX's leadership is focused on the successful execution of its operational strategic roadmap with the objective of maximizing long-term shareholder value through the generation of strong cash flow and the pursuit of profitable, high-growth opportunities. The Company's key strategies include:

- **Maintain technology leadership throughout the EV battery and energy storage supply chain.** NOVONIX is committed to continuing to leverage its competitive advantage to expand its offerings and technological knowledge into other advanced offerings with a focus on localization of key elements of the supply chain.
- **Execute on development of synthetic graphite production capacity with plan to expand to at least 150,000 tpa based on customer demand.** The Company plans to match current and future customer demand for anode materials as the battery industry scales. The Company is on track to reaching annual production capacity of 3,000 tpa of synthetic graphite in 2024, with further plans to expand annual production capacity to 50,000 tpa in Phase 2 expansion and to at least 150,000 tpa in its Phase 3 expansion.

- **Commercialize our proprietary pipeline of advanced battery technologies.** We are currently expanding opportunities to collaborate with partners globally to commercialize our proprietary and patent pending cathode synthesis process technology. Our broader battery technology pipeline contains several innovative materials and processes in advanced anodes, cathodes, and electrolytes, as well as advanced capabilities and solutions for energy storage applications that we continue to develop and believe will be critical to the growth of the clean energy economy.
- **Invest in talent.** NOVONIX continues to invest in its personnel through recruitment, training, and development to ensure it attracts and retains the best talent in the industry, which is critical to the growth of our business.

OPERATIONAL STRUCTURE AT A GLANCE

NOVONIX’s synergistic operating structure, as depicted below, is integral to the company’s current business development and future strategy.

		
<p>NOVONIX ANODE MATERIALS</p> <ul style="list-style-type: none"> ▪ Leading domestic supplier of battery-grade synthetic graphite ▪ Large scale and sustainable production to advance North American battery supply chain ▪ Strategically positioned to accelerate clean energy transition through proprietary technology, advanced R&D and partnerships 	<p>NOVONIX BATTERY TECHNOLOGY SOLUTIONS</p> <ul style="list-style-type: none"> ▪ Develops industry leading lithium-ion battery testing equipment while providing R&D services ▪ In-house testing technology & data solutions accelerates rapid advancements compared to industry standard ▪ Data solutions leverages AI and machine learning algorithms to predict cell performance and reliability more quickly and accurately 	<p>NOVONIX CATHODE MATERIALS</p> <ul style="list-style-type: none"> ▪ Commercializing proprietary all-dry, zero-waste cathode synthesis technology ▪ Process technology minimizes environmental impact while producing high performance materials ▪ Pilot line producing samples with large-scale production of up to 10 tpa

NOVONIX continues to invest in intellectual property for key materials technologies, including anode and cathode materials, that we believe will enhance the performance of long-life EV and ESS applications. Our NOVONIX BTS division, based in Nova Scotia, Canada, has a full cell pilot line and extensive cell testing capabilities, and works with tier-one customers across the battery value chain.

Supported by our Chief Scientific Advisor Dr. Jeff Dahn, and as part of our investment in intellectual property, we continue our collaboration with the group led by Dr. Mark Obrovac, a leading battery materials innovator, at Dalhousie University. NOVONIX exclusively owns all intellectual property developed within Dr. Obrovac’s group under the collaborative research agreement without any ongoing obligations to Dalhousie University.

NOVONIX provides battery materials and development technology for leading battery manufacturers, materials companies, automotive original OEMs and consumer electronics manufacturers at the forefront of the global electrification economy. Our core mission is to accelerate the continued advancement and scaling of EV batteries and ESS through our advanced, proprietary technologies that deliver longer cycle life batteries at lower costs. Through our in-house technology and capabilities, as well as our front-line access to industry trends, we intend to be an industry leader, delivering what we believe to be the most advanced, high-performance, and cost-effective battery and energy storage technologies for our customers.

We currently operate two core businesses: *NOVONIX BTS* and *NOVONIX Anode Materials*. We also have a third reporting segment - *Graphite Exploration* - the business of which is currently under strategic review and is not presently considered by management as a core operating business.

BTS provides industry leading battery testing technology and research and development ("R&D") services to create next generation battery technologies. BTS also serves as the pillar of innovation across the NOVONIX ecosystem by creating a positive feedback loop with our anode and cathode materials business through the development of applications and strategic partnerships. This collaboration drives our continuous technological innovation and enables us to deliver best-in-class products and services for customers.

NOVONIX Anode Materials ("NAM") was established with the objective of commercializing what we believe is the most advanced anode material in the market for EVs and energy storage applications. These end-markets continue to demand high-performance batteries with longer life cycles and higher performance, while at the same time pursuing cost efficiencies to continue to drive mass adoption. Anode materials are one of the most significant components that define the overall performance, reliability, and cycle life of the battery cell. To our knowledge, we are the only qualified U.S.-based producer of EV battery-grade synthetic graphite anode material and believe NAM is well positioned to support the rapid growth in demand for these advanced anode materials in North America and globally.

Graphite Exploration, or the MDG Project, holds interests in a natural, high-grade graphite deposit in Queensland, Australia. NOVONIX had previously put any exploration and development of the MDG Project generally on hold while it conducts a strategic review of the graphite deposit asset in response to continued sector momentum to evaluate options for furthering exploration and development of the MDG Project. In October 2023, the Company decided to pursue potential opportunities to realize the value of these assets through a strategic transaction. See *Item 5. Operating and Financial Review and Prospects—A. Operating Results*.

NOVONIX Battery Technology Solutions Overview

BTS was founded by Dr. Chris Burns and researchers from the research group at Dalhousie University, formerly headed by Dr. Jeff Dahn, in 2013, and the Company acquired BTS in June 2017. BTS provides innovative R&D services along the supply chain to battery component, battery cell and original equipment manufacturers.

BTS, based in Nova Scotia, Canada, provides battery R&D services and manufactures what we believe to be the most accurate lithium-ion battery cell test equipment in the world. This equipment is now used by leading battery makers, researchers, and equipment manufacturers including Panasonic Energy, LGES, Samsung SDI, and SK Innovation, and numerous consumer electronics and automotive OEMs. The BTS division significantly expanded R&D capabilities through direct investment in and through a long-term partnership agreement with Dalhousie University.

Since we acquired the business, we have significantly expanded BTS' R&D capabilities through direct investments and our long-term collaborative research agreement with Dalhousie University. BTS now has an established team of leading scientists with an internal battery cell pilot line to prototype and evaluate new materials and cell designs, and extensive battery testing capability, including our proprietary Ultra-High Precision Coulometry system.

In the twelve months ended December 31, 2023, BTS continued strong revenue growth through increased sales of its hardware and battery testing and R&D service offerings, including through the addition and expansion of key strategic accounts. In the twelve months ended December 31, 2023, BTS' revenues from contracts with customers increased by 42%, compared to the twelve months ended December 31, 2022, due to an increase in sales with the addition of a new distributor which expanded our footprint in the battery hardware market. In the twelve months ended June 30, 2022, BTS' revenues from contracts with customers grew by 57%, compared to the twelve months ended June 30, 2021, due to an increase in sales in the battery hardware division of the business.

The Company is collaborating with Sandbox AQ, an enterprise SaaS company that combines artificial intelligence ("AI") with quantum analysis ("AQ") to address some of the world's most challenging problems, to predict the lifespan of lithium-ion batteries. The Company intends to leverage SandboxAQ's AI-driven chemical simulation software and the Company's Ultra-High Precision Coulometry ("UHPC") technology and extensive battery cell prototyping and testing capabilities to enhance its data and analytics services. This enhanced data and analytics offering complements the Company's UHPC testing equipment and R&D prototyping and testing services to provide actionable information faster for the battery industry. The resulting models will be used for data products and services in the first half of 2024, building on the Company's purpose-built, proprietary, battery data platform.

In November 2022, BTS announced the opening of its new cathode pilot production facility aimed to position NOVONIX as an industry leader in high-nickel cathode technology. The program will be housed in a newly opened, 35,000-square-foot facility and leverage NOVONIX's all-dry, zero-waste cathode synthesis technology to pilot its patent-pending technology for material production with the target of servicing the rapidly expanding EV and energy storage sectors.

The Company has continued its investment in the intellectual property developed around all-dry, zero-waste cathode synthesis technology in 2023, which the Company believes could enable a substantial reduction in the cost of producing high energy density (high nickel-based) cathode materials including cobalt-free materials, an industry game-changer. The Company announced it successfully completed the commissioning of its 10 tpa cathode pilot line in July 2023. The cathode pilot line's first product, a mid-nickel grade of single-crystal cathode material (NMC622), produced using its patent-pending, all-dry, zero-waste cathode synthesis technology, is performing in line with leading cathode materials from existing suppliers in full-cell testing. NOVONIX will use the pilot line to further demonstrate the manufacturability of the Company's cathode materials and technology, including high-nickel (e.g., NMC811) and cobalt-free materials, along with their performance in industrial format lithium-ion cells leveraging its capabilities at BTS.

We believe this patent-pending process – and the innovations resulting from it – are transformational for the battery industry, decreasing processing complexity which should result in a substantial reduction in costs and waste (e.g., elimination of sodium sulfate) in the cathode manufacturing process. Hatch Ltd. ("Hatch"), a global engineering consultancy firm, was commissioned to conduct a commercial-scale capital and operating cost comparison study, as well as a high-level evaluation of plant emissions and impacts to natural resources, between the Company's patent-pending process and the current state-of-the-art wet-chemical process ("conventional process"). The Company's all-dry, zero-waste cathode synthesis process was built upon dry particle microgranulation, which requires fewer steps than the conventional process, while producing no sodium sulfate, reducing facility cooling water by an estimated 65% and eliminating the water needed for core materials processing.

The Hatch study found that the NOVONIX process may potentially reduce power consumption by an estimated 25% and practically eliminate waste byproduct generation over the conventional process. These factors contributed to a potential processing cost reduction of an estimated 50% (excluding material feedstock costs) and potentially lower capital costs by an estimated 30% when considering a 30,000 tpa high-nickel cathode manufacturing facility. Based on the scoping study comparing the two processes, the NOVONIX process is estimated to consume fewer natural resources, likely requiring essentially no reagents and generating fewer waste streams, and, as a result, is likely a far more environmentally friendly and sustainable process than the conventional process.

The Company's 10 tpa cathode synthesis pilot line allows continued progress to develop and demonstrate new materials and larger test samples to accelerate commercial discussions with potential partners and customers. The Company has begun commercial discussions with precursor and cathode suppliers regarding the Company's cathode materials and technology including sampling of products. We believe NOVONIX is positioned to become a market leader in cathode synthesis technology as it pursues these development opportunities.

BTS is receiving up to CAD\$3M (US\$2.23M) in research and development funding and advisory services from the National Research Council of Canada Industrial Research Assistance Program ("NRC IRAP"). The Company will use the funds to advance both its collaboration with SandboxAQ towards data analytics and the Company's all-dry, zero-waste cathode materials development and pilot line.

With carbon-neutral policies taking hold across major countries, NOVONIX continues to work in the ESS market, which has experienced an increase in demand driven primarily by a significant increase in renewable energy adoption. BTS developed a first-of-its-kind microgrid battery prototype to support Block Energy Labs' (formerly Emera Technologies) residential microgrid system, which is operating in a residential pilot project in Florida. This relationship highlights the strategic value BTS provides through working with various companies and industries to identify growth opportunities across the battery value chain.

NOVONIX Anode Materials Overview

NOVONIX Anode Materials was established in March 2017 as a joint venture to develop and commercialize ultra-high purity high-performance graphite anode material for the lithium-ion battery market focused on EVs, energy storage and specialty applications. In fiscal year 2019, we exercised our call option, pursuant to which we acquired all our joint venture partner's interest in NAM and increased our ownership to 100%.

NAM exclusively owns all graphite-related intellectual property of its former joint venture partner and has the ongoing exclusivity for the development of graphite products and battery anode materials using that technology.

This intellectual property includes innovative, high-performance graphite anode materials (demonstrated in internal testing to outperform leading materials currently in the market) and production methods that we expect to deliver production costs significantly lower than existing producers.

Through operational growth and by executing strategic partnerships, NOVONIX has developed proprietary technology that delivers increased energy efficiency, negligible facility emissions, and anode materials that outperform industry standards. In June 2022, NOVONIX released the results of a Life Cycle Assessment ("LCA"), which showed an approximate 60% decrease in global warming potential compared to commercially manufactured anode grade synthetic graphite produced in China, and an approximate 30% decrease in global warming potential compared to anode grade natural graphite also produced in China. NAM strives for the highest performance while powering the battery materials industry with lower carbon emissions.

Since the United States passed the Inflation Reduction Act of 2022, battery development capacity has accelerated with increased domestic production and robust EV demand. These current trends underpin the significance of NOVONIX's agreement with Phillips 66 in January 2022 for the joint development of new feedstocks and synthetic graphite with reduced carbon-intensive processing. We believe this partnership positions NOVONIX at the forefront of revolutionary solutions that advance the adoption of clean energy.

The Company has recently doubled its production target at its first manufacturing plant, Riverside, to 20,000 tpa. The Company plans to begin production in late 2024 at an initial 3,000 tpa to support its supply agreements with KORE Power and Panasonic Energy, and intends to eventually reach at least 150,000 tpa of total production capacity in North America through the acquisition or construction of new production facilities. In the first quarter of 2023, the Company's Generation 3 furnaces produced its GX-23 product that fully met its physical and electrochemical specification targets. The continuous output from a single Generation 3 Furnace, producing multiple tonnes of material which, was confirmed to meet the target for the degree of graphitization for the product. In 2023, the Company met the engineering specifications for performance and efficiency of Generation 3 furnace systems and remains on track for commercial deliveries of anode material by late 2024. The Company continues to leverage this progress in its engagements with prospective customers with whom the Company is in discussions about product qualification, production timelines and potential supply agreements from Riverside and future facilities.

The Company expects to complete updated engineering work to obtain the expanded capacity target at the Riverside facility at the end of the first quarter of 2024 and will enable the continued deployment of additional mass production equipment for the start of commercial production in late 2024.

The Biden Administration's Inflation Reduction Act ("IRA") and the Bipartisan Infrastructure Law ("BIL") have provided financial incentives for companies to build a robust supply chain in the United States. On October 20, 2022, NOVONIX announced its selection by the DOE to enter negotiations for \$150 million in grant funding to support the construction of a new synthetic graphite manufacturing facility with a targeted initial output of 30,000 tpa. Through negotiations with the DOE's MESC Office, the Company announced in November 2023 that it successfully reallocated the funding more immediately to its Riverside facility, which has a target production of up to 20,000 tpa, finalized its award agreement and, accordingly, resized the award to \$100 million, payable upon achieving certain milestones. The DOE grant funding will support the installation and commissioning of equipment to produce the targeted 20,000 tpa of capacity from Riverside. Under the terms of the grant, the Company must match government funds comply with a number of U.S. laws and regulations. In addition to the \$100 million DOE grant funding, the Company expects its cash position, customer revenues, additional government programs, strategic partners and other capital sources to fund planned growth. Synthetic graphite is currently imported almost exclusively from China, and NOVONIX's plant aims to be the first large-scale battery-grade synthetic graphite manufacturing operation in the U.S. The DOE's MESC Office will work closely with NOVONIX to oversee the award over the course of the project through full operation.

In the fourth quarter 2022, NAM submitted a formal application to the DOE's Loan Programs Office ("LPO"). The LPO provides low-interest loans to support the manufacture of eligible vehicles and qualifying components under the Advanced Technology Vehicles Manufacturing Loan ("ATVM") program, authorized by the Energy Independence and Security Act of 2007. Through the ATVM program, LPO can provide access to debt capital that is priced at U.S. Treasury Rates for auto manufacturing projects in the United States and provide financing that meets the specific needs of individual borrowers.

NOVONIX continues to advance plans for a new production facility with an initial production target of at least 30,000 tpa. The Company continues to pursue funding support under the LPO's ATVM program. A loan through the ATVM program may fund up to 80% of eligible project costs of the Company's next facility. The timing of this next facility and NOVONIX's subsequent plans to reach at least 150,000 tpa of production in North America will be based on the timelines of current and future customer demand.

Aligned with its strategic partnership and investment in KORE Power, NOVONIX will be KORE Power's exclusive supplier of graphite anode material in North America. In 2022, KORE Power received strategic financing from investors and a \$850 million conditional commitment from DOE LPO in 2023 for the construction of its KOREPlex facility in Phoenix, Arizona, targeted to begin production in the fourth quarter of 2024. To support KORE Power's capacity requirement and other customers, NOVONIX's expanded production capacity target of 20,000 tpa at the Company's Riverside facility in Chattanooga, Tennessee can fully meet KORE Power's contracted anode material needs. The production ramp will be aligned with the supply agreement starting at approximately 3,000 tpa and ramping up to 12,000 tpa as KORE Power's facility expands.

In March 2023, we entered a joint venture agreement with TAQAT Development Company ("TAQAT") with the intention to develop and produce anode materials for EV and ESS batteries in the Middle East & North Africa region. The parties planned to construct a production facility in the Kingdom of Saudi Arabia to leverage access to precursor material as feedstock for critical battery materials and to serve developing end-use markets for the manufacture and sale of EVs and ESS applications. If the parties, unless otherwise mutually agreed through an amendment, do not incorporate the joint venture, provide initial funding for a front-end engineering and design study, and obtain merger control clearance, if required, from the Kingdom of Saudi Arabia by March 31, 2024, the joint venture will terminate on its own terms. While the parties have had discussions relating to these conditions, there can be no assurance that any of the conditions will be satisfied by such date or that the parties will agree to extend the milestone.

In June 2023, NOVONIX and LG Energy Solution, Ltd., a global battery manufacturer, entered into a JDA providing for the joint development of active anode material for lithium-ion batteries that meets certain product quality specifications, with a term through June 2025. The material for testing will be supplied initially from NOVONIX's pilot plant and is anticipated to be supplied in 2024 and 2025 from its mass production facilities. The JDA provides that, upon successful completion of certain development work under the JDA, LGES and NOVONIX will enter into a separate purchase agreement pursuant to which LGES will have the option to purchase up to 50,000 tons of artificial graphite anode material over a 10-year period from the start of mass production. See *Item 3. Key Information—D. Risk Factors ("We depend, and expect to continue to depend, on a limited number of customers for a significant percentage of our revenue.")*. In conjunction with the JDA, pursuant to an Unsecured Convertible Note Agreement dated as of June 2023 (the "LGES Note Agreement"), NOVONIX issued an aggregate principal amount of US\$30 million unsecured convertible notes to LGES on June 21, 2023. As a result of the issuance of the convertible notes and the conversion terms therein, LGES is as of December 31, 2023, the beneficial owner of more than 5% of our ordinary shares (based on the number of our outstanding ordinary shares). See *Item 7 - Major Shareholders and Related Party Transactions*.

In February 2024, NOVONIX and Panasonic Energy, a leading manufacturer of EV batteries in North America, each announced the signing of a binding off-take agreement for high-performance synthetic graphite anode material to be supplied to Panasonic Energy's North American operations from NOVONIX's Riverside facility in Chattanooga, Tennessee. Under the off-take agreement, Panasonic Energy has agreed to purchase at least 10,000 tonnes of anode material for use in its North American plants over the term of 2025-2028, subject to NOVONIX achieving agreed upon milestones regarding final mass production qualification timelines prior to the fourth quarter of 2025. Panasonic Energy has the right to reduce the 10,000 tonnes volume (by up to 20%) if these milestones are not achieved by the required dates or to terminate the agreement if there is a substantial delay to achieving these milestones. During the term, if additional volumes are requested by Panasonic Energy, NOVONIX shall use its best efforts to deliver the increased volumes. The companies have agreed to a pricing structure that incorporates a mechanism for adjusting the price in response to significant changes in NOVONIX's raw material costs. *Item 3.D. Risk Factors ("We depend, and expect to continue to depend, on a limited number of customers for a significant percentage of our revenue.")*.

Graphite Exploration Overview

We hold tenement rights in the Mount Dromedary Graphite Project (the "MDG Project"), a high-grade natural flake graphite deposit located in Northern Queensland, Australia. As of the date of this annual report, the Company has not generated any revenue from the sale of natural graphite. Despite the favorable characteristics of this natural graphite deposit and except to the extent of any exploration required under the tenement rights, in 2021 the Company put any exploration and development of the MDG Project on hold to conduct a strategic review of these assets. This decision was based on what the Company considered more favorable investment opportunities through the manufacturing of advanced battery anode materials and the development of new battery technologies.

During the twelve months ended December 31, 2023, the Company received and evaluated inquiries and expressions of interest in the MDG Project. In October 2023, the Company decided to pursue potential opportunities to realize the value of these assets through a strategic transaction. All tenement rights remain current, exploration activity is continuing to the extent required under the tenement rights, a resource, principally high-grade graphite, has been identified, and, as a result of the Company's decision, the assets have been reclassified during the year ended December 31, 2023, as being available for sale. See *Note 30 - Commitments and Contingencies*, to the consolidated financial statements included in this annual report. While the Company may engage in discussions with interested third parties regarding the MDG Project, there can be no assurances that any such discussions will result in any transaction involving these assets. See *Item 3. Key Information — D. Risk Factors ("From time to time we may enter into negotiations for acquisitions, dispositions, partnerships, joint ventures or investments that are not ultimately consummated or, if consummated, may not be successful.")*.

Principal Markets

The principal markets in which our BTS division competes are North America, Asia, and Europe through the sale of battery testing equipment and related consulting services. BTS customers are primarily battery manufacturers and developers, including specialty materials manufacturers, consumer electronics OEMs and automotive OEMs, primarily across the lithium-ion battery value chain. Revenues during the twelve months ended December 31, 2023, six months ended December 31, 2022, and twelve months ended June 30, 2022 and 2021 were \$8.1 million, \$2.7 million, \$6.1 million, and \$3.9 million, respectively.

In fiscal 2023, North America, Asia, Australia, and Europe accounted for 82%, 8%, 6%, and 4% of revenues, respectively. In fiscal 2022, North America, Asia and Europe accounted for 79%, 17% and 4% of revenues, respectively. In fiscal 2021, North America, Asia and Europe accounted for 82%, 8% and 10% of revenues, respectively.

To date, our NAM division has not generated any revenue from the sale of synthetic graphite. If our commercialization efforts for our synthetic graphite product are successful, we may generate revenue from the sale of our synthetic graphite materials primarily in North America primarily to customers in the EV and grid storage industries.

Sales and Marketing

We market and sell our BTS battery testing equipment and related consulting services through a combination of direct contact with customers' research and development experts and third-party distributors who specialize in battery testing technologies and sell to automotive and electronics OEMs, battery developers and manufacturers, and research institutions. As we develop and commercialize our synthetic graphite anode materials business, we market our battery materials through the direct engagement of a combination of our corporate, R&D and operations leadership teams.

Raw Materials

Raw materials for our BTS business are comprised of various equipment and other components from a wide range of third-party suppliers. As we expand our anode materials manufacturing capabilities, we will begin to rely on third-party suppliers for components and materials. See "Risk Factors—***We may not be able to establish supply relationships for necessary components or may be required to pay costs for components that are more expensive than anticipated, which could delay the introduction or acquisition of additional equipment necessary to support our grow and negatively impact our business.***"

Seasonality

We have not been subject to any seasonality in our continuing operations in any material respect.

Our Competitive Strengths

We develop and supply what we believe is the most accurate battery testing technology in the world. Our Ultra-High Precision Coulometry technology for short term reliable evaluation of the cycle life of lithium-ion cells was developed in the laboratory at Dalhousie University by Dr. Jeff Dahn, who joined our team as Chief Scientific Advisor on July 1, 2021. Our CEO, Dr. Chris Burns, was a team lead of that laboratory. This testing technology delivers high accuracy, high precision measurements that are dependable and repeatable, with the potential to allow cycle life evaluation to be made in weeks instead of years. We believe our Ultra-High Precision Coulometry technology provides significantly higher grading measurements than our competitors, enabling us to support the most urgent and innovative performance cell testing projects and is used by industry leaders across the battery sector.

Our proprietary process technology and capabilities across the battery and energy storage value chain drive innovation and commercial opportunities. By playing a critical role across the full value chain, our proprietary testing and development technologies provide us with in-depth visibility into industry and technological trends ranging from materials to end use cases and requirements. We believe that this access should allow us to remain at the forefront of

lithium-battery technology. As the broader battery and energy storage industry continues to evolve, we are committed to continuing to expand into new and emerging technologies.

A leading U.S.-based supplier of battery-grade synthetic graphite anode material, with capacity scaling as market demand grows. Our NOVONIX Anode Materials business is well-positioned to help localize synthetic graphite as U.S. and non-U.S. companies seek to diversify their suppliers of battery materials with the goal of sourcing material within the U.S. We are a leading US-based supplier with plans to scale significant domestic volumes of battery-grade synthetic graphite anode material. To our knowledge, we are the only qualified U.S.-based supplier of battery-grade synthetic graphite anode material.

Our high-performance anode materials have longer cycle life with competitive costs. NOVONIX Anode Materials' premium graphite showcases higher coulombic efficiency as well as capacity retention compared to industry leading materials in head-to-head comparisons (including a tier one automotive OEM cell used as a reference benchmark). We believe NOVONIX's materials have the highest purity in the market as they contain essentially no contaminants, enhancing safety as well as performance. We believe NOVONIX Anode Materials' process is also a "greener" alternative as it utilizes higher energy efficiency production technology, several lower emission energy sources and no chemical purification, avoiding the environmental and safety risks of such processes. The strength of NOVONIX Anode Materials' products are evidenced by our ongoing product development collaboration through our MOU with Samsung SDI, supply agreements with KORE Power and Panasonic Energy, and a joint development agreement with LGES. Our mission is to be a leader with high performance, longer life, lower costs, and "greener" materials.

Our offerings are directly compatible with today's installed and planned battery manufacturing technology. NOVONIX Anode Materials provides proven technology that can be integrated into current cell designs with no material additional costs to cell manufacturers. An extremely limited number of suppliers are established outside of Asia, which could lead to a lack of localized supply options. The plug and play characteristic along with superior material performance and competitive pricing is expected to drive continued industry adoption of our offerings.

Our research and development team consists of renowned battery technology researchers including Dr. Jeff Dahn and Dr. Mark Obrovac. Dr. Jeff Dahn, who joined our team as Chief Scientific Advisor on July 1, 2021, is a leading researcher in the field of lithium-ion batteries and materials. Dr. Dahn is a named inventor on over seventy patents and patent applications. Dr. Mark Obrovac is another renowned researcher in battery materials and process technology, a NOVONIX sponsored researcher, and the head of the Obrovac Research Group at Dalhousie University. With the support of leading innovative battery technology researchers, we believe NOVONIX is well-positioned to remain at the forefront of battery technology.

We are partnering with industry leading companies. To further the development and production of advanced anode materials, we are partnering with Harper International, a global leader in complete thermal processing solutions and technical services to produce advanced materials, to develop proprietary next-generation furnace technology. This arrangement demonstrates that industry leaders have identified NOVONIX as a strategic partner for continued innovation.

We were selected to receive support from the U.S. Government. In November 2023, we finalized a \$100 million grant from the U.S. Department of Energy Office of Manufacturing and Energy Supply Chains. We believe that this grant demonstrates the commitment by the U.S. Government to support the establishment of domestic supply of high-performance battery materials, while highlighting the expertise, progress, strategic partnerships, and technology NOVONIX has developed.

Competition

The battery materials market consists of many small suppliers (of which we form part of that market), a smaller number of large volume suppliers and a small number of large dominating buyers. As the market continues to grow, we face the risk that one or more competitors, or a new entrant to the market, will increase their competitive position through aggressive marketing campaigns, product innovation, price discounting, acquisitions, or advances in technology. We strive to remain competitive by continuing to develop our products, technologies and associated intellectual property licenses

and maintaining competitive pricing. However, in the event we are unable to adapt to changing market pressures or customer demands and keep pace with technological change relative to our competitors, or we are forced to reduce pricing in response to competition, our revenue and profit margins could be affected, which could have a material adverse effect on our business and cash flows, financial condition and results of our operations.

Although, to our knowledge, we are the only qualified U.S.-based supplier of battery-grade synthetic graphite anode material, there are four categories of companies that could be considered potential competition. The first are established synthetic graphite manufacturing companies outside the United States, predominantly in Asia. While these companies do have established manufacturing capacity, they suffer from a geopolitical disadvantage not being located in the United States and suffer from higher energy costs and have less stringent environmental regulations. The second category of potential competition is natural graphite mining companies. Natural graphite provides historically cheaper pricing than synthetic graphite; however natural graphite significantly underperforms relative to synthetic graphite in battery testing and has potential environmental concerns regarding mining practices. The third potential category of competition are existing graphitization companies and new entrants to the production of battery grade synthetic graphite in the United States. While these companies may have significant furnace operations, we believe there are no other graphitization companies or new entrant that have developed an economic process to manufacture battery grade synthetic graphite to the specifications of tier-1 battery manufacturers building in the United States. The fourth and final category of competition are companies developing disruptive technologies such as silicon anodes and liquid metal/solid-state batteries. There are significant marketing materials available to demonstrate the promise of these potential disruptive technologies. However, we are unaware of any technology that has a path to develop, a cost competitive product in the foreseeable future that will meet the increasing lifetime requirements for EVs and energy storage solutions markets and thus be able to capture more than a niche portion of the battery market. As a result, we do not foresee these new technologies having a material impact on the addressable market for our graphite anode material products in the foreseeable future.

Intellectual Property

As of December 31, 2023, we have rights to one issued patent and 14 active patent applications. Our oldest patent application was filed with a priority date in 2015. This patent information is based on our current assessment of patents that we own or control or have exclusively licensed. The information is subject to revision, for example, in the event of changes in the law or legal rulings affecting our patents or if we become aware of new information.

The actual protection afforded by a patent varies in each country and is dependent on the type of patent, the scope of its coverage as determined by the patent office or courts in that country, and the availability of legal remedies in the country. Patents expire, on a country-by-country basis, at various times depending on several factors, including the filing date of the corresponding patent application(s), the availability of patent term adjustment, patent term extension and supplemental protection certificates and requirements for terminal disclaimers. In most countries, including Australia and the United States, the patent term is 20 years from the earliest claimed filing date of a non-provisional patent application or its foreign equivalent in the applicable country. In the United States, a patent's term can be lengthened in certain cases by a patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent, or may be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date.

We may not be able to develop patentable products or processes or obtain patents from pending patent applications. In the event of patent issuance, the patents may not be entirely sufficient to protect the proprietary technology owned by or licensed to us or our partners. Our current patents, or patents that issue on pending applications, may be challenged, invalidated, infringed, or circumvented. In addition, changes to patent laws in the United States or in other countries may limit our ability to defend or enforce our patents or may apply retroactively to affect the term and/or scope of our patents. Our patents may be challenged by third parties in post-issuance administrative proceedings or in litigation as invalid, not infringed, or unenforceable under U.S., Canadian, U.K, Australian or other foreign laws, or they may be infringed by third parties. As a result, we are or may be from time to time involved in the defense and enforcement of our patent or other intellectual property rights in a court of law and administrative tribunals, such as in USPTO inter partes review or

reexamination proceedings, foreign opposition proceedings or related legal and administrative proceedings in the United States and elsewhere. The costs of defending our patents or enforcing our proprietary rights in post-issuance administrative proceedings or litigation may be substantial and the outcome can be uncertain. An adverse outcome may allow third parties to use our proprietary technologies without a license from us.

Furthermore, we rely upon trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, by using confidentiality and invention assignment agreements with commercial partners, collaborators, employees and consultants. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant it ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees, and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting knowledge and inventions.

Our commercial success will also depend in part on not infringing upon the proprietary rights of third parties. It is uncertain whether the issuance of any third-party patent would require us to alter our development or commercial strategies for our product candidates or processes, or to obtain licenses or cease certain activities. Our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our future products may have an adverse impact on us. If third parties prepare and file patent applications in the United States that also claim technology to which we have rights, we may have to participate in interference or derivation proceedings in the USPTO to determine priority of invention.

We currently rely on our unregistered trademarks, trade names and service marks, as well as our domain names and logos, as appropriate, to market our brands and to build and maintain brand recognition.

Regulation

Our business is subject to regulation in several areas. Changes in government, monetary policies and laws and regulations, among other things, can have a significant impact on our assets, operations, financial performance and, ultimately, the value of our company and our ordinary shares. Changes may occur in the U.S., Canada, Australia, or any other country in which we operate, or subsequently start to operate. Such changes are likely to be beyond our control and may affect the industries in which we operate, our company, or both. Non-compliance with changing laws and regulations may expose the company to legal risk via investigations or litigious proceedings from regulators, counterparties, or consumers. This section sets forth a summary of the principal laws and regulations relevant to our business.

Department of Energy Grant Terms and Conditions

Under the award agreement that the Company finalized in November 2023 with DOE's MESC Office, and the underlying regulations applicable to the \$100 million grant awarded to the Company, which is payable upon achieving certain milestones and must be matched by the recipient, the Company is required to comply with a number of U.S. laws and regulations. Relevant requirements include the U.S. National Environmental Policy Act and other environmental, health and safety requirements; minimum wage and apprenticeship requirements; export control laws; requirements to perform work in the U.S.; preferences for U.S. supplies of goods and services; requirements to carry out manufacturing using new inventions (if developed through the grant) in the U.S. to the extent commercially feasible; requirements to grant liens in favor of the U.S. government on property acquired or developed with grant funds and restrictions on sales or dispositions of such property; data management and intellectual property sharing requirements; and requirements to pass-down certain of such requirements to our sub-contractors and contractual counterparties. We expect that the DOE's MESC Office will, and the DOE's Office of Inspector General may, review our compliance, and the adequacy of our practices for maintaining compliance. In the event of improper or illegal activities, or misleading statements in our applications, we are subject to possible civil and criminal penalties, sanctions, or suspension or debarment.

In addition to the matching funding requirements and the cost of complying with law and regulations, the Company may be required to pay the costs of a third party monitoring firm and is required to indemnify the U.S. government and its officers, agents, or employees in the event of liability arising from claims for death, bodily injury, or loss of or damage to property or to the environment, resulting from the project, except to the extent that such liability results from the direct fault or negligence of U.S. government officers, agents or employees. See *Item 3. Key Information—D. Risk Factors* (“**We will need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control our costs.**” and “**Our DOE grant, and any future grants, loans or incentives we may obtain from governmental agencies, will impose restrictions and compliance obligations on us, with associated costs and risks.**”).

Corporations Act and ASX Listing Rules

As a company incorporated in Australia, we remain subject to the Corporations Act 2001 (Cath), or Corporations Act, and we are regulated by both the Australian Securities and Investments Commission, or ASIC, the country’s corporate regulator, and the Australian Securities Exchange, or ASX, as an entity listed on that exchange. Accordingly, we must comply with all Corporations Act requirements and the Listing Rules maintained by ASX. Changes to these rules and requirements may have an impact on our assets, operations, financial performance, value, or other matters. Breaches of these rules and regulations may give rise to regulatory action from ASIC or ASX or litigious proceedings initiated by other stakeholders.

The Foreign Corrupt Practices Act

The FCPA prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring us to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Environmental, Health and Safety

Our facilities and operations are subject to numerous environmental, health and safety (“EHS”) laws and regulations which require significant capital investment on an ongoing basis and could give rise to unforeseen liability, including as a result of a governmental enforcement action or obligations to remediate contaminated sites, including third-party contaminated sites where we have sent waste for treatment or disposal. EHS laws or their enforcement may become more stringent over time, which could increase our operating costs and subject us to additional liabilities.

See *Item 3. Key Information—Risk Factors—Risks Related to Regulatory Matters*” contained herein.

Sustainability and ESG Strategy and Initiatives

We believe that an increasing emphasis on environmentally conscious battery technologies is key to a sustainable future with widespread adoption of EVs and grid ESS. Many current manufacturing methods for key battery materials are energy intensive, wasteful or hazardous to the environment. End users and OEMs are focused on sourcing materials from cleaner technologies. We are committed to the development of technologies that support key sustainability criteria in the field of battery materials and technologies, including:

- **Longer Life Batteries.** We believe that the use of NOVONIX’s synthetic graphite leads to longer life batteries which therefore generate less overall waste in recycling or disposal.
- **Higher Energy Efficiency.** Improvements in process technology demonstrated by NOVONIX Anode Materials as well as through NOVONIX’s all-dry, zero-waste cathode synthesis process technology could reduce the amount

of energy required to produce key battery materials. NOVONIX's proprietary graphitization furnace technology was developed with the objective of being the highest efficiency graphitization technology.

- **Reduced Chemical Usage.** NOVONIX Anode Materials uses no chemical purification, which reduces risks of harmful chemical leaks, spills, or exposure, while eliminating costs of compliance with chemical disposal requirements. Additionally, NOVONIX's all-dry, zero-waste cathode synthesis technology does not use chemicals or reagents that would typically be used and require reclamation and treatment after processing.
- **Reduced Waste Generation.** NOVONIX is focused on high yield technologies to produce key battery materials. NOVONIX Anode Materials process development has maintained what we believe to be industry-leading yields through our graphitization furnaces. NOVONIX's all-dry, zero-waste cathode synthesis technology can allow for the manufacturing of cathode materials requiring essentially no reagents, reduced water consumption, no sodium sulphate byproduct generation and other reductions in waste streams.
- **Cleaner Power Inputs.** NOVONIX is focused on sourcing power for its manufacturing from clean sources of energy generation. As such, our current location in the Tennessee Valley Authority has an electrical grid make-up which is over 50% non-carbon producing sources of energy including nuclear, hydro, wind and solar.

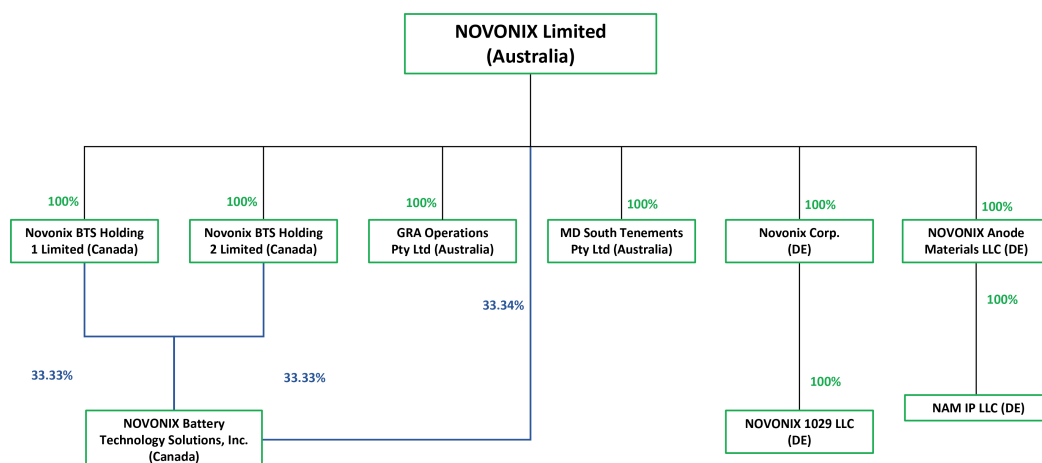
In 2023, we commenced our environmental, social and governance ("ESG") program by establishing a committee comprised of internal subject matter experts from across the Company. To guide discussions around relevant sustainability themes, we engaged a third-party ESG advisor, with whose support we performed a focused materiality assessment to identify the ESG topics that demanded the Company's initial attention. That assessment and the efforts that followed, including the preparation of our inaugural Sustainability Report, considered a range of ESG reporting protocols and frameworks considered relevant to our business, such as the Sustainability Accounting and Standards Board, Global Reporting Initiative, and the UN Development Goals. The ESG Committee looked to a range of protocols and frameworks for the following reasons:

- our primary focus was to lay the foundation for an ESG program that would begin with a focus on key ESG topics and then develop and expand in 2023 and beyond;
- we believed it would be premature to evaluate and decide on a single or limited number of reporting standards that could be applied across businesses;
- our two operating subsidiaries – NAM and BTS – while both broadly engaged in the battery industry, have key differentiators between their businesses that required consideration of a broader range of reporting standards that properly accounted for those differences; and
- our NAM business has not yet achieved its full scale operations, with plans to begin production in late 2024, which meant many of its business activities that relate to key ESG topics were still under development or not yet generating significant or reportable data.

We expect to publish our inaugural Sustainability Report and post it on our website during the first quarter of 2024.

C. Organizational Structure

The chart below sets forth our corporate organizational structure, including our directly and indirectly owned subsidiaries, as of December 31, 2023.



D. Property, Plants, and Equipment

We maintain facilities in Chattanooga, Tennessee, and Bedford and Dartmouth, Nova Scotia, and hold interests in the MDG Project in Queensland, Australia.

Chattanooga, Tennessee

We lease property with an area of approximately 120,000 square feet. We acquired an additional property with an area of approximately 404,000 square feet in late July 2021. These properties are used in connection with our NOVONIX Anode Materials business.

Nova Scotia

We own two properties totaling 57,000 square feet. These properties are used in connection with our BTS business.

Australia

We hold tenement rights in the Mount Dromedary Graphite Project (the "MDG Project"), a high-grade natural flake graphite deposit located in Northern Queensland, Australia. As of the date of this annual report, we have not generated any revenue from the sale of natural graphite. Despite the favorable characteristics of this natural graphite deposit and except to the extent of any exploration required under the tenement rights, in 2021 the Company put any exploration and development of the MDG Project on hold to conduct a strategic review of these assets. This decision was based on what the Company considered more favorable investment opportunities through the manufacturing of advanced battery anode materials and the development of new battery technologies. See *Item 5. Operating and Financial Review and Prospects—A. Operating Results*.

We believe our facilities in Chattanooga, Tennessee, and Nova Scotia, are adequate and suitable for our current and anticipated needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

As of December 31, 2023, the net book values of tangible fixed assets were as follows:

Asset category	At	At
	December 31, 2023	December 31, 2022
	Net book value US\$	Net book value US\$
Land	\$ 2,330,826	\$ 2,314,473
Building	43,786,229	44,839,066
Leasehold Improvements	424,770	579,110
Machinery and Equipment	21,204,001	20,868,849
Construction in Progress	72,047,622	56,715,250
Total tangible fixed assets	<u>\$ 139,793,447</u>	<u>\$ 125,316,748</u>

Item 4A. Unresolved Staff Comments

Not applicable.

Item 5. Operating and Financial Review and Prospects

The following discussion of our financial condition and results of operations is based upon and should be read in conjunction with our consolidated financial statements and their related notes included in this annual report on Form 20-F.

Certain information included in this discussion and analysis includes forward-looking statements that are subject to risks and uncertainties, which may cause actual results to differ materially from those expressed or implied by such forward-looking statements. For further information on important factors that could cause our actual results to differ materially from the results described in the forward-looking statements contained in this discussion and analysis, see "Special Note Regarding Forward-Looking Statements," above, and the risks described in Item 3. Key Information—D. Risk Factors contained herein.

A. Operating Results.

Overview

NOVONIX provides battery materials and development technology for leading battery manufacturers, materials companies, automotive OEMs and consumer electronics manufacturers at the forefront of the global electrification economy. Our core mission is to accelerate the continued advancement and scaling of EV batteries and energy storage solutions through our advanced, proprietary technologies that deliver longer cycle life batteries at lower costs. Through our in-house technology and capabilities, as well as our front-line access to industry trends, we intend to be an industry leader, delivering what we believe to be the most advanced, high-performance and cost-effective battery and energy storage technologies for our customers.

We currently operate two core businesses: *NOVONIX Battery Technology Solutions* ("BTS") and *NOVONIX Anode Materials* ("NAM"). We also have a third reporting segment - *Graphite Exploration* - the business of which is currently under strategic review and is not presently considered by management as a core operating business.

BTS provides industry leading battery testing technology and research and development ("R&D") services to create next generation batteries. BTS also serves as the pillar of innovation across the NOVONIX ecosystem by creating a positive feedback loop with our anode and cathode materials businesses through the development of applications and strategic partnerships. This collaboration drives our continuous technological innovation and enables us to deliver best-in-class products and services for customers.

NAM was established with the objective of commercializing what we believe is the most advanced anode material in the market for EVs and energy storage applications. These end-markets continue to demand high-performance batteries with longer life cycles, while at the same time pursuing cost efficiencies to continue to drive mass adoption. Anode materials are one of the most significant components that define the overall performance, reliability, and cycle life of the battery cell. To our knowledge, we are the only qualified U.S.-based producer of EV battery-grade synthetic graphite anode material and believe NAM is well positioned to support the rapid growth in demand for these advanced anode materials in North America and globally.

Graphite Exploration holds tenement rights in the Mount Dromedary Graphite Project (the "MDG Project"), a high-grade natural flake graphite deposit located in Northern Queensland, Australia. As of the date of this annual report, we have not generated any revenue from the sale of natural graphite. Despite the favorable characteristics of this natural graphite deposit and except to the extent of any exploration required under the tenement rights, in 2021 the Company put any exploration and development of the MDG Project on hold to conduct a strategic review of these assets. This decision was based on what the Company considered more favorable investment opportunities through the manufacturing of advanced battery anode materials and the development of new battery technologies. During the twelve months ended December 31, 2023, the Company received and evaluated inquiries and expressions of interest in the MDG Project. In October 2023, the Company decided to pursue potential opportunities to realize the value of these assets through a strategic transaction. All tenement rights remain current, exploration activity is continuing to the extent required under the tenement rights, a

resource, principally high-grade graphite, has been identified, and, as a result of the Company's decision, the assets have been reclassified during the year ended December 31, 2023, as being available for sale. See Note 30 - *Commitments and Contingencies*, to the consolidated financial statements included in this annual report. While the Company may engage in discussions with interested third parties regarding the MDG Project, there can be no assurances that any such discussions will result in any transaction involving these assets. See *Item 3. Key Information—D. Risk Factors* ("**From time to time we may enter into negotiations for acquisitions, dispositions, partnerships, joint ventures or investments that are not ultimately consummated or, if consummated, may not be successful.**") contained herein.

Overview of Financials

We have incurred operating losses since 2013. Our ability to generate product revenue sufficient to achieve profitability will be dependent on our ability to begin significant production and commercialization of NOVONIX Anode Materials business' synthetic graphite product. Accordingly, we expect to continue to incur significant expenses as we continue to scale production of our synthetic graphite product, the majority of which will be associated with planned production equipment spend. We expect to incur significant additional costs associated with operating as a public company in the United States, including additional legal, accounting, investor relations, compliance, and other expenses.

As a result, we will need substantial additional funding to support our continuing operations and pursue our growth strategy. Until such time, if ever, as we can generate sufficient revenue from synthetic graphite sales, we expect to finance our operations through the issue of equity, debt financings, or other capital sources, which may include collaborations with other companies or other strategic transactions as well as U.S. government financing support and tax incentives. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development and commercialization of our synthetic graphite product. See *Item 3. Key Information—D. Risk Factors* ("**We may need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control their costs.**") contained herein.

Because of the numerous risks and uncertainties associated with the commercialization of battery-grade materials, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate product sales, we may never become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to scale back or discontinue our operations. See *Item 3. Key Information—D. Risk Factors* ("**We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.**") contained herein.

As of December 31, 2023, we had cash and cash equivalents of \$78.7 million. We plan to ramp synthetic graphite production capacities aligned with current and future customer take-away agreements towards 20,000 tpa in Phase 1, with further targets of 50,000 tpa in Phase 2 and at least 150,000 tpa in Phase 3. We believe that our existing cash and cash equivalents will help support capacity expansion towards 3,000 tpa, which is expected to be completed in 2024. We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See "*Liquidity and Capital Resources*," below.

Components of Our Results of Operations

Segment Information

Our segments consist of Battery Technology (BTS), Battery Materials (NOVONIX Anode Materials) and Graphite Exploration (MDG Project). In order to comply with the requirement to discuss significant components of revenue and expenses, and to enable investors to understand the consolidated amounts, where applicable we have provided a

discussion along segmental lines. As a result, the discussion and analysis of segments is integrated with the discussion of the consolidated amounts to avoid confusion and duplication of disclosure.

Revenue

NOVONIX Battery Technology Solutions

Revenue is contributed through two primary BTS business lines: hardware sales and consulting services. Our customers include leading battery makers and researchers and equipment manufacturers, including Panasonic Energy, LGES, Samsung SDI, and SK Innovation, and numerous specialty materials, consumer electronics OEMs and automotive OEMs.

When we sell battery testing equipment, we enter into a contract with our customers covering the price, specifications, delivery dates and warranty for the products being purchased, among other things. Our contractual delivery periods vary, but are typically about three months. Contracts for battery testing equipment can range in value based on the amount of equipment provided and the duration of the contract. Revenue from the sales of BTS hardware is recognized at the point in time when the hardware is delivered and the legal title has passed.

The consulting services business provides battery cell design, implementation and support services under fixed-price and variable price contracts. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period relative to the remaining services under the contract because the customer receives and uses the benefits simultaneously. This is determined based on the actual labor hours spent relative to the total expected labor hours.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Our BTS revenue is affected by changes in the price, volume and mix of products and services purchased by BTS' customers. The price and volume of our products is driven by the demand for our products, changes in product mix between equipment and services, geographic mix of our customers, and strength of competitors' product offerings.

NOVONIX Anode Materials

As of the date of this annual report on Form 20-F, we have not generated any revenue from sale of synthetic graphite. If our commercialization efforts for our synthetic graphite product are successful, we may generate revenue from the sale of our synthetic graphite materials. In addition, if we enter into additional collaboration, partnership or license agreements with third parties, we may generate revenue in the future from payments from such collaboration or license agreements or a combination of product sales and those payments.

Graphite Exploration

As of the date of this annual report on Form 20-F, we have not generated any revenue from sale of natural graphite. We do not expect any revenue from our interests in the MDG Project in the near future. In October 2023, the Company decided to pursue potential opportunities to realize the value of these assets through a strategic transaction. All tenement rights remain current, exploration activity is continuing to the extent required under the tenement rights, a resource, principally high-grade graphite, has been identified, and, as a result of the Company's decision, the assets have been reclassified during the year ended December 31, 2023, as being available for sale.

Other Income

Other income is primarily comprised of interest income and grant revenue. Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial

asset. Grants from government bodies are recognized at their fair value where there is a reasonable assurance that the grant will be received and that we are able to comply with all conditions for receipt of the grant. Other income also includes gains on revaluation of previously held equity method investments, which can be recognized when we obtain control over the equity method investee.

Product Manufacturing and Operating Costs

Product manufacturing and operating costs consists of product costs, including purchased materials and components, as well as costs related to shipping, which, as at the date of this annual report on Form 20-F, have been in connection with our BTS business only. Our product costs are affected by the underlying cost of raw materials and component costs.

Administrative and Other Expenses

Administrative and other expenses consist primarily of travel expenses, facilities costs, audit, legal, tax, insurance, information technology and other costs.

We expect to incur additional audit, tax, accounting, legal and other costs related to compliance with applicable securities and other regulations, as well as additional insurance, investor relations and other costs associated with being a public company in the United States. In addition, if we cease to qualify as a foreign private issuer in the future, we would expect that we would incur additional expenses as a domestic reporting company in the United States. *See Item 3. Key Information—D. Risk Factors ("We may lose our foreign private issuer status in the future, which could result in significant additional cost and expense.")* contained herein.

Borrowing Costs

The borrowing costs are recognized in the profit or loss statement in the reporting period in which they are incurred.

Borrowing costs consist primarily of interest accrued on loan notes and borrowings, loss on redemption of loan notes and unwinding of fair value gains.

Impairment Losses

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment includes the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognized immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another accounting standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other accounting standard.

Depreciation and Amortization Expenses

Depreciation expense consists of costs associated with property, plant and equipment ("PP&E") which are depreciated over their expected useful lives. We expect that as we increase both our revenues and the number of our general and administrative personnel, we will invest in additional PP&E to support our growth resulting in additional depreciation expense.

Amortization expense consists of costs associated with technology intangible assets other than goodwill, which are amortized over their expected useful lives.

Research and Development Costs

Research and development costs primarily represent the Company's investment in research and development activities for our all-dry, zero-waste cathode synthesis process and our data analytics project. At present, our research and development activities are conducted through our two core businesses: BTS and NOVONIX Anode Materials; all-dry, zero-waste cathode synthesis and data analytics falls under BTS R&D.

Research expenditures are recognized as an expense when incurred. Costs incurred on development projects (relating to the design and testing of enhancements or extensions of products from the all-dry, zero-waste project) are recognized as intangible assets when:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use it or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The expenditure capitalized comprises all directly attributable costs, including costs of materials, services, direct labor and an appropriate proportion of overhead. Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight-line basis over its useful life.

Share Based Compensation

Equity-settled share-based compensation benefits are provided to directors and employees. Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to directors and employees in exchange for the rendering of services.

The Company measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either a binomial or Monte Carlo option pricing model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions, including share price volatility, interest rates and vesting periods would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact the profit or loss and equity.

The cost of equity-settled transactions is recognized as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognized in profit or loss for the reporting period is the cumulative amount calculated at each reporting date less amounts already recognized in previous reporting periods.

Share-based payment expenses are recognized over the period during which the employee provides the relevant services. This period may commence prior to the formal grant date, such as where the granting of options or performance rights are subject to shareholder approval. In this situation, the entity estimates the grant date fair value of the equity instruments for the purposes of recognizing an expense for the services received during the period between service commencement date and grant date. Once the grant date has been established, the fair value of the equity instrument is calculated, and the earlier estimate is revised so that the amount recognized for services received is ultimately based on the grant date fair value of the equity instruments. Where there is a difference between the estimated grant date fair

value and the actual grant date fair value, adjusting entries are recognized in share-based payment expense and the share-based payment reserve.

Employee Benefits Expense

Employee benefits expenses consist of fixed annual remuneration, short-term incentives and long-term incentives. Employees receive their fixed annual remuneration in cash. Short-term incentives are payable on achievement of mutually agreed KPIs each fiscal year with short-term incentives being payable in either cash or by way of the issue of fully paid ordinary shares. The Company has historically paid short term incentives in cash.

At the Board's discretion, employees are invited to participate in the Long-Term Incentive Program which comprises one-off grants of options and/or performance rights, with varying vesting conditions.

Foreign Currency Gain (Loss)

Foreign currency gain (loss) results from a change in exchange rates between our functional currency and the currency in which a foreign currency transaction is denominated.

Income Tax (Expense) Benefit

The income tax expense or benefit for the reporting period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognized for prior reporting periods, where applicable.

Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of recognized and unrecognized deferred tax assets are reviewed at each reporting date. Deferred tax assets recognized are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognized deferred tax assets are recognized to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Results of Operations for the Twelve Months Ended December 31, 2023, and 2022

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods presented. Results for the twelve months ended December 31, 2022 were derived from consolidated statements of operations as previously reported in our Form 20-F for the fiscal year ended June 30, 2022 filed with the SEC on August 31, 2022 and the transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

(\$ in millions)	Twelve Months Ended December 31,		Twelve Months Ended June 30,		Twelve Months Ended December 31, 2023 vs. 2022
	2023	2022 (unaudited)	2022	2021	\$ Change
	Revenue	\$ 8.1	\$ 5.7	\$ 6.1	\$ 3.9
Product manufacturing and operating costs (exclusive of depreciation presented separately)	(2.8)	(3.0)	(1.7)	(0.8)	0.2
Administrative and other expenses	(18.9)	(21.2)	(12.6)	(2.9)	2.3
Impairment Losses	—	—	—	(2.0)	—
Depreciation and amortization expenses	(4.7)	(4.1)	(4.2)	(1.3)	(0.6)
Loss on equity investment securities at fair value through profit or loss	—	—	(8.1)	—	—
Research and development costs	(5.8)	(4.9)	(5.1)	(2.1)	(0.9)
Nasdaq listing related expenses	—	(0.9)	(4.2)	—	0.9
Share based compensation	(5.6)	(11.3)	(14.5)	(4.5)	5.7
Employee benefits expense	(20.3)	(17.1)	(12.7)	(4.3)	(3.2)
Borrowing costs	(2.9)	(1.2)	(1.5)	(0.2)	(1.7)
Foreign currency gain(loss)	1.4	6.6	5.2	(0.1)	(5.2)
Gain on fair value of derivative financial instruments	1.5	—	—	—	1.5
Other income, net	3.6	1.1	1.6	0.7	2.5
Loss before income tax (expense) benefit	(46.4)	(50.3)	(51.9)	(13.4)	3.9
Income tax (expense) benefit	0.2	—	—	—	0.2
Net loss	(46.2)	(50.3)	(51.9)	(13.4)	4.1
Other comprehensive loss, net of tax					
Foreign currency translation of foreign operations	(1.5)	(2.4)	(17.8)	7.8	0.9
Total comprehensive loss	\$ (47.7)	\$ (52.7)	\$ (69.6)	\$ (5.6)	\$ 5.0

Revenue

Revenue increased by \$2.4 million to \$8.1 million for the twelve months ended December 31, 2023, compared to \$5.7 million for the twelve months ended December 31, 2022. The increase was primarily due to an increase in demand from existing and new customers and price increases across our hardware sales and consulting services in our BTS segment.

Product Manufacturing and Operating Costs

Product manufacturing and operating costs decreased \$0.2 million to \$2.8 million for the twelve months ended December 31, 2023, compared to \$3.0 million for the twelve months ended December 31, 2022. The decrease was due to cost savings achieved amongst major suppliers.

Administrative and Other Expenses

Administrative and other expenses decreased \$2.3 million to \$18.9 million for the twelve months ended December 31, 2023, compared to \$21.2 million for the twelve months ended December 31, 2022. The decrease was primarily due to reduced accounting and audit fees of \$1.2 million, a decrease in insurance costs of \$0.7 million due to lower D&O insurance premiums for the U.S. listing; and a decrease in general office expenses of \$0.5 million.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased \$0.6 million to \$4.7 million for the twelve months ended December 31, 2023, compared to \$4.1 million for the twelve months ended December 31, 2022. The increase was primarily due to an increase in PP&E to \$76.8 million at December 31, 2023, from \$73.6 million at December 31, 2022, which primarily related to the expansion of our production facilities in Chattanooga, Tennessee.

Research and Development Costs

Research and development costs increased \$0.9 million to \$5.8 million for the twelve months ended December 31, 2023, compared to \$4.9 million for the twelve months ended December 31, 2022, as we continue to investment in product and technology development for our cathode business in our BTS segment and our anode business in our NAM segment.

Nasdaq Listing Related Expenses

There were no Nasdaq listing related expenses for the twelve months ended December 31, 2023, compared to \$0.9 million for the twelve months ended December 31, 2022. These expenses primarily consisted of direct and incremental legal and advisory fees related to the Company's NASDAQ listing in the prior year.

Share Based Compensation

Share based compensation decreased \$5.7 million to \$5.6 million for the twelve months ended December 31, 2023, compared to \$11.3 million for the twelve months ended December 31, 2022. The decrease was primarily due to a reversal of share-based payment expense of \$6.0 million that resulted from a reassessment of the probability of LTI performance rights vesting.

Employee Benefits Expense

Employee Benefits expense increased \$3.2 million to \$20.3 million for the twelve months ended December 31, 2023, compared to \$17.1 million for the twelve months ended December 31, 2022. The increase was primarily driven by higher personnel-related costs to support the alignment with the expansion of the business.

Borrowing Costs

Borrowing costs increased \$1.7 million to \$2.9 million for the twelve months ended December 31, 2023, compared to \$1.2 million for the twelve months ended December 31, 2022. The increase was primarily due to the increase in interest related to the issuance of convertible notes in 2023.

Foreign Currency Gain (Loss)

Foreign currency gain for the twelve months ended December 31, 2023, was \$1.4 million compared to a foreign currency loss for the twelve months ended December 31, 2022, of \$6.6 million. Our foreign currency gain/loss fluctuates based on our exposure to transactions and balances denominated in currencies other than the functional currency of the related subsidiary.

Gain on fair value of derivative financial instruments

Gain on fair value of derivative financial instruments for the twelve months ended December 31, 2023 was \$1.5 million compared to \$0 million for the for the twelve months ended December 31, 2022. The increase is due to the revaluation of the derivative component of the convertible notes issued to LGES in 2023.

Other Income, net

Other income increased \$2.5 million to \$3.6 million for the twelve months ended December 31, 2023, compared to \$1.1 million for the twelve months ended December 31, 2022. The increase was primarily due to \$1.6 million in interest income received from Term Deposits and a Scientific Research and Experimental Development ("SR&ED") tax benefit of \$0.7 million from the Canada Revenue Agency ("CRA"). Additionally, there was an increase of \$0.2 million in funds obtained from the Government of Canada in 2023 under the Industrial Research Assistance Program, specifically allocated for BTS research and development activities.

Results of Operations for the Six Months Ended December 31, 2022 and December 31, 2021

For a comparison of our Results of Operations for the six months ended December 31, 2022, to the six months ended December 31, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

Results of Operations for the Twelve Months Ended June 30, 2022 and 2021

For a comparison of our Results of Operations for the year ended June 30, 2022, to the year ended June 30, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

B. Liquidity and Capital Resources

The liquidity and capital resources discussion that follows contains certain estimates as of the date of this annual report on Form 20-F of our estimated future sources and uses of liquidity (including estimated future capital resources and capital expenditures) and future financial and operating results. These estimates represent forward looking information and reflect numerous assumptions made by us with respect to industry performance, general business, economic, regulatory, market and financial conditions and other future events, and matters specific to our businesses, all of which are difficult or impossible to predict and many of which are beyond our control. See "Special note regarding forward-looking statements".

Material Cash Commitments and Contractual Maturities

The Company had commitments for payments under exploration permits of \$2,000, \$4,000, \$15,853, and \$9,760 as at December 31, 2023, December 31, 2022, June 30, 2022, and June 30, 2021, respectively. The Company also has contractual obligations in respect of a non-cancellable operating lease for its Lookout Valley facility in Chattanooga, Tennessee of \$4.8 million. The Company recognized a right-of-use asset for this lease. No other material commitments or contractual obligations exist as at June 30, 2022, or June 30, 2021.

As of December 31, 2023, the contractual maturities of the Company's non-derivative financial liabilities were as follows (\$ in millions):

Contractual maturities of financial liabilities	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
At December 31, 2023	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Trade and other payables	\$ 5.8	—	—	—	—	\$ 5.8	\$ 5.8
Lease liabilities	0.3	0.3	0.5	1.7	3.1	5.9	4.8
Borrowings	1.3	1.3	2.6	6.9	32.1	44.2	64.6
Total non-derivatives	\$ 7.4	\$ 1.6	\$ 3.1	\$ 8.6	\$ 35.2	\$ 55.9	\$ 75.2

Funding Requirements

As of December 31, 2023, we had cash and cash equivalents of \$78.7 million. We have also been awarded a \$100 million grant from the Department of Energy Office of Manufacturing and Energy Supply Chains to be utilized in the expansion of our Riverside facility. Receipts from this Grant will be paid against verified expenses and have to be matched with Company funding. No amounts have been drawn down against this grant to date. We plan to ramp synthetic graphite production capacities aligned with current and potential customer off-take agreements towards 3,000 tpa run rate in 2024 to support its agreements with KORE Power and Panasonic Energy. We will further expand our Riverside facility to 20,000 tpa during Phase 1 with further targets of 50,000 tpa in Phase 2 and at least 150,000 tpa in Phase 3. We believe that our existing cash and cash equivalents will help support capacity expansion towards 3,000 tpa, which is expected to be completed in 2024. We have based these estimates on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. We will need to obtain additional funding to expand our production facilities and meet our targeted production capacities and fund our continuing operations. See *Item 3. Key Information—D. Risk Factors* ("**We may need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control their costs.**") contained herein.

Sources and Uses of Liquidity

We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we continue purchase additional production equipment associated with the manufacture of synthetic graphite. For example, on July 28, 2021, we purchased commercial land and buildings in Chattanooga, Tennessee for \$42.6 million to expand our anode materials production facilities and concurrently entered into a loan facility with DBR Investments Co. Limited for \$30.1 million with an interest rate of 4.09%. The loan has been fully drawn down as at December 31, 2023. The total liability at December 31, 2023 was \$28.4 million. On June 21, 2023, pursuant to the LGES Note Agreement, we issued an aggregate principal amount of US\$30 million unsecured convertible notes to LGES. The convertible notes bear interest at a rate of four percent per annum and have a maturity date of June 7, 2028. The notes will mandatorily convert into ordinary shares upon LGES' acceptance of the first purchase order under any purchase agreement that it may enter into with NOVONIX. However, LGES may elect to convert some or all of the notes prior to such time. No interest would be payable on the notes that are converted into ordinary shares prior to the maturity date. On the maturity date, LGES may elect to redeem or convert all of the notes then outstanding, in which case interest will be payable in cash (in the case of redemption) or "in-kind" (in the case of conversion). The conversion price of the notes is AUD\$1.60 per ordinary share. We plan to utilize the proceeds for continued development of anode materials, operational needs and general corporate purposes. See *Item 7.-Major Shareholders and Related Party Transactions*.

In addition, we expect to incur significant commercialization expenses related to sales, marketing, and distribution to the extent that such sales, marketing and distribution are not the responsibility of any future customers. Further, we expect to incur additional costs associated with operating as a public company in the United States. We may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses, impact our ability to repay our debt (including our \$30 million worth of unsecured convertible notes issued to LGES) and require future capital raises to maintain the business.

We believe that we will continue to incur operating and net losses in each fiscal year until at least the time we begin significant production of our anode materials, which is not expected to occur earlier than 2025 and may occur later or not at all. These conditions give rise to substantial doubt over our ability to continue as a going concern. If we were not able to continue as a going concern, or if there were continued doubt about our ability to do so, additional financing may not be available to us. See *Item 3. Key Information—D. Risk Factors ("We have a history of financial losses and expect to incur significant expenses and continuing losses in the near future.")* contained herein.

Until we can generate a sufficient amount of revenue from the sale of synthetic graphite, if ever, we expect to finance our operating activities through our existing liquidity, proceeds from the Phillips 66 Transaction and future financing activities, including a combination of equity offerings, debt financings, collaborations, strategic partnerships and licensing arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, ADS holders' ownership interests will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of such holders. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, intellectual property, future revenue streams or product candidates. If we are unable to raise additional funds through financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. See *Item 3. Key Information—D. Risk Factors ("We may need to obtain funding from time to time to finance our growth and operations, which may not be available on acceptable terms, or at all. If we are unable to raise capital when needed, we may be forced to delay, reduce or eliminate certain operations, and we may be unable to adequately control their costs.")* contained herein.

Our present and future funding requirements will depend on many factors, including, among other things:

- the initiation, progress, timing, and costs associated with our planned capacity expansion, including but not limited to onboarding and training production operators, installation of production equipment, and installation and commissioning of required supporting building and equipment infrastructure;
- costs associated with expanding our organization, including our management infrastructure;
- selling and marketing activities undertaken in connection with the commercialization of our synthetic graphite product; and
- the costs of operating as a public listed company in both Australia and the United States.

Sources and Uses of Liquidity

The following table summarizes our cash flows for the periods presented. Results for the twelve months ended December 31, 2022 were derived from consolidated statements of operations as previously reported in our Form 20-F for the fiscal year ended June 30, 2022 filed with the SEC on August 31, 2022 and the transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

(\$ in Millions)	Twelve Months Ended December 31,	
	2023	2022 (unaudited)
Net cash outflow from operating activities	\$ (36.2)	\$ (37.4)
Net cash outflow from investing activities	(11.7)	(48.3)
Net cash inflow (outflow) from financing activities	29.3	(0.5)
Net decrease in cash and cash equivalents	(18.7)	(86.2)
Effects of foreign currency	(1.7)	(3.3)
Cash and cash equivalents at the beginning of the year	99.0	188.5
Cash and cash equivalents at the end of the year	\$ 78.7	\$ 99.0

Cash Flows from Operating Activities

Twelve Months Ended December 31, 2023, compared to Twelve Months Ended December 31, 2022.

For the twelve months ended December 31, 2023, and 2022, net cash used in operating activities was \$36.2 million and \$37.4 million, respectively. The decrease in net cash used in operating activities was primarily due to an increase of \$2.8 million in proceeds from other income and \$0.3 million in receipts from customers, partially offset by an increase of \$1.9 million in payments to suppliers and employees.

Proceeds from other income increased to \$3.5 million in the twelve months ended December 31, 2023, from \$0.7 million in the twelve months ended December 31, 2022, representing increase in governmental incentives received to support ongoing research and development activities.

Receipts from customers increased to \$7.7 million in the twelve months ended December 31, 2023, from \$7.4 million in the twelve months ended December 31, 2022, in line with increased revenues achieved by BTS segment.

Payments to suppliers and employees increased to \$45.7 million in the twelve months ended December 31, 2023, from \$43.8 million in the twelve months ended December 31, 2022, in line with increased business activities in both our BTS and NAM segments.

Six Months Ended December 31, 2022, compared to Six Months Ended December 31, 2021

For a comparison of our Cash Flows from Operating Activities for the six months ended December 31, 2022, to the six months ended December 31, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

Twelve Months Ended June 30, 2022, compared to Twelve Months Ended June 30, 2021

For a comparison of our Cash Flows from Operating Activities for the year ended June 30, 2022, to the year ended June 30, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

Cash Flows from Investing Activities

Twelve Months Ended December 31, 2023, compared to Twelve Months Ended December 31, 2022.

For the twelve months ended December 31, 2023, and 2022, net cash used in investing activities was \$11.7 million and \$48.3 million, respectively. The decrease was primarily due to a decrease of \$20.3 million in payments for property, plant and equipment.

Six Months Ended December 31, 2022, compared to Six Months Ended December 31, 2021

For a comparison of our Cash Flows from Investing Activities for the six months ended December 31, 2022, to the six months ended December 31, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

Twelve Months Ended June 30, 2022, compared to Twelve Months Ended June 30, 2021

For a comparison of our Cash Flows from Investing Activities for the year ended June 30, 2022, to the year ended June 30, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

Cash Flows from Financing Activities

Twelve Months Ended December 31, 2023, compared to Twelve Months Ended December 31, 2022.

For the twelve months ended December 31, 2023, and 2022, net cash provided by financing activities was \$29.3 million and net cash used in financing activities was \$0.5 million, respectively. The increase was primarily due to the \$30 million raise from the issue of convertible notes.

Six Months Ended December 31, 2022, compared to Six Months Ended December 31, 2021

For a comparison of our Cash Flows from Financing Activities for the six months ended December 31, 2022, to the six months ended December 31, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

Twelve Months Ended June 30, 2022, compared to Twelve Months Ended June 30, 2021

For a comparison of our Cash Flows from Financing Activities for the year ended June 30, 2022, to the year ended June 30, 2021, see "Item 5. Operating and Financial Review and Prospects" of our transition report on Form 20-F for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023.

Credit Risk

The Company has significant concentration of credit risk with respect to any counterparties or on a geographical basis. Amounts are considered as "past due" when the debt has not been settled, in line with the terms and conditions agreed between the Company and the customer to the transaction.

The Company assesses impairment on trade and other receivables using the simplified approach of the expected credit loss (ECL) model under AASB 9.

The balance of receivables that remain within initial trade terms are considered to be of high credit quality.

Emerging Growth Company Status

As a company with less than \$1.235 billion in revenue during our last fiscal year, we qualify as an “emerging growth company” as defined in the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- exemption from the auditor attestation requirement of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, in the assessment of our internal controls over financial reporting;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements;
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these exemptions until such time that we are no longer an emerging growth company. Accordingly, the information that we provide shareholders and holders of the ADSs may be different than you might obtain from other public companies. We will cease to be an emerging growth company upon the earliest to occur of (i) the last day of the fiscal year in which we have more than \$1.235 billion in annual revenue; (ii) the last day of the fiscal year in which we qualify as a “large accelerated filer”; (iii) the date on which we have, during the previous three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year in which the fifth anniversary of the completion of our first sale of common equity securities pursuant to an effective registration statement under the Securities Act.

Foreign Private Issuer Status

We are also considered a “foreign private issuer” under U.S. securities laws. In our capacity as a foreign private issuer, we are exempt from certain rules under the Exchange Act that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our senior management, the members of our Board of Directors and our principal shareholders are exempt from the reporting and “short-swing” profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our securities. Moreover, we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We will remain a foreign private issuer until such time that 50% or more of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of the members of Board of Directors or our senior management are U.S. citizens or residents; (ii) more than 50% of our assets are located in the United States; or (iii) our business is administered principally in the United States.

We have taken advantage of certain reduced reporting and other requirements in this annual report. Accordingly, the information contained herein may be different from the information you receive from other public companies.

Passive Foreign Investment Company Status

Generally, we will be a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules with respect to the income and assets of our subsidiaries, either: (1) at least 75% of our gross income is “passive income” or (2) at least 50% of the average quarterly value of our total gross assets (which would generally be measured by fair market value of our assets) is attributable to assets that produce “passive income” or are held for the production of “passive income.” Passive income for this purpose generally includes

dividends, interest, royalties, rents, gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income.

We believe that we were not a PFIC for U.S. federal income tax purposes for the taxable year ended December 31, 2023. However, there can be no assurance that we will not be a PFIC for the current taxable year or for any subsequent year. The determination of PFIC status is a factual determination that must be made annually and cannot be made until the close of a taxable year. The determination depends on, among other things, the composition of our income and assets. In this regard, cash generally is treated as a passive asset for PFIC purposes, and the composition of our income and assets will be affected by the amount and timing of any cash we receive, including from any grant funding, government loans or other sources, and the spending of such funds. The fair market value of our assets (including goodwill) may be determined in large part based on the market price of the ADSs and our ordinary shares, which may fluctuate. Moreover, the determination of PFIC status depends, in part, on the application of complex U.S. federal income tax rules which are subject to differing interpretations. Accordingly, there can be no assurance that we would not be a PFIC for the current taxable year or any future taxable year.

If we were to be a PFIC, a U.S. holder would be subject to increased tax liability (generally including an interest charge on certain taxes treated as having been deferred under the PFIC rules) on any gain realized on a sale or other disposition of the ADSs or ordinary shares and on the receipt of certain “excess distributions” received with respect to the ADSs or ordinary shares, unless such U.S. holder makes certain elections. One such election, the “QEF Election,” will be unavailable to a U.S. holder because we do not intend to provide information that a U.S. holder would need to make a valid QEF Election.

U.S. holders should consult their tax advisors regarding the potential application of the PFIC rules to their ADSs or ordinary shares. The language in this section supersedes the language included in *Item 3. Key Information—D. Risk Factors (“If we are a passive foreign investment company, there could be adverse U.S. federal income tax consequences to U.S. holders.”)* contained herein and supplements the discussion under *Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Considerations* contained herein.

C. Research and Development, Patents and Licenses, Etc.

Information regarding our research and development and patent matters are detailed in *Item 4.B. Business Overview* of our 2023 annual report.

D. Trend Information

Our growth strategy and industry trends are detailed in *Item 3. Key Information—B. Business Overview* of this annual report. The uncertainties and material commitments such as financial instruments that are likely to have a material effect on our financial condition are described in *Item 3. Key Information—D. Risk Factors* contained herein and *Item 5. Operating and Financial Review and Prospects – B. Liquidity and Capital Resources*, above.

E. Critical Accounting Estimates

Not applicable.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information relating to our directors and senior management as of the date of this annual report on Form F-20.

Name	Age	Position
Senior Management		
Christopher Burns	36	Chief Executive Officer
Nicholas Liveris	40	Chief Financial Officer
Rashda Buttar	55	Chief Legal & Administrative Officer
Non-executive Directors		
Anthony Bellas	70	Deputy Chairman and Non-executive Director
Ronald Edmonds	66	Non-executive Director
Andrew Liveris	69	Non-executive Director
Robert Natter	78	Chairman and Non-executive Director
Jean Oelwang	59	Non-executive Director
Suresh Vaidyanathan	57	Non-executive Director

The business addresses for our senior management and Board of Directors are NOVONIX Limited, Level 38, 71 Eagle Street, Brisbane, Queensland 4000, Australia.

Senior Management

Christopher Burns

Dr. Christopher Burns is currently the Company's CEO. He is the founder and CEO of NOVONIX Battery Technology Solutions, which he co-founded in Canada in 2013, as well as CEO of NOVONIX Anode Materials. During his candidacy for his PhD at Dalhousie University, he co-developed Ultra-High-Precision-Coulometry technology. Dr. Burns also manages NOVONIX's sponsorship of Dr. Mark Obrovac's laboratory at Dalhousie University. He was also formerly a Senior Research Engineer with Tesla.

Nicholas Liveris

Mr. Nicholas Liveris is the Company's CFO. Mr. Liveris was previously the operational CFO for NOVONIX Anode Materials and NOVONIX Battery Technology Solutions. He has also led business development initiatives for the Company. Mr. Liveris has more than ten years of experience in investment banking and management consulting. He was previously a Senior Engagement Manager at McKinsey where he led transformation programs for automotive and manufacturing companies. Before joining McKinsey, he was an Investment Banking Analyst at Merrill Lynch covering the transportation sector.

Rashda Buttar

Ms. Rashda Buttar is the Company's Chief Legal & Administrative Officer. Before joining the Company in April 2021, Ms. Buttar served as Senior Vice President - General Counsel & Corporate Secretary of Foresight Energy LP from 2011 to 2017. Ms. Buttar served as Vice President, Associate General Counsel and Corporate Secretary of Patriot Coal Corporation from 2007 to 2011 and Assistant General Counsel and Assistant Corporate Secretary of TALX Corporation from 2003 to 2007. Ms. Buttar received her Juris Doctor from Saint Louis University School of Law and her undergraduate degree in Russian and Eastern European Studies and Political Science from Saint Louis University.

Non-executive Directors

Anthony Bellas

Mr. Anthony Bellas was appointed as Deputy Chairman of the Company on November 30, 2021. Mr. Bellas previously served as the inaugural Chairman of the Company since August 11, 2015. He brings over 30 years of experience in the public and private sectors. Mr. Bellas was previously CEO of the Seymour Group, one of Queensland's largest private investment and development companies. Prior to joining the Seymour Group, Mr. Bellas held the position of CEO of Ergon Energy, a Queensland Government-owned corporation involved in electricity distribution and retailing. Before that, he was CEO of CS Energy, also a Queensland Government-owned corporation and the State's largest electricity generation company, operating over 3,500 MW of gas-free and coal-free plants at four locations. Mr. Bellas had an extensive career with Queensland Treasury, achieving the position of Deputy Under Treasurer. Mr. Bellas is also a director and Deputy Chairman of State Gas Limited (ASX: GAS), Healthcare Logic Global Ltd, Loch Explorations Pty Ltd, Green and Gold Minerals Pty Ltd and Burlington Mining Pty Ltd.

Ronald Edmonds

Mr. Ronald Edmonds joined our Board as a Non-executive Director in October 2022. He is the Controller, Vice President of Controllers and Tax and the Chief Accounting Officer of Dow, a material science company with 2022 sales of \$57 billion. He was formerly the Co-Controller of DowDuPont, a \$73 billion holding company comprised of The Dow Chemical Company and DuPont which was spun into three independent, publicly traded companies in agriculture (Corteva), materials science (Dow) and specialty products sectors (DuPont). Edmonds leads all aspects of Dow's Controllers & Tax organizations, overseeing 1,250 employees and is responsible for all accounting, management reporting, external reporting, statutory reporting, internal controls, finance systems, tax planning, tax operations & strategy, and tax controversy globally for 500 legal entities. He oversees all corporate controls that guide enterprise strategy, investment decisions, and global initiatives for Dow. Prior to Dow, he served in finance and accounting roles at Chiquita Brands International, The Upjohn Company, and Arthur Andersen & Company. He is a member of the Public Accounting Oversight Board's Standards and Emerging Issues Advisory Group.

Andrew Liveris AO

Mr. Andrew Liveris AO is a Non-executive Director of the Company and has been a Director since 2018. A recognized global business leader with more than 40 years at the Dow Chemical Company, Mr. Liveris' career has spanned roles in manufacturing, engineering, sales, marketing, and business and general management around the world. During more than a decade as Dow's CEO, Mr. Liveris led Dow's transformation from a cyclical commodity chemicals manufacturing company into a global specialty chemical, advanced materials, agro-sciences, and plastics company. Mr. Liveris is a non-executive director of Lucid Motors (NASDAQ: LCID), a non-executive director of Saudi Arabian Oil Company (Saudi Aramco), a non-executive director of Worley Parsons Limited (ASX: WOR) and a non-executive director of International Business Machines (IBM) Corporation (NYSE: IBM). Mr. Liveris has also been appointed as the Chair of the Brisbane Organising Committee for the 2032 Olympic and Paralympic Games.

Robert Natter

Admiral Robert J. Natter serves as our Chairman and Non-executive Director effective as of November 30, 2021. He previously served as an Executive Director from September 30, 2020 and has been a Director since 2017. He retired from active military service with the U.S. Navy in 2003 and has 17 years' experience in the private sector of the U.S. and Australia markets. During his Navy career, Admiral Natter served as the Commander of the U.S. Seventh Fleet, controlling all U.S. Navy operations throughout the western Pacific and Indian Oceans. As a four-star Admiral, Natter was Commander in Chief of the U.S. Atlantic Fleet and the first Commander of U.S. Fleet Forces Command, overseeing all Continental U.S. Navy bases and the training and readiness of all Navy ships, submarines, and aircraft squadrons based there. He is on the Board and chairs the Governance and Compensation Committee and the Government Security Committee of Allied Universal Security Company with over 800,000 employees worldwide. He also served on the Board of Intellisense (ISI), a privately held technology company based in Torrance, California, until 2023. Admiral Natter also serves on the U.S. Naval

Academy Foundation Board and was Chairman of the Academy Alumni Association, representing over 60,000 living Academy alumni. He also served on the Navy Seal Museum and the Yellow Ribbon Fund Boards.

Jean Oelwang

Ms. Jean Oelwang joined our Board as a Non-executive Director in March 2022. Ms. Oelwang has 18 years of experience in helping to start and lead telecommunications companies in South Africa, Colombia, Bulgaria, Singapore, Hong Kong, Australia, and the U.S.. This included roles in marketing, customer service, sales, and as a CEO.

Over the last 20 years, she has been the Founding CEO and Trustee of Virgin Unite, the independent non-profit foundation of the Virgin Group, helping lead the incubation and start-up of several global initiatives, many with a focus on people and sustainability, including: The Elders, The B Team, Planetary Guardians, The Carbon War Room (merged with RMI), Ocean Unite, 100% Human at Work, and The Caribbean Climate Smart Accelerator. Ms. Oelwang also worked with 25 Virgin businesses across 15 industries to help embed purpose in all they do and served as a Partner in the Virgin Group leading their people strategy.

She is on the Advisory Council of The Elders, is a B Team leader, is the cofounder of Plus Wonder, and the author of the book Partnering.

Suresh Vaidyanathan

Mr. Suresh Vaidyanathan joined our Board as Non-executive Director in September 2023. Mr. Vaidyanathan is currently Vice President, Renewable Fuels for Phillips 66. He was appointed to succeed Ms. Zhanna Golodryga as Phillips 66's nominee to the Board of the Company. A global business leader with more than 30 years in the oil and gas energy industry, Mr. Vaidyanathan's career has spanned roles in technical, operations, and business functions and general management around the world. Prior to assuming his current role with Phillips 66 in 2023, Mr. Vaidyanathan was Vice President & Chief Engineer, Refining Business Improvement and led Phillips 66's effort to improve margins and costs, advance use of digital technologies and jumpstart renewable energy activities.

Former Director

Effective December 20, 2023, Dan Akerson resigned from the Board of Directors for personal reasons. Mr. Akerson was appointed to the Board on October 27, 2022.

New Director Appointee

In February 2024, Sharan Burrow AC was appointed to the Board of Directors, effective February 28, 2024. Ms. Burrow is a global advocate for human rights, climate action, and Just Transition. She is the former General Secretary of the International Trade Union Confederation (2010-2022). Previously she was President of the Australian Council of Trade Unions (2000-2010). Ms. Burrow is well known for her international advocacy on employment, human rights, industrial relations, corporate responsibility, and climate action with just transition solutions. She has represented workers and civil society groups in global policy discussions in United Nations bodies, on the Governing Body of the International Labour Organisation as well as at the tables of the G7, G20, World Bank, and International Monetary Fund. She has twice been a Co-Chair of the World Economic Forum's Annual Meeting in Davos. Ms. Burrow is currently a Visiting Professor in Practice at the London School of Economics-Grantham Institute, a Vice Chair of the European Climate Foundation, a board member of the Green Hydrogen Association, Co-Chair of the IEA Labour Council, a Commissioner for the Global Commission on Climate Governance, a B Team Leader and formerly Co-chair of 100% Human at Work. Ms. Burrow has also been appointed to the Temasek Sustainability Advisory Panel.

Advisors

Dr. Jeff Dahn

Dr. Jeff Dahn, 67, is a leading researcher with over 40 years of experience in the field of lithium-ion batteries and materials who currently serves as our Chief Scientific Advisor. Dr. Dahn obtained a B.Sc. degree in Physics from Dalhousie University in 1978 and completed his Ph.D. at the University of British Columbia in 1982. After completing his Ph.D., Dr. Dahn worked at the National Research Council of Canada (between 1982 and 1984) and at Moli Energy Limited (between 1985 and 1990), where he did pioneer work on lithium-ion battery technology. In 1990, Dr. Dahn accepted a faculty position within the Physics department of Simon Fraser University. In 1996, Dr. Dahn returned to Dalhousie University.

In 2016, Dr. Dahn commenced a research partnership with Tesla, which has since been extended until 2026. Dr. Dahn is the author or co-author of over 730 refereed academic publications and seventy-three inventions with patents issued or fled.

Dr. Dahn has received a number of national and international awards and recognitions, including the Battery Division Research Award from The Electrochemical Society in 1996, the “Technology Award” from the ECS Battery Division in 2011, the Governor General’s Innovation Award in 2016 and the Gerhard Herzberg Gold Medal in Science and Engineering, which is regarded as Canada’s top science award, in 2017. Dr. Dahn was appointed Fellow of the Royal Society of Canada in 2001 and named an Officer of the Order of Canada in 2020.

Family Relationships

Andrew Liveris, a Non-executive Director, is the father of the Company’s Chief Financial Officer, Nick Liveris.

B. Compensation

Overview

Our remuneration policy is to align director and senior management objectives with shareholder and business objectives by providing a fixed remuneration component and typically offering short-term and long-term incentives based on key performance areas. Our Board of Directors believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated entity, as well as create goal congruence between directors, executives, and shareholders. Our Board of Directors and the Remuneration Committee are responsible for determining the appropriate remuneration package for our directors and senior management, including our Chief Executive Officer.

Remuneration of Senior Management

Our senior management receive fixed annual remuneration of cash salary and employee benefit coverage, short-term incentives under our annual bonus program and long-term incentives in the form of equity awards.

All senior management are eligible to receive an annual short-term incentive (“STI”) grant, which is paid out subject to the executive achieving the key performance indicators (“KPIs”) set for them during the fiscal year. The KPIs, which include financing, strategic and operational goals, are the same among all members of senior management and measure the Company’s achievement during the fiscal year. During the year for which performance is measured, each member of senior management receives an STI target award, which is a percentage of their salary for that year. Following the end of the year, Company performance against each KPI is measured. The level of achievement on each KPI is multiplied by the relative weight for that KPI, which then translates to a defined payout expressed as a percentage of the target STI. For the fiscal year ended December 31, 2023, the target STI was 100% of salary for all members of our senior management, and we assessed the Company’s performance of KPIs as achieving 66% of target. Despite the achievement of the majority of required STI thresholds, in the context of the share price performance in the year, our Board of Directors exercised discretion to further reduce and pay out only 50% of the calculated STI to ensure remuneration is aligned to enhancing shareholder value. We reserve the right to pay any annual cash bonus in the form of fully paid ordinary shares at the sole discretion of our Board of Directors. For calculating the number of shares to be issued to the member of senior management, the issue price of the ordinary shares is based on the 10-day volume weighted average price of ordinary shares immediately prior to the issue.

Our senior management participates in the Long-Term Incentive Program (or “LTIP”), consisting of grants of performance rights, with varying vesting conditions. During the fiscal year ended December 31, 2023, performance rights convertible into 1,604,871 ordinary shares (in the case of our Chief Executive Officer), 549,035 ordinary shares (in the case of our Chief Financial Officer), and 253,401 ordinary shares (in the case of our Chief Legal & Administrative Officer) were awarded to senior management. For each individual, half of these were performance rights based on the achievement of performance criteria (i.e., revenue), and the other half of these were performance rights vesting only based on continued service over time to the Company. All performance rights had three-year vesting periods.

Of the performance rights awarded during the fiscal year ended December 31, 2023 to our Chief Executive Officer, Chief Financial Officer, and Chief Legal & Administrative Officer, none have been converted to ordinary shares.

No options have been awarded to Directors or members of our senior management during the fiscal year ended December 31, 2023.

Remuneration of Non-executive Directors

The non-executive chairman receives cash fees of USD\$106,000 per year including superannuation. The non-executive deputy chairman receives cash fees of USD\$70,000 per year including superannuation. Other non-executive directors receive USD\$50,000 per year inclusive of superannuation. Committee Chair fees range from USD\$10,000 to USD\$20,000 and Committee Membership fees range from USD\$5,000 to USD\$10,000 per year inclusive of superannuation, are also paid. Fees are reviewed annually by the board considering comparable roles. The current base fees were reviewed with effect from July 1, 2021.

The non-executive Directors’ fee pool is USD\$700,000 (excluding share-based payments).

In addition to the cash fees noted above, non-executive directors receive an annual reward of USD\$110,000 of Share Rights.

Employment Agreements with Senior Management

We have employment agreements with our Chief Executive Officer, Chief Financial Officer, and Chief Legal & Administrative Officer. The employment agreements provide for the following remuneration (with base salary and annual bonus and long-term incentive opportunities as of December 31, 2023):

- Annual base salary of US\$653,217 (in the case of our Chief Executive Officer), US\$407,000 (in the case of our Chief Financial Officer) and US\$381,563 (in the case of our Chief Legal & Administrative Officer), which is to be reviewed annually by our Board of Directors.
- Annual bonus of up to 100% of base salary (which may be increased or decreased in extraordinary circumstances, in the complete discretion of the Board of Directors), based on the achievement of KPIs approved by the Board of Directors; and
- Annual long-term incentive opportunity with a target value based on a number of shares with a value of US\$1,900,000 (in the case of our Chief Executive Officer), US\$650,000 (in the case of our Chief Financial Officer) and US\$300,000 (in the case of our Chief Legal & Administrative Officer) for the three-year performance period commencing January 1, 2023; and an initial grant of performance rights of 150,000 shares (in the case of our Chief Legal & Administrative Officer) and subject to a vesting schedule of one-quarter per year starting April 22, 2022.

In the event we terminate the executive without cause or the executive terminates for good reason (as defined in the executive’s agreement), the executive will be entitled to receive the sum of twelve months of base salary and the executive’s target annual bonus for the year of termination, plus a prorated portion of the executive’s annual bonus for the year of termination (subject to achievement of the key performance indicators, unless the termination occurs within twelve months following a change in control) and continuation of health and welfare benefits for twelve months.

In addition, upon termination without cause or for good reason, the executive will be entitled to vesting of a portion of the executive's outstanding long-term incentive awards, to the same extent as if the executive had continued in employment for an additional twelve months, and all outstanding long-term incentive awards will fully vest on the occurrence of a change in control.

In connection with their employment agreements, our Chief Executive Officer, Chief Financial Officer and Chief Legal & Administrative Officer also entered into restrictive covenant agreements, which generally provide the executive will not compete with us nor solicit our customers, suppliers or employees during the term of employment and following termination for any reason for a period of one year.

Post-Employment and Other Benefits

We provide certain pension and superannuation benefits to certain of our directors and members of our senior management under Australian law. For the fiscal year ended December 31, 2023, the total amounts set aside or accrued by us to provide pension, retirement or similar benefits to our directors and members of our senior management was \$45,092.

Remuneration of Our Directors and Senior Management During the Fiscal Year Ended December 31, 2023

Details of the remuneration of our non-executive directors and senior management for our fiscal year ended December 31, 2023 are set forth below.

Name	Year	Fixed remuneration				Variable remuneration				Total
		Cash salary	Post-employment benefits	Termination payments	Non-monetary benefits	STI	Discretionary payment ¹	Performance/Share rights ²	Options ²	
<i>Non-executive Directors</i>										
R Natter	2023	116,000	—	—	—	—	—	22,593	—	138,593
D Akerson (appointed October 27, 2022; ceased December 20, 2023)	2023	63,333	—	—	—	—	—	—	—	63,333
A Bellas	2023	92,743	9,974	—	—	—	—	22,593	—	125,310
R Cooper (ceased April 5, 2023)	2023	17,281	1,814	—	—	—	—	5,476	—	24,571
R Edmonds (appointed October 27, 2022)	2023	60,000	—	—	—	—	—	31,943	—	91,943
A Liveris	2023	45,241	4,865	—	—	—	—	22,593	—	72,699
Z Golodryga (ceased September 7, 2023)	2023	41,500	—	—	—	—	—	22,593	—	64,093
J Oelwang	2023	68,125	—	—	—	—	—	22,593	—	90,718
S Vaidyanathan (appointed September 7, 2023)	2023	18,034	—	—	—	—	—	—	—	18,034
Total remuneration expensed	2023	522,257	16,653	—	—	—	—	150,384	—	689,294

Name	Year	Fixed remuneration				Variable remuneration				Total
		Cash salary	Post-employment benefits	Annual leave	Non-monetary benefits ¹	STI ²	Discretionary payment ³	Performance/Share rights ⁴	Options ⁴	
<i>Members of senior management</i>										
C Burns	2023	659,571	11,469	25,648	1,915	215,562	—	1,106,175	60,594	2,080,934
N Liveris	2023	405,833	11,250	7,961	26,594	134,310	—	325,469	12,065	923,482
R Buttar	2023	380,469	5,720	252	8,401	125,916	—	573,629	—	1,094,387

C. Board Practices

Board of Directors

Our Board of Directors currently consists of six members. The Board has appointed a new director, Ms. Sharan Burrow, whose appointment becomes effective on February 28, 2024, after the filing of this annual report. For purposes of this Item 6.C., information regarding the Board and composition of its committees does not give effect to Ms. Burrow's appointment. Under our Constitution and the ASX Listing Rules, we must hold an election of directors each year at our annual general meeting of shareholders. A director (other than our managing director) must not hold office (without re-election) past the third annual general meeting following the director's appointment or three years, whichever is longer. If there would otherwise not be a vacancy on the board, and no director is required to retire, then the director who has been longest in office since last being elected must retire. The retirement of a director from office under the Constitution and the re-election of a director or the election of another person to that office (as the case may be) takes effect at the conclusion of the meeting at which the retirement and re-election or election occurs.

The membership of our Board of Directors is directed by the following recommendations and requirements as set forth in the Corporations Act, the ASX Listing Rules and Corporate Governance Principles and Recommendations, our Constitution, and our Corporate Governance Charter, as applicable:

- The ASX Listing Rules and the Corporations Act do not require that a majority of our directors be independent, although it is recommended by recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations, which differs from the independence standards under NASDAQ corporate governance listing standards. Our Board has determined that four of our six directors are independent under the ASX Corporate Governance Principles and Recommendations;
- there must be a minimum of three directors, half of our directors should be non-executive directors, and, unless shareholders in a general meeting resolve otherwise, there will be a maximum of 12 directors. The appointment of an alternate director does not count towards the total number of directors. Within those limits, our Board of Directors may determine the number of directors to serve on our board at any one time;
- our Board of Directors has the power to appoint any person to be a director, either to fill a vacancy or as an additional director (provided that the total number of directors does not exceed the maximum number of directors permitted), and any director so appointed will hold office until the end of the next annual general meeting when he or she must seek re-election by way of ordinary resolution;
- a director may, with the approval of a majority of the Board of Directors, appoint a person to be that director's alternate director for any period that director decides, whom in the appointing director's absence may exercise any power that the appointing director may exercise and attend and vote in place of or on behalf of the appointing director, and will hold office until the office of the appointing director is vacated or the alternate director's appointment is terminated or suspended by a majority of the Board of Directors; and
- our Board of Directors should, collectively, have a broad range of experience, expertise, skills, and contacts relevant to the Company and its business.

Our Board of Directors has delegated responsibility for the strategic and operational management of our businesses to the Chief Executive Officer but remains responsible for overseeing the performance of management. The principal roles and responsibilities of our Board of Directors include the following:

- providing leadership and setting the strategic objectives of the Company;
- determining the Board's composition, including appointment and retirement or removal of the Chairman and Deputy Chairman (if applicable);
- overseeing the Company, including its control and accountability systems;
- appointing and removing the Chief Executive Officer or equivalent;
- where appropriate, ratifying the appointment and the removal of senior executives of the Company;
- reviewing, ratifying, and monitoring the risk management framework and setting the risk appetite within which the Board expects management to operate;

- approving and formulating company strategy and policy, monitoring senior executives' implementation of strategy;
- approving and monitoring operating budgets and major capital expenditures;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- monitoring industry developments relevant to the Company and its business;
- developing suitable key indicators of financial performance for the Company and its business;
- overseeing the Company's corporate strategy and performance objectives developed by management;
- overseeing the Company's compliance with its continuous disclosure obligations;
- approving the Company's remuneration framework;
- monitoring the overall corporate governance of the Company (including its strategic direction and goals for management, and the achievement of these goals); and
- overseeing committees of the Board of Directors.

Our Board of Directors has established delegated limits of authority, which define the matters that are delegated to management and those that require the Board of Directors' approval. Under the Corporations Act, at least one of our directors must be a resident Australian. None of our non-executive directors have any service contracts with us that provide for benefits upon termination of employment. Under our Corporate Governance Charter, the Board of Directors is required to meet at least six times per year.

Board Committees

To assist with the effective discharge of its duties, the Board of Directors has established an Audit and Risk Management Committee, a Remuneration Committee and a Nominating and Corporate Governance Committee. Each of these committees operates under a charter approved by our Board of Directors, which sets forth the purposes and responsibilities of the committee as well as qualifications for committee membership, committee structure and operations and committee reporting to the Board of Directors.

Audit and Risk Management Committee

The members of our Audit and Risk Management Committee are Mr. Bellas (Chair), Mr. Edmonds and Ms. Oelwang. Each member of our Audit and Risk Management Committee can read and understand fundamental financial statements in accordance with applicable requirements. Each of Messrs. Bellas and Edmonds qualifies as an "audit committee financial expert," as such term is defined in the rules of the SEC, and all of the members of the Audit and Risk Management Committee are independent, as independence is defined under the ASX Corporate Governance Principles and Recommendations as well as the SEC and NASDAQ rules applicable to foreign private issuers.

The charter for our Audit and Risk Management Committee requires the committee to consist of at least three directors, all of whom must be non-executive directors and a majority of whom must be independent directors. The chairperson of our Audit and Risk Management Committee must be an independent director and cannot be the chairperson of our Board of Directors. Under its charter, the Audit and Risk Management Committee meets as often as the Committee members deem necessary in order to fulfil its role and at least twice each year.

The role of the Audit and Risk Management Committee is to advise our Board of Directors on the establishment and maintenance of a framework of internal controls for the Company's management and assist our Board of Directors with policy on the quality and reliability of financial information prepared for use by the Board. Specific responsibilities of our Audit and Risk Management Committee include:

- monitoring the establishment of an appropriate internal control framework, including information systems, and its operation and considering enhancements;
- assessing corporate risk (including economic, environmental, social sustainability and cybersecurity risks) and compliance with internal controls;

- overseeing business continuity planning and risk mitigation arrangements;
- assessing the objectivity and performance of the internal audit function and considering enhancements;
- reviewing reports on any material misappropriation, frauds, and thefts from the Company;
- reviewing reports on the adequacy of insurance coverage;
- monitoring compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by the committee secretary in relation to those requirements;
- reviewing material transactions which are not a normal part of the Company's business;
- reviewing the nomination, performance, and independence of the external auditors, including recommendations to the Board for the appointment or removal of any external auditor and the rotation of the audit engagement partner;
- liaising with the external auditors and monitoring the conduct, scope, and adequacy of the annual external audit;
- reviewing management corporate reporting processes supporting external reporting, including the appropriateness of the accounting judgments or choices made by management in preparing the financial reports and statements;
- reviewing financial statements and other financial information distributed externally, including considering whether the financial statements reflect the understanding of the Audit and Risk Management Committee and otherwise provide a true and fair view of the financial position and performance of the Company;
- preparing and recommending for approval by the Board the corporate governance statement for inclusion in the annual report or any other public document;
- reviewing external audit reports and monitoring, where major deficiencies or breakdowns in controls or procedures have been identified, remedial action taken by management;
- reviewing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor; and
- reviewing and monitoring compliance with the Code of Conduct.

Remuneration Committee

The members of our Remuneration Committee are Ms. Oelwang (Chair), Mr. Bellas, and Mr. Vaidyanathan. The role of the Remuneration Committee is to advise our Board of Directors on remuneration and issues relevant to remuneration policies and practices, including for our senior management and non-executive directors. The Remuneration Committee is required to hold at least two regular meetings each year. Specific responsibilities of our Remuneration Committee include:

- reviewing and evaluating relevant market practices and trends for remuneration relevant to the Company;
- reviewing and making recommendations to our Board of Directors for our remuneration practices, policies, and framework, including in relation to equity-based remuneration plans and superannuation arrangements and the allocation of the directors' fee pool;
- overseeing the performance and reviewing and making recommendations to our Board of Directors for the remuneration packages of our senior management and non-executive directors;
- preparing for our Board of Directors any report that may be required under applicable legal or regulatory requirements about remuneration matters and reviewing our reporting and disclosure practices in relation to the remuneration of our senior management and non-executive directors; and
- reviewing, making recommendations to our Board of Directors on remuneration by gender and other diversity criteria, reporting to our Board of Directors as necessary to facilitate compliance with our diversity policy, and reviewing and reporting to the Board, at least annually, on the proportion of women and men in the workforce at all levels of the Company, and their relative levels of remuneration.
- assisting the Board with respect to, and, to the extent authority is so delegated to it by the Board, administering the Company's long-term incentive and equity-based plans; administering and making determinations under and recommendations to the Board with respect to, the Company's policy for the recovery of erroneously awarded compensation (the "Clawback Policy");

- preparing for the Board any report that may be required under applicable legal or regulatory requirements about remuneration matters;
- reviewing the Company's reporting and disclosure practices in relation to the remuneration of directors and senior executives;
- reviewing, making recommendations to the Board on remuneration by gender (and other diversity benchmarks) and reporting to the Board as necessary to facilitate compliance with the Company's Diversity Policy; and
- reviewing and reporting to the Board, at least annually, on the proportion of women and men in the workforce at all levels of the Company, and their relative levels of remuneration.

The charter for our Remuneration Committee requires the committee to consist of at least three directors, all of whom must be non-executive directors and, until such time as required by applicable law or listing rules to consist of 100% independent directors, a majority of whom (including the committee Chair) must also be independent directors. Ms. Oelwang and Mr. Bellas are considered independent directors under the ASX Corporate Governance Principles and Recommendations. Mr. Vaidyanathan represents a substantial shareholder and is therefore not considered independent under the ASX Corporate Governance Principles and Recommendations.

Nominating and Corporate Governance Committee

The members of our Nominating and Corporate Governance Committee are Admiral Natter (Chair), Mr. Bellas, and Ms. Oelwang. The role of the Nominating and Corporate Governance Committee is to review and consider the structure and balance of the Board, to make recommendations regarding the Company's director nominations process, and develop and maintain the Company's corporate governance policies, having regard to the applicable law and good corporate governance standards. The Nominating and Corporate Governance Committee is required to hold at least two regular meetings each year. Specific responsibilities of our Nominating and Corporate Governance Committee include:

- determining the qualifications, qualities, skills, and other expertise required to be a director and developing and recommending to the Board for its approval and disclosure, a Board skills matrix setting out the mix of skills and diversity that the Board currently has and/or is looking to achieve in its membership;
- identifying and screening, and if thought fit, recommending to the Board, individuals qualified to become members of the Board, after considering the necessary and desirable competencies of new Board members, and the range and depth of skills and the diversity of the Board;
- considering, and if thought fit, making recommendations to the Board regarding the re-election by shareholders of any director under the retirement by rotation provisions or any director who must stand for election as a result of extended tenure;
- undertaking the appropriate checks on candidates for the Board (including checks concerning the person's character, qualifications and experience, education, criminal record, bankruptcy history and independence as a director) and providing that information, where material and relevant, to shareholders before recommending a candidate for appointment or re-election;
- ensuring that the Company enters into a written agreement with each new Board member which sets out the terms of their appointment;
- assessing and considering the time required to be committed by a director to properly fulfil their duty to the Company and advise the Board, and assisting with the conduct of an annual evaluation of the Board, its committees and individual Directors, as well as the chair's annual performance review of the CEO and the assessment of the performance of the Board chair;
- reviewing the Board's committee structure and composition and making recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chair annually;

- identifying and making recommendations to the Board regarding the selection and approval of candidates to fill any vacancy on the Board and/or any Board committee, either by election by shareholders or appointment by the Board.
- developing and overseeing a Company orientation program for new directors and a continuing education program for current directors, periodically reviewing these programs and updating them as necessary;
- developing and recommending to the Board for approval a succession plan for non-executive directors and the CEO , reviewing such plan periodically, developing and evaluating potential candidates for the Board and recommending to the Board any changes to and any candidates for succession under such plan, taking into consideration, in the case of non-executive directors, the mix of skills, experience, expertise, diversity, independence and other qualities of existing directors and how the candidate's attributes will balance and complement those qualities and address any potential skill gaps in relation to the current composition of the Board;
- assessing and making recommendations to the Board in relation to, the independence of non-executive directors on appointment, and then annually and whenever any new interests or relationships are disclosed by a director;
- overseeing the Company's corporate governance practices and procedures, including identifying best practices and, at least once a year, reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Company's corporate governance framework;
- reviewing and overseeing the implementation of the Company's Diversity Policy and, with the appropriate support and input from management, reviewing and reporting to the Board, on an annual basis, the effectiveness of such policy and progress in achieving its measurable objectives, the division of responsibilities and accountability for developing and implementing diversity initiatives across the organization, and the relative proportions of identified minorities on the Board, in senior management positions and in the Company's workforce;
- reviewing and, if thought fit, recommending to the Board for approval the Corporate Governance Statement for inclusion in the annual report;
- developing and recommending to the Board for approval a Company policy for the review and approval of related party transactions and to review, approve and oversee any transaction between the Company and any related party on an ongoing basis; and
- overseeing the Company's ESG strategy and initiatives, including:
 - o considering current and emerging ESG trends that may affect the Company's business, operations, performance or reputation;
 - o periodically reviewing reports from management regarding the Company's ESG strategy, initiatives, objectives, and performance metrics, and the associated risks and opportunities with respect to ESG matters;
 - o developing and recommending to the Board for approval policies and procedures relating to the Company's ESG strategy and initiatives;
 - o monitoring ongoing execution of the Company's ESG strategy and initiatives, and performance against key ESG metrics;
 - o reviewing ESG disclosures issued by the Company; and
 - o at least annually, assessing the overall effectiveness of the Company's ESG programs and, as and when appropriate, addressing with the Audit and Risk Management Committee issues that arise with respect to environmental and social sustainability risks.

The charter for our Nominating and Corporate Governance Committee requires the committee to consist of at least three directors, all of whom must be non-executive directors and a majority of whom (including the committee Chair) must also be independent directors. All of the members of the Nominating and Corporate Governance Committee are considered independent directors under the ASX Corporate Governance Principles and Recommendations.

Foreign Private Issuer Exemption

We qualify as a “foreign private issuer” as defined in Section 405 of the Securities Act. As a foreign private issuer, we are exempt from certain rules under the Exchange Act that impose disclosure requirements as well as procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, the members of our Board of Directors and senior management are not subject to short-swing profit and insider trading reporting obligations under Section 16 of the Exchange Act. They are, however, subject to the obligations to report changes in share ownership under Section 13 of the Exchange Act and related SEC rules, to the extent applicable.

The foreign private issuer exemption also permits us to follow home country corporate governance practices or requirements instead of certain NASDAQ listing requirements, including the following:

- We rely on an exemption from the requirement that our independent directors meet regularly in executive sessions under NASDAQ listing rules. The ASX Listing Rules and the Corporations Act do not require the independent directors of an Australian company to have such executive sessions.
- We rely on an exemption from the quorum requirements applicable to meetings of shareholders under NASDAQ listing rules. In compliance with Australian law, our Constitution provides that two shareholders present, in person or by proxy, attorney or a representative, shall constitute a quorum for a general meeting. NASDAQ listing rules require that an issuer provide for a quorum as specified in its by-laws for any meeting of the holders of ordinary shares, which quorum may not be less than 33 1/3% of the outstanding voting ordinary shares.
- We follow applicable Australian law and the ASX Listing Rules regarding prior shareholder approval in lieu of the requirement prescribed by NASDAQ listing rules that issuers obtain shareholder approval prior to the issuance of securities in connection with certain acquisitions, private placements of securities, or the establishment or amendment of certain stock option, purchase, or other compensation plans. Applicable Australian law and the ASX Listing Rules differ from NASDAQ requirements, with the ASX Listing Rules requiring prior shareholder approval for issuance of equity securities in a number of circumstances, including (i) issuance of equity securities exceeding 15% of our issued share capital in any 12-month period (but, in determining the 15% limit, securities issued under certain exceptions to the rule or with shareholder approval are not counted), (ii) subject to certain exceptions, issuance of equity to related parties (as defined in the ASX Listing Rules) and (iii) issuances of securities to directors or their associates under an employee incentive plan.
- The ASX Listing Rules and the Corporations Act do not require the establishment of a Remuneration Committee or a Nominating and Corporate Governance Committee, and, if established, do not require all members to be independent directors. However, under Rule 10A-3 promulgated under the Exchange Act, all members of our Audit and Risk Management Committee are required to be independent, and we currently comply with this requirement.

Rule 10A-3 under the Exchange Act provides that the Audit and Risk Management Committee must have direct responsibility for the nomination, compensation, and choice of our auditors, as well as control over the performance of their duties, management of complaints made, and selection of consultants. Under Rule 10A-3, if the laws of a foreign private issuer’s home country require that any such matter be approved by the Board of Directors or the shareholders of the Company, the Audit and Risk Management Committee’s responsibilities or powers with respect to such matter may instead be advisory.

We intend to take all actions necessary for us to maintain compliance as a foreign private issuer under the applicable corporate governance requirements of the Sarbanes-Oxley Act, the rules adopted by the SEC and the listing rules of NASDAQ.

D. Employees

We had 210 employees as of December 31, 2023, 112 of whom were located in the United States and 98 were located in Canada. We believe we offer our employees competitive compensation packages and a dynamic work environment. We have been able to attract and retain qualified employees and maintain a core management team. We plan to hire additional experienced and talented employees in areas such as research and development, production, finance, and marketing as we grow our business.

We believe that we maintain a good working relationship with our employees, and we have not experienced any major labor disputes.

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of December 31, 2023, for:

- each member of our senior management;
- each of our directors; and
- all our directors and senior management as a group.

To our knowledge, as of December 31, 2023, approximately 81,408,652 ordinary shares, or 16.7%% of our ordinary shares, were held of record by six residents of the United States.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the people and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own.

Applicable percentage ownership is based on 488,733,461 ordinary shares outstanding as of December 31, 2023. In computing the number of shares beneficially owned by a person or entity and the percentage ownership of such person or entity, we deemed to be outstanding all shares subject to options and performance rights held by the person or entity that are currently exercisable, or exercisable within 60 days of December 31, 2023. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person or entity. The information contained in the following table is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares in the table does not constitute an admission of beneficial ownership of those shares. Each of our shareholders is entitled to one vote per ordinary share. None of the holders of our ordinary shares have different voting rights from other holders of ordinary shares. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. For further information regarding options to purchase

ordinary shares and performance rights held by our directors and senior management, see “Management—Remuneration.”

Name of Beneficial Owner	Number of Ordinary Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Mr. Andrew Liveris ⁽¹⁾	18,628,789	1.90 %
Dr. Christopher Burns ⁽²⁾	4,448,936	*
Admiral Robert J Natter ⁽³⁾	3,717,000	*
Mr. Anthony G Bellas ⁽⁴⁾	2,599,328	*
Mr. Nicholas Liveris ⁽⁵⁾	2,202,679	*
Ms. Rashda Buttar ⁽⁶⁾	126,660	*
Ms. Jean Oelwang ⁽⁷⁾	79,165	*
All directors and senior management as a group (9 persons)	31,802,557	4.00 %

⁽¹⁾ Consists of 4,132,794 ordinary shares held by Mutual Trust Pty Ltd, an entity that manages the investment of Mr. Andrew Liveris, a member of our Board of Directors, 360,000 ordinary shares held by Lapana Pty Ltd, an entity controlled by Mr. Andrew Liveris, and 5,000,000 ordinary shares held by Mr. Andrew Liveris beneficially. It also includes 9,000,000 ordinary shares issuable upon exercise of vested options.

⁽²⁾ Consists of 3,448,936 ordinary shares held beneficially by Dr. Christopher Burns, our Chief Executive Officer. It also includes 1,000,000 ordinary shares issuable upon exercise of vested options.

⁽³⁾ Consists of 1,501,724 ordinary shares held by HSBC Custody Nominees (Australia) Limited, an entity that manages the investment of Admiral Robert Natter, a member and Chairman of our Board of Directors, in the Company and 1,215,276 ordinary shares by Admiral Robert Natter beneficially. It also includes 1,000,000 ordinary shares issuable upon exercise of vested options.

⁽⁴⁾ Consists of 2,277,551 ordinary shares held by Loch Explorations Pty Ltd, and 321,777 ordinary shares held by AG Bellas Super Pty Ltd, entities which a member and Deputy Chairman of our Board of Directors, Mr. Anthony Bellas, controls.

⁽⁵⁾ Consists of 1,202,679 ordinary shares held beneficially by Mr. Nicholas Liveris, our Chief Financial Officer. It also includes 1,000,000 ordinary shares issuable upon exercise of vested options.

⁽⁶⁾ Consists of 126,660 ordinary shares held beneficially by Ms. Rashda Buttar, our Chief Legal and Administrative Officer.

⁽⁷⁾ Consists of 79,165 ordinary shares held beneficially by Ms. Jean Oelwang, a member of our Board of Directors.

Pursuant to the requirements of Item 6.E of Form 20-F, Mr. Andrew Liveris (the only director or member of our senior management who beneficially owned more than one percent of our ordinary shares outstanding as of December 31, 2023) held, as of December 31, 2023, options to purchase 9.0 million ordinary shares with an exercise price of AUD\$0.50 (or USD\$0.34 based on the exchange rate as of such date), which expire upon cessation of his service to us. For information on arrangements for involving the employees in the capital of the Company as they relate our directors and members of our senior management, see *Item 6. Directors, Senior Management and Employees —B Compensation*, above.

For information on arrangements for involving the employees in the capital of the Company as they relate our directors and members of our senior management, see *Item 6. Directors, Senior Management and Employees —B Compensation*, above.

The Company maintains two plans to provide equity awards to its directors, executives, employees and consultants, the Performance Rights Plan and the Executive Options Plan (the “Plans”). The Performance Rights Plan provides for issuance of performance rights to eligible participants designated by the Board, which entitle the grantee to an ordinary

share (or the cash value) upon satisfaction of specified vesting conditions. Unvested performance rights generally lapse upon a termination of employment, other than due to redundancy, death or disability.

The Executive Options Plan provides for the issuance of stock options to eligible participants (other than directors) designated by the Board, which entitle the grantee to receive ordinary shares upon exercise once any vesting conditions have been satisfied. Options generally lapse upon a termination of employment, unless otherwise determined by the Board.

Performance rights (or a prorated portion, if determined by the Board) and stock options vest upon a change in control, unless otherwise determined by the Board, with treatment of the vested award determined by the Board in accordance with the applicable Plan.

Each of the Plans is administered by the Board. Performance rights and options have no voting rights, do not provide the right to dividends and cannot be transferred without the Board's approval.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation.

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

Below is information with respect to the beneficial ownership of our ordinary shares as of December 31, 2023, for each person or group of affiliated persons known by us to beneficially own more than 5% of our ordinary shares. We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose.

- Phillips 66 Company beneficially owns 78,050,122 ordinary shares, or approximately 15.97% of our issued and outstanding ordinary shares, and, we believe, based on information furnished to us, holds sole voting and investment power with respect to such shares.
- LGES beneficially owns 28,263,492 ordinary shares, or approximately 5.47% of our issued and outstanding ordinary shares, and, we believe, based on information furnished to us, shares voting and investment power with respect to such shares with LG Chem, Ltd., the controlling shareholder of LGES. In the event LGES elects to convert all of the notes on the maturity date (in lieu of redeeming them), upon conversion, LGES would beneficially own 34,475,363 ordinary shares, or approximately 6.59% of our issued and outstanding ordinary shares. See *Item 10. Additional Information — C. — Material Contracts*.

Applicable percentage ownership is based on 488,733,461 ordinary shares outstanding as of December 31, 2023. In computing the number of shares beneficially owned by a person or entity and the percentage ownership of such person or entity, we deemed to be outstanding all shares subject to options and performance rights held by the person or entity that are currently exercisable, or exercisable within 60 days of December 31, 2023. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person or entity. The information set forth above is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares above does not constitute an admission of beneficial ownership of those shares. Each of our shareholders is entitled to one vote per ordinary share. None of the holders of our ordinary shares have different voting rights from other holders of ordinary shares. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company. For further information regarding options to purchase ordinary shares and performance rights held by our directors and senior management, see "Management—Remuneration."

Unless otherwise indicated, the address of each beneficial owner listed above is c/o NOVONIX Limited, Level 38, 71 Eagle Street, Brisbane, Queensland 4000, Australia.

B. Related Party Transactions

During the fiscal year ended December 31, 2023:

- On April 5, 2023, 1,604,871 performance rights were granted to Chris Burns as an LTI. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on December 31, 2025. 50% of the performance rights vest subject to continued employment over the vesting period, and 50% vest subject to the achievement of performance conditions. An expense of \$119,312 was recognized during the six-months ended June 30, 2023 relating to these performance rights.
- On April 5, 2023, 253,401 performance rights were granted to Rashda Buttar as an LTI. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on December 31, 2025. 50% of the performance rights vest subject to continued employment over the vesting period, and 50% vest subject to the achievement of performance conditions. An expense of \$18,839 was recognized during the six-months ended June 30, 2023 relating to these performance rights.
- On April 5, 2023, 549,035 performance rights were granted to Nick Liveris as an LTI. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on December 31, 2025. 50% of the performance rights vest subject to continued employment over the vesting period, and 50% vest subject to the achievement of performance conditions. An expense of \$40,818 was recognized during the six-months ended June 30, 2023 relating to these performance rights.
- During the year ended December 31, 2023, Phillips 66 was paid fees totaling \$59,534 for Ms. Zhanna Golodryga's and Mr. Suresh Vaidyanathan's services to the Group as Directors. Ms. Zhanna Golodryga and Mr. Suresh Vaidyanathan are not permitted to receive remuneration in their personal capacity under the terms of their employment with Phillips 66 and terms of engagement with the Group. Accordingly, all fees earned by them are paid directly to Phillips 66.
- On June 7, 2023, NOVONIX and LG Energy Solution, Ltd., a global battery manufacturer, entered into a Joint Research and Development Agreement ("JDA") providing for the joint development of active anode material that meets certain product quality specifications, with a term through June 2025. The material for testing will be supplied from NOVONIX's pilot plant in 2023 and its mass production facilities in 2024 and 2025. The joint development of artificial graphite anode material for lithium-ion batteries. The JDA provides that, upon successful completion of certain development work under the JDA, LGES and NOVONIX will enter into a separate purchase agreement pursuant to which LGES will have the option to purchase up to 50,000 tons of artificial graphite anode material over a 10-year period from the start of mass production.
- On June 21, 2023, pursuant to the LGES Note Agreement, NOVONIX issued an aggregate principal amount of US\$30 million unsecured convertible notes to LGES. As a result of the issuance of the convertible notes, LGES became the beneficial owner of approximately 5.47% of our outstanding ordinary shares (based on the number of our ordinary shares issued and outstanding as of December 31, 2023).

There were no other related party transactions for the period from the beginning of our last full fiscal year up to the latest practicable date. For details of disclosures relating to key management personnel, refer to Note 29.

Director and Senior Management Compensation

See *Item 6. Directors, Senior Management and Employees — B. - Compensation* for information regarding compensation of our senior management and directors.

Indemnification Agreements

Our Constitution provides that, to the full extent permitted by law, to the extent that an officer is not otherwise indemnified pursuant to any insurance coverage, we will indemnify every person who is or has been an officer of the company against any liability incurred by that person as an officer. This includes any liability incurred by that person in their capacity as an officer of a related body corporate.

We intend to enter into Deeds of Indemnity, Insurance and Access, or Indemnity Deeds with each a non-executive director and executive officer. Under the Indemnity Deeds, we will agree to indemnify (to the maximum extent permitted under Australian law and our Constitution, subject to certain specified exceptions) each director and executive officer against all liabilities incurred in any capacity, including acting as an authorized representative of NOVONIX, and any and all costs and expenses relating to such a claim or to any notified event incurred by such director or executive officer, including costs and expenses reasonably and necessarily incurred to mitigate any liability for such a claim or any claim which may arise from such a notified event. The Indemnity Deeds will provide that the indemnities are unlimited as to amount, continuous and irrevocable.

Separately, we intend to obtain insurance for our directors and executive officers, as will be required by the Indemnity Deeds.

As far as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Related Person Transaction Policy

We comply with Australian law and the rules and regulations of the ASX regarding approval of transactions with related parties. Under Australia's securities laws and ASX rules, transactions with directors or significant shareholders of the Company (or their associates) may require shareholder approval depending on the size or nature of the transaction.

All of the transactions described above were entered into prior to the adoption of the written policy, but our Board of Directors and, where necessary, our shareholders, evaluated and approved all transactions that were considered to be related party transactions under Australian law and the rules and regulations of the ASX at the time at which they were consummated.

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Financial Statements and Other Financial Information

For a list of all financial statements filed as part of this annual report, see “*Item 18. Financial Statements.*” For information on our dividend policy see “*Item 10.B. Memorandum and Articles of Association.*”

Legal Proceedings

We believe that we are currently not a party to any material legal proceedings. From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Such claims or legal actions, even if without merit, could result in the expenditure of significant financial and management resources and potentially result in civil liability for damages. For risks related to legal proceedings, see “*Risk Factors—From time to time, we may be involved in litigation, regulatory actions or government investigations and inquiries, which could have an adverse impact on our profitability and consolidated financial position,*” and “*Risk Factors—We may become involved in lawsuits or other proceedings to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful and have a negative effect on the success of our business.*”

B. Significant Changes

No significant change, other than as otherwise described in this annual report on Form 20-F, has occurred in our operations since the date of our consolidated financial statements included in this annual report on Form 20-F.

Item 9. The Offer and Listing

A. Offer and Listing Details

The principal trading market for our ordinary shares is the Australian Securities Exchange (“ASX”), on which the ordinary shares have been listed since 2015 and trade under the symbol “NVX.” Our ADSs are listed and trading on NASDAQ under the symbol “NVX.”

B. Plan of Distribution

Not applicable.

C. Markets

Our ordinary shares are publicly traded on the ASX under the symbol “NVX.”

Our ADSs, each representing four of our ordinary shares, are publicly traded on the Nasdaq Global Market under the symbol “NVX.” The Bank of New York Mellon, acting as depositary, registers and delivers the ADSs.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

Information called for by this Item 10.B is set forth in the section "Memorandum and Articles of Association" included in Exhibit 2.3 to this annual report, filed in accordance with instruction 2(d) of the Instructions as to Exhibits of Form 20-F, and is hereby incorporated by reference thereto.

C. Material Contracts

Except as described below or elsewhere in this annual report, all material contracts entered into by us in the past two years preceding the filing of this annual report were entered into in the ordinary course of business:

Loan Agreement with DBR Investments. In connection with the purchase of our "Riverside" facility in Chattanooga, Tennessee, a subsidiary of the Company, NOVONIX 1029, LLC ("Borrower"), entered into a Loan Agreement, dated as of July 28, 2021, with DBR Investments Co. Limited ("Lender") pursuant to which Lender made a loan in the original principal amount of \$30,100,000 to Borrower, which loan is secured against the "Riverside" facility and guaranteed by the Company. The loan initially bears interest at a rate of 4.09% per annum. The Borrower has agreed to certain customary covenants in connection with the loan including, but not limited to, the incurrence of liens on any interest in the Borrower or any portion of the "Riverside" facility and incurrence of indebtedness by the Borrower.

Subscription Agreement with Phillips 66. In connection with the Phillips 66 Transaction, the Company entered into a Subscription Agreement, dated as of August 9, 2021, with Phillips 66 Company (the "Subscription Agreement"). Pursuant to the Subscription Agreement, Phillips 66 agreed to acquire 77,962,578 ordinary shares for an aggregate purchase price of \$150 million. Under the Subscription Agreement Phillips 66 has the right to nominate one director to our Board of Directors and certain rights to be notified of, and/or participate in, issuances of shares by the Company (other than distributions of shares to the Company's shareholders on a pro rata basis).

Securities Purchase and Investors' Rights Agreements with KORE Power. The Company entered into a Securities Purchase Agreement, dated as of January 31, 2022, with KORE Power, pursuant to which the Company acquired 3,333,333 shares of KORE Power common stock at an issue price of \$7.50 per share, representing approximately 5% of the common equity of KORE Power. The consideration for the shares in KORE Power totaled \$25M (ASD \$35,131,550) and was settled through a combination of 50% cash and 50% through the issue of 1,974,723 ordinary shares in NOVONIX Limited. As contemplated in the Securities Purchase Agreement, the Company entered into an Investors' Rights Agreement, dated as of January 31, 2022, with KORE Power, pursuant to which the Company has registration rights, information rights, rights to future stock issuances by KORE Power and anti-dilution rights in respect of its shares of KORE Power.

Unsecured Convertible Note Agreement with LG Energy Solution.

On June 21, 2023, pursuant to the LGES Note Agreement, NOVONIX issued an aggregate principal amount of US\$30 million unsecured convertible notes to LGES. The convertible notes bear interest at a rate of four percent per annum and have a maturity date of June 7, 2028. The notes will mandatorily convert into ordinary shares upon LGES' acceptance of the first purchase order under any purchase agreement that it may enter into with NOVONIX. However, LGES may elect to convert some or all of the notes prior to such time. No interest would be payable on the notes that are converted into ordinary shares prior to the maturity date. On the maturity date, LGES may elect to redeem or convert all of the notes then outstanding, in which case interest will be payable in cash (in the case of redemption) or "in-kind" (in the case of conversion). The conversion price of the notes is AUD\$1.60 per ordinary share. NOVONIX plans to utilize the proceeds for continued development of anode materials, operational needs and general corporate purposes.

D. Exchange Controls

Australia has largely abolished exchange controls on investment transactions. The Australian dollar is freely convertible into U.S. dollars or other currencies. In addition, there are currently no specific rules or limitations regarding the export from Australia of profits, dividends, capital or similar funds belonging to foreign investors, except that certain payments to non-residents must be reported to the Australian Cash Transaction Reports Agency, which monitors such transaction, and amounts on account of potential Australian tax liabilities may be required to be withheld unless a relevant taxation treaty can be shown to apply and under such there are either exemptions or limitations on the level of tax to be withheld.

E. Taxation

The following summary of material U.S. federal income tax and Australian tax considerations of an investment in the ADSs is based upon the federal income tax laws of the United States and regulations promulgated thereunder and the tax laws of Australia and the regulations promulgated thereunder, each as in effect as of the date of this annual report, all of which are subject to change or differing interpretations, possibly with retrospective effect. This summary does not deal with all possible tax consequences relating to an investment in the ADSs, including tax consequences under U.S. state or local tax laws, U.S. federal tax laws other than U.S. federal income tax laws, certain Australian tax laws, and the tax laws of any jurisdiction outside of the United States and Australia.

U.S. Federal Income Tax Considerations

The following describes material U.S. federal income tax considerations relating to the acquisition, ownership, and disposition of the ADSs, and the ownership and disposition of any ordinary shares received in exchange for such ADSs from the depository. This summary addresses these tax considerations only for U.S. holders (as defined below) that hold ADSs, and any ordinary shares received in exchange for such ADSs from the depository, as capital assets (generally, property held for investment).

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), existing, proposed and temporary U.S. Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof, in each case, as in effect on the date hereof and all of which are subject to change and to differing interpretations, possibly with retroactive effect. Any such change or differing interpretations could affect the tax considerations described below. There can be no assurances that the U.S. Internal Revenue Service (the "IRS") will not take a position that differs from those described below or that such a position would not be sustained by a court. We have not obtained, nor do we intend to obtain, a ruling with respect to the U.S. federal income tax considerations of the purchase, ownership, or disposition of the ADSs or ordinary shares. Accordingly, U.S. holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning, and disposing of the ADSs or ordinary shares in their particular circumstances.

This summary does not address any U.S. federal tax considerations other than U.S. federal income tax considerations (such as estate or gift tax considerations, the Medicare contribution tax imposed on certain net investment income, or any state, local, or non-U.S. tax considerations).

This summary does not address all U.S. federal income tax considerations that may be relevant to a U.S. holder based on its particular circumstances. This summary also does not address U.S. federal income tax considerations applicable to a U.S. holder that may be subject to special tax rules including the following:

- banks, financial institutions, or insurance companies;
- brokers, dealers, or traders in securities, currencies, commodities, or notional principal contracts;
- tax-exempt entities;
- individual retirement accounts and other tax-deferred accounts;
- real estate investment trusts or regulated investment companies;

- persons that hold the ADSs or our ordinary shares as part of a “hedging,” “integrated,” “wash sale” or “conversion” transaction or as a position in a “straddle” for U.S. federal income tax purposes;
- S corporations, partnerships, or other pass-through entities for U.S. federal income tax purposes and investors in such entities;
- former citizens or long-term residents of the United States;
- persons that received the ADSs as compensation;
- persons required to accelerate the recognition of any item of gross income as a result of any item of gross income with respect to the ADSs or our ordinary shares being taken into account in an applicable financial statement;
- persons acquiring the ADSs in connection with a trade or business conducted outside of the United States, including a permanent establishment or a fixed base in Australia;
- persons subject to the alternative minimum tax;
- holders that own directly, indirectly, or constructively, 10% or more of the voting power or value of our equity interests; and
- holders that have a “functional currency” other than the U.S. dollar.

Persons who hold the ADSs and fall within one of the categories above are advised to consult their tax advisor regarding the specific U.S. federal income tax consequences which may apply to their particular situation.

For the purposes of this description, a “U.S. holder” is a beneficial owner of the ADSs or our ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or if such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If an entity treated as a partnership for U.S. federal income tax purposes holds the ADSs or our ordinary shares, the U.S. federal income tax consequences relating to an investment in the ADSs, and our ordinary shares will depend in part upon the status of the partner and the activities of the partnership. Such a partner or partnership should consult its tax advisor regarding the specific U.S. federal income tax considerations of acquiring, owning, and disposing of the ADSs or our ordinary shares in its particular circumstances.

U.S holders of the ADSs should consult their tax advisors as to the particular tax consequences applicable to them relating to the acquisition, ownership, and disposition of the ADSs or our ordinary shares, including the applicability of U.S. federal, state and local tax laws, Australian tax laws and other non-U.S. tax laws.

ADSs. In general, for U.S. federal income tax purposes, a U.S. holder holding ADSs will be treated as the owner of the ordinary shares represented by the ADSs. Accordingly, exchanges with the depositary of ADSs for ordinary shares, and of ordinary shares for ADSs, generally will not be subject to U.S. federal income tax.

Distributions. As described under the heading “Dividend Policy,” we do not expect to make any distributions in respect of the ADSs or our ordinary shares. Subject to the discussion under “—Passive Foreign Investment Company Considerations,” below, the gross amount of any distribution (including any amounts withheld in respect of Australian tax or in respect of fees payable to the depositary) actually or constructively received by a U.S. holder with respect to the ADSs or our ordinary shares generally will be taxable to the U.S. holder as a dividend to the extent of the U.S. holder’s pro rata share of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Generally, distributions in excess of our current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. holder’s adjusted tax basis in the ADSs or our ordinary shares, and thereafter as capital gain

from the disposition of the ADSs or our ordinary shares. However, since we do not intend to calculate our earnings and profits under U.S. federal income tax principles, it is expected, and U.S. holders should assume, that any distribution will be reported as a dividend and will constitute ordinary dividend income to a U.S. holder. Any dividends will generally be treated as foreign source and will not be eligible for the dividends-received deduction generally allowed to corporate U.S. holders.

Subject to the discussion under “—Passive Foreign Investment Company Considerations,” below, dividends paid to non-corporate U.S. holders may qualify as “qualified dividend income” eligible for the preferential rates of taxation applicable to long-term capital gains if we are a “qualified foreign corporation” and certain other requirements (discussed below) are met. We generally will be considered to be a qualified foreign corporation (a) if we are eligible for the benefits of the Convention between the Government of the United States of America and the Government of Australia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed on August 6, 1982, as amended and currently in force (the “U.S.-Australia Tax Treaty”), or (b) the ADSs or our ordinary shares are readily tradable on an established securities market in the United States. The ADSs are currently listed on the Nasdaq Global Market, which is an established securities market in the United States, although there can be no assurance that the ADSs will remain listed on Nasdaq or be considered readily tradable on an established securities market in the United States now or in the future. In addition, we believe that we qualify as a resident of Australia for purposes of, and are eligible for the benefits of, the U.S.-Australia Tax Treaty, although there can be no assurance in this regard. Therefore, subject to the discussion under “—Passive Foreign Investment Company Considerations,” below, any dividends on the ADSs or our ordinary shares generally will be “qualified dividend income” in the hands of individual U.S. holders, provided that a holding period requirement (more than 60 days of ownership, without protection from the risk of loss, during the 121-day period beginning 60 days before the ex-dividend date) and certain other requirements are met.

A U.S. holder may be able to claim as a credit against its U.S. federal income tax liability the amount of any Australian tax withheld from any dividends at a rate not exceeding an applicable rate under the U.S.-Australia Tax Treaty. Alternatively, a U.S. holder may deduct such Australian taxes from its U.S. federal taxable income, provided that the U.S. holder elects to deduct rather than credit all foreign income taxes paid or accrued for the relevant taxable year. The rules governing U.S. foreign tax credits are complex. Each U.S. holder should consult its tax advisors regarding the foreign tax credit rules.

In general, the amount of any distribution paid to a U.S. holder in a foreign currency will be the U.S. dollar value of the foreign currency calculated by reference to the spot exchange rate on the day the depository receives the distribution (in the case of ADSs) or on the day the distribution is received by the U.S. holder (in the case of ordinary shares), regardless of whether the foreign currency is converted into U.S. dollars at that time. If distributions received in a foreign currency are converted into U.S. dollars on the day they are received, a U.S. holder should not be required to recognize foreign currency gain or loss in respect of the distribution. A U.S. holder that does not convert foreign currency received as a distribution on an ordinary share into U.S. dollars on the date of receipt generally will have a tax basis in such foreign currency equal to the U.S. dollar value of such foreign currency on the date of receipt. Any foreign currency gain or loss a U.S. holder recognizes on a subsequent conversion of foreign currency into U.S. dollars will be U.S. source ordinary income or loss.

As discussed below under *“Item 12. Description of Securities Other Than Equity Securities – American Depositary Shares– Fees and Expenses,”* the amount of any distribution that is paid to a U.S. holder will be reduced by certain fees that such U.S. holder is required to pay to the depository. The amount of any dividend a U.S. holder is deemed to receive and include in income for U.S. federal income tax purposes will not be reduced by the amount of any fees that are withheld, and a U.S. holder would be deemed to pay the amount of such fees to the depository. Any such fees generally will be treated as items of investment expense which may not be deductible in the case of certain investors due to general limitations on the deductibility of investment expenses. U.S. holders should consult their tax advisor with respect to the tax treatment of the payment of any such fees to the depository.

Sale or Other Taxable Disposition. A U.S. holder generally will recognize gain or loss for U.S. federal income tax purposes upon the sale or other taxable disposition of the ADSs or the ordinary shares in an amount equal to the difference between the U.S. dollar value of the amount realized from such disposition and the U.S. holder's adjusted tax basis in those ADSs or ordinary shares, determined in U.S. dollars. Subject to the discussion under "—Passive Foreign Investment Company Considerations" below, any such gain or loss generally will be a capital gain or loss and will be long-term capital gain or loss if the U.S. holder's holding period for such ADSs or ordinary shares is more than one year at the time of such disposition. A U.S. holder's adjusted tax basis in the ADSs or our ordinary shares generally will be equal to the cost of such ADSs or ordinary shares. Any long-term capital gain from the disposition of the ADSs or our ordinary shares by a non-corporate U.S. holder generally is eligible for a preferential rate of taxation. The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations. Any such gain or loss that a U.S. holder recognizes generally will be treated as U.S. source gain or loss for foreign tax credit limitation purposes.

For a cash basis taxpayer, any units of foreign currency received on a disposition of the ADSs or our ordinary shares that are treated as traded on an established securities market are translated into U.S. dollars at the spot exchange rate on the settlement date of the disposition. No foreign currency exchange gain or loss will result for a cash basis taxpayer from currency fluctuations between the trade date and the settlement date of such a disposition.

An accrual basis taxpayer may elect the same treatment required of cash basis taxpayers with respect to dispositions of the ADSs or our ordinary shares that are traded on an established securities market, provided the election is applied consistently from year to year. Such an election may not be changed without the consent of the IRS. For an accrual basis taxpayer who does not make such election or if the ADSs or our ordinary shares that are not treated as traded on an established securities market, any units of foreign currency received on a disposition of the ADSs or our ordinary shares are translated into U.S. dollars at the spot exchange rate on the trade date of the disposition. In such case, the taxpayer may recognize exchange gain or loss based on currency fluctuations between the trade date and the settlement date. Any foreign currency gain or loss a U.S. holder recognizes will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations. Generally, we will be a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules with respect to the income and assets of our subsidiaries, either: (1) at least 75% of our gross income is "passive income" or (2) at least 50% of the average quarterly value of our total gross assets (which would generally be measured by fair market value of our assets) is attributable to assets that produce "passive income" or are held for the production of "passive income." For purposes of these calculations, we will be treated as holding our proportionate share of the assets of and receiving directly our proportionate share of the income of, any corporation in which we directly or indirectly own at least 25% (by value) of the shares. Passive income for this purpose includes dividends, interest, royalties, rents, gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets which produce passive income.

Based on our current and anticipated operations and composition of our assets and income, we believe that we were not a PFIC for U.S. federal income tax purposes for our tax year ended December 31, 2023. However, there can be no assurance that we will not be a PFIC for the current taxable year or any subsequent year. The determination of PFIC status is a factual determination that must be made annually and cannot be made until the close of a taxable year. In particular, our PFIC status may be determined in large part based on the market price of the ADSs and our ordinary shares. The market price of the ADSs and our ordinary shares may fluctuate, and a significant decrease in the market price could cause us to be treated as a PFIC. Moreover, the determination of PFIC status depends, in part, on the application of complex U.S. federal income tax rules which are subject to differing interpretations. Accordingly, there can be no assurance that we would not be a PFIC for the current taxable year or any future taxable year.

If we are a PFIC, a U.S. holder will be subject to a special tax at ordinary income tax rates on "excess distributions," including certain distributions by us and any gain that the U.S. holder recognizes on the sale or other disposition of the ADSs or our ordinary shares. Distributions received by a U.S. holder (other than distributions in the first year that a U.S. holder holds the ADSs or ordinary shares) in a taxable year that exceed 125% of the average annual distributions received during the shorter of the three preceding taxable years or the portion of the U.S. holder's holding period for the ADSs or ordinary

shares that precedes the taxable year of the distribution will be treated as an excess distribution. The amount of U.S. federal income tax on any excess distributions will be increased by an interest charge to compensate for the tax deferral, calculated as if the excess distributions were earned ratably over the period that the U.S. holder has held the ADSs or ordinary shares. Dividends received with respect to the ADSs, or our ordinary shares will not be eligible for the preferential tax rate applicable to “qualified dividend income” received by non-corporate U.S. holders if we are a PFIC for the taxable year of the distribution or for the preceding taxable year. Classification as a PFIC may also have other adverse tax consequences. A U.S. holder may be able to mitigate certain of these adverse tax consequences if it is able to make a timely qualified electing fund election (a “QEF election”) or a mark to market election with respect to the ADSs. However, a QEF election may only be made by a U.S. holder if we provide such holder with certain information, and we do not expect to provide U.S. holders with the information necessary to make a QEF election in the event we were to be a PFIC.

If we are a PFIC in any year in which a U.S. holder owns the ADSs or our ordinary shares, we would continue to be treated as a PFIC with respect to such U.S. holder in all succeeding years during which the U.S. holder owns the ADSs or ordinary shares, regardless of whether we continue to meet the tests described above, unless we cease to be a PFIC and the U.S. holder has made certain elections under applicable U.S. Treasury regulations with respect to its ADSs or ordinary shares.

If a U.S. holder owns the ADSs or our ordinary shares during any taxable year in which we are a PFIC, the U.S. holder generally will be required to file an IRS Form 8621 (Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund) with respect to the Company, generally with the U.S. holder’s U.S. federal income tax return for that year. U.S. holders should consult their tax advisor regarding any annual filing requirements.

The U.S. federal income tax rules relating to PFICs are complex. Prospective U.S. holders should consult their tax advisors with respect to the acquisition, ownership and disposition of the ADSs or our ordinary shares, the consequences to them of an investment in a PFIC, any elections available with respect to the ADSs or ordinary shares (including QEF elections and mark-to-market elections) and the IRS information reporting obligations with respect to the acquisition, ownership and disposition of the ADSs and ordinary shares.

Backup Withholding and Information Reporting. U.S. holders generally will be subject to information reporting requirements with respect to dividends paid on the ADSs or our ordinary shares, and on the proceeds from the sale, exchange or other disposition of the ADSs or our ordinary shares that are paid within the United States or through U.S.-related financial intermediaries, unless the U.S. holder is an “exempt recipient.” In addition, U.S. holders may be subject to backup withholding on such payments, unless the U.S. holder provides a correct taxpayer identification number and a duly executed IRS Form W-9 or otherwise establishes an exemption. Backup withholding is not an additional tax, and the amount of any backup withholding will be allowed as a credit against a U.S. holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Asset Reporting. Certain U.S. holders who are individuals are required to report information relating to an interest in the ADSs and our ordinary shares, subject to certain exceptions (including an exception for ADSs and ordinary shares held in accounts maintained by U.S. financial institutions) by filing IRS Form 8938 (*Statement of Specified Foreign Financial Assets*) with their U.S. federal income tax return. Substantial penalties may be imposed upon a U.S. holder that fails to comply. U.S. holders should consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of the ADSs or our ordinary shares.

THE DISCUSSION ABOVE IS A SUMMARY OF THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE ADSs AND IS BASED UPON LAWS AND RELEVANT INTERPRETATIONS THEREOF IN EFFECT AS OF THE DATE OF THIS ANNUAL REPORT, ALL OF WHICH ARE SUBJECT TO CHANGE OR DIFFERING INTERPRETATION, POSSIBLY WITH RETROACTIVE EFFECT. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE ADSs IN LIGHT OF THE INVESTOR’S OWN CIRCUMSTANCES.

Australian Tax Considerations

In this section, we discuss material Australian income tax, landholder duty and goods and services tax considerations related to the acquisition, ownership, and disposal by the absolute beneficial owners of the ADSs or ordinary shares represented by ADSs. It is based upon existing Australian tax law and administrative practice as of the date of this annual report, which is subject to change, possibly retrospectively. This discussion does not address all aspects of Australian tax law which may be important to particular investors in light of their individual investment circumstances, such as ADSs or shares held by investors subject to special tax rules (for example, authorized deposit-taking institutions, insurance companies or tax-exempt organizations). In addition, this summary does not discuss any non-Australian or state tax considerations, other than landholder duty.

Prospective investors are urged to consult their tax advisors regarding the Australian and non-Australian income and other tax considerations of the acquisition, ownership, and disposal of the ADSs or shares, including before the deposit of shares with the depository in exchange for ADSs. This summary is based upon the premise and assumption that the holder of an ADS is not an Australian tax resident and is not carrying on business in Australia through a permanent establishment or similar taxable nexus (referred to as a “Non-Australian Holder” in this summary).

Nature of ADSs for Australian Taxation Purposes

Prospective investors and non-Australian holders of ADSs should obtain specialist Australian tax advice regarding their rights and obligations under the deposit agreement with the depository, including whether the deposit arrangement would result in the holders of an ADS being “absolutely entitled” to the underlying shares represented by the ADS for Australian taxation purposes, especially before the prospective investor or Non-Australian Holder takes any action either to: (1) deposit ordinary shares to the depository in exchange for ADSs; or (2) surrender ADSs to the depository for cancellation to receive the ordinary shares underlying the Non-Australian Holder’s ADSs. Apart from certain aspects of the Australian tax legislation (for example, the Australian capital gains tax and withholding tax provisions, which are discussed below), there is no express legislative basis for disregarding “bare trusts” or similar arrangements for Australian tax purposes generally, and the Australian Taxation Office has not published any binding guidance in respect of ADS arrangements.

Consistent with our understanding that the deposit agreement, which is proposed for the holders of ADSs, is on similar terms to agreements that govern ADSs in respect of other foreign private issuers, this summary proceeds on the assumption that the deposit arrangement results in holders of ADSs being “absolutely entitled” to the underlying shares and also “presently entitled” to any dividend paid on the underlying ordinary shares. On this basis, holders of ADSs can be treated as the owners of the underlying ordinary shares for Australian capital gains tax purposes and dividends paid on the underlying ordinary shares will also be treated as dividends derived by the holders of ADSs as the persons presently entitled to those dividends.

The Australian tax implications of depositing shares with the depository in exchange for ADSs will depend on the individual circumstances of the investor. For investors who hold such shares on capital account, on the basis of the assumption regarding absolute entitlement the deposit of such shares with the depository should not be subject to Australian capital gains tax.

Taxation of Dividends

Australia operates a dividend imputation system under which dividends may be declared to be “franked” to the extent they are paid out of company profits that have been subject to income tax. Fully franked dividends are not subject to dividend withholding tax. To the extent that dividends are unfranked, or partly franked, the unfranked amount of dividends payable to Non-Australian Holders will be subject to dividend withholding tax except to the extent they are declared to be “conduit foreign income,” or CFI. Dividend withholding tax will be imposed at 30%, unless a shareholder or other specified recipient is a resident of a country with which Australia has a double taxation treaty and qualifies for the benefits of the treaty. For example, under the provisions of the current Double Taxation Convention between Australia

and the United States, the Australian tax withheld on unfranked dividends that are not declared to be CFI paid by us to which a resident of the United States is beneficially entitled generally is limited to 15%.

However, under the Double Taxation Convention between Australia and the United States, if a U.S. resident company that is a Non-Australian Holder directly owns a 10% or more voting interests in NOVONIX, the Australian tax withheld on unfranked dividends that are not declared to be CFI paid by us to which the company is beneficially entitled is generally limited to 5%.

Character of ADSs or Shares for Australian Taxation Purposes

The Australian income tax treatment of a sale or disposal of the ADSs or underlying shares will depend on whether they are held on revenue or capital account. ADSs may be held on revenue rather than capital accounts, for example, where they are held by share traders, or any profit arises from a profit-making undertaking or scheme entered into by the holder. Non-Australian Holders of ADSs should obtain specialist Australian tax advice regarding the characterization of any gain or loss on a sale or disposal of the ADSs or underlying shares as revenue or capital in nature.

Regarding the landholder duty considerations for the sale/disposal of the ADSs or underlying shares, please refer to the below comments under "Landholder Duty".

Regarding the goods and services tax considerations for the sale/disposal of the ADSs or underlying shares, please refer to the below comments under "Goods and Services Tax".

Tax on Sales or other Dispositions of Shares or ADSs—Capital Gains Tax

Non-Australian Holders who are treated as the owners of the underlying shares on the basis that they are absolutely entitled to those shares will not be subject to Australian capital gains tax on the gain made on a sale or other disposal of ordinary shares, provided the shares are not "taxable Australian property." Taxable Australian property includes "indirect Australian real property interests," which are interests in a company where:

- that Non-Australian Holder, together with its associates (as defined in the relevant Australian tax legislation), holds 10% or more of that company's issued shares, at the time of disposal or for a 12-month period during the two years prior to disposal; and
- more than 50% of that company's assets held directly or indirectly, determined by reference to market value, consists of Australian real property (which includes land and leasehold interests) or Australian mining, quarrying or prospecting rights at the time of disposal.

Australian capital gains tax applies to net capital gains at a taxpayer's marginal tax rates. Net capital gains are calculated after reduction for capital losses, which may only be offset against capital gains.

If a Non-Australian Holder of ADSs was not absolutely entitled to the underlying shares, and the ADSs were held on capital account, the same principles would apply in determining whether a gain on the sale or disposal of the ADSs would be subject to Australian capital gains tax. That is, a Non-Australian Holder should not be directly subject to Australian capital gains tax on the sale or disposal of the ADSs provided the ADSs are not "taxable Australian property."

The 50% capital gains tax discount is not available to Non-Australian Holders on gains from assets where they were non-Australian tax residents during the entire holding period. An apportioned discount rate may be available where the holder has been both a Non-Australian Holder and an Australian Tax Resident throughout the holding period. Companies are not entitled to a capital gains tax discount.

Broadly, where there is a disposal of "taxable Australian property," which includes indirect Australian real property interests, the purchaser will be required to withhold and remit to the Australian Taxation Office, or the ATO, 12.5% of the proceeds from the sale. A transaction is excluded from the withholding requirements in certain circumstances, including where the transaction has a market value of \$750,000 or less, or is an on-market transaction conducted on an approved

stock exchange, a securities lending arrangement, or is conducted using a broker operated crossing system. There may also be an exception to the requirement to withhold where a Non-Australian Holder provides a declaration that their ordinary shares are not “indirect Australian real property interests.”

Tax on Sales or other Dispositions of ADSs—Revenue Account

Non-Australian Holders who hold their ADSs on revenue account may have the gains made on the sale or other disposal of the ADSs included in their assessable income under the ordinary income provisions of the income tax law if the gains are sourced in Australia. In the case of gains which are ordinary income, there are no express provisions which treat holders of ADSs as the owners of the underlying shares where they are absolutely entitled to those shares.

Non-Australian Holders assessable under these ordinary income provisions in respect of gains made on ADSs held on revenue account would be assessed for such gains at the Australian tax rates for non-Australian residents, which start at a marginal rate of 32.5% for individuals and would be required to file an Australian tax return. Some relief from Australian income tax may be available to a Non-Australian Holder who is resident of a country with which Australia has a double taxation treaty, qualifies for the benefits of the treaty and does not, for example, derive the gain in carrying on business through a permanent establishment (or similar taxable nexus) in Australia.

To the extent an amount would be included in a Non-Australian Holder’s assessable income under both the capital gains tax provisions and the ordinary income provisions, the capital gain amount may be reduced, so that the holder may not be subject to double Australian tax on any part of the gain.

The statements under “—Tax on Sales or Other Dispositions of Shares—Capital Gains Tax” regarding a purchaser being required to withhold 12.5% tax on the acquisition of certain taxable Australian property are also relevant where the disposal of the ADSs by a Non-Australian Holder is likely to generate gains on revenue account, rather than a capital gain.

Dual Residency

If a holder of ADSs is a resident of both Australia and another jurisdiction (such as the United States) under those countries’ domestic taxation laws, that holder may be subject to tax as an Australian resident. If, however, the holder is determined to be a resident of that other jurisdiction for the purposes of the applicable double tax treaty, for example the Double Taxation Convention between the United States and Australia and qualifies for the benefit of that treaty, the Australian tax may be subject to limitation by that double tax treaty. Holders should obtain specialist taxation advice in these circumstances.

Landholder Duty

We understand the only landholdings in Australia are located in Queensland. Generally landholdings includes resource authorities, leases over land and things fixed to the land. Where the market value of all landholdings in Queensland in NOVONIX Limited and its subsidiaries are AUD\$2,000,000 or greater NOVONIX Limited will be a landholder in Queensland.

A liability to duty should not arise in Queensland for an investor on a transfer or issue of ordinary shares or ADSs in NOVONIX Limited, provided that a single Investor (alone or together with any associates or under related transactions) does not acquire a ‘significant interest’. Where a company is listed on a recognized exchange a ‘significant interest’ is an interest of 90% or more.

Australian Death Duty

Australia does not have estate or death duties. As a general rule, no capital gains tax liability is realized upon the inheritance of a deceased person’s shares. The disposal of inherited shares by beneficiaries may, however, give rise to a capital gains tax liability if the gain falls within the scope of Australia’s jurisdiction to tax. Holders should obtain specialist taxation advice in these circumstances.

Goods and Services Tax

No Australian goods and services tax should be payable on the transfer or issue of ADSs or ordinary shares.

THE DISCUSSION ABOVE IS A SUMMARY OF THE AUSTRALIAN TAX CONSEQUENCES OF AN INVESTMENT IN OUR ORDINARY SHARES OR ADSs AND IS BASED UPON LAWS AND RELEVANT INTERPRETATIONS THEREOF IN EFFECT AS OF THE DATE OF THIS annual report, ALL OF WHICH ARE SUBJECT TO CHANGE, POSSIBLY WITH RETROSPECTIVE EFFECT. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN OUR ORDINARY SHARES OR ADSs IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the periodic reporting and other informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within 120 days of the end of each fiscal year. Copies of reports and other information, when so filed, may be inspected without charge, and may be obtained at prescribed rates at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of these documents upon payment of a duplicating fee, by writing to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting, and short swing profit recovery provisions contained in Section 16 of the Exchange Act.

In addition, because our ordinary shares are traded on the ASX, we file annual and semi-annual reports with, and furnish information to, the ASX, as required under the ASX Listing Rules and the Corporations Act. Copies of our filings with the ASX can be retrieved electronically at www.asx.com.au. We also maintain a web site at www.novonixgroup.com. The information contained on our website or available through our website is not incorporated by reference into and should not be considered a part of this annual report on Form 20-F, and the reference to our website in this annual report on Form 20-F is an inactive textual reference only.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

If we are required to provide an annual report to security holders in response to the requirements of Form 6-K, we will submit the annual report to security holders in electronic format in accordance with the EDGAR Filer Manual.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to a variety of risks in the ordinary course of our business, including, but not limited to, credit risk, liquidity risk and interest rate risk. We regularly assess each of these risks to minimize any adverse effects on our business as a result of those factors. For discussion and sensitivity analyses of our exposure to these risks, see Note 31 - *Financial Risk Management* to the consolidated financial statements included in this annual report.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities.

Not applicable.

D. American Depositary Shares Fees and Expenses

<p>Persons depositing or withdrawing shares or ADS holders must pay:</p> <p>\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)</p> <p>\$.05 (or less) per ADS</p> <p>A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs</p> <p>\$.05 (or less) per ADS per calendar year registration or transfer fees.</p> <p>Expenses of the depositary</p> <p>Converting foreign currency to U.S. dollars</p> <p>Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes</p> <p>Any charges incurred by the depositary or its agents for servicing the deposited securities.</p>	<p>For:</p> <p>Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property</p> <p>Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates.</p> <p>Any cash distribution to ADS holders</p> <p>Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders</p> <p>Depositary services</p> <p>Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares</p> <p>Cable (including SWIFT) and facsimile transmissions (when expressly provided in the deposit agreement)</p> <p>As necessary</p> <p>As necessary</p>
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The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads, or commissions.

The depositary may convert currency itself or through any of its affiliates, or the custodian or we may convert currency and pay U.S. dollars to the depositary. Where the depositary converts currency itself or through any of its affiliates, the depositary acts as principal for its own account and not as agent, advisor, broker, or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained by it or its affiliate in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligation to act without negligence or bad faith. The methodology used to determine exchange rates used in currency conversions made by the depositary is available upon request. Where the custodian converts currency, the custodian has no obligation to obtain the most favorable rate that could be obtained at the time or to ensure that the method by which that rate will be determined will be the most favorable to ADS holders, and the depositary makes no representation that the rate is the most favorable rate and will not be liable for any direct or indirect losses associated with the rate. In certain instances, the depositary may receive dividends or other distributions from us in U.S. dollars that represent the proceeds of a conversion of foreign currency or translation from foreign currency at a rate that was obtained or determined by us and, in such cases, the depositary will not engage in, or be responsible for, any foreign currency transactions and neither it nor we make any representation that the rate obtained or determined by us is the most favorable rate and neither it nor we will be liable for any direct or indirect losses associated with the rate.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies.

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds.

Not applicable.

Item 15. Controls and Procedures

Disclosure controls and procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation (pursuant to Rule 13a-15(b) of the Exchange Act) of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act as of December 31, 2023.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2023, due to the material weaknesses identified and described below.

Notwithstanding the assessment that our disclosure controls and procedures are not effective and that material weaknesses existed as of December 31, 2023, we believe that we have performed sufficient supplementary procedures to ensure that the consolidated financial statements for the periods covered by and included in this annual report on Form 20-F fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with IFRS.

Management's annual report on internal control over financial reporting.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15 (f) under the Exchange Act. Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2023, because of the material weaknesses described below.

Material Weaknesses in Internal Control over Financial Reporting.

We previously disclosed in our annual report on 20-F for the period ended June 30, 2022, certain control deficiencies in the design and implementation of our internal control over financial reporting that constituted material weaknesses. These material weaknesses have not been remediated as of December 31, 2023.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

The material weaknesses in internal control over financial reporting are summarized below:

- Limited personnel in our accounting and finance functions have resulted in our inability to establish sufficient segregation of duties across the key business and financial processes of our organization.
- Lack of appropriately designed, implemented, and documented procedures and controls to allow us to achieve complete, accurate and timely financial reporting, including controls over the preparation and review of account reconciliations and journal entries, and controls over information technology including access and program change management to ensure access to financial data is adequately restricted to appropriate personnel.

This annual report does not include an attestation report of our independent registered public accounting firm due to an exemption from the auditor attestation requirements of the Sarbanes-Oxley Act as available to emerging growth companies.

Remediation Plan

The status of the remediation measures we have implemented to improve our internal control over financial reporting to address the underlying causes of the material weaknesses are summarized below:

- During 2023, we continued to formalize and implement additional internal controls that are relevant to the preparation of our financial statements. We have transitioned accounting close processes from outside advisors to internal resources within the Company through the hiring of several key Finance and Accounting personnel. These internal resources have been supplemented with additional external advisory assistance, which will continue to provide ongoing support regarding complex accounting matters, judgmental areas, and changes in accounting standards. New roles and responsibilities have been implemented to reduce the risk created by segregation of duties in some areas, complemented by the implementation of an enhanced ERP system in 2023 that will support automated enforcement of segregated roles and responsibilities. However, as of December 31, 2023, this material weakness has not been fully remediated. As the Company grows, the number of skilled and experienced employees is expected to increase, which will enable the Company to implement adequate segregation of duties within the internal control framework.
- During 2023, the Company made significant progress on many of its remedial actions with a focus on enhancing business processes and controls as the Company continues to mature. However, many of these remedial actions, most importantly the new control activities, were not fully designed and implemented and/or operating contemporaneously and continuously as of December 31, 2023, and therefore the material weakness was not fully remediated at year-end. The Company plans to continue the refinement of the control environment by designing and implementing controls to mitigate the business risks and assess the operating effectiveness of the internal controls over financial reporting. We will continue to devote significant time and attention to these remediation efforts. However, the material weaknesses cannot be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Remediation of Previously Reported Material Weaknesses in Internal Control over Financial Reporting

In our annual report on Form 20-F for the period ended June 30, 2022, we reported a material weakness, related to the following:

- Lack of personnel with the appropriate knowledge and experience related to SEC reporting requirements to enable us to design and maintain an effective financial reporting process.

During the period ended December 31, 2023, management has completed the implementation of remediation efforts related to the aforementioned material weakness.

To address the material weakness, we have:

- Hired individuals that have sufficient experience in maintaining books and records and preparing financial statements in accordance with IFRS and the supervision thereof, including a U.S. Controller, Assistant General Counsel, and engaging external consultants where considered applicable.
- Improved the overall organizational structure of the Company by hiring individuals with extensive SEC experience who are in charge of leading business processes with impact in our financial reporting.

Attestation report of the registered public accounting firm

This annual report does not include an attestation report of our independent registered public accounting firm due to an exemption from the auditor attestation requirements of the Sarbanes-Oxley Act as available to emerging growth companies.

Changes in internal control over financial reporting

Except for the improvements to our internal control over financial reporting to remediate the material weaknesses discussed above, there have been no changes in our internal control over financial reporting during the fiscal year ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [RESERVED]

Item 16A. Audit Committee Financial Expert

The Board of Directors has determined that each of Messrs. Anthony Bellas and Ron Edmonds qualifies as an “audit committee financial expert,” as such term is defined in the rules of the SEC, and all of the members of the Audit and Risk Management Committee are independent, as independence is defined under the rules of the SEC and NASDAQ applicable to foreign private issuers.

Item 16B. Code of Ethics

Our Corporate Governance Charter contains a code of conduct applicable to all our directors and is available on our website at www.novonixgroup.com. Our Board of Directors has also adopted a Code of Conduct applicable to our officers, senior executives, employees, consultants, and contractors, which is also available on our website at www.novonixgroup.com. We will post on our website all disclosures that are required by law or the listing standards of NASDAQ concerning any amendments to, or waivers from, any provision of the Code of Conduct. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of, this annual report.

Item 16C. Principal Accountant Fees and Services

Audit Fees

The information set forth in Note 8 to the Company's Consolidated Financial Statements included in "*Item 18. Financial Statements*" of this annual report is incorporated herein by reference.

Audit-Related Fees

The information set forth in Note 8 to the Company's Consolidated Financial Statements included in "*Item 18. Financial Statements*" of this annual report is incorporated herein by reference.

Tax Fees

The information set forth in Note 8 to the Company's Consolidated Financial Statements included in "Item 18. Financial Statements" of this annual report is incorporated herein by reference.

All Other Fees

The information set forth in Note 8 to the Company's Consolidated Financial Statements included in "Item 18. Financial Statements" of this annual report is incorporated herein by reference.

Pre-Approval Policies and Procedures

The Audit and Risk Management Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. These policies provide that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by the Audit and Risk Management Committee, or the engagement is entered into pursuant to the pre-approval procedure described below.

From time to time, the Audit and Risk Management Committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval is detailed as to the particular service or type of services to be provided and is also generally subject to a maximum dollar amount. In fiscal 2023, our Audit and Risk Management Committee approved all the services provided by PricewaterhouseCoopers Australia, our external auditors.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not applicable.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Under NASDAQ Listing Rule 5615(a)(3), a foreign private issuer, such as our company, is permitted to follow certain home country corporate governance practices instead of certain provisions of the NASDAQ listing rules. A foreign private issuer electing to follow a home country practice instead of any such NASDAQ rule must submit to NASDAQ, in advance, a written statement from an independent counsel in such issuer's home country certifying that the issuer's practices are not prohibited by the home country's laws. We submitted such a written statement to NASDAQ. See "Item 6. Directors, Senior Management and Employees—C. Board Practices— Foreign Private Issuer Exemption" for a concise summary of any significant ways in which our corporate governance practices differ from those followed by domestic companies under the NASDAQ listing rules.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider trading policies

Pursuant to applicable SEC transition guidance, the disclosure required by Item 16J will be applicable to the Company from the fiscal year ending December 31, 2024.

Item 16K. Cybersecurity

Risk Management and Strategy

We believe an effective cybersecurity program is critical to guard the confidentiality, integrity, and availability of our information systems and data residing in those systems. We have built and continue to evolve processes for assessing, identifying, and managing material risks from cybersecurity threats. We have embedded the oversight and management of cybersecurity risk within our enterprise risk management framework to help drive a company-wide culture of cybersecurity risk management, and we have established policies and procedures as well as a reporting line of governance that guide our cybersecurity risk management program.

The Company's Information Technology Department uses cybersecurity risk assessments, security monitoring tools, phishing testing, security training, system scanning, and penetration testing, among other technology and human resources, to monitor and identify cybersecurity threats and incidents. We engage a third party to perform a 24/7 cybersecurity monitoring, detection and response service. With the third party's assistance, our Information Technology Department track metrics that demonstrate our cybersecurity risk posture, including identified cybersecurity threats and risks, security awareness proficiency of employees, and system vulnerabilities and patching requirements.

We require all third-party vendors that may have access to Company, employee, customer, or other third-party data to undergo a vetting process prior to being approved and onboarded. The vetting process includes a review of the vendor's relevant policies and procedures, technology architecture, business practices and cybersecurity profile. Third-party vendor agreements include confidentiality obligations and specify data elements that the third party has access to, how the third party protects the data, and procedures for the return or destruction of protected data. The vendor also must report all cybersecurity incidents immediately to the Company's responsible functional manager and to the Director of Information Technology.

In addition to the above processes and resources, we maintain a cybersecurity incident response process. Within the Information Technology department, we have an Incident Response Team, which maintains and is responsible for communicating any cybersecurity incidents in accordance with a written incident response plan (the "Incident Response Plan"). The Incident Response Plan defines responsibilities and immediate actions necessary to mitigate risk, report on the incident to management, and identify necessary steps to remediate the incident and prevent future incidents. The Incident Response Team is responsible for identifying and assessing the impact of several factors, including duration of the breach or other incident, the number of systems and users affected, the actual or potential system downtime and associated financial impact, as well as the cost and timing of system and data recovery. Our Director of Information Technology is responsible for reporting cybersecurity incidents immediately to our senior management team. Depending on the nature and severity of an incident, the incident may also need to be reported to our Management Disclosure Committee to determine whether the incident is or is reasonably likely to become material and whether the Company must disclose the incident publicly, as well as to the Audit and Risk Management Committee and the Board of Directors.

Governance

Our Board of Directors recognizes the importance of managing the risk of cybersecurity threats to the Company. The Board is responsible for overseeing our enterprise risk management activities in general, and each of our Board committees assists the Board in the role of risk oversight. The Audit and Risk Management Committee is responsible for, among other things, overseeing our compliance with internal controls and our management of enterprise risks, including cybersecurity risks and risk mitigation framework.

The Audit and Risk Management Committee meets at least twice each year and as often as necessary to fulfill its responsibilities. Our senior management team, which includes our CEO, CFO, Chief Legal and Administrative Officer, and our Chief Operating Officer, together with the Director of Information Technology, reports on a regular basis to the Audit and Risk Management Committee on cybersecurity risks and trends and other information necessary to assess such risks and oversee the development and performance of our risk mitigation processes.

The Director of Information Technology leads our Information Technology Department and is responsible for overseeing our information security program. Reporting to our Chief Operating Officer, the Director of Information Technology has over 30 years of industry experience, including serving in similar roles leading and overseeing information and data security at other public companies. The Director of Information Technology is responsible for assessing and managing cybersecurity risks, as well as communicating cybersecurity incidents, matters and trends to Company management, the Audit and Risk Management Committee, and the Board of Directors. Team members who support our information security program have relevant educational and industry experience and regularly report to the Director of Information Technology. Our Information Technology Department regularly reports to senior management and other relevant teams on various cybersecurity threats, assessments, and findings.

We face risks from cybersecurity threats that could have a material adverse effect on our business, strategy, financial condition, results of operations, cash flows or reputation. However, to date, we have not experienced any cybersecurity incidents that have had or are reasonably likely to have such a material adverse effect. See *Item 3. Key Information—D. Risk Factors* (“***Our systems and data may be subject to disruptions or other security incidents, or we may face alleged violations of laws, regulations, or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales.***”) contained herein.

PART III

Item 17. Financial Statements.

The Company has elected to furnish the financial statements and related information specified in "*Item 18. Financial Statements*" of this annual report.

Item 18. Financial Statements.

The consolidated financial statements and related notes required by this Item 18 are included in this annual report on Form 20-F beginning on page F-1.

NOVONIX LIMITED

ABN 54 157 690 830

FINANCIAL STATEMENTS – December 31, 2023

Financial statements

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These financial statements are consolidated financial statements for the Company consisting of NOVONIX Limited and its subsidiaries. A list of major subsidiaries is included in Note 27 – *Interests in Subsidiaries*.

The financial statements are presented in U.S. dollars.

NOVONIX Limited is a Company limited by shares, incorporated and domiciled in Australia.



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of NOVONIX Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of NOVONIX Limited and its subsidiaries (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of profit or loss and other comprehensive income, of changes in equity, and of cash flows for the year ended December 31, 2023, the six-month period ended December 31, 2022, and each of the two years in the period ended June 30, 2022, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023, the six-month period ended December 31, 2022, and each of the two years in the period ended June 30, 2022 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Substantial Doubt about the Company’s Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring losses from operations, incurred cash outflows from operating activities and is dependent upon raising additional funding to finance its ongoing expansionary activities, and has stated that these events or conditions give rise to a material uncertainty which may cast significant doubt (or raise substantial doubt as contemplated by PCAOB standards) on the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

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Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers
Brisbane, Australia
February 28, 2024

We have served as the Company's auditor since 2018.

NOVONIX Limited Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Twelve Months Ended December 31, 2023, Six Months Ended December 31, 2022, Twelve Months Ended June 30, 2022 and 2021

(in U.S dollars)		Twelve months ended December 31,	Six Months Ended December 31,	Twelve Months Ended June 30,	
	Notes	2023	2022	2022	2021
Revenue	3	\$ 8,054,528	\$ 2,702,276	\$ 6,101,155	\$ 3,893,739
Product manufacturing and operating costs (exclusive of depreciation presented separately)		(2,817,269)	(1,319,682)	(1,724,625)	(810,664)
Administrative and other expenses	5	(18,863,896)	(11,481,647)	(12,591,709)	(2,850,865)
Impairment losses		—	—	—	(2,002,399)
Depreciation and amortization expenses		(4,740,135)	(2,572,019)	(4,214,617)	(1,264,622)
Loss on equity investment securities at fair value through profit or loss		—	—	(8,113,657)	—
Research and development costs		(5,750,574)	(2,020,656)	(5,102,824)	(2,093,098)
Nasdaq listing related expenses		—	—	(4,226,062)	—
Share based compensation	28	(5,621,959)	(5,354,429)	(14,530,749)	(4,467,986)
Employee benefits expense		(20,339,880)	(8,549,850)	(12,736,589)	(4,348,547)
Borrowing costs	5	(2,864,102)	(943,421)	(1,512,548)	(170,871)
Foreign currency gain (loss)		1,359,857	1,360,308	5,195,798	(62,527)
Gain on fair value of derivative financial instruments	22	1,525,320	—	—	—
Other income, net	4	3,609,900	315,106	1,596,120	731,247
Loss before income tax (expense) benefit		(46,448,210)	(27,864,014)	(51,860,307)	(13,446,593)
Income tax benefit (expense)	6	199,949	—	—	—
Net loss		(46,248,261)	(27,864,014)	(51,860,307)	(13,446,593)
Other comprehensive loss, net of tax					
Foreign currency translation of foreign operations		(1,489,976)	(2,445,538)	(17,751,688)	7,802,293
Total comprehensive loss		(47,738,237)	(30,309,552)	(69,611,995)	(5,644,300)
Net loss per share attributable to the ordinary equity holders – basic and diluted		\$ (0.09)	\$ (0.06)	\$ (0.11)	\$ (0.04)
Weighted average shares outstanding – basic and diluted		487,474,460	486,616,365	464,437,628	366,289,024

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

NOVONIX Limited Consolidated Balance Sheets
As at December 31, 2023 and 2022

(in U.S. dollars)

	Notes	December 31, 2023	December 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		\$ 78,713,885	\$ 99,039,172
Trade and other receivables	10	3,564,333	2,847,229
Inventory	13	2,000,808	3,165,932
Prepayments	11	1,859,797	1,958,269
Escrow reserves	12	794,500	9,137,605
Assets classified as held for sale	16	2,219,952	—
Total current assets		89,153,275	116,148,207
Non-current assets			
Property, plant and equipment	14	139,793,447	125,316,748
Investment securities at fair value through profit or loss	15	16,666,665	16,490,271
Right-of-use assets	20	4,484,521	4,915,035
Exploration and evaluation assets	16	—	2,212,013
Intangible assets and goodwill	17	11,990,309	12,173,710
Other assets		1,254,826	168,574
Total non-current assets		174,189,768	161,276,351
Total assets		\$ 263,343,043	\$ 277,424,558
LIABILITIES			
Current liabilities			
Trade and other payables	18	\$ 5,760,061	\$ 6,954,464
Contract liabilities	3	285,221	71,985
Lease liabilities	20	345,933	353,378
Borrowings	21	1,341,689	1,085,314
Current Tax Liabilities		107,458	—
Total current liabilities		7,840,362	8,465,141
Non-current liabilities			
Contract Liabilities	19	3,000,000	3,000,000
Lease liabilities	20	4,479,627	4,825,560
Derivative Financial Instruments		866,278	—
Borrowings	21	63,220,501	35,077,588
Total non-current liabilities		71,566,406	42,903,148
Total liabilities		79,406,768	51,368,289
Net assets		183,936,275	226,056,269
EQUITY			
Contributed equity	23	338,425,286	338,108,198
Reserves	24	30,358,828	26,547,649
Accumulated losses		(184,847,839)	(138,599,578)
Total equity		\$ 183,936,275	\$ 226,056,269

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

NOVONIX Limited Consolidated Statements of Changes in Equity
For the Twelve Months Ended December 31, 2023, Six Months Ended December 31, 2022, Twelve Months Ended June 30, 2022

Consolidated Group (in U.S dollars)	Contributed equity	Accumulated losses	Reserves			Total Equity
			Share based payments reserve	Foreign currency translation reserve	Convertible loan note reserve	
Balance at June 30, 2020	\$ 71,752,704	\$ (45,428,664)	\$ 16,422,674	\$ (2,742,011)	\$ 4,523,095	\$ 44,527,798
Net loss	—	(13,446,593)	—	—	—	(13,446,593)
Other comprehensive loss	—	—	—	7,802,293	—	7,802,293
Total comprehensive loss	—	(58,875,257)	16,422,674	5,060,282	4,523,095	38,883,498
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (Note 22(b))	94,922,006	—	—	—	—	94,922,006
Settlement of limited recourse loan (Note 22(j))	1,070,250	—	—	—	—	1,070,250
Share-based payments	—	—	3,574,080	—	—	3,574,080
Balance at June 30, 2021	167,744,960	(58,875,257)	19,996,754	5,060,282	4,523,095	138,449,834
Net loss	—	(51,860,307)	—	—	—	(51,860,307)
Other comprehensive loss	—	—	—	(17,751,688)	—	(17,751,688)
Total comprehensive loss	—	(51,860,307)	—	(17,751,688)	—	(69,611,995)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (Note 22(b))	170,266,882	—	—	—	—	170,266,882
Settlement of limited recourse loan (Note 22(j))	—	—	—	—	—	—
Share-based payments	—	—	12,028,757	—	—	12,028,757
Balance at June 30, 2022	338,011,842	(110,735,564)	32,025,511	(12,691,406)	4,523,095	251,133,478
Net loss	—	(27,864,014)	—	—	—	(27,864,014)
Other comprehensive income	—	—	—	(2,445,538)	—	(2,445,538)
Total comprehensive (loss)/income	—	(27,864,014)	—	(2,445,538)	—	(30,309,552)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	96,356	—	—	—	—	96,356
Share-based payments	—	—	5,135,987	—	—	5,135,987
Balance at December 31, 2022	338,108,198	(138,599,578)	37,161,498	(15,136,944)	4,523,095	226,056,269
Net loss	—	(46,248,261)	—	—	—	(46,248,261)
Other comprehensive loss	—	—	—	(1,489,976)	—	(1,489,976)
Total comprehensive loss	—	(46,248,261)	—	(1,489,976)	—	(47,738,237)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (Note 22(b))	317,088	—	—	—	—	317,088
Share-based payments	—	—	5,301,155	—	—	5,301,155
Balance at December 31, 2023	\$ 338,425,286	\$ (184,847,839)	\$ 42,462,653	\$ (16,626,920)	\$ 4,523,095	\$ 183,936,275

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

NOVONIX Limited Consolidated Statements of Cash Flows
For the Twelve Months Ended December 31, 2023, Six Months Ended December 31, 2022 and Twelve Months Ended June 30, 2022 and 2021

(in U.S. dollars)		Twelve months ended December 31, <u>2023</u>	Six Months Ended December 31, <u>2022</u>	<u>Twelve Months Ended June 30,</u> 2022 2021	
	Notes				
Cash flows from operating activities					
Receipts from customers (inclusive of consumption tax)		\$ 7,708,839	\$ 4,095,716	\$ 6,173,683	\$ 4,252,412
Payments to suppliers and employees (inclusive of consumption tax)		(45,629,733)	(22,516,447)	(37,928,213)	(10,841,804)
Interest received		1,621,201	18,242	8,314	26,120
Payment of borrowing costs		(1,872,154)	(898,461)	(1,465,946)	(169,675)
Government grants received		1,943,424	434,379	3,982,807	645,747
Net cash outflow from operating activities	26	<u>(36,228,423)</u>	<u>(18,866,571)</u>	<u>(29,229,355)</u>	<u>(6,087,200)</u>
Cash flows from investing activities					
Payments for exploration assets		(13,665)	(18,534)	(74,041)	(88,149)
Payments for escrow funds		—	(934,628)	(14,520,001)	—
Proceeds from release of escrow funds		8,343,107	1,887,579	4,429,445	—
Payments for investments		—	—	(12,767,817)	—
Payments for intangibles		—	—	(27,686)	—
Payments for security deposits		(882,325)	—	(161,812)	(100,000)
Refunds of security deposit		—	—	10,000	—
Payments for property, plant and equipment		(19,182,131)	(24,497,314)	(83,688,360)	(19,489,363)
Net cash outflow from investing activities		<u>(11,735,014)</u>	<u>(23,562,897)</u>	<u>(106,800,272)</u>	<u>(19,677,512)</u>
Cash flows from financing activities					
Proceeds on issue of shares		338,327	12,061	150,967,705	106,843,050
Payment of share issue expenses		(12,529)	(8,024)	(137,982)	(5,891,148)
Proceeds from convertible note issues		30,000,000	—	—	—
Payment of convertible note issue expenses		(47,338)	—	—	—
Payment of withholding tax - Performance Rights	28	(295,043)	(131,506)	(2,501,992)	—
Proceeds from borrowings		752,831	—	33,241,890	3,023,995
Principal elements of lease repayments		(353,378)	(166,741)	(308,405)	(141,844)
Repayment of borrowings		(1,073,082)	(483,620)	(573,445)	(64,464)
Net cash inflow (outflow) from financing activities		<u>29,309,788</u>	<u>(777,830)</u>	<u>180,687,771</u>	<u>103,769,589</u>
Net (decrease) increase in cash and cash equivalents		(18,653,649)	(43,207,298)	44,658,144	78,004,877
Effects of foreign currency		(1,671,638)	(490,892)	(4,522,034)	(2,093,901)
Cash and cash equivalents at the beginning of the year		99,039,172	142,737,362	102,601,252	26,690,276
Cash and cash equivalents at the end of the year		<u>\$ 78,713,885</u>	<u>\$ 99,039,172</u>	<u>\$ 142,737,362</u>	<u>\$ 102,601,252</u>
Non-cash financing and investing activities	26(b)				

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Note 1 Summary of Material Accounting Policy Information

Corporate Information

NOVONIX Limited (“NOVONIX,” the “Company,” or the “Group”) is a battery technology and materials business that provides advanced products and mission critical services to leading battery manufacturers, materials companies, automotive original equipment manufacturers (“OEMs”) as well as consumer electronics manufacturers at the forefront of the global electrification economy. NOVONIX Limited is referred to in these financial statements as the “Parent Entity”.

NOVONIX was incorporated under the laws of Australia in 2012 under the name Graphitecorp Pty Limited. In 2015, the Company completed an initial public offering of its ordinary shares and the listing of its ordinary shares on the Australian Securities Exchange, or the ASX, and changed the Company’s name to GRAPHITECORP Limited. In 2017, the Company changed its name to NOVONIX Limited.

The Company’s principal place of business is located at Level 38, 71 Eagle Street, Brisbane, Queensland 4000, Australia, and the Company’s registered office is located at Level 11, 66 Eagle Street, Brisbane Queensland, Australia.

The financial statements were authorized for issue by the Directors on February 28, 2024. The Directors have the power to amend and reissue the financial statements.

Basis of Preparation

These general-purpose consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the consolidated financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Applying Materiality

Management provides the specific accounting policies and disclosures required by IFRS unless the information is not applicable or is considered immaterial to the decision-making of the primary users of these financial statements.

Going Concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realization of assets and settlement of liabilities in the normal course of business.

For the twelve-month period ended December 31, 2023, the Company incurred a net loss of \$46.2 million (six-month period ended December 31, 2022: \$27.9 million) and net operating cash outflows of \$36.2 million (six-month period ended December 31, 2022: \$18.9 million). As at December 31, 2023, the Company has a cash balance of \$78.7 million (December 31, 2022: \$99.0 million) and net current assets of \$81.3 million (December 31, 2022: \$107.7 million).

The Company continues to execute its expansion plans to reach a production capacity of at least 150,000 tpa. This will involve scaling operations in line with customer off-take agreements, as well as current and future customer demand. To fund these expansionary activities, which will primarily require significant capital expenditure, additional funding beyond the existing cash balance at December 31, 2023, and forecasted customer inflows will be necessary.

These conditions give rise to a material uncertainty which may cast significant doubt (or substantial doubt as contemplated by Public Company Accounting Oversight Board (“PCAOB”) standards) over the Company’s ability to continue as a going

concern and therefore that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The ability of the Company to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Company to raise funds as and when necessary, from either customers, governments and/or investors in the form of debt, equity and/or grant funding;
- the successful and profitable growth of the battery materials, battery consulting, and battery technology businesses;
- the ability of the Company to meet its cash flow forecasts.

The directors believe that the going concern basis of preparation is appropriate as the Company has a strong history of being able to raise capital from debt and equity sources, most recently through the issue of \$30 million of unsecured convertible loan notes to LG Energy Solution, Ltd. ("LG Energy Solution" or "LGES") during the period (Note 22 - *Unsecured convertible loan notes and derivative financial instruments*).

In November 2023, the Company finalized its \$100 million grant from the Office of Manufacturing & Energy Supply Chains ("MESCC") of the U.S. Department of Energy ("DOE") to expand domestic production of high-performance, synthetic graphite anode materials at its Riverside facility in Chattanooga, Tennessee. No funds have been drawn against the grant as of December 31, 2023, and to the date of issuance of the financial statements.

Should the Company be unable to continue as a going concern, it may be required to realize its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the consolidated financial statements.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

Principles of Consolidation

These consolidated financial statements incorporate the assets and liabilities of all subsidiaries of NOVONIX Limited as at December 31, 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between entities in the Company are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. The accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Costs arising from a business combination are expensed when incurred. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

With limited exceptions, all identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, over the net fair value of the Company's share of the identifiable net assets acquired is recognized as goodwill. If the consideration transferred of the acquisition is less than the Company's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognized as a gain in the profit and loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the cash consideration is deferred, the amounts payable in the future are discounted to their present value, as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For some assets and liabilities, observable market transactions or market information is available. For other assets and liabilities, observable market transactions or market information might not be available. When a price for an identical asset or liability is not observable, another valuation technique is used. To increase consistency and comparability in fair value measurements, there are three levels of the fair value hierarchy based on the inputs used:

- Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities,
- Level 2 – Inputs are inputs other than quoted prices included within Level 1, which are observable for the asset or liability either directly or indirectly,
- Level 3 – Inputs are unobservable inputs for the asset or liability.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Income Tax Expense (Benefit)

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognized for prior periods, where applicable.

Deferred tax assets and liabilities are recognized for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The carrying amount of recognized and unrecognized deferred tax assets are reviewed at each reporting date. Deferred tax assets recognized are reduced to the extent that it is no longer probable that future taxable profits will be available

for the carrying amount to be recovered. Previously unrecognized deferred tax assets are recognized to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods is transferred, or services are provided to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sales of Goods

Revenue for the hardware is recognized at a point in time when the hardware is delivered and the legal title has passed.

Consulting Services

The consulting division provides battery cell design, implementation and support services under fixed-price and variable price contracts. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period relative to the remaining services under the contract because the customer receives and uses the benefits simultaneously. This is determined based on the actual labor hours spent relative to the total expected labor hours.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Contract Balances

Trade and Other Receivables

A receivable is recognized when the Company's right to consideration is unconditional, which is generally when goods are delivered or services are performed, as only the passage of time is required before payment is due.

Contract Liabilities

A contract liability is the obligation to transfer goods or provide services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Other Income

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grant Revenue

Grants from government bodies are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ("CODMs"). The CODMs are responsible for the allocation of resources to operating segments and assessing their performance.

Current and Non-Current Classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realized or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined based on the standard cost method, which approximates first-in, first-out. The cost of manufactured products includes direct materials.

Exploration and Evaluation Assets

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. Such expenditures comprise net direct costs and an appropriate portion of related overhead expenditure but do not include overheads or administration expenditure not having a specific nexus with a particular area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and active or significant operations in relation to the area are continuing.

A regular review has been undertaken on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

An impairment charge is recognized when the Directors are of the opinion that the carried forward net cost may not be recoverable or the right of tenure in the area lapses.

When production commences, the accumulated costs for the relevant area of interest are amortized over the life of the area according to the rate of depletion of the economically recoverable reserves.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

The fair value of the liability (borrowings) portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. Alternatively, the fair value of the conversion option is determined using Monte Carlo Simulation methodology, with the remainder of the proceeds allocated to the liability (borrowings) portion.

Convertible Loan Notes

Convertible loan notes are initially measured at fair value less transaction costs.

Amortized cost is calculated as the amount at which the loan note is measured at initial recognition less principal repayments and adjusted for any cumulative amortization of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments over the expected life of the financial instrument to the net carrying amount of the financial liability.

Non-derivative financial liabilities, other than financial guarantees, are subsequently measured at amortized cost. Gains or losses are recognized in profit or loss through the amortization process and when the financial liability is derecognized.

Property, Plant, and Equipment

Property, plant, and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	25 - 39 years
Plant and equipment	3 - 20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognized upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortized cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Leases

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by NOVONIX Limited, which does not have recent third-party financing,
- makes adjustments specific to the lease, e.g., term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs,
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Company does not revalue the right-of-use buildings held by the Company.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension options are included in property and equipment leases across the Company. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The extension options held are exercisable only by the Company and not by the lessor.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the

payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognized in profit or loss.

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy,
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount,
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognized in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Specific details about the Company's leasing policy are provided in Note 20.

Investments and Other Financial Assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss),
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification or fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in the consolidated statement of profit or loss and other comprehensive (loss) income as other income when the Company's right to receive payment is established.

Changes in fair value of financial assets at FVPL are recognized in other gains/(losses) in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Employee Benefits

Short-Term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Short-term incentives are payable on achievement of mutually agreed KPIs each fiscal year with short-term incentives being payable in either cash or by way of the issue of fully paid ordinary shares. The Company has historically paid short term incentives in cash.

Other Long-Term Employee Benefits

The liability for long service leaves not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-Based Payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, options or performance rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is determined using various valuation methods including Black Scholes, Binomial and the Monte Carlo Simulation method that takes into account the exercise price, the term of the performance right, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right award.

The cost of equity-settled transactions is recognized as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognized in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognized in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognized as if the modification has not been made. An additional expense is recognized, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

Share-based payment expenses are recognized over the period during which the employee provides the relevant services. This period may commence prior to the grant date. In this situation, the entity estimates the grant date fair value of the equity instruments for the purposes of recognizing the services received during the period between service commencement date and grant date. Once the grant date has been established, the earlier estimate is revised so that the amount recognized for services received is ultimately based on the grant date fair value of the equity instruments.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognized over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognized immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the assets carrying amount over its recoverable amount is recognized immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

Intangible Assets Other than Goodwill

Technology

Technology is recognized at fair value on the date of acquisition. It has a finite life and is subsequently carried at cost less any accumulated amortization and any impairment losses. Technology is amortized over its useful life of 5 years.

Software

Software is measured at cost (at acquisition or development costs) and amortized on a straight-line basis over its useful life, generally 3 years. Maintenance cost of software is expensed as incurred. Development costs directly attributable to

the design and creation of software that are identifiable and unique, and that may be controlled by the Company, are recognized as an intangible asset providing the following conditions are met:

- It is technically feasible for the intangible asset to be completed so that it will be available for use or sale,
- Management intends to complete the asset for use or sale,
- The Company has the capacity to use or sell the asset,
- It is possible to show evidence of how the intangible asset will generate probable future economic benefits,
- Adequate technical, financial, and other resources are available to complete the development and to use or sell the intangible asset,
- The outlay attributable to the intangible asset during its development can be reliably determined.

Directly attributable costs capitalized in the value of the software include the cost of personnel developing the programs.

Costs that do not meet the criteria listed above are recognized as an expense as incurred. An example of this is *Software as a Service* ("SaaS"). The cloud computing is a model for delivering information technology services through web-based tools and applications. In such contracts, the customer generally does not obtain a software license or have a right to take possession of the software. The contract conveys to the customer the right to receive access to the supplier's application software over the contract term. That right to receive access does not provide the customer with a software asset and, therefore, the access to the software is a service that the customer receives over the contract term.

Goodwill

Goodwill acquired on a business combination is initially measured at cost, being the excess of the consideration transferred for the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment, annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (Note 17 - *Intangible Assets*).

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units that are expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Disposed goodwill in this circumstance is measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit retained.

Research and Development Costs

Research and development costs primarily represent the Company's investment in research and development activities for the all-dry, zero-waste cathode synthesis project. At present, the Company's research and development activities are conducted through our two core businesses: BTS and NAM; cathode falls under BTS R&D.

Research expenditures are recognized as an expense when incurred. Costs incurred on development projects (relating to the design and testing of enhancements or extensions of products from the all-dry, zero-waste cathode synthesis project) are recognized as intangible assets when:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use it or sell it,
- the ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset,
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The expenditures capitalized comprise all directly attributable costs, including costs of materials, services, direct labor and an appropriate proportion of overhead. Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use on a straight-line basis over its useful life.

Borrowing Costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the Company's entities is the currency of the primary economic environment in which that entity operates. Effective July 1, 2022, the Company's reporting currency is the U.S. dollar. The Company changed its reporting currency from Australian dollars to U.S. dollars to enhance the relevance of the Company's financial information and comparability with its industry peer group.

Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognized in profit or loss, except were deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized directly in other comprehensive income to the extent that the underlying gain or loss is recognized in other comprehensive income; otherwise, the exchange difference is recognized in profit or loss.

Group Companies

The financial results and position of foreign operations, whose functional currency is different from the Company's presentation currency, are translated as follows:

- Assets and liabilities are translated at exchange rates prevailing at the end of the reporting period,
- Income and expenses are translated at the average exchange rates for the period,
- Accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than U.S. dollars are recognized in other comprehensive income and included in the foreign currency translation reserve in the consolidated balance sheet. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

Earnings Per Share

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and Other Similar Taxes

Revenues, expenses and assets are recognized net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognized as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Assets Held for Sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

New and Amended Standards and Interpretations

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction: In May 2021, the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, which amended IAS 12, *Income Taxes*. The amendments clarify that companies are required to recognize deferred taxes on transactions where both assets

and liabilities are recognized, such as with leases and asset retirement (decommissioning) obligations. The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted. The adoption of the amendment did not have a material impact on the consolidated financial statements.

The Company noted that no other new IFRS Accounting Standards amendments or interpretations that became effective in 2023 had a material impact on the Company's consolidated financial statements.

Standards and Interpretations not yet Effective

Based on the Company's assessment, there are no IFRS Accounting Standards, amendments, or interpretations not yet effective in 2023 that would be expected to have a material impact on the Company's consolidated financial statements.

Critical Accounting Estimates and Judgments

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Valuation of Unsecured Convertible Notes and Embedded Derivatives

The fair value of the conversion feature is determined using a Monte Carlo Simulation, taking into account the terms and conditions upon which the convertible loan notes were issued. The key assumptions include:

- The probability of the timing of when the parties will enter into a purchase order for material, which will lead to the mandatory conversion of all loan notes into ordinary shares,
- The risk-free rate,
- The volatility of the NOVONIX share price.

Value of Intangible Assets Relating to Acquisitions

The Company has allocated portions of the cost of acquisitions to technology intangibles, valued using the relief from royalty method. These calculations require the use of assumptions including future revenue forecasts and a royalty rate. Technology is amortized over its useful life of 5 years.

Impairment of Goodwill and Identifiable Intangible Assets

The Company determines whether goodwill is impaired on an annual basis. This assessment requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

Share Based Payment Transactions

The Company has issued options where individual tranches have variable vesting dates due to the performance conditions being linked to the achievement of incremental production targets. At each reporting period, an estimate is made of the expected vesting dates for each of the tranches based on the expectation of when performance conditions will be met, and where necessary, an adjustment to the share-based payment expense is recognized.

Fair Value of Financial Instruments Carried at Fair Value through Profit Loss

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 15 - *Financial Assets at Fair Value Through Profit or Loss*.

Other areas of critical accounting estimates and judgments include:

- unused tax losses for which no deferred tax asset has been recognized (See Note 6 – *Income Tax (Benefit) Expense*).
- the impairment testing of goodwill (See Note 17 – *Intangible Assets*).

Note 2 Parent Entity Financial Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with International Financial Reporting Standards.

(in U.S. Dollars)	As of December 31, 2023	At December 31, 2022
Balance sheet		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 72,819,657	\$ 84,366,622
Trade and other receivables	62,513	36,298
Prepayments	12,992	901,634
	<u>72,895,162</u>	<u>85,304,554</u>
Assets classified as held for sale	2,372,886	—
Total current assets	<u>75,268,048</u>	<u>85,304,554</u>
Non-current assets		
Amounts due from related parties	121,976,670	124,178,058
Exploration and evaluation assets	—	2,364,946
Investment securities at fair value through profit or loss	16,429,244	16,490,271
Other assets	5,741	7,468
Total non-current assets	<u>138,411,655</u>	<u>143,040,743</u>
Total assets	<u>\$ 213,679,703</u>	<u>\$ 228,345,297</u>
LIABILITIES		
Current liabilities		
Payables	322,941	2,289,028
Total current liabilities	<u>322,941</u>	<u>2,289,028</u>
Non-current liabilities		
Derivative financial instruments	866,278	—
Borrowings	28,554,209	—
Total non-current liabilities	<u>29,420,487</u>	<u>—</u>
Total liabilities	<u>29,743,428</u>	<u>2,289,028</u>
Net assets	<u>183,936,275</u>	<u>226,056,269</u>
EQUITY		
Contributed equity	338,425,286	338,108,198
Reserves	25,017,175	20,318,892
Accumulated losses	(179,506,186)	(132,370,821)
Total equity	<u>\$ 183,936,275</u>	<u>\$ 226,056,269</u>
	At December 31, 2023	At December 31, 2022
Statement of Profit or Loss and Other Comprehensive Income		
Total loss and total comprehensive loss	<u>\$ (47,135,365)</u>	<u>\$ (27,197,861)</u>

Guarantees

NOVONIX Limited has not entered into any guarantees, in the current or previous reporting period, in relation to the debts of its subsidiaries.

Contingent liabilities

At December 31, 2023, NOVONIX Limited did not have any contingent liabilities (December 31, 2022: Nil).

Contractual Commitments

At December 31, 2023, NOVONIX Limited did not have any contractual commitments (December 31, 2022: Nil).

Note 3 Revenue

Revenue

The Company derives revenue from the transfer of goods and provision of services in the following major product lines and segments:

Twelve Months Ended December 31, 2023 (in U.S.\$)	Graphite Exploration	Battery Technology	Battery Materials	Total
Hardware sales	\$ —	\$ 2,999,533	\$ —	\$ 2,999,533
Consulting sales	—	5,054,995	—	5,054,995
Revenue from external customers	<u>\$ —</u>	<u>\$ 8,054,528</u>	<u>\$ —</u>	<u>\$ 8,054,528</u>
Timing of revenue recognition				
At a point in time	\$ —	2,999,533	\$ —	\$ 2,999,533
Over time	—	5,054,995	—	5,054,995
	<u>\$ —</u>	<u>\$ 8,054,528</u>	<u>\$ —</u>	<u>\$ 8,054,528</u>

Six Months Ended December 31, 2022 (in U.S.\$)	Graphite Exploration	Battery Technology	Battery Materials	Total
Hardware sales	\$ —	\$ 403,860	\$ —	\$ 403,860
Consulting sales	—	2,298,596	—	2,298,596
Revenue from external customers	<u>\$ —</u>	<u>\$ 2,702,456</u>	<u>\$ —</u>	<u>\$ 2,702,456</u>
Timing of revenue recognition				
At a point in time	\$ —	403,680	\$ —	\$ 403,680
Over time	—	2,298,596	—	2,298,596
	<u>\$ —</u>	<u>\$ 2,702,276</u>	<u>\$ —</u>	<u>\$ 2,702,276</u>

Twelve Months Ended June 30, 2022 (in U.S.\$)	Graphite Exploration	Battery Technology	Battery Materials	Total
Hardware sales	\$ —	\$ 2,549,308	\$ —	\$ 2,549,308
Consulting sales	—	3,551,847	—	3,551,847
Revenue from external customers	<u>\$ —</u>	<u>\$ 6,101,155</u>	<u>\$ —</u>	<u>\$ 6,101,155</u>
Timing of revenue recognition				
At a point in time	\$ —	2,549,308	\$ —	\$ 2,549,308
Over time	—	3,551,847	—	3,551,847
	<u>\$ —</u>	<u>\$ 6,101,155</u>	<u>\$ —</u>	<u>\$ 6,101,155</u>

Twelve Months Ended June 30, 2021 (in U.S.\$)	Graphite Exploration	Battery Technology	Battery Materials	Total
Hardware sales	\$ —	\$ 1,046,619	\$ —	\$ 1,046,619
Consulting sales	—	2,847,120	—	2,847,120
Revenue from external customers	<u>\$ —</u>	<u>\$ 3,893,739</u>	<u>\$ —</u>	<u>\$ 3,893,739</u>
Timing of revenue recognition				
At a point in time	\$ —	\$ 1,046,619	\$ —	\$ 1,046,619
Over time	—	2,847,120	—	2,847,120
	<u>\$ —</u>	<u>\$ 3,893,739</u>	<u>\$ —</u>	<u>\$ 3,893,739</u>

Revenues from external customers come from the sale of battery testing hardware equipment and the provision of battery testing and development consulting services.

Assets and Liabilities Related to Contracts with Customers

The Company has recognized the following assets and liabilities related to contracts with customers:

(in U.S. Dollars)	At December 31, 2023	At December 31, 2022
Contract liabilities – Hardware sales	\$ 56,653	\$ 71,985
Contract liabilities – Services sales	228,568	—
Total other current liabilities	<u>\$ 285,221</u>	<u>\$ 71,985</u>

Revenue Recognized in Relation to Contract Liabilities

The following table shows how much of the revenue recognized in the current reporting period relates to brought-forward contract liabilities.

(in U.S. Dollars)	Twelve Months Ended December 31, 2023	Six Months Ended December 31, 2022	Twelve Months Ended June 30, 2022	2021
<i>Revenue recognized that was included in the contract liability balance at the beginning of the period</i>				
Hardware sales	<u>\$ 71,985</u>	<u>\$ 2,715</u>	<u>\$ 232,800</u>	<u>\$ 67,939</u>

The Company had no contract assets as of December 31, 2023, and December 31, 2022. See Note 10, *Trade and other receivables*, for trade receivables.

The Company had no remaining performance obligations which have an original expected term of more than one year.

Note 4 Other Income, Net

(in U.S. dollars)	Twelve Months Ended December 31,	Six Months Ended December 31,	Twelve Months Ended June 30,	
	2023	2022	2022	2021
Interest income	\$ 1,611,128	\$ 19,416	\$ 8,314	\$ 26,120
COVID-19 Government stimulus	—	—	—	97,712
Grant funding	1,161,992	260,536	982,767	595,070
Fair value gain on borrowings (refer Note 21)	—	—	219,557	—
Research and development tax incentive	689,089	—	—	—
Other	147,691	35,154	385,482	12,345
Total	\$ 3,609,900	\$ 315,106	\$ 1,596,120	\$ 731,247

Note 5 Loss before Income Taxes

Loss before income taxes includes the following specific expenses:

(in U.S. dollars)	Twelve Months Ended December 31,	Six Months Ended December 31,	Twelve Months Ended June 30,	
	2023	2022	2022	2021
Share-based payments expense [^]				
Performance rights granted	\$ 5,094,244	\$ 4,857,249	\$ 11,307,550	\$ 2,305,467
Share rights granted	399,982	444,480	2,260,399	—
Options granted	127,734	52,700	962,800	2,162,519
Total share-based compensation expense	\$ 5,621,960	\$ 5,354,429	\$ 14,530,749	\$ 4,467,986

[^] Refer to note 28 for further information regarding share-based payments.

Borrowing costs				
Interest accrued on loan notes	\$ 980,852	\$ —	\$ —	\$ —
Unwinding of fair value gain	18,553	25,945	43,979	30,203
Interest accrued on borrowings	1,864,697	917,476	1,468,569	140,668
Total borrowing costs	\$ 2,864,102	\$ 943,421	\$ 1,512,548	\$ 170,871
Impairment losses				
Fixed assets written off ₁	\$ —	\$ —	\$ —	\$ 2,002,399
Total impairment losses	\$ —	\$ —	\$ —	\$ 2,002,399

¹Impairments recognized during the twelve months ended June 30, 2021, relate to the redundant furnace technology which has been replaced with new proprietary furnace technology under the Company's strategic alliance with U.S.-based Harper International Corporation. This amount represents the net book value of fixed assets written off.

(in U.S. dollars)	Twelve Months Ended December 31,	Six Months Ended December 31,	Twelve Months Ended June 30,	
	2023	2022	2022	2021
Administrative and other expenses				
Insurance	\$ 6,750,308	\$ 4,019,027	\$ 3,842,129	\$ 285,990
Legal fees	1,730,766	895,138	1,426,081	196,299
Occupancy expenses	418,206	628,816	1,729,282	17,160
Consulting fees	3,672,513	751,047	1,080,601	268,050
Software implementation and systems-related expenses	1,758,962	1,034,420	—	—
Other	4,533,142	4,153,199	4,513,616	2,083,366
Total administrative and other expenses	\$ 18,863,896	\$ 11,481,647	\$ 12,591,709	\$ 2,850,865

Note 6 Income Tax (Benefit) Expense

This note provides an analysis of the Company's income tax expense (benefit), the amounts are recognized directly in equity and how the tax expense (benefit) is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

(in U.S. Dollars)	Twelve Months Ended December 31, <u>2023</u>	Six Months Ended December 31, <u>2022</u>	Twelve Months Ended June 30, <u>2022</u> <u>2021</u>	
(a) Numerical reconciliation of income tax expense to prima facie tax payable				
Loss before income tax expense	\$ (46,448,210)	\$ (27,864,014)	\$ (51,860,307)	\$ (13,444,392)
Tax at the Australian tax rate of 30% (2022: 30%)	(13,934,463)	(8,359,204)	(12,965,077)	(3,495,542)
Tax effect of amounts which are not tax deductible (taxable) in calculating taxable income:				
Share-based payments	1,262,386	1,087,931	3,153,550	1,152,043
Government grants	507,207	104,079	49,458	—
Unrealized foreign exchange gain	—	(7,459)	38,172	—
Entertainment	9,375	7,524	13,107	8,078
Other non-deductible amounts	—	68,801	727,362	41,930
Other non-assessable amounts	—	—	3,099	(29,054)
Difference in overseas tax rate	2,232,607	670,144	(560,684)	(34,381)
Adjustments for current tax of prior periods	(102,522)	(292,141)	—	(69,263)
Adjustment to deferred tax assets and liabilities for tax losses and temporary differences not recognized	9,825,461	6,720,325	9,541,013	2,426,189
Income tax (benefit) expense	<u>\$ (199,949)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
(b) Tax losses				
Unused tax losses for which no deferred tax asset has been recognized	\$ 115,482,188	\$ 82,326,319	\$ 85,249,412	\$ 29,859,509
Potential tax benefit	<u>\$ 34,644,656</u>	<u>\$ 24,697,896</u>	<u>\$ 21,312,383</u>	<u>\$ 7,763,472</u>
(c) Tax expense (income) recognized directly in equity				
Aggregate current and deferred tax arising in the reporting period and not recognized in net profit or loss or other comprehensive income but directly debited or credited to equity:				
Deferred tax: Share issue costs	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

(in U.S. dollars)	Twelve Months Ended December 31, 2023	Six Months Ended December 31, 2022	Twelve Months Ended June 30, 2022 2021	
(d) Deferred tax assets				
The balance comprises temporary differences attributable to:				
Tax losses	\$ 34,644,656	\$ 24,697,896	\$ 21,312,353	\$ 7,464,877
Exploration and evaluation assets	365,919	522,068	545,211	698,209
Business capital costs	1,566,275	2,143,430	1,733,648	1,158,716
Other non-current assets	8,116,735	4,759,740	2,055,471	—
Right of use asset	92,858	79,151	58,650	196,284
Unrealized exchange loss on borrowings	259,804	433,514	213,791	23,319
Accrued expenses	98,303	307,811	468,644	238,363
Other	21,438	19,686	330,510	302,081
Total deferred tax assets	45,165,988	32,963,296	26,718,278	10,081,849
Set-off of deferred tax liabilities pursuant to set-off provisions	(4,970,299)	(2,913,574)	(1,495,735)	(1,012,471)
Deferred tax assets not recognized	(39,994,325)	(30,049,722)	(25,222,543)	(9,069,378)
Net deferred tax assets	\$ 201,364	\$ —	\$ —	\$ —
(e) Deferred tax liabilities				
The balance comprises temporary differences attributable to:				
Other non-current assets	\$ (4,162,691)	\$ (2,031,711)	\$ (351,147)	\$ (888,812)
Prepayments	(224,008)	(215,967)	(1,144,588)	(123,659)
Unrealized exchange loss on borrowings	(583,600)	(665,896)	—	—
Total deferred tax liabilities	(4,970,299)	(2,913,574)	(1,495,735)	(1,012,471)
Set-off of deferred tax liabilities pursuant to set-off provisions	4,970,299	2,913,574	1,495,735	1,012,471
Net deferred tax liabilities	\$ —	\$ —	\$ —	\$ —

Deferred tax assets are only recognized for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. An amount of \$201,364 has been recognized in relation to the deferred tax assets of NOVONIX Corp, as it has been determined that future taxable amounts will be available to utilize temporary differences.

Unused losses which have not been recognized as an asset, will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the losses to be realized,
- the Company continues to comply with the conditions for deductibility imposed by the law,
- no changes in tax legislation adversely affect the Company in realizing the losses.

Offsetting within Tax Consolidated Entity

NOVONIX Limited and its wholly-owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Note 7 Key Management Personnel Compensation

The totals of remuneration paid to key management personnel (KMP) of the Company are as follows:

(in U.S. dollars)	Twelve Months Ended December 31,	Six Months Ended December 31,	Twelve Months Ended June 30,	
	2023	2022	2022	2021
Short-term employee benefits	\$ 2,514,689	\$ 1,457,899	\$ 3,202,116	\$ 1,441,079
Post-employment benefits	45,092	20,997	144,594	21,823
Termination benefits	—	—	—	55,866
Share-based compensation	2,228,316	4,006,327	12,118,927	3,408,369
Total KMP compensation	\$ 4,788,097	\$ 5,485,223	\$ 15,465,637	\$ 4,927,137

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chairman as well as all salary, paid leave benefits and fringe benefits paid to Executive Directors.

Post-employment benefits

These amounts are the superannuation contributions made during the year.

Share-based compensation

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options and performance rights on grant date.

Note 8 Auditor's Remuneration

The following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Group:

(in U.S. dollars)	Twelve Months Ended December 31,	Six Months Ended December 31,	Twelve Months Ended June 30,	
	2023	2022	2022	2021
Audit fees	\$ 412,793	\$ 471,568	\$ 266,000	\$ 141,772
Audit-related fees	—	—	—	481,415
Other fees in relation to prior year's audit	8,382	—	—	—
Other assurance services	13,291	—	—	—
All other fees	—	—	276,498	—
Total	\$ 434,466	\$ 471,568	\$ 542,498	\$ 623,187

¹ Audit-related fees related to services performed in respect of the US IPO and US filing processes during the six months ended December 31, 2022, and twelve months ended June 30, 2022, and 2021.

Note 9 Earnings per Share

(in U.S. dollars)	Twelve Months Ended December 31, 2023	Six Months Ended December 31, 2022	Twelve Months Ended June 30, 2022 2021	
Basic net loss per share				
Total basic net loss per share attributable to the ordinary equity holders of the Company	\$ (0.09)	\$ (0.06)	\$ (0.11)	\$ (0.04)

Diluted net loss per share				
Total diluted net loss per share attributable to the ordinary equity holders of the Company	\$ (0.09)	\$ (0.06)	\$ (0.11)	\$ (0.04)

Reconciliations of net loss used in calculating net loss per share

(in U.S. dollars)	Twelve Months Ended December 31, 2023	Six Months Ended December 31, 2022	Twelve Months Ended June 30, 2022 2021	
Basic net loss per share				
Net loss attributable to the ordinary equity holders of the Company used in calculating basic net loss per share	\$ (46,248,261)	\$ (27,864,014)	\$ (51,860,307)	\$ (13,446,593)

Diluted net loss per share				
Net loss attributable to the ordinary equity holders of the Company used in calculating diluted net loss per share	\$ (46,248,261)	\$ (27,864,014)	\$ (51,860,307)	\$ (13,446,593)

Weighted average number of shares used as the denominator

	Twelve Months Ended December 31, 2023	Six Months Ended December 31, 2022	Twelve Months Ended June 30, 2022 2021	
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted net loss per share	487,474,460	486,616,365	464,437,628	366,289,024

Information concerning the classification of securities

Options and Rights

Options, rights and convertible notes (refer to Note 22 - *Unsecured convertible loan notes and derivative financial instruments*) on issue during the twelve months ended December 31, 2023, six months ended December 31, 2022, and twelve months ended June 30, 2022, and 2021 are not included in the calculation of diluted earnings per share because they are antidilutive. These options, rights and convertible notes could potentially dilute basic earnings per share in the future. Details relating to options and rights are set out in Note 28 - *Share-based Payments*.

Note 10 Trade and Other Receivables

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Trade debtors	\$ 3,034,897	\$ 2,327,364
Other receivables	529,436	519,865
Total trade and other receivables	<u>\$ 3,564,333</u>	<u>\$ 2,847,229</u>

Credit Risk

The Company has no significant concentration of credit risk with respect to any counterparties or on a geographical basis. Amounts are considered as “past due” when the debt has not been settled, in line with the terms and conditions agreed between the Company and the customer to the transaction.

The Company assesses impairment of trade and other receivables using the simplified approach of the expected credit loss (ECL) model under IFRS 9, *Financial Instruments*.

The balance of receivables that remain within initial trade terms are considered to be of high credit quality.

Note 11 Prepayments

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Prepayments of inventory components	\$ 753,973	\$ —
Prepaid general and administrative expenses	1,105,824	1,958,269
Total	<u>\$ 1,859,797</u>	<u>\$ 1,958,269</u>

Prepaid general and administrative expenses consisted primarily of prepaid property insurance premiums for our Riverside facility of \$745,693 and \$719,891 at December 31, 2023, and December 31, 2022, respectively.

Note 12 Escrow Reserves

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Escrow reserves	\$ 794,500	\$ 9,137,605

The reserves are funds deposited with the Lender for capital expenditures, insurance, tax, and production as additional collateral for the loan obtained in relation to the purchase of the new facility in Chattanooga, Tennessee. Reserves are released as the conditions of the loan are satisfied. All conditions are expected to be satisfied within 12 months from the balance sheet date.

During the year and in accordance with all applicable loan conditions, the Company received the remaining disbursement of the capital expenditure and earnout reserves as the scheduled capital expenditure work was completed, installed, and being utilized by the Company in the ordinary course of business.

Note 13 Inventory

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Raw materials	\$ 507,326	\$ 539,271
Components and assemblies	1,403,873	2,470,762
Finished goods – at cost	89,609	155,899
Total Inventory	<u>\$ 2,000,808</u>	<u>\$ 3,165,932</u>

Amounts Recognized in Profit or Loss

Inventories recognized as an expense during the twelve months ended December 31, 2023, amounted to \$1.1 million. Inventories recognized as an expense during the twelve months ended December 31, 2022 amounted to \$1.0 million. These were included in product manufacturing and operating costs (exclusive of depreciation presented separately) in the consolidated statements of profit or loss and other comprehensive (loss) income.

Note 14 Property, Plant, and Equipment

(in U.S. dollars)	Land	Buildings	Leasehold improvements	Machinery and equipment	Construction work in progress	Total
At July 1, 2022						
Cost	\$ 2,351,349	\$ 47,824,346	\$ 1,102,865	\$ 23,315,589	\$ 34,760,142	\$ 109,354,291
Accumulated depreciation	—	(1,823,292)	(364,730)	(2,959,087)	—	(5,147,109)
Net book amount	<u>\$ 2,351,349</u>	<u>\$ 46,001,054</u>	<u>\$ 738,135</u>	<u>\$ 20,356,502</u>	<u>\$ 34,760,142</u>	<u>\$ 104,207,182</u>
Opening net book amount at July 1, 2022	<u>\$ 2,351,349</u>	<u>\$ 46,001,054</u>	<u>\$ 738,135</u>	<u>\$ 20,356,502</u>	<u>\$ 34,760,142</u>	<u>\$ 104,207,182</u>
Additions	—	111,338	42,002	505,380	23,305,647	23,964,367
Disposals	—	—	—	(33,485)	—	(33,485)
Transfers	—	—	—	1,263,939	(1,263,939)	—
Depreciation charge	—	(957,247)	(201,027)	(1,071,251)	—	(2,229,525)
Exchange differences	(36,876)	(316,079)	—	(152,236)	(86,600)	(591,791)
Closing net book amount at December 31, 2022	<u>\$ 2,314,473</u>	<u>\$ 44,839,066</u>	<u>\$ 579,110</u>	<u>\$ 20,868,849</u>	<u>\$ 56,715,250</u>	<u>\$ 125,316,748</u>
Additions	—	113,215	193,251	877,938	17,341,364	18,525,768
Disposals	—	—	—	(193,160)	—	(193,160)
Transfers	—	—	88,882	1,939,982	(2,028,864)	—
Depreciation charge	—	(1,304,113)	(436,474)	(2,385,633)	—	(4,126,220)
Exchange differences	16,353	138,061	—	96,025	19,872	270,311
Closing net book amount at December 31, 2023	<u>\$ 2,330,826</u>	<u>\$ 43,786,229</u>	<u>\$ 424,770</u>	<u>\$ 21,204,001</u>	<u>\$ 72,047,622</u>	<u>\$ 139,793,447</u>
At December 31, 2023						
Cost	\$ 2,330,826	\$ 47,866,171	\$ 1,430,580	\$ 27,520,756	\$ 72,047,622	151,195,954
Accumulated depreciation	—	(4,079,942)	(1,005,810)	(6,316,755)	—	(11,402,507)
Net book amount	<u>\$ 2,330,826</u>	<u>\$ 43,786,229</u>	<u>\$ 424,770</u>	<u>\$ 21,204,001</u>	<u>\$ 72,047,622</u>	<u>\$ 139,793,447</u>

Note 15 Financial Assets at Fair Value Through Profit or Loss

Classification of Financial Assets at Fair Value through Profit or Loss

The Company classifies equity investments for which it has not elected to recognize fair value gains and losses through OCI as financial assets at fair value through profit or loss (FVPL).

Financial assets measured at FVPL include the following:

(in U.S. dollars)	December 31,	December 31,
	2023	2022
US unlisted equity securities	\$ 16,666,665	\$ 16,490,271

On January 31, 2022, NOVONIX Limited entered into a Securities Purchase Agreement with KORE Power, Inc. ("KORE Power") a U.S. based developer of battery cell technology for the clean energy industry, under which NOVONIX Limited acquired 3,333,333 shares of KORE Power Common Stock at an issue price of \$7.50 per share, representing approximately 5% of the common equity of KORE Power. The consideration for the shares in KORE Power totaled \$25 million (AUD \$35,131,550) and was settled through a combination of 50% cash and 50% through the issue of 1,974,723 ordinary shares in NOVONIX Limited.

The equity investment was revalued in 2022 to \$5.00 per share, which was the share price for a significant capital raise undertaken by KORE Power in November 2022. At December 31, 2023 the investment in KORE Power represents approximately 3.7% of the common equity of KORE Power.

Amounts Recognized in Profit or Loss

During the year ended December 31, 2023, there have been no gains or losses recognized in the consolidated statement of profit or loss and other comprehensive income related to equity investments held at FVPL.

Fair Value Hierarchy

U.S. unlisted equity securities are classified as a Level 3 fair value in the fair value hierarchy as one or more of the significant inputs is not based on observable market data.

The following table presents the changes in level 3 instruments during the twelve months ended December 31, 2023 (in U.S. dollars):

	Unlisted equity securities
Balance at December 31, 2022	\$ 16,490,271
Changes during the period:	
Exchange difference	176,394
Balance at December 31, 2023	\$ 16,666,665

There were no transfers between levels 1, 2 or 3 for recurring fair value measurements during the year. The Company's policy is to recognize transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation Techniques using Significant Unobservable Inputs – Level 3

This category includes assets where the valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Unobservable inputs are those not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally derived and extrapolated from observable inputs to match the risk profile of the financial instrument, and are calibrated against current market assumptions, historic transactions and economic models, where available.

In 2022, the primary approach used in the determination of the fair value of the investment in KORE Power was with reference to the pricing of significant external capital raising activity undertaken by KORE Power. The most recent significant external capital raising undertaken by KORE Power was in November 2022 and no further capital raising has occurred in the twelve months ended December 31, 2023. The Group considered available information produced by management of KORE Power along and contrasted it with the Group's analysis of share price movements of listed peer companies in the battery technology sector and concluded that, in the aggregate, the factors and information considered would not result in a significant change in the fair value of the investment.

Note 16 Exploration and Evaluation Assets

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Exploration and evaluation assets – at cost	\$ —	\$ 2,212,013
The capitalized exploration and evaluation assets carried forward above have been determined as follows:		
Balance at the beginning of the period	\$ 2,212,013	\$ 2,218,238
Expenditure incurred during the period	16,691	40,560
Exchange differences	(8,752)	(46,785)
Assets classified as held for sale	(2,219,952)	—
Balance at the end of the period	\$ —	\$ 2,212,013

The Company holds tenement rights to a high-grade natural flake graphite deposit located in Northern Queensland, Australia. In October 2023, the Company decided to pursue potential opportunities to realize the value of these assets through a strategic transaction. All tenement rights remain current, exploration activity is continuing to the extent required under the tenement rights, a resource, principally high-grade graphite, has been identified, and the assets are available for sale in their current conditions.

Note 17 Intangible Assets

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Goodwill	\$ 11,975,024	\$ 11,975,024
Technology	15,285	198,686
Software	—	—
Total	\$ 11,990,309	\$ 12,173,710

(in U.S. dollars)	Goodwill	Technology	Software	Total
Balance at June 30, 2022	\$ 11,975,024	\$ 290,388	\$ 99,365	\$ 12,364,777
Additions	—	—	—	—
Amortization	—	(91,702)	—	(91,702)
Write-Off	—	—	(99,365)	(99,365)
Balance at December 31, 2022	<u>\$ 11,975,024</u>	<u>\$ 198,686</u>	<u>\$ —</u>	<u>\$ 12,173,710</u>
Additions	—	—	—	—
Amortization	—	(183,401)	—	(183,401)
Balance at December 31, 2023	<u>\$ 11,975,024</u>	<u>\$ 15,285</u>	<u>\$ —</u>	<u>\$ 11,990,309</u>

Intangible assets, other than goodwill, have finite useful lives. The current amortization charges for intangible assets are included under depreciation and amortization expense in the statement of profit or loss and other comprehensive (loss) income. Goodwill has an indefinite useful life.

The Company performs its annual impairment testing on June 30 each year. For the purposes of impairment testing, the cash generating unit has been defined as the business to which the goodwill relates where individual cash flows can be ascertained for the purposes of discounting future cash flows.

The recoverable amount of the NOVONIX Anode Materials cash generating unit (“NOVONIX Anode Materials CGU”) has been determined on a ‘Fair Value Less Costs to Sell’ (“FVLCS”) basis.

To determine the recoverable amount, the FVLCS was calculated with reference to the allocated portion of the Company’s enterprise value (EV). The EV model calculation considered the following:

- The market capitalization of the Company on the (ASX:NVX) at the testing date;
- The volatility of the share price of the Company at the testing date; and
- The issuance of the convertible notes in June 2023 (as outlined in Note 22 - *Unsecured convertible loan notes and derivative financial instruments*) given that the convertible loan note issuance is directly associated with the planned future expansion of the NOVONIX Anode Materials CGU.

Events occurring between the date of the convertible loan note issuance and December 31, 2023, have also been considered, and the directors do not believe that there have been any material events that would adversely impact the NOVONIX Anode Materials CGU such that the recoverable amount may not exceed the carrying value.

The directors have assessed impairment triggers since the annual impairment test was performed at June 30, 2023, and they do not believe that there have been any material events that would adversely impact the NOVONIX Anode Materials CGU such that the recoverable amount may not exceed the carrying value.

The recoverable amount of the NOVONIX Anode Materials CGU is deemed to be in excess of the carrying value of the CGU, and therefore no impairment has been recognized at December 31, 2023.

Note 18 Trade and other Payables

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Unsecured liabilities:		
Trade payables	\$ 1,342,369	\$ 4,108,380
Sundry payables and accrued expenses	4,102,800	2,718,349
Employee entitlements	314,892	127,735
Total	<u>\$ 5,760,061</u>	<u>\$ 6,954,464</u>

Note 19 Contract Liabilities

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Current - contract liabilities	\$ 285,221	\$ 71,985
Non-current - other liabilities	3,000,000	3,000,000
Total	<u>\$ 3,285,221</u>	<u>\$ 3,071,985</u>

During the 2021 financial year, the Company received grant funds of \$3,000,000 from the Department of Economic and Community Development in the State of Tennessee, USA. The grant funds are conditional upon the Company creating, filling, and maintaining 290 jobs in the State of Tennessee.

The grant becomes fully earned once 90% of the performance target is achieved by March 2026, and is repayable in full if a minimum of 50% of the performance target is not achieved by March 2026. The grant is proportionately repayable between 50% and 90% of the performance target being achieved.

Accordingly, as at December 31, 2023, and 2022, the full amount of the grant has been deferred and classified as a contract liability and will be either released to income (in full or proportionately) or repayable (in full or proportionately) depending on the performance target achieved by March 2026. Income has not been recognized at December 31, 2023, as the Company can not reliably measure compliance of the conditions attaching to the grant with "reasonable assurance" to determine the grant has become receivable.

Note 20 Leases

This note provides information for leases where the Company is the lessee.

Amounts Recognized in the Balance Sheet

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Right-of-use assets - Buildings	<u>\$ 4,484,521</u>	<u>\$ 4,915,035</u>
Lease liabilities		
Current	\$ 345,933	\$ 353,378
Non-current	4,479,627	4,825,560
Total	<u>\$ 4,825,560</u>	<u>\$ 5,178,938</u>

There were no additions to the right-of-use assets during the 2023 fiscal year. The movement of \$430,514 during the twelve months ended December 31, 2023, relates to depreciation expense. Refer to Note 31, *Financial risk management*, for a maturity analysis of lease liabilities.

Amounts recognized in the statement of profit or loss and other comprehensive (loss) income

(in U.S. dollars)	Twelve Months Ended December 31,		Six Months Ended December 31,		Twelve Months Ended June 30,		Twelve Months Ended June 30,	
	2023		2022		2022		2021	
Depreciation of right-of-use assets - Buildings	\$	430,514	\$	215,257	\$	430,514	\$	189,265
Interest expense	\$	212,354	\$	111,593	\$	233,229	\$	92,189

The total cash outflow for leases in the twelve months ended December 31, 2023, and six months ended December 31, 2022, was \$565,732 and \$278,334, respectively. The Company had no short-term leases at December 31, 2023, and 2022.

Note 21 Borrowings

(in U.S. dollars)	December 31, 2023			December 31, 2022		
	Current	Non-Current	Total	Current	Non-Current	Total
<i>Secured</i>						
Bank loans (i)	\$ 1,167,301	\$ 33,044,170	\$ 34,211,471	\$ 971,159	\$ 34,066,811	\$ 35,037,970
Total secured borrowings	\$ 1,167,301	\$ 33,044,170	\$ 34,211,471	\$ 971,159	\$ 34,066,811	\$ 35,037,970
<i>Unsecured</i>						
Convertible notes	\$ —	\$ 28,554,210	\$ 28,554,210	\$ —	\$ —	\$ —
Other loans (ii)	174,388	1,622,121	1,796,509	114,155	1,010,777	1,124,932
Total unsecured borrowings	174,388	30,176,331	30,350,719	114,155	1,010,777	1,124,932
Total borrowings	\$ 1,341,689	\$ 63,220,501	\$ 64,562,190	\$ 1,085,314	\$ 35,077,588	\$ 36,162,902

Secured Liabilities and Assets Pledged as Security

On December 1, 2017, the Company purchased freehold land and buildings at 177 Bluewater Road, Bedford Canada for CAD\$1,225,195 and from where the BTS business now operates. The Company entered into a loan facility of CAD \$2,680,000 to purchase the land and buildings secured by a first mortgage over the property. At December 31, 2023, the facility had been fully drawn down. The total liability at December 31, 2023, is \$1,827,703 (CAD \$2,241,832). The facility is repayable in monthly installments ending September 15, 2044. The carrying amount of this asset at December 31, 2023 and December 31, 2022 was \$2,842,406 and \$3,160,854, respectively.

On May 28, 2021, the Company purchased commercial land and buildings in Nova Scotia, Canada for CAD\$3,550,000 from which the Cathode business operates. The Company entered into a loan facility to purchase the land and buildings. The total available under the facility is CAD \$4,985,000 and it has been drawn down to CAD\$4,923,000 as at December 31, 2023. The total liability at December 31, 2023 is \$3,574,365 (CAD \$4,736,278). The full facility is repayable in monthly installments, commencing December 2022 and ending in November 2047. The Company's freehold land and buildings at 110 Simmonds Drive, Dartmouth, Canada are pledged as collateral against the bank loan. The carrying amount of this asset at December 31, 2023, and December 31, 2022 was \$3,329,187 and \$3,754,397, respectively.

On January 24, 2022, the Company entered into a loan facility to purchase equipment. The total amount available under the facility was CAD \$2,300,000. At December 31, 2023, the facility had been drawn down to CAD \$500,000 and CAD \$1,800,000 remains to be disbursed. The total liability at December 31, 2023 was \$362,276 (CAD \$480,040). The facility is repayable in monthly installments, commencing in December 2023 and ending in November 2033. Equipment being purchased with the loan funds are pledged as collateral against the loan.

On July 28, 2021, the Company purchased commercial land and buildings in Chattanooga, USA for \$42,600,000 to expand the NAM business. The Company entered into a loan facility with PNC Real Estate for \$30,100,000 to purchase the land and buildings. The loan has been fully drawn down at December 31, 2023. The total liability at December 31, 2023, is \$28,447,128. The facility is repayable in monthly installments, which commenced in September 2021 and ending in August

2031. The land and buildings at 1029 West 19th Street, Chattanooga, USA have been pledged as security for the loan, with a carrying amount of \$39,202,599 and \$40,230,812 at December 31, 2023 and December 31, 2022, respectively. Lastly, the Company has pledged additional collateral with the Lender for capital expenditures, insurance, tax, and production, Note 12.

Loan Covenants

This loan imposes certain covenants to ensure that the following financial ratios are met:

- net assets of \$30.1 million to be maintained (exclusive of the land and buildings secured by this loan and minimum liquidity of \$3.1 million)
- a debt service coverage ratio of 1.2 to 1 is to be maintained.

Compliance with Loan Covenants

The Company has complied with the financial covenants of its borrowing facilities during both the twelve months ended December 31, 2023 and, the six months ended December 31, 2022.

Other Loans

ACOA Loans

In December 2017, the Company entered into a contribution agreement with Atlantic Canada Opportunities Agency ("ACOA"), for CAD\$500,000. At December 31, 2023, CAD\$500,000 of the facility has been drawn down. The funding was to assist with expanding the market to reach new customers through marketing and product improvements. The facility is repayable in monthly installments which commenced in September 2019 and ending in May 2027.

In October 2018, the Company entered into another contribution agreement with ACOA, for CAD\$500,000. At December 31, 2023, CAD\$500,000 of the facility has been drawn down. The funding was to assist in establishing a battery cell manufacturing facility. The facility is repayable in monthly installments which commenced in January 2021 and ending in December 2026.

In July 2021, the Company entered into a further contribution agreement with ACOA, for CAD\$250,000. At December 31, 2023, the facility has been fully drawn down. The funding was to assist in expanding the BTS operations. The facility is repayable in monthly installments commencing in January 2024 and ending in December 2026.

In December 2021, the Company entered into a further contribution agreement with ACOA for CAD\$1,000,000. At December 31, 2023, it has been fully drawn down. The funding will be used to will assist with purchasing equipment for the cathode pilot line and expansion of cell making capabilities. The facility is repayable in monthly installments commencing in January 2025 and ending in December 2036.

In March 2023, the Company entered into a further contribution agreement with ACOA for CAD\$886,000. At December 31, 2023, the facility has been fully drawn down. The funding will be used to will assist with purchasing equipment for the cathode pilot line and expansion of cell making capabilities. The facility is repayable in monthly installments commencing in January 2025 and ending in December 2036.

Fair Value

For all borrowings, other than the ACOA loan noted at (ii) above, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The ACOA loans are interest free. The initial fair value of the ACOA loans were determined using a market interest rate for equivalent borrowings at the issue date. This resulted in a day one gain of \$100,152 in FY2018 (December 2017 loan), a day one gain of \$114,106 in FY2019 (October 2018 loan) and a day one gain of \$219,557 in the twelve months ended June 30, 2022.

Note 22 Unsecured Convertible Loan notes and Derivative Financial Instruments

On June 21, 2023, the Company issued 45,221,586 convertible loan notes, with a face value of AUD\$1.00 per note, a coupon rate of 4%, and a maturity date of June 7, 2028 for proceeds of \$30 million to LGES. The notes have a conversion price of AUD\$1.60 per ordinary share. The convertible notes will mandatorily convert into ordinary shares upon acceptance of the first purchase order under the purchase agreement with LGES, although LGES may elect to convert some or all the notes prior to such time. No interest would be payable on the notes in these circumstances.

The convertible notes may be redeemed or converted (at the election of LGES) on the maturity date, in which case interest is payable in cash (in respect of a redemption) or "in-kind" (in the case of conversion).

The convertible notes are presented in the consolidated balance sheet as follows:

Borrowings (non-current liabilities) (in U.S. dollars)

	Consolidated 2023
Initial Recognition	\$ 27,640,052
Costs of issue of convertible notes	(43,614)
Interest expense*	957,772
Balance at December 31, 2023	\$ 28,554,210

* Interest expense, for the year ended December 31, 2023, is calculated by applying the effective interest rate of 6.564% to the liability component.

Derivative Financial Instruments (non-current Liabilities) (in U.S. dollars)

	Consolidated 2023
Initial Recognition	\$ 2,359,948
Costs of issue of convertible notes	(3,724)
Fair Value Gain	(1,525,320)
Effect of foreign currency movements	35,374
Balance at December 31, 2023	\$ 866,278

The fair value of the conversion option (derivative financial liability) was determined using Monte Carlo Simulation methodology. The derivative financial liability is carried at fair value at each reporting date, with gains or losses being recognized in the consolidated statement of profit or loss and other comprehensive income. The remainder of the proceeds were allocated to borrowings with the liability recognized at amortized cost until extinguished on conversion or maturity of the notes. Interest is applied using the effective interest rate.

Fair Value Hierarchy

The derivative financial liability is classified as a Level 3 fair value in the fair value hierarchy as one or more of the significant inputs is not based on observable market data.

The valuation model is highly sensitive to the probability weights applied to the timing of the placement of the purchase order, which is a significant unobservable input. In the event the purchase order is placed before maturity date of the notes, the interest rate would become zero-coupon and, the fair value of the derivative would decrease by \$0.9 million.

Note 23 Contributed Equity

Share capital

	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Number of shares	Number of shares	Amount (USD)	Amount (USD)
Ordinary shares				
Fully paid	488,733,461	486,774,622	\$ 338,425,286	\$ 338,108,198

Ordinary Share Capital

Date	Details	Note	Number of Shares	Issue Price (AUD)	Amount (USD)
July 1, 2022	Balance		485,951,369	\$ —	\$ 338,011,842
July 7, 2022	Exercise of options	(e)	150,000	\$ 0.90	92,097
	Exercise of share rights	(f)	302,539	\$ —	—
July 8, 2022	Exercise of options	(e)	20,000	\$ 0.90	12,283
August 5, 2022	Exercise of performance rights	(c)	255,996	\$ —	—
December 22, 2022	Exercise of performance rights	(c)	94,718	\$ —	—
	Share issue costs				(8,024)
June 30, 2022	Balance		486,774,622		\$ 338,108,198
March 15, 2023	Exercise of options	(e)	33,333	\$ 0.50	11,080
	Exercise of performance rights	(c)	8,309	\$ —	—
March 23, 2023	Exercise of options	(e)	66,666	\$ 0.90	40,273
April 12, 2023	Exercise of performance rights	(c)	1,910	\$ —	—
May 1, 2023	Exercise of performance rights	(c)	23,356	\$ —	—
June 29, 2023	Exercise of performance rights	(c)	39,515	\$ —	—
July 21, 2023	Exercise of performance rights	(c)	314,276	\$ —	—
August 1, 2023	Exercise of performance rights	(c)	6,002	\$ —	—
August 21, 2023	Exercise of performance rights	(c)	4,312	\$ —	—
August 29, 2023	Exercise of options	(e)	500,000	\$ 0.70	225,729
	Exercise of share rights	(f)	419,719	\$ —	—
September 1, 2023	Exercise of performance rights	(c)	250,000	\$ —	—
October 20, 2023	Exercise of performance rights	(c)	18,174	\$ —	—
October 24, 2023	Exercise of options	(e)	150,000	\$ 0.55	52,439
November 21, 2023	Exercise of performance rights	(c)	7,526	\$ —	—
November 28, 2023	Exercise of performance rights	(c)	2,178	\$ —	—
December 8, 2023	Exercise of performance rights	(c)	21,563	\$ —	—
December 14, 2023	Exercise of performance rights	(c)	92,000	\$ —	—
	Share issue costs				(12,433)
December 31, 2023	Balance		488,733,461		\$ 338,425,286

Exercise of Performance Rights

During the year ended December 31, 2023, 699,961 ordinary shares were issued to non-KMP employees, and 89,160 were issued to KMP Rashda Buttar, on the exercise of vested performance rights.

During the six-month period ended December 31, 2022, 350,714 ordinary shares were issued to non-KMP employees on the exercise of vested performance rights.

Exercise of Options

On October 24, 2023, 150,000 options were exercised at AUD\$0.55 per share.

On August 29, 2023, 500,000 options were exercised at AUD \$0.70 per share.

On March 23, 2023, 66,666 options were exercised at AUD\$0.90 per share.

On March 15, 2023, 33,333 options were exercised at AUD\$0.50 per share.

On July 7, 2022, 150,000 options were exercised at AUD\$0.90 per share.

On July 8, 2022, 20,000 options were exercised at AUD\$0.90 per share

Exercise of Share Rights

On August 29, 2023, 419,719 ordinary shares were issued to Directors on the vesting of share rights (See Note 28 - *Share-based Payments*).

On July 7, 2022, 302,539 ordinary shares were issued to Directors on the vesting of share rights (See Note 28 – *Share-based Payments*).

Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company includes equity attributable to equity holders, comprising of issued capital, reserves and accumulated losses. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the company.

The Company monitors capital on the basis of cash flow requirements for operational, and exploration and evaluation expenditure. The Company will continue to use capital market issues to satisfy anticipated funding requirements.

The Company has no externally imposed capital requirements. The Company's strategy for capital risk management is unchanged from prior years.

Note 24 Reserves

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Share-based payment reserve	\$ 42,462,654	\$ 37,161,498
Foreign currency translation reserve	(16,626,921)	(15,136,944)
Convertible loan note reserve	4,523,095	4,523,095
	<u>\$ 30,358,828</u>	<u>\$ 26,547,649</u>

Share-based Payment Reserve

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Share-based payment reserve	\$ 42,462,654	\$ 37,161,498
Movements:		
Opening balance	37,161,498	32,025,511
Settlement of limited recourse loan	—	—
Performance rights cash settled in current period (See Note 28 – Share-based Payments)	(296,432)	(133,878)
Equity settled share-based payments	5,621,960	5,354,429
Exchange differences	(24,372)	(84,564)
Closing balance	\$ 42,462,654	\$ 37,161,498

The share-based payment reserve includes items recognized as expenses on valuation of director, employee and contractor options and performance rights.

Foreign Currency Translation Reserve

(in U.S. dollars)	December 31,	December 31,
	2023	2022
Foreign currency translation reserve	\$ (16,626,918)	\$ (15,136,944)
Movements:		
Opening balance	(15,136,944)	(12,691,406)
Exchange differences on translation of foreign operations	(1,489,974)	(2,445,538)
Closing balance	\$ (16,626,918)	\$ (15,136,944)

The foreign currency translation reserve includes exchange differences arising on translation of a foreign-controlled subsidiary.

Note 25 Operating Segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Executive Key Management Personnel Board of Directors (Chief Operating Decision Makers or “CODM”) in assessing performance and determining the allocation of resources. The Company is managed primarily on an operational basis. Operating segments are determined on the basis of financial information reported to the Board.

The CODM has identified three operating segments being Battery Materials, Battery Technology and Graphite Exploration. The Battery Materials segment develops and manufactures battery anode materials, and the Battery Technology segment develops battery cell testing equipment, performs consulting services and carries out research and development in battery development. The Graphite Exploration segment manages the maintenance and future development of Mount Dromedary natural graphite deposit. The Company will reassess reportable segments if and when the assets held for sale are sold. See Note 16 - *Exploration and Evaluation Assets*.

Basis of Accounting for Purposes of Reporting by Operating Segments

- **Accounting policies adopted:** Unless stated otherwise, all amounts reported to the Board, being the chief operating decision makers, with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual consolidated financial statements of the Company.

- **Segment assets:** Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature and physical location.
- **Segment liabilities:** Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.
- **Unallocated items:** The following items for revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:
 - Interest income
 - Corporate administrative and other expenses
 - Income tax expense
 - Corporate share-based payment expenses
 - Corporate marketing and project development expenses
 - Corporate cash and cash equivalents
 - Corporate trade and other payables
 - Corporate trade and other receivables

Segment Information

Segment Performance

Twelve Months Ended December 31, 2023 (in U.S. dollars)	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment revenue ₁	\$ —	\$ 8,054,529	\$ —	\$ —	\$ 8,054,529
Other income	37,360	1,936,862	—	24,550	1,998,772
Interest income	—	—	—	1,611,128	1,611,128
Total income	37,360	9,991,391	—	1,635,678	11,664,429
Segment net loss before tax	\$ (32,344,084)	\$ (7,388,442)	\$ —	\$ (6,515,735)	\$ (46,248,261)

Six Months Ended December 31, 2022 (in U.S. dollars)	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment revenue ₁	\$ —	\$ 2,702,276	\$ —	\$ —	\$ 2,702,276
Other income	35,154	260,536	—	—	295,690
Interest income	—	—	—	19,416	19,416
Total income	35,154	2,962,812	—	19,416	3,017,382
Segment net loss before tax	\$ (14,584,755)	\$ (5,520,718)	\$ —	\$ (7,758,541)	\$ (27,864,014)

Twelve Months Ended June 30, 2022	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment revenue ₁	\$ —	\$ 6,099,815	\$ —	\$ 1,340	\$ 6,101,155
Other income	385,482	1,202,324	—	—	1,587,806
Interest income	—	—	—	8,314	8,314
Total income	385,482	7,302,139	—	9,654	7,697,275
Segment net loss before tax	\$ (20,366,063)	\$ (6,248,217)	\$ —	\$ (25,246,027)	\$ (51,860,307)

Twelve Months Ended June 30, 2021	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment revenue ¹	\$ —	\$ 3,893,739	\$ —	\$ —	\$ 3,893,739
Other income	51,550	595,070	—	60,707	707,327
Interest income	—	—	—	26,120	26,120
Total income	51,550	4,488,809	—	86,827	4,627,186
Segment net loss before tax	\$ (9,051,651)	\$ (79,687)	\$ (34,580)	\$ (4,278,475)	(13,444,393)

¹See Note 3, *Revenue*, for segment revenue by product line for the twelve months ended December 31, 2023, six months ended December 31, 2022, and twelve months ended June 30, 2022 and 2021.

Segment Assets

At December 31, 2023 (in U.S. dollars)	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment assets	\$ 147,476,907	\$ 20,367,755	\$ 2,225,693	\$ 93,272,688	\$ 263,343,043

At December 31, 2022 (in U.S. dollars)	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment assets	\$ 153,744,385	\$ 19,635,067	\$ 2,219,480	\$ 101,825,626	\$ 277,424,558

Segment liabilities

December 31, 2023 (in U.S. dollars)	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment liabilities	\$ 69,102,062	\$ 9,874,301	\$ —	\$ 430,405	\$ 79,406,768

December 31, 2022 (in U.S. dollars)	Battery Materials	Battery Technology	Graphite Exploration	Unallocated	Total
Segment liabilities	\$ 40,119,176	\$ 8,960,085	\$ —	\$ 2,289,028	\$ 51,368,289

Geographical Segments

For the purposes of segment reporting, all segment activities relating to Graphite Exploration are carried out in Australia and all segment activities relating to Battery Materials and Battery Technology are carried out in North America.

For the twelve months ended December 31, 2023, North America, Asia, Australia, and Europe accounted for 82%, 8%, 6% and 4% of revenues, respectively. For the six months ended December 31, 2022, North America, Asia, Australia, and Europe accounted for 85%, 11%, 3% and 1% of revenues, respectively. For the twelve months ended June 30, 2022, North America, Asia, and Europe accounted for 79%, 17% and 4% of revenues, respectively. For the twelve months ended June 30, 2021, North America, Asia, and Europe accounted for 82%, 8% and 10% of revenues, respectively.

For the year ended December 31, 2023, the Company had two customers, included in consulting services revenue stream, that accounted for approximately 17% and 15% of total revenues, respectively. For the six months December 31, 2022, the Company had three major customers, included in the consulting services revenue stream, that accounted for approximately 27%, 22%, and 11% of total revenue, respectively and two major customers, included in the hardware revenue stream, that accounted for approximately 25% and 12% of total revenues, respectively. For the year ended June 30, 2022, the Company had two customers, included in the consulting services revenue stream, that accounted for approximately 15%, and 12% of total revenues, respectively and one major customer, included in the hardware and consulting services revenue streams, that accounted for 11% of total revenue. For the year ended June 30, 2021, the

Company had three customers, included in the consulting services revenue stream, that accounted for approximately 17%, 14% and 10% of total revenues, respectively.

Note 26 Cash Flow Information

Reconciliation of net profit / (loss) to net cash outflow from operating activities:

	Twelve Months Ended December 31, <u>2023</u>	Six Months Ended December 31, <u>2022</u>	Twelve Months Ended June 30, <u>2022</u> <u>2021</u>	
(in U.S. dollars)				
Net loss	\$ (46,248,261)	\$ (27,864,014)	\$ (51,860,307)	\$ (13,444,393)
Adjustments for				
Share-based compensation	5,620,643	5,357,063	14,680,945	4,467,986
Borrowing costs	983,833	44,960	46,603	566
Fixed assets written off	—	—	—	2,002,399
Loss on sale of fixed assets	—	33,485	—	5,048
Software written off	—	96,596	—	—
Fair value movement in derivative (gain) / loss	(1,512,859)	—	—	—
Loss on equity investment securities at fair value through profit or loss	—	—	7,937,633	—
Foreign exchange (gain) / loss	(137,781)	(1,368,856)	(5,144,766)	79,543
Non-cash termination settlement	—	—	—	219,178
Depreciation and amortization expense	4,739,719	2,572,018	4,214,620	1,264,622
Government incentives	—	—	(219,557)	(36,706)
Change in operating assets and liabilities:				
(Increase) in other trade receivables	(567,851)	232,354	(991,503)	(1,620,204)
Decrease /(increase) in inventories	1,202,967	(1,383,644)	166,178	—
Decrease/(increase) in other operating assets	629,315	2,432,642	(3,543,910)	—
(Increase)/decrease in deferred tax assets	(200,992)	—	—	—
(Decrease)/Increase in trade creditors	(1,368,063)	1,340,692	(90,690)	—
Increase/(decrease) in income taxes payable	107,458	—	—	—
Decrease/(increase) in other operating liabilities	523,449	(359,867)	5,575,399	974,760
Net cash outflow from operating activities	<u>\$ (36,228,423)</u>	<u>\$ (18,866,571)</u>	<u>\$ (29,229,355)</u>	<u>\$ (6,087,201)</u>

Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each period presented.

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
(in U.S. dollars)		
Cash and cash equivalents	\$ 78,713,885	\$ 99,039,172
Lease liability - repayable within one year	(345,933)	(353,378)
Borrowings – repayable within one year (including overdraft)	(1,341,689)	(1,085,314)
Lease liability - repayable after one year	(4,479,627)	(4,825,560)
Borrowings – repayable after one year	(63,220,501)	(35,077,588)
Net cash (debt)	<u>\$ 9,326,135</u>	<u>\$ 57,697,332</u>
Cash and cash equivalents	78,713,885	99,039,172
Gross debt – fixed interest rates	(35,176,279)	(6,303,869)
Gross debt – variable interest rates	(34,211,471)	(35,037,971)
Net cash (debt)	<u>\$ 9,326,135</u>	<u>\$ 57,697,332</u>

(in U.S. dollars)	Cash	Liabilities from financing activities		Total
		Borrowings due within 1 year	Borrowings due after 1 year	
Net cash as of July 1, 2022	\$ 142,737,362	\$ (1,353,688)	\$ (40,955,318)	\$ 100,428,356
Cashflows	(45,587,951)	655,178	—	(44,932,773)
Other non-cash movements	1,889,761	(740,182)	1,052,170	2,201,749
Net cash as of December 31, 2022	99,039,172	(1,438,692)	(39,903,148)	57,697,332
Cashflows	(18,653,649)	1,428,959	(30,752,830)	(47,977,520)
Other non-cash movements	(1,671,638)	(1,677,889)	2,955,850	(393,677)
Net cash as of December 31, 2023	<u>\$ 78,713,885</u>	<u>\$ (1,687,622)</u>	<u>\$ (67,700,128)</u>	<u>\$ 9,326,135</u>

Non-cash Investing and Financing Activities

Non-cash investing and financing activities disclosed in other notes are:

- Right of use assets – See Note 20 - *Leases*
- Options and shares issued to employees – See Note 28 – *Share-based Payments*

Note 27 Interests in Subsidiaries

Information about Principal Subsidiaries

The Company's material subsidiaries at December 31, 2023, are set out in the following table. Unless otherwise stated, each entity has share capital consisting solely of ordinary shares that are held by the Company, and the proportion of ownership interest held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business. The functional currency of each of the Company's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in U.S. dollars (See Note 1 – *Summary of Material Accounting Policy Information*).

Name of entity	Place of business / country of incorporation	Functional Currency	Ownership interest held of the Group		Principal activities
			2023 %	2022 %	
MD South Tenements Pty Ltd	Australia	AUD	100%	100%	Graphite exploration
NOVONIX Battery Technology Solutions, Inc.	Canada	CAN	100%	100%	Battery technology services.
NOVONIX Corp	USA	USD	100%	100%	Investment
NOVONIX Anode Materials, LLC	USA	USD	100%	100%	Battery materials development
NOVONIX 1029, LLC	USA	USD	100%	100%	Real estate borrower

Note 28 Share-based payments

Performance Rights and Options

Employees of the Company participate in the Company's Long-Term Incentive Program ("LTIP") comprising grants of performance rights and options with varying vesting conditions. The performance rights and options carry no dividend or voting rights. Performance rights and options may vest immediately or dependent on the recipient remaining in employment, or achievement of performance-related vesting conditions, by the vesting date. Upon vesting, each performance right and option is convertible into one ordinary share of NOVONIX Limited. If an executive ceases employment before the rights or options vest, the rights or options will be forfeited, except in limited circumstances that they are approved by the Board on a case-by-case basis.

Share Rights

Non-executive Directors participate on an annual grant of equity awards using a value-based approach, which the Board has adopted by issuing Share Rights to Non-executive Directors of the Company each financial year with a fixed US dollar value of \$110,000. As a consequence of the Company changing its fiscal year end from 30 June to 31 December, Directors were scheduled to receive share rights for the period 1 July 2023 to 31 December 2023 ("2023 partial year") to align with the new fiscal year-end. Shareholders approved the 2023 partial year share rights, however they were not issued and will not be issued. The Board has determined that one Director shall be granted his share rights for the period from his appointment in October 2022 to 30 June 2023, subject to shareholder approval. We view this as an additional sign to shareholders of the Board's long-term commitment to the team and Company.

The share rights carry no dividend or voting rights. Upon vesting, each share right is convertible into one ordinary share of NOVONIX Limited. If a non-executive director ceases to hold office before the share rights vest, the rights will convert on a prorated basis.

The following table presents the composition of share-based payments expense for the twelve months ended December 31, 2023, six-months ended December 31, 2022, and the twelve months ended June 30, 2022 and 2021.

(in U.S. dollars)	Twelve Months Ended December 31, <u>2023</u>	Six Months Ended December 31, <u>2022</u>	Twelve Months Ended June 30, <u>2022</u> <u>2021</u>	
Share rights granted in current year	\$ 31,943	\$ 444,480	2,620,399	—
Share rights granted in prior year	368,039	—	—	—
Performance rights granted in current year	989,336	2,274,551	10,810,456	2,305,467
Performance rights granted in prior years	4,104,908	2,582,698	192,285	—
Options granted in current year	—	—	—	—
Options granted in prior years	127,734	52,700	907,609	2,162,519
Share based payment expense	<u>5,621,960</u>	<u>5,354,429</u>	<u>14,530,749</u>	<u>4,467,986</u>
Payments of withholding tax - Performance rights	(296,432)	(133,878)	(2,501,992)	—
Settlement of limited recourse loan	—	—	—	(893,906)
Exchange differences	(24,373)	(84,564)	—	—
Movement in share-based payments reserve	<u>\$ 5,301,155</u>	<u>\$ 5,135,987</u>	<u>\$ 12,028,757</u>	<u>\$ 3,574,080</u>

SHARE RIGHTS

A summary of movements of all share rights issued is as follows:

	Number on issue
Share rights outstanding at July 1, 2022	302,539
Granted	436,403
Forfeited	—
Exercised	(302,539)
Share rights outstanding at December 31, 2022	<u>436,403</u>
Share rights exercisable at January 1, 2023	436,403
Granted	65,405
Forfeited	(16,684)
Exercised	(419,719)
Share rights outstanding at December 31, 2023	<u>65,405</u>
Share rights exercisable at December 31, 2023	—

During the year ended December 31, 2023, share rights were granted to a non-executive Director, Ron Edmonds, subject to shareholder approval at the 2024 Annual General Meeting. The share rights are convertible to ordinary shares on a 1:1 basis and vest on receipt of Shareholder approval. The value of each share right was determined with reference to the market value of the underlying securities on grant date. An expense of \$31,943 was recognized for the year ended December 31, 2023. During the six months ended December 31, 2022, share rights were granted to non-executive Directors following shareholder approval at the Annual General Meeting on October 26, 2022. The share rights are convertible to ordinary shares on a 1:1 basis and vested on June 30, 2023. The value of each share right was determined with reference to the market value of the underlying securities on grant date. An expense of \$444,480 was recognized for the six months ended December 31, 2022. Further details of the share rights granted during the year December 31, 2023, are set out in the table below:

Name	Grant date	Number	Vesting date	Fair value (AUD)	Expiry	Expense recognized (USD)
Ron Edmonds	December 31, 2023	54,863	December 31, 2023	\$ 0.74	December 31, 2024	\$ 26,794
	December 31, 2023	10,542	December 31, 2023	\$ 0.74	December 31, 2024	5,149
Total expense recognized						\$ 31,943

PERFORMANCE RIGHTS

A summary of movements of all performance rights issued is as follows:

	Number on issue
	2023
Performance rights outstanding at July 1, 2022	5,057,277
Granted	6,547,018
Forfeited	(128,503)
Exercised	(463,897)
Performance rights outstanding at December 31, 2022	11,011,895
Granted	4,631,721
Forfeited	(962,688)
Exercised	(1,252,558)
Performance rights outstanding at December 31, 2023	13,428,370
Performance rights vested at December 31, 2023	—

Performance Rights Granted in the Current Period

During the twelve months ended December 31, 2023, performance rights (convertible to ordinary shares on a 1:1 basis) were granted to Key Management Personnel, other employees and contractors as set out in the table below. The value of each performance right was determined with reference to the market value of the underlying securities on grant date.

During the six months ended December 31, 2022, 962,688 performance rights were forfeited as not all vesting conditions were met.

Further details of the performance rights are set out in the table below:

Name	Grant date	Number	Vesting date	Fair value (AUD)	Expiry	Expense recognized (USD)
Rashda Buttar	April 13, 2023	253,401	December 31, 2025	\$ 1.09	Cessation of employment	\$ 37,279
Nick Liveris	April 5, 2023	549,035	December 31, 2025	\$ 1.21	Cessation of employment	89,663
Chris Burns	April 13, 2023	1,604,871	December 31, 2025	\$ 1.09	Cessation of employment	236,100
Non-KMP employees	January 3, 2023	1,030,325	¼ January 3, 2024	\$ 1.41	Cessation of employment	392,726
			¼ January 3, 2025			
			¼ January 3, 2026			
			¼ January 3, 2027			
Non-KMP employees	January 27, 2023	58,636		\$ 1.86	Cessation of employment	16,084
Non-KMP employees	February 6, 2023	18,942		\$ 1.80	Cessation of employment	10,739
Non-KMP employees	March 2, 2023	43,078		\$ 1.49	Cessation of employment	19,645
Non-KMP employees	May 8, 2023	124,505		\$ 0.99	Cessation of employment	28,534
Non-KMP employees	July 11, 2023	42,506	4 equal annual	\$ 0.93	Cessation of employment	6,806
Non-KMP employees	July 14, 2023	85,618	tranches	\$ 1.05	Cessation of employment	15,850
Non-KMP employees	July 24, 2023	39,960	commencing on the	\$ 0.95	Cessation of employment	6,124
Non-KMP employees	July 31, 2023	69,290	anniversary of	\$ 0.93	Cessation of employment	9,812
Non-KMP employees	August 1, 2023	170,019	employment	\$ 0.95	Cessation of employment	24,805
Non-KMP employees	August 21, 2023	125,862		\$ 1.08	Cessation of employment	17,137
Non-KMP employees	September 2, 2023	300,000		\$ 0.93	Cessation of employment	31,574
Non-KMP employees	November 9, 2023	57,019		\$ 0.75	Cessation of employment	2,238
Non-KMP employees	October 7, 2022	37,587		\$ 1.86	Cessation of employment	27,243
Non-KMP employees	November 28, 2022	21,067		\$ 2.18	Cessation of employment	16,976
	Total number issued	4,631,721				\$ 989,336

Performance Rights Net Settled for Withholding Tax Obligations

The Company has an obligation to withhold tax on the vesting of performance rights for employee's resident in the USA and Canada. As consideration for the withholding tax, the Company reduces the number of shares to be issued to the employees (net settled).

During the twelve months ended December 31, 2023, the Company net settled the following share-based payments:

Name	Performance rights vested & exercised	Net settled shares	Withholding obligation (USD)
Non-KMP employees	844,449	449,961	\$ 251,128
Rashda Buttar	158,110	89,160	45,304
		Total	\$ 296,432

OPTIONS

A summary of movements of all options issued is as follows:

	Number on issue	Weighted Average Exercise Price (AUD)
Options outstanding as of July 1, 2022	29,330,001	\$ 0.51
Granted to employees	—	—
Forfeited	(66,667)	\$ 0.50
Exercised	(170,000)	\$ 390.00
Options outstanding as of December 31, 2022	29,093,334	\$ 0.51
Vested options outstanding as of December 31, 2022	13,560,000	\$ 0.52
Forfeited	(133,334)	\$ 1.30
Exercised	(749,999)	\$ 0.68
Options outstanding as of December 31, 2023	28,210,001	\$ 0.50
Vested options outstanding as of December 31, 2023	12,676,667	\$ 0.50

The weighted average remaining contractual life of options outstanding at December 31, 2023 was 3.4 years, and at December 31, 2022 was 3.8 years.

The range of exercise prices for options outstanding at December 31, 2023, was AUD\$0.50 to AUD\$0.55, and at December 31, 2022 was AUD\$0.50 to AUD\$1.40.

There were no options granted during the twelve months ended December 31, 2023, and twelve months ended December 31, 2022.

Note 29 Related Party Transactions

During the twelve months ended December 31, 2023 there were the following related party transactions:

- On April 5, 2023, 1,604,871 performance rights were granted to Chris Burns as an LTI. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on December 31, 2025. 50% of the performance rights vest subject to continued employment over the vesting period, and 50% vest subject to the achievement of performance conditions. An expense of \$119,312 was recognized during the six-months ended June 30, 2023 relating to these performance rights.
- On April 5, 2023, 253,401 performance rights were granted to Rashda Buttar as an LTI. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on December 31, 2025. 50% of the performance rights vest subject to continued employment over the vesting period, and 50% vest subject to the achievement of performance conditions. An expense of \$18,839 was recognized during the six-months ended June 30, 2023, relating to these performance rights.
- On April 5, 2023, 549,035 performance rights were granted to Nick Liveris as an LTI. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on December 31, 2025. 50% of the performance rights vest subject to continued employment over the vesting period, and 50% vest subject to the achievement of performance conditions. An expense of \$40,818 was recognized during the six-months ended June 30, 2023 relating to these performance rights.
- During the year ended December 31, 2023, Phillips 66 were paid fees totaling \$59,534 for Ms. Zhanna Golodryga's and Mr. Suresh Vaidyanathan's services to the Group as Directors. Ms. Zhanna Golodryga and Mr. Suresh Vaidyanathan are not permitted to receive remuneration in their personal capacity under the terms of their employment with Phillips 66 and terms of engagement with the Group. Accordingly, all fees earned by them are paid directly to Phillips 66.

During the six months ended December 31, 2022 there were the following related party transactions:

- On October 26, 2022, the following Share rights were issued to non-executive Directors. The share rights are convertible to ordinary shares on a 1:1 basis, and will vest on June 30, 2023:
 - o Tony Bellas (Director) – 69,995 share rights
 - o Andrew Liveris (Director) – 69,995 share rights
 - o Robert Cooper (Director) – 69,995 share rights
 - o Zhanna Golodryga (Director) – 69,995 share rights
 - o Robert Natter (Director) – 69,995 share rights
 - o Jean Oelwang (Director) – 69,995 share rights
- An expense of \$412,522 relating to these share rights has been recognized during the six-months ended December 31, 2022.
- On October 26, 2022, the following Share rights were issued to non-executive Directors. The share rights are convertible to ordinary shares on a 1:1 basis, and vested immediately:
 - o Robert Natter (Director) – 7,263 share rights
 - o Jean Oelwang (Director) – 9,170 share rights
- An expense of \$31,932 relating to these share rights has been recognized during the six-months ended December 31, 2022.
- On July 1, 2022, 2,275,400 performance rights were granted to Chris Burns as an LTI for the period July 1, 2022 to June 30, 2023. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on June 30, 2025. 50% of the performance rights vest subject to continued employment, and 50% vest subject to the achievement of performance conditions. An expense of \$777,119 was recognized during the six months ended December 31, 2022 relating to these performance rights.
- On July 1, 2022, 359,300 performance rights were granted to Rashda Buttar as an LTI for the period July 1, 2022 to June 30, 2023. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on June 30, 2025. 50% of the performance rights vest subject to continued employment, and 50% vest subject to the achievement of performance conditions. An expense of \$122,712 was recognized during the six months ended December 31, 2022 relating to these performance rights.
- On July 1, 2022, 482,441 performance rights were granted to Rashda Buttar as a true-up grant. Rashda Buttar has previously received a grant of performance rights upon being hired, however following the implementation of equity guidelines, a true-up grant was required to make her whole in relation to the new guidelines. The performance rights (convertible to ordinary shares on a 1:1 basis) vest annual in four equal tranches from July 1, 2023 through to July 1, 2026. All performance rights vest subject to continued employment. An expense of \$197,860 was recognized during the six months ended December 31, 2022 relating to these performance rights.
- On October 26, 2022, 778,400 performance rights were granted to Nick Liveris as an LTI for the period July 1, 2022 to June 30, 2023 and 667,831 performance rights for FY2022. The performance rights (convertible to ordinary shares on a 1:1 basis) vest on June 30, 2025. 50% of the performance rights vest subject to continued employment, and 50% vest subject to the achievement of performance conditions. An expense of \$265,848 was recognized during the six months ended December 31, 2022, relating to these performance rights.
- During the six months ended December 31, 2022, Phillips 66 were paid fees totaling \$30,000 and issued share rights to the value of \$68,758, for Ms. Zhanna Golodryga services to the Company as a Director. Ms. Zhanna Golodryga is not permitted to receive remuneration, including any equity incentives, in her personal capacity under the terms of her employment with Phillips 66 and terms of engagement with the Company. Accordingly, all fees earned by Ms. Zhanna Golodryga are paid directly to Phillips 66.

There were no other related party transactions during the twelve months ended December 31, 2023, or prior fiscal years. For details of disclosures relating to key management personnel, see Note 7 - *Key Management Personnel Compensation*.

Note 30 Commitments and Contingencies

Exploration Commitments

(in U.S. dollars)	<u>December 31,</u> 2023	<u>December 31,</u> 2022
Commitments for payments under exploration permits in existence at the reporting date but not recognized as liabilities payable	\$ 2,000	\$ 4,000

So as to maintain current rights to tenure of various exploration tenements, the Company will be required to outlay amounts in respect of tenement exploration expenditure commitments. These outlays, which arise in relation to granted tenements are noted above. The outlays may be varied from time to time, subject to approval of the relevant government departments, and may be relieved if a tenement is relinquished.

Exploration commitments are calculated on the assumption that each of these tenements will be held for its full term. But, in fact, commitments will decrease materially as exploration advances and ground that is shown to be unprospective is progressively surrendered. Expenditure commitments on prospective ground will be met out of existing funds, farm-outs, and new capital raisings.

Capital Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

(in U.S. dollars)	<u>December 31,</u> 2023	<u>December 31,</u> 2022
Property, plant and equipment	\$ 9,321,453	\$ 16,315,454

The capital commitments relate to purchases of property, plant and equipment in connection with the expansion of our business and development of our technologies in the NAM and BTS business segments and are expected to be recognized within the next twelve months.

Legal Proceedings

The Company is currently not a party to any material legal proceedings. From time to time, the Company may become involved in legal proceedings arising in the ordinary course of business. Such claims or legal actions, even if without merit, could result in the expenditure of significant financial and management resources and potentially result in civil liability for damages.

Note 31 Financial Risk Management

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. The current year profit or loss information has been included where relevant to add further context.

The totals for each category of financial instruments, measured in accordance with IAS 39: *Financial Instruments: Recognition and Measurement*, as detailed in the accounting policies to these consolidated financial statements, are as follows:

(in U.S. dollars)	Notes	December 31,	December 31,
		2023	2022
Financial assets			
Cash and cash equivalents		\$ 78,713,885	\$ 99,039,172
Trade and other receivables	10, 12	4,358,833	11,984,834
Financial assets at fair value through profit or loss	15	16,666,665	16,490,271
Total financial assets		99,739,383	127,514,277
Financial liabilities			
Trade payables	18	1,342,369	4,108,380
Lease liabilities	20	4,825,560	5,178,938
Borrowings	21	64,562,190	36,162,902
Total financial liabilities		\$ 70,730,119	\$ 45,450,220

The Board has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Market Risk

Market risk is the risk that the change in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Foreign Currency Risk

Foreign exchange risk arises from future transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Company entity. Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the USD.

With instruments being held by overseas operations, fluctuations in the Canadian dollar may impact on the Company's financial results.

The following table shows the foreign currency risk as on the financial assets and liabilities of the Company's operations denominated in currencies other than the functional currency of the operations.

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in U.S. dollars, was as follows:

	December 31, 2023 CAD	December 31, 2022 CAD	December 31, 2023 USD	December 31, 2022 USD
Cash at bank	\$ —	\$ —	\$ 32,748,324	\$ 55,708,444
Trade receivables	—	—	2,427,380	3,296,587
Trade payables	—	25,038	37,283	2,424,565

Cash Flow and Fair Value Interest Rate Risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During the twelve months ended December 31, 2023, the Company's borrowings at variable rates were denominated in Canadian and U.S. dollars.

As the Company has interest-bearing cash assets, the Company's income and operating cash flows are exposed to changes in market interest rates. The Company manages its exposure to changes in interest rates by using fixed term deposits.

At December 31, 2023, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax profit / (loss) for the twelve months ended December 31, 2023, would have been \$445,024 (\$635,007 for the twelve months ended December 31, 2022) lower/higher, as a result of higher/lower interest income from cash and cash equivalents.

Credit Risk

Credit risk is managed on a Company basis. Credit risk arises primarily from cash and cash equivalents and deposits with banks and financial institutions, and trade and other receivables. For banks and financial institutions, only independently rated parties with a minimum rating of 'AAA' are accepted.

For trade and other receivables, amounts are considered as "past due" when the debt has not been settled, in line with the terms and conditions agreed between the Company and the customer to the transaction. Due to a strong credit approval process, the Company has a minimal history of bad debt write-offs.

The balance of receivables that remain within initial trade terms are considered to be of high credit quality. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows. No finance facilities were available to the Company at the end of the reporting period.

All financial assets mature within one year. The maturity of all financial liabilities is set out in the table below.

Financing Arrangements

The Company's undrawn borrowing facilities as at December 31, 2023 totals \$1,382,547 which relates to the loan facilities secured over commercial land and buildings (See Note 21 - Borrowings).

Maturities of Financial Liabilities

As of December 31, 2023, the contractual maturities of the Company's non-derivative financial liabilities were as follows:

Contractual maturities of financial liabilities	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
At December 31, 2023	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Trade and other payables	\$ 5,760,061	\$ —	\$ —	\$ —	\$ —	\$ 5,760,061	\$ 5,760,061
Lease liabilities	286,800	286,800	537,600	1,720,800	3,107,000	5,939,000	4,825,560
Borrowings	1,252,522	1,257,764	2,572,146	6,856,494	32,120,763	44,059,689	64,562,190
Total non-derivatives	<u>\$ 7,299,383</u>	<u>\$ 1,544,564</u>	<u>\$ 3,109,746</u>	<u>\$ 8,577,294</u>	<u>\$ 35,227,763</u>	<u>\$ 55,758,750</u>	<u>\$ 75,147,811</u>

Note 32 Events after the Reporting Date

In February 2024, NOVONIX and Panasonic Energy, a leading manufacturer of EV batteries in North America, each announced the signing of a binding off-take agreement for high-performance synthetic graphite anode material to be supplied to Panasonic Energy's North American operations from NOVONIX's Riverside facility in Chattanooga, Tennessee. Under the off-take agreement, Panasonic Energy has agreed to purchase at least 10,000 tonnes of anode material for use in its North American plants over the term of 2025-2028, subject to NOVONIX achieving agreed upon milestones regarding final mass production qualification timelines prior to the fourth quarter of 2025. Panasonic Energy has the right to reduce the 10,000 tonnes volume (by up to 20%) if these milestones are not achieved by the required dates or to terminate the agreement if there is a substantial delay to achieving these milestones. During the term, if additional volumes are requested by Panasonic Energy, NOVONIX shall use its best efforts to deliver the increased volumes. The companies have agreed to a pricing structure that incorporates a mechanism for adjusting the price in response to significant changes in NOVONIX's raw material costs.

There have been no other matters or circumstances that have arisen since the end of the twelve months ended December 31, 2023, which significantly affected or could affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Item 19. Exhibits.

INDEX TO EXHIBITS

Exhibit Number	Description of Exhibit
1.1	<u>Certificate of Registration of the Registrant (incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
1.2	<u>Constitution of the Registrant (incorporated by reference to Exhibit 1.2 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
2.1	<u>Form of Deposit Agreement (incorporated by reference to Exhibit 2.1 to Amendment No. 2 to the Company's Registration Statement on Form 20-F/A (File No. 001-41208) filed with the SEC on January 27, 2022).</u>
2.2	<u>Form of American Depositary Receipt evidencing American Depositary Shares (included in Exhibit 2.1).</u>
2.3	<u>Description of Securities Registered Under Section 12 of the Exchange Act (incorporated by reference to Exhibit 2.3 to the Company's Annual Report on Form 20-F (File No. 001-41208) filed with the SEC on August 31, 2022).</u>
4.1	<u>Form of Deed of Indemnity, Insurance and Access (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
4.2 [†]	<u>Executive Option Plan (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
4.3 [†]	<u>Performance Rights Plan (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
4.4	<u>Purchase and Sale Agreement entered into as of April 12, 2021, between West End Property II, LLC and PUREgraphite, LLC (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
4.5	<u>First Amendment to the Purchase and Sale Agreement entered into as of June 9, 2021, between West End Property II, LLC and PUREgraphite, LLC (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
4.6	<u>Second Amendment to the Purchase and Sale Agreement entered into as of June 30, 2021, between West End Property II, LLC and PUREgraphite, LLC (incorporated by reference to Exhibit 4.6 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
4.7	<u>Third Amendment to the Purchase and Sale Agreement entered into as of July 22, 2021, between West End Property II, LLC and PUREgraphite, LLC (incorporated by reference to Exhibit 4.7 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>
4.8	<u>Loan Agreement dated as of July 28, 2021, between Novonix 1029, LLC and DBR Investments Co. Limited (incorporated by reference to Exhibit 1.1 to the Company's Registration Statement on Form 20-F (File No. 001-41208) filed with the SEC on January 6, 2022).</u>

- 4.9 [Subscription Agreement dated as of August 9, 2021, between NOVONIX Limited and Phillips 66 Company \(incorporated by reference to Exhibit 4.10 to the Company's Registration Statement on Form 20-F \(File No. 001-41208\) filed with the SEC on January 6, 2022\).](#)
- 4.10 [Securities Purchase Agreement, dated as of January 31, 2022, by and between KORE Power, Inc., and the Company \(incorporated by reference to Exhibit 4.10 to the Company's Annual Report on Form 20-F \(File No. 001-41208\) filed with the SEC on August 31, 2022\).](#)
- 4.11 [Investors' Rights Agreement, dated as of January 31, 2022, between KORE Power, Inc. and the Company \(incorporated by reference to Exhibit 4.11 to the Company's Annual Report on Form 20-F \(File No. 001-41208\) filed with the SEC on August 31, 2022\).](#)
- 4.12 [Unsecured Convertible Note Agreement dated as of June 7, 2023, by and between the Company and LG Energy Solution, Ltd](#)
- 8 [List of subsidiaries.](#)
- 12.1 [Certification of the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14\(a\).](#)
- 12.2 [Certification of the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14\(a\).](#)
- 13.1 [Certification of the Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14\(b\).](#)
- 13.2 [Certification of the Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14\(b\).](#)
- 97 [Clawback Policy](#)
- 101 Interactive Data File
- 104 Cover Page Interactive Data File

† Indicates a management contract or compensatory plan arrangement

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing of Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

NOVONIX LIMITED

By: /s/ Dr. John Christopher Burns

Dr. John Christopher Burns

Chief Executive Officer

Date: February 28, 2024

NOVONIX Limited

The party described as the Investor in Schedule 1

Unsecured Convertible Note Agreement

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This Agreement is made on the 7th day of June, 2023

Parties

- 1 **NOVONIX Limited** (ACN 157 690 830) of Level 8, 46 Edward Street, Brisbane QLD 4000 (*Issuer*).
- 2 **The party described in Schedule 1** (*Investor*).

Recitals

- A The Issuer has agreed to issue to the Investor the Convertible Notes for the Aggregate Amount, on and subject to the terms of this Agreement.
- B The Investor has agreed to subscribe for the Convertible Notes, on and subject to the terms of this Agreement.

It is agreed as follows.

1 Definitions and interpretation

1.1 Definitions

In this Agreement:

Aggregate Amount has the meaning given to that term in Schedule 1.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument 2016/82 means the "ASIC Corporations (Sale Offers: Securities issued on Conversion of Convertible Notes) Instrument 2016/82" made under sections 741 and 1020F of the Corporations Act.

Associates has the meaning given to that term in the Corporations Act.

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).

Authorisation includes any authorisation, approval, consent, licence, permit, franchise, permission, filing, registration, resolution, direction, declaration, or exemption.

Board means the board of directors of the Issuer.

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, Australia, Brisbane, Australia, or Seoul, Korea.

Claim includes a claim, notice, demand, action, proceeding, litigation, arbitration, alternative dispute resolution proceedings, investigation, judgment, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute and whether involving a third party or a party to this Agreement.

Conditions Precedent has the meaning given to that term in clause 2.1.

Conditions Precedent End Date means the date that is two months after the date of this Agreement, or any other date agreed by the parties in writing.

Controller has the meaning it has in the Corporations Act.

Conversion Amount means, in respect of a Convertible Note, the aggregate of:

- (a) the Face Value of that Convertible Note; and

- (b) the interest accrued in respect of that Convertible Note as at the Conversion Date, calculated in accordance with clause 5.1(a).

Conversion Date means, in respect of a Convertible Note, the date on which the Investor delivers a Conversion Notice to the Issuer.

Conversion Notice means a notice which the Investor delivers to the Issuer under clause 8.2(a).

Conversion Price means AUD \$1.6 per Share, as adjusted by clause 4.2, if applicable.

Convertible Note means an interest-bearing redeemable unsecured convertible note issued by the Issuer to the Investor on the conditions set out in this Agreement and evidenced by a Convertible Note Certificate.

Convertible Note Certificate means a convertible note certificate substantially in the form set out in Schedule 2.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Determined Exchange Rate means, at the Investor's option, either:

- (a) the prevailing Exchange Rate on the date of this Agreement; or
- (b) the average Exchange Rate during the thirty-day period immediately preceding the date of this Agreement.

Employee means an employee of a Group Member subject to an employment or services agreement with a Group Member as at the date of this Agreement.

Exchange Rate means, in respect of a date, the rate of exchange for the conversion of AUD\$ to USD\$ as published by REUTERS as at 11:00 a.m. (Sydney Time) on such date as set forth in the "Currencies" page (Currency Market Headlines | Breaking Stock Market News | Reuters). If those rates are not displayed for any reason, the rate will be as reasonably defined by the Investor by reference to any such other page as may replace that page or an equivalent market index for the purpose of displaying such exchange rate.

Face Value means in respect of a Convertible Note, AUD \$1.00.

Final Conversion Date means the date on which the first purchase order for the Products under the Purchase Agreement is issued and accepted.

Government Agency means any government or any public, statutory, governmental (including a local government), semi-governmental or judicial body, entity, department or authority and includes any self-regulatory organisation established under statute.

Group means the Issuer and each of its Related Bodies Corporate.

Group Member means any member of the Group. A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to its property;
- (c) it is subject to any arrangement (including a deed of company arrangement or scheme of arrangement), assignment, moratorium, compromise or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement);

- (d) an application or order has been made (and in the case of an application which is disputed by the person, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this agreement reasonably deduces it is so subject);
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

Interest Rate means, subject to clause 5.1(a):

- (a) 10% per annum, for the purposes of clause 13.2; and
- (b) 4% per annum; for all other purposes.

Investor Warranties means the warranties given by the Investor to the Issuer as set out in clause 12.2.

Issue means the issue of the Convertible Notes to the Investor in accordance with clause 3.

Issue Date means the tenth Business Day after the Conditions Precedent are fulfilled or waived, unless otherwise agreed by the parties in writing.

Issuer Warranties means the warranties given by the Issuer to the Investor as set out in clause 12.1.

Joint Development Agreement means the joint development agreement between the Issuer and the Investor (or their respective Related Bodies Corporate) to be entered into on or around the date of this Agreement.

Listing Rules means the Listing Rules of the ASX, from time to time in force and applicable to the Issuer.

Maturity Date means the date that is 5 years after the date of this Agreement, or any other later date agreed in writing between the Investor and the Issuer.

Principal Amount means in respect of the Investor the aggregate Face Value of all Convertible Notes issued to the Investor, as reduced by any conversion, repayment, prepayment, redemption or cancellation in accordance with this Agreement.

Product has the meaning given to that term in the Joint Development Agreement.

Purchase Agreement has the meaning given to that term in the Joint Development Agreement.

Related Body Corporate has the meaning given to that term in the Corporations Act, but disregarding section 48(2) of the Corporations Act in respect of shares held or powers exercisable by any body corporate acting as trustee of a trust where those unitholders or beneficiaries of that trust that are entitled to a majority of the distributions from the trust control the corporate trustee.

Relevant Interest has the meaning given to that term in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Issuer, having all of the rights set out in the Issuer's constitution.

Tax all forms of present and future taxes, excise, stamp or other duties, imposts, deductions, charges, withholdings, rates, levies or other governmental impositions imposed, assessed or charged by any Government Agency, together with all interest, penalties, fines, expenses and other additional statutory charges relating to any of them, imposed or withheld by a Government Agency.

Trading Day means a day on which the ASX is open for trading but does not include any period of up to 2 consecutive days where the Issuer is in a trading halt.

1.2 Interpretation

- (a) Headings are for convenience only and do not affect interpretation.
- (b) Mentioning anything after *includes, including, for example*, or similar expressions, does not limit what else might be included.
- (c) The following rules apply unless the context requires otherwise.
 - (i) The singular includes the plural, and the converse also applies.
 - (ii) A gender includes all genders.
 - (iii) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
 - (iv) A reference to a *person* includes a corporation, trust, partnership, unincorporated body or other entity, whether or not it comprises a separate legal entity.
 - (v) A reference to a clause or Schedule is a reference to a clause of, or Schedule to, this Agreement.
 - (vi) A reference to an agreement or document (including a reference to this Agreement) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Agreement or that other agreement or document.
 - (vii) A reference to writing includes any method of representing or reproducing words, figures, drawings or symbols in a visible and tangible form.
 - (viii) A reference to a party to this Agreement or another agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
 - (ix) A reference to legislation or to a provision of legislation includes a modification or reenactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
 - (x) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
 - (xi) A reference to a *right* or *obligation* of any two or more people comprising a single party confers that right, or imposes that obligation, as the case may be, on each of them severally and each two or more of them jointly. A reference to that party is a reference to each of those people separately (so that, for example, a representation or warranty by that party is given by each of them separately).
 - (xii) A reference to a day means a day in the jurisdiction where the relevant obligation is to be performed.
 - (xiii) A reference to dollars or AUD\$ is to Australian currency.
 - (xiv) A reference to USD\$ is a reference to United States of America currency.

1.3 Statements on the basis of knowledge or belief

Any statement made by a party on the basis of its knowledge and belief or awareness is made on the basis that the party has, in order to establish that the statement is true and not misleading in any respect:

- (a) made all reasonable inquiries of the officers, managers, employees and other persons with responsibility for the matters to which the statement relates; and
- (b) if those inquiries would have prompted a reasonable person to make further inquiries, made those further inquiries, and that, as a result of those inquiries, the party has no reason to doubt that the statement is true and not misleading in any respect.

2 Conditions Precedent

2.1 Conditions Precedent

The issue of the Convertible Notes under the terms of this Agreement is conditional on the Issuer having delivered to the Investor a written confirmation from an authorised representative of the Issuer confirming:

- (a) the representations and warranties of the Issuer contained in this Agreement are and will be true and correct in all material respects as of the date hereof and the Issue Date (except that representations and warranties made as of a specific date shall be required to be true and correct as of such date only);
- (b) there is no pending suit, action, or proceeding by any Governmental Agency seeking to restrain, preclude, enjoin or prohibit the transactions contemplated by this Agreement; and
- (c) no Shares have been nor will be issued to, and subscribed to by, any of the existing shareholders of the Issuer during the period from the date hereof to the Issue Date.

(the *Conditions Precedent*).

2.2 Parties must co-operate

Each party must cooperate with the other and do all things reasonably necessary to procure that the Conditions Precedent are fulfilled as soon as reasonably practicable, and in any event on or before the Conditions Precedent End Date.

2.3 Specific obligations of cooperation

Without limiting the generality of clause 2.2:

- (a) each party must make all necessary and appropriate applications and supply all necessary and appropriate information for the purpose of enabling the Conditions Precedent to be fulfilled;
- (b) no party may withdraw or procure the withdrawal of any application made or information supplied under paragraph (a) of this clause 2.3;
- (c) no party may take any action that would or would be likely to prevent or hinder the fulfilment of the Conditions Precedent; and
- (d) each party must:
 - (i) supply to the other party copies of all applications made and all information supplied for the purpose of enabling the Conditions Precedent to be fulfilled;

- (ii) keep the other party informed in a timely manner of the status of any discussions or negotiations with relevant third parties regarding the Conditions Precedent; and
- (iii) promptly notify the other party on becoming aware of the fulfilment of any Conditions Precedent or of any Conditions Precedent becoming incapable of being fulfilled.

2.4 Waiver

The Conditions Precedent can only be waived by the written agreement of the Issuer and the Investor.

2.5 Failure of Conditions Precedent

- (a) Either the Issuer or the Investor may, if not otherwise in material breach of this Agreement, terminate this Agreement by giving written notice to the other party if the Conditions Precedent are not fulfilled before 5.00 pm on the Conditions Precedent End Date.
- (b) On termination under clause 2.5(a), neither party has any obligation or liability to any other party, except in connection with Claims, including any payment obligation that arose on or before termination.

3 Subscription

3.1 Subscription requirements

Subject to the satisfaction or waiver of the Conditions Precedent, the Investor agrees to:

- (a) subscribe for Convertible Notes on the Issue Date equal to the Aggregate Amount; and
- (b) pay the Aggregate Amount to the Issuer in immediately available funds on the Issue Date and, for the avoidance of doubt, in USD.

3.2 Issue of Convertible Notes

Subject to the Issuer having received the Aggregate Amount from the Investor in accordance with clause 3.1(b), the Issuer must, on the Issue Date:

- (a) issue Convertible Notes having an aggregate Face Value equal to the AUD\$ equivalent (at the Determined Exchange Rate) of the Aggregate Amount to the Investor;
- (b) deliver a Convertible Note Certificate to the Investor in respect of the Convertible Notes issued under clause 3.2(a); and
- (c) register Convertible Notes in the name of the Investor in the Issuer's register of convertible note holders equal to the Aggregate Amount.

4 General terms of issue

4.1 Convertible Notes

Subject to this Agreement and the Listing Rules, Convertible Notes issued to the Investor:

- (a) are convertible into Shares in accordance with clause 8;
- (b) are redeemable in accordance with clause 6;
- (c) are issued for an aggregate Face Value calculated in accordance with clause 3.2(a);
- (d) are not secured;

- (e) bear interest in accordance with clause 5;
- (f) will not be listed on the ASX or any other public exchange; and
- (g) are not transferable except in compliance with clause 15.7.

4.2 Adjustments

If the Issuer reorganises or reconstructs its capital (including consolidation, subdivision, reduction or return) at any time when there is a Principal Amount outstanding to the Investor, then the Conversion Price, number of Shares to be issued on conversion and/or Convertible Notes will be amended to the extent applicable and, subject to the Listing Rules, to place that Investor in substantially the same position as it would have been had no such event occurred.

4.3 No shareholder rights

Unless converted into a Share in accordance with this Agreement, Convertible Notes do not confer on the Investor (in its capacity as a holder of Convertible Notes) any entitlement to:

- (a) vote at a general meeting of shareholders of the Issuer;
- (b) receive dividends; or
- (c) participate in any issue of securities, unless otherwise permissible under this Agreement or consented in writing by the Issuer.

4.4 Consultation Right

- (a) While the Investor holds Convertible Notes or Shares, subject to clauses (b) and (c) below, the Issuer agrees that before making a non-pro rata issue of Shares (**Offer**), it will provide the Investor with reasonable advance written notice of the Offer and consult with the Investor in good faith to provide the Investor with a reasonable opportunity to participate in the Offer on equivalent terms to other investors (the **Consultation Right**).
- (b) This clause does not apply to any potential Offer disclosed to the Investor, in writing and referencing this Agreement, prior to the date of this Agreement or to any Offer:
 - (i) to employees of the Issuer under any employee incentive plan approved by shareholders;
 - (ii) arising from the exercise, exchange or conversion of any convertible securities issued by the Issuer prior to the date of this Agreement; or
 - (iii) under a takeover bid or under a merger by way of a scheme of arrangement under Part 5.1 of the Corporations Act.
- (c) The Issuer shall be under no obligation to comply with the Consultation Right if the Board determines, acting in good faith, after receiving written legal advice from counsel, that compliance with the Consultation Right would be determined to be unenforceable or unlawful by a court or regulatory body or prohibited by the Listing Rules.

5 Interest

5.1 Interest

- (a) Each outstanding Convertible Note accrues interest on its Face Value, compounded at the Interest Rate, on daily balances on the basis of a 365 day year; provided, that notwithstanding anything contrary herein, in respect of any Convertible Notes converted prior to the Maturity Date, the Interest Rate applicable on the Face Value of those Convertible Notes shall be deemed to be zero (0%) percent.

- (b) The Issuer must pay interest to the Investor on each outstanding Convertible Note held by the Investor:
 - (i) in the amount calculated in accordance with paragraph (a); and
 - (ii) in arrears on the Maturity Date.

5.2 Gross up

If the Issuer is required by law to deduct or withhold Taxes from any payment under this clause 5, it must:

- (a) increase the amount of the payment to the Investor to an amount which will result in the receipt by the Investor of the full amount which would have been payable to the Investor if no deduction or withholding had been required;
- (b) make the required deductions and withholdings;
- (c) pay in accordance with the relevant law the full amount deducted or withheld; and
- (d) deliver to the Investor the receipt for each payment.

6 Actions on Maturity Date

- (a) On the Maturity Date, the Investor shall send a notice to the Issuer in writing that it:
 - (i) elects to convert all of its outstanding Convertible Notes pursuant to Section 8.2(a)(iii); or
 - (ii) elects to redeem all of the outstanding Convertible Notes.
- (b) Upon receipt of the notice pursuant to clause 6(a):
 - (i) if the Investor elects conversion, all of the outstanding Convertible Notes shall be converted pursuant to Section 8.2; or
 - (ii) if the Investor elects redemption, the Issuer must redeem the outstanding Convertible Notes by paying to the Investor in USD an amount equal to the USD\$ equivalent (at the Determined Exchange Rate) of the outstanding Principal Amount and any interest accrued pursuant to clause 5.1, in full, in immediately available funds, without withholding or deduction.

7 Payments

7.1 Payment manner

The Issuer must make all payments to the Investor required under this Agreement:

- (a) in full on the due date;
- (b) in immediately available funds;
- (c) unless otherwise provided, without withholding or deduction except to the extent required by law; and
- (d) not later than 5.00 pm on the due date for payment by electronic funds transfer to the account specified in writing by the Investor.

7.2 Payment dates

Any payment by the Issuer required under this Agreement falling due on a day which is not a Business Day must be made on the immediately following Business Day.

8 Conversion

8.1 General Restriction

The Investor agrees not to convert any Convertible Notes to the extent that that would result in the Investor and its Associates holding a Relevant Interest in more than 19.99% of the issued Shares (or such other limit prescribed by section 606(1)(c)(i) of the Corporations Act from time to time), except to the extent permitted under section 611 of the Corporations Act.

8.2 Conversion right

- (a) The Investor:
- (i) may elect to convert all or some of its Convertible Notes prior to the Final Conversion Date, which it must do so by giving a written notice (**Conversion Notice**) to the Issuer specifying:
 - (A) the number of Convertible Notes the Investor intends to convert; and
 - (B) the aggregate Conversion Amount of those Convertible Notes, plus the accrued interest associated with those number of Convertible Notes (**Specified Conversion Amount**);
 - (ii) must convert all of its outstanding Convertible Notes on the Final Conversion Date, which will be deemed to have occurred in accordance with clause 8.2(b); and
 - (iii) may elect to convert all of its outstanding Convertible Notes on the Maturity Date in the event that the Final Conversion Date does not occur prior to the Maturity Date, which it must do so by giving a Conversion Notice to the Issuer specifying:
 - (A) the number of outstanding Convertible Notes the Investor intends to convert; and
 - (B) the Specified Conversion Amount.
- (b) On the Final Conversion Date, the Investor will be deemed to have given a Conversion Notice:
- (i) for all of its outstanding Convertible Notes as at the Final Conversion Date; and
 - (ii) which specifies a Specified Conversion Amount equal to the aggregate Conversion Amount of the outstanding Convertible Notes as at the Final Conversion Date.
- (c) The Issuer must, within 5 Business Days of its receipt or deemed receipt of a Conversion Notice, issue a number of Shares to the Investor calculated by the following formula:
- $$\text{Number of Shares} = \frac{\text{Specified Conversion Amount}}{\text{Conversion Price}}$$
- (d) To the extent that the calculation in clause 8.2(c) does not result in a round number of Shares, the number will be rounded up to the next whole number of Shares.
- (e) The issue of Shares pursuant to the operation of this clause 8 constitutes repayment by the Issuer to the Investor of:
- (i) the Principal Amount in respect of all the converted Convertible Notes; and
 - (ii) all interest accrued in respect of all the converted Convertible Notes.
- (f) The Issuer will not be in breach of its obligation to issue Shares within the time as required under clause 8.2(c) if the Conversion Notice is received during a period in which the register of members of the Issuer is closed generally or for the purpose of establishing entitlement to any dividend, distribution or other rights attaching to the

Shares provided that the Issuer issues the Shares otherwise in accordance with clause 8.2(c) on the first Trading Day after the expiry of such period.

- (g) Interest on a Convertible Note which is the subject of a Conversion Notice ceases to accrue on the Conversion Date.

8.3 Issuer to procure quotation

- (a) Shares issued on the conversion of a Convertible Note rank in all respects equally with the Shares on issue at the date and time of issue.
- (b) The Investor agrees to be bound by the Issuer's constitution on issue of any Shares under this Agreement.
- (c) The Issuer agrees to:
- (i) apply for quotation of the Shares issued on the conversion of a Convertible Note at its own cost and use its best endeavours to obtain quotation of the Shares issued on the conversion of a Convertible Note on the ASX within 2 Trading Days of issue;
 - (ii) procure that it or its share registry will make appropriate entries in its Share register and register of convertible note holders as soon as reasonably practicable on, or in any event within thirty (30) calendar days from, the date the Shares are issued and the Convertible Notes are converted; and
 - (iii) procure that a holding statement in respect of those Shares is delivered to the Investor within 2 Business Days of such quotation.
- (d) The Issuer must give to ASX a notice that complies with sub-section 708A(12C)(e) of the Corporations Act, as modified by ASIC Instrument 2016/82 on the date the Convertible Notes are issued. If the Issuer is unable to issue such a notice, it must issue a notice in respect of any Shares issued on Conversion that complies with section 708A(5)(e) of the Corporations Act. If the Issuer is unable to issue a notice in respect of any Shares issued on Conversion that complies with section 708A(5)(e) of the Corporations Act the Issuer must lodge a prospectus within 20 Business Days of the issue of Shares prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure.

9 Convertible Note Certificates

9.1 On conversion

On each occasion which the Investor delivers a Conversion Notice to the Issuer, that Investor must also deliver or procure the delivery of the related Convertible Note Certificate. To the extent that the Investor on any occasion does not convert all of the Convertible Notes to which a Convertible Note Certificate relates, the Issuer must issue and deliver a replacement Convertible Note Certificate for the balance to the Investor on the date on which it issues the Shares resulting from the conversion.

9.2 Loss or destruction

If a Convertible Note Certificate is lost or destroyed, then:

- (a) on proof of the loss or destruction to the satisfaction of the Board; or
- (b) on evidence satisfactory to the Board that the Issuer will be indemnified for the issue of a new Convertible Note Certificate and any of out-of-pocket expenses,

a new Convertible Note Certificate will be sent to the Investor. The Investor indemnifies the Issuer for any loss, cost, damage or expense suffered by the Issuer as a result of the Convertible Note Certificate being lost, destroyed or replaced.

10 Cancellation of Convertible Note

A Convertible Note is automatically cancelled on conversion or redemption in full and will not be re-issued.

11 Obligations of Issuer

11.1 Restrictions on the Issuer

From the date of this Agreement to the conversion or redemption in full of the Convertible Notes the Issuer must not without the prior written consent of the Investor:

- (a) **(business)**:
 - (i) cease, wind-up, liquidate, or dissolve its business;
 - (ii) initiate a bankruptcy or insolvency proceeding;
 - (iii) change the general nature of its business;
 - (iv) sell, lease, license, encumber, transfer or otherwise dispose its material assets; or
 - (v) dispose of its business as a whole; or
- (b) **(constitution)** amend its constitution in a way that has, or could have, a material adverse effect on the Investor.

11.2 Positive undertakings

From the date of this Agreement to the conversion or redemption in full of the Convertible Notes, the Issuer must:

- (a) **(corporate existence)**: perform any action necessary to maintain its corporate existence in good standing;
- (b) **(listing)**: perform any action necessary to maintain quotation of its Shares on the ASX;
- (c) **(Events of Default)**: procure that no Event of Default occurs; and
- (d) **(notification)**: promptly notify the Investor of the occurrence of any Event of Default.

12 Representations

12.1 Issuer Warranties

Except to the extent disclosed by the Issuer as an announcement on the ASX prior to the date of this Agreement or, disclosed to the Investor in writing prior to the date of this Agreement, the Issuer warrants and represents to and for the benefit of the Investor that as at the date of this Agreement and the Issue Date:

- (a) **(status)** it is a body corporate validly existing under the laws of its place of incorporation or establishment;
- (b) **(corporate power)** it has the corporate power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement;
- (c) **(corporate action)** it has taken all necessary corporate action to authorise the entry into and performance of this Agreement and to carry out the transactions contemplated by

this Agreement. On the Issue Date, full beneficial title in the Convertible Notes issued pursuant to clause 3.2 will vest in the Investor;

- (d) **(accuracy and completeness):**
- (i) all information relating to the Issuer and the Group and the Issuer and/or the Group's operations provided to the Investor or its advisers in connection with the proposed investment by the Investor in the Issuer as contemplated by this Agreement, and all information publicly disclosed by the Issuer, is true in all material respects and is not by omission or otherwise misleading or deceptive in any material respect;
 - (ii) nothing has occurred which renders any of the material which has been disclosed to the Investor or its advisers, or which has been publicly disclosed by the Issuer, inaccurate in any material respect; and
 - (iii) the Issuer has responded to all of the requests for information submitted to them in writing through by the Investor or its advisers in good faith and all such responses are true and accurate in all material respects;
- (e) **(disclosure compliance)** it has complied with all its disclosure requirements under the Corporations Act and the Listing Rules and there is no material information or circumstance which the Issuer is obliged to notify ASX about, pursuant to Listing Rule 3.1 and it has not withheld any information in reliance on the exemption in Listing Rule 3.1A (other than the existence of this Agreement and the transactions contemplated by it);
- (f) **(compliance with laws)** the Issuer and the Group have in all material respects complied with all laws, regulations and Authorisations applicable to the conduct of their business, and no Government Agency has alleged in writing that any entity within the Group is in contravention of any laws, regulations or licenses applicable to that entity of the Group that will, or would reasonably be likely to, have a material adverse effect on that entity;
- (g) **(binding obligation)** this Agreement is its valid and binding obligation;
- (h) **(share issues)** there are no agreements, arrangements or understandings in force or securities issued which call for the present or future issue of, or grant to any person the right to require the issue of, any Shares or other securities in the Issuer and the Convertible Notes issued pursuant to clause 3.2 will not be issued in violation of any pre-emptive or other similar rights;
- (i) **(no contravention)** neither the entry into nor performance by it of this Agreement nor any transaction contemplated under this Agreement violates in any material respect any provision of any judgment binding on it, its constituent documents, any law or any document, agreement or other arrangement binding on it or its assets;
- (j) **(consents/approvals)** except for the approval of ASX for quotation of the Shares to be issued on conversion of the Convertible Notes to the Official List of ASX, no consent, approval, Authorisation, order, registration or qualification of or with any Government Agency or any other person is required for the Issuer to perform its obligations under this Agreement;
- (k) **(no finder)** neither the Issuer nor any party acting on its behalf has paid or become liable to pay any fee or commission to any broker, finder or intermediary for or on account of transactions contemplated by this Agreement;
- (l) **(solvency)** no Group Member is Insolvent;
- (m) **(Employee):**

- (i) each Group Member has complied in all material respects with all obligations arising under law, equity or statute, award, enterprise agreement or other instrument made or approved under any law with respect to its employment of its Employees (including its former employees and under Australian modern awards);
- (ii) as at the date of this Agreement, no Group Member has agreed to a share incentive scheme or share option scheme with an Employee or other person beyond those amounts contained in the information provided to the Investor; and
- (iii) so far as the Group is aware, there are no outstanding Claims, nor have there been any Claims within the 3 years preceding the date of this Agreement:
 - (A) by or on behalf of any Employee or any former employee of a Group Member against any Group Member; or
 - (B) by or on behalf of any Group Member against any Employee or any former employee of a Group Member; and
- (n) **(no material adverse change)** since 31 December 2022, there has been no material adverse change in the financial condition or prospects of the Group.

12.2 Investor Warranties

The Investor warrants and represents to and for the benefit of the Issuer that as at the date of this Agreement:

- (a) **(corporate powers)**: if the Investor is a corporation:
 - (i) it is duly incorporated and validly existing under the law of the country or jurisdiction of its incorporation or registration;
 - (ii) it has full corporate power to own its assets and create and perform its obligations under, and perform any business activity as contemplated by this Agreement;
 - (iii) it has procured any necessary corporate consent for the execution and performance of the Agreement in compliance with its provisions; and
 - (iv) this Agreement has been executed in compliance with its constituent documents and constitutes a valid and enforceable legal liability of the Investor in compliance with its provisions;
- (b) **(no disclosure document required)** in respect of all offers of securities made pursuant to this Agreement, no disclosure, registration, qualification or any other action is required to be undertaken by the Issuer in the jurisdiction of the Investor;
- (c) **(advice)** it has obtained or has had the opportunity to obtain independent advice on its investment in the Issuer and subscription for the Convertible Notes, or it has waived its right to independent advice, and has not relied on any representations or warranties made by the Issuer, its directors, officers, agents, employees and advisers except as set out in this Agreement; and
- (d) **(sophisticated investors)** it is a sophisticated investor for the purposes of section 708(8) of the Corporations Act, experienced in investing in securities of a speculative nature and as such has knowledge and experience of financial and business matters and is capable of independently assessing the merits and deficiencies of an investment in the Issuer.

12.3 Survival and independence

The Issuer Warranties and Investor Warranties survive the execution and completion of this Agreement. Each Issuer Warranty and Investor Warranty is separate and independent and not

limited by reference to any other Issuer Warranty or Investor Warranty or any notice or waiver given by any party in connection with anything in this Agreement.

12.4 Reliance

- (a) The Issuer acknowledges that the Investor enters into this Agreement in reliance on the Issuer Warranties.
- (b) The Investor acknowledges that the Issuer enters into this Agreement in reliance on the Investor Warranties.

13 Default and Early Redemption

13.1 Events of Default

The following are Events of Default:

- (a) **(failure to issue Shares)**: subject to clause 8.2(f), the Issuer has not issued the relevant number of Shares to the Investor 5 Business Days after its receipt of a Conversion Notice;
- (b) **(payment)**: the Issuer fails to pay any cash amount due under this Agreement on its due date or within 5 Business Days after its due date;
- (c) **(insolvency)**: the Issuer becomes Insolvent;
- (d) **(winding up)**: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer or any of its subsidiaries, or the Issuer or any of its subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations;
- (e) **(unlawful)**: it is or becomes unlawful for:
 - (i) the Issuer to perform or comply with any one or more of its obligations under any of the Convertible Notes or this Agreement; or
 - (ii) the Investor to convert any Convertible Notes or hold any Shares (except where this is due to a fault on the part of the Investor because clause 8.1 applies);
- (f) **(restrictions)**: the Issuer breaches any of its restrictions under clause 11.1;
- (g) **(breach of this Agreement)**: the Issuer breaches any of its obligations under this Agreement or the Joint Development Agreement; and
- (h) **(failure to obtain quotation)**: the Issuer fails to procure quotation of the Shares issued on the conversion of a Convertible Note pursuant to clause 8.3.

13.2 Consequences of default

If an Event of Default occurs and continues unremedied for a period of 30 calendar days, the Investor may declare at any time by notice to the Issuer that:

- (a) the entire outstanding Principal Amount of the Investor, together with accrued and unpaid Interest in accordance with clause 5, and all other amounts accrued or outstanding under this Agreement or the Convertible Notes (**Default Payment Amount**), is either:
 - (i) payable on demand; or
 - (ii) immediately due for payment and payable,

and the Issuer must redeem all the Convertible Notes on issue for the Investor by paying to the Investor in USD an amount equal to the USD\$ equivalent (at the Determined Exchange Rate) of the Default Payment Amount;

- (b) the obligations of the Investor in this Agreement are terminated; and
- (c) the Investor may exercise any or all of its rights, remedies, powers or discretions under this Agreement.

The making of such declaration gives immediate effect to its provisions.

14 GST

14.1 Definitions

In this clause 14:

- (a) the expressions **Consideration**, **GST**, **Input Tax Credit**, **Recipient**, **Supply**, **Tax Invoice** and **Taxable Supply** have the meanings given to those expressions in the *A New Tax System (Goods and Services Tax) Act 1999 (GST Act)*; and
- (b) **Supplier** means any party treated by the GST Act as making a Supply under this Agreement.

14.2 Consideration is GST exclusive

Unless otherwise expressly stated, all prices or other sums payable or Consideration to be provided under or in accordance with this Agreement are exclusive of GST.

14.3 Payment of GST

- (a) If GST is imposed on any Supply made under or in accordance with this Agreement, the Recipient of the Taxable Supply must pay to the Supplier an additional amount equal to the GST payable on or for the Taxable Supply, subject to the Recipient receiving a valid Tax Invoice in respect of the Supply at or before the time of payment.
- (b) Payment of the additional amount must be made at the same time and in the same way as payment for the Taxable Supply is required to be made in accordance with this Agreement.

14.4 Reimbursement of expenses

If this Agreement requires a party (the **First Party**) to pay for, reimburse, set off or contribute to any expense, loss or outgoing (**Reimbursable Expense**) suffered or incurred by the other party (the **Other Party**), the amount required to be paid, reimbursed, set off or contributed by the First Party will be the sum of:

- (a) the amount of the Reimbursable Expense net of Input Tax Credits (if any) to which the Other Party is entitled in respect of the Reimbursable Expense (**Net Amount**); and
- (b) if the Other Party's recovery from the First Party is a Taxable Supply, any GST payable in respect of that Supply, such that after the Other Party meets the GST liability, it retains the Net Amount.

14.5 No GST

The parties are contracting on the understanding that GST is not applicable to the transactions undertaken pursuant to this Agreement.

15 General

15.1 Confidentiality

- (a) This Agreement and the transactions contemplated by it, including the issue and terms of the Convertible Note are strictly confidential and may not be disclosed by either party to

anyone (other than their professional advisors) without first obtaining the prior written consent of the other party provided that nothing in this Agreement restricts either party from complying with its obligations at law or under the Listing Rules.

- (b) To the extent disclosure is required by law or under the Listing Rules or to comply with ASIC Instrument 2016/82 or the Corporations Act, each party must, subject to the law and the Listing Rules, use their best endeavours to give 2 Business Days advance notice, consult in good faith and obtain the other party's prior approval to any such intended or reasonably foreseeable disclosure.

15.2 Entire Agreement

This Agreement contains the entire agreement between the parties with respect to its subject matter. It sets out the only conduct, representations, warranties, covenants, conditions, agreements or understandings (collectively **Conduct**) relied on by the parties and supersedes all earlier Conduct by or between the parties in connection with its subject matter. Neither party has relied on or is relying on any other Conduct in entering into this Agreement and completing the transactions contemplated by it.

15.3 Further assurances

Each party must do anything necessary or desirable (including executing agreements and documents) to give full effect to this Agreement and the transactions contemplated by it.

15.4 No waiver

- (a) No acquiescence, waiver or other indulgence granted by either party to any other party will in any way discharge or relieve that other party from any of its other obligations under this Agreement.
- (b) A failure to exercise or a delay in exercising any right, power or remedy under this Agreement does not operate as a waiver. A single or partial exercise or waiver of the exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the party granting that waiver unless made in writing. For the avoidance of doubt, the doctrine of affirmation by election will not apply to any failure by a party to exercise, or delay by a party in exercising any right, power, or remedy under this Agreement.

15.5 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will be ineffective as to that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Agreement nor affect the validity or enforceability of that provision in any other jurisdiction.

15.6 Successors and assigns

This Agreement binds and benefits the parties and their respective successors and permitted assigns.

15.7 No assignment

Neither party can assign, charge, create a security interest over, encumber or otherwise deal with any of its rights or obligations under this Agreement, or attempt or purport to do so, without the prior written consent of the other party.

15.8 Consents and approvals

Where anything depends on the consent or approval of a party then, unless this Agreement provides otherwise, that consent or approval may be given conditionally or unconditionally or withheld, in the absolute discretion of that party.

15.9 Amendment

This Agreement may be amended only by another agreement executed by all the parties.

15.10 Costs

Each party must bear its own costs arising out of the negotiation, preparation and execution of this Agreement. All duty (including any fines, penalties and interest) payable on or in connection with this Agreement and any instrument executed under or any transaction evidenced by this Agreement must be borne equally by the parties.

15.11 Governing law and jurisdiction

This Agreement is governed by the laws of Queensland. Any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre in accordance with the Arbitration Rules of the Singapore International Arbitration Centre for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Singapore, and the tribunal shall consist of 3 arbitrators. The language of the arbitration shall be English.

15.12 Electronic signatures

- (a) To the extent permitted by law, a party may sign this Agreement electronically, including by using software or a platform for the electronic execution of contracts.
- (b) A print out of the executed Agreement once all parties signing electronically have done so, will be an executed original counterpart of this Agreement, irrespective of which party prints it.
- (c) Each party that signs this Agreement electronically represents and warrants that it or anyone signing on its behalf:
 - (i) has been duly authorised to enter into and execute this Agreement electronically and to create obligations that are valid and binding obligations on the party;
 - (ii) has affixed their own electronic signature; and
 - (iii) where applicable, holds the position or title indicated under their electronic signature,and each party is estopped from asserting otherwise.
- (d) No person may challenge the validity of this Agreement by virtue only of the fact that it has been electronically signed by or on behalf of any party.

15.13 Notices

Any notice, demand, consent or other communication (a **Notice**) given or made under this Agreement:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender (or in the case of email, set out the first and last name and position or title of the sender or person duly authorised by the sender);
- (b) subject to paragraph (c), must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the

address or email address most recently notified by the intended recipient to the sender. Until further notice, that recipient, address and email address is as below:

- (i) to the Issuer:
 - Address: Level 8, 46 Edward Street, Brisbane QLD 4000
 - Email: chris@novonixgroup.com
 - Attention: Chris Burns
 - With a copy to:
 - Address: Level 26, 480 Queen Street, Brisbane City, QLD 4000
 - Email: Chelsey.Drake@allens.com.au Attention: Chelsey Drake

- (ii) to the Investor:
 - Address: Parc. 1 Tower 108, Yeoui-daero, Yeongdeungpo-gu, Seoul, 07335, the Republic of Korea
 - Email: youngs.kwon@lgensol.com
 - Attention: Youngseop Kwon
 - and
 - Email: ellie.jun@lgensol.com
 - Attention: Ellie Jun

- (c) will be taken to satisfy the obligations in paragraph (b) if:
 - (i) where a party changes its address and fails to notify the other parties of the new address, the Notice is delivered to the intended recipient at that new address; and
 - (ii) where an individual named in paragraph (b) ceases to work in the relevant role or ceases to work for the relevant party and the relevant party fails to notify the other parties in accordance with this clause 15.13 of an alternative individual to whom Notices should be addressed (and, if relevant, an alternative email address to which Notices should be sent), the Notice is addressed to (and, if relevant, delivered to the email address of) an individual in the same or equivalent role at the intended recipient; and

- (d) will be conclusively taken to be duly given or made and received:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by express post, to an address in the same country, two Business Days after the date of posting;
 - (iii) in the case of delivery by any other method of post, six Business Days after the date of posting (if posted to an address in the same country) or 10 Business Days after the date of posting (if posted to an address in another country); and
 - (iv) in the case of email, at the earliest of:
 - (A) the time that the sender receives an automated message from the intended recipient's information system confirming delivery of the email;
 - (B) the time that the intended recipient confirms receipt of the email by reply email; and

- (C) three hours after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives, within that three hour period, an automated message that the email has not been delivered,

but if the result is that a Notice would be taken to be given or made and received:

- (v) in the case of delivery by hand or post, at a time that is later than 5pm;
- (vi) in the case of delivery by email, at a time that is later than 7pm; or
- (vii) on a day that is not a Business Day,

in the place specified by the intended recipient as its postal address under paragraph (b), it will be conclusively taken to have been duly given or made and received at the start of business on the next business day in that place.

15.14 Counterparts

- (a) This Agreement may be executed in any number of counterparts, each executed by one or more parties. All of the counterparts together constitute the one document, as if the signatures on the counterparts were on a single copy of this Agreement.
- (b) To the extent permitted by law, a counterpart may be executed electronically. A party may do this by executing a full counterpart of this Agreement and delivering or electronically transmitting the counterpart to each other party or their representative.
- (c) Signatures on behalf of one party that are on different counterparts will be taken to be, and have the same effect as, signatures on the same counterpart and on a single copy of this Agreement.

15.15 No right of set-off

Unless this Agreement expressly provides otherwise, a party has no right of set-off against a payment due to another party.

15.16 Relationship of parties

Unless this Agreement expressly provides otherwise, nothing in this Agreement may be construed as creating a relationship of partnership, of principal and agent or of trustee and beneficiary.

Schedule 1

Party Details

Investor	Notice Details
LG Energy Solution, Ltd	Parc. 1 Tower 108, Yeoui-daero, Yeongdeungpo- gu, Seoul, 07335, the Republic of Korea
Aggregate Amount	USD\$ 30 million

Schedule 2

Convertible Note Certificate

NOVONIX Limited
ACN 157 690 830
(Issuer)

CONVERTIBLE NOTE CERTIFICATE

This is to certify that

[*]

is the registered holder of [No. of Notes] Convertible Notes issued by the Issuer having an aggregate Principal Amount of AUD \$[*] on and subject to the terms and conditions contained in the Convertible Note Agreement dated [*].

Dated:

Executed by NOVONIX Limited (ACN 157 690 830) in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director

Signature of director / company secretary

Print Name

Print Name

Executed as an Agreement.

Signed on behalf of **NOVONIX Limited**
(ACN 157 690 830) by its authorised
representative:



Signature

Chris Burns

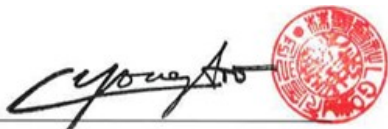
Print Name

CEO

Title

Executed as an Agreement

Signed on behalf of **LG Energy Solution, Ltd.**
by its authorised representative:

A handwritten signature in black ink is written over a horizontal line. To the right of the signature is a red circular stamp containing the LG Energy Solution logo and Korean text.

Signature

Kwon Youngsoo

Print Name

CEO

Title

List of Subsidiaries of NOVONIX Limited

Company Name	Country of Incorporation
GRA Operations Pty Ltd	Australia
MD South Tenements Pty Ltd	Australia
NAM IP LLC	United States (Delaware)
Novonix BTS Holding 1 Limited (f/k/a J.C. Burns Holding Company Limited)	Canada (Nova Scotia)
Novonix BTS Holding 2 Limited (f/k/a D.A. Stevens Holding Company Limited)	Canada (Nova Scotia)
Novonix Corp.	United States (Delaware)
NOVONIX Anode Materials LLC (f/k/a PureGraphite)	United States (Delaware)
NOVONIX 1029 LLC	United States (Delaware)
NOVONIX Battery Technology Solutions, Inc.	Canada

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The certification set forth below is being submitted in connection with the Annual Report on Form 20-F for the twelve months ended December 31, 2023 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Nicholas Liveris, certify that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 28, 2024

By: _____ /s/ Nicholas Liveris
Nicholas Liveris
Chief Financial Officer

EXHIBIT 97

Clawback Policy

NOVONIX Limited ACN 157 690 830

Adopted on October 24, 2023

NOVONIX LIMITED
POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

A. OVERVIEW

In accordance with the applicable rules of The Nasdaq Stock Market (the “**Nasdaq Rules**”), Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) (“**Rule 10D-1**”), the Board of Directors (the “**Board**”) of Novonix Limited (the “**Company**”) has adopted this Policy (the “**Policy**”) to provide for the recovery of erroneously awarded Incentive-based Compensation from Executive Officers. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in Section H, below.

B. RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

(1) In the event of an Accounting Restatement, the Company will reasonably promptly recover the Erroneously Awarded Compensation Received in accordance with Nasdaq Rules and Rule 10D-1 as follows:

- (i) After an Accounting Restatement, the Remuneration Committee (if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board) (the “**Committee**”) shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall promptly notify each Executive Officer with a written notice containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable.
 - (a) For Incentive-based Compensation based on (or derived from) the Company’s stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement:
 - i. The amount to be repaid or returned shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the Company’s stock price or total shareholder return upon which the Incentive-based Compensation was Received; and
 - ii. The Company shall maintain documentation of the determination of such reasonable estimate and provide the relevant documentation as required to Nasdaq.
- (ii) The Committee shall have discretion to determine the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section B(2) below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer’s obligations hereunder.
- (iii) To the extent that the Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, it shall be appropriate for any

such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.

- (iv) To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

(2) Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section B(1) above if the Committee (which, as specified above, is composed entirely of independent directors or in the absence of such a committee, a majority of the independent directors serving on the Board) determines that recovery would be impracticable *and* any of the following two conditions are met:

- (i) The Committee has determined that the direct expenses paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before making this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, documented such attempt(s) and provided such documentation to the Nasdaq;

or

- (ii) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

C. DISCLOSURE REQUIREMENTS

The Company shall file all disclosures with respect to this Policy required by applicable U.S. Securities and Exchange Commission ("**SEC**") filings and rules and as may otherwise be required by applicable Australian Securities Exchange (ASX) listing rules.

D. PROHIBITION OF INDEMNIFICATION

The Company shall not be permitted to insure or indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid or awarded to an Executive Officer from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date of this Policy).

E. ADMINISTRATION AND INTERPRETATION

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected individuals.

The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy and for the Company's

compliance with Nasdaq Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or Nasdaq promulgated or issued in connection therewith.

F. AMENDMENT; TERMINATION

The Committee may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary. Notwithstanding anything in this Section F to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any U.S. federal securities laws, applicable Australian laws and regulations, ASX listing rules, SEC rules or Nasdaq rules.

G. OTHER RECOVERY RIGHTS

This Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law or guidance from the SEC or Nasdaq, their beneficiaries, heirs, executors, administrators or other legal representatives. The Committee intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any policy of the Company or any provision in any employment agreement, equity award agreement, compensatory plan, agreement or other arrangement.

H. DEFINITIONS

For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

(1) “**Accounting Restatement**” means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement).

(2) “**Clawback Eligible Incentive Compensation**” means all Incentive-based Compensation Received by an Executive Officer (i) on or after the effective date of the applicable Nasdaq Rules, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to any Incentive-based Compensation (whether or not such Executive Officer is serving at the time the Erroneously Awarded Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period (as defined below).

(3) “**Clawback Period**” means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date (as defined below), and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years.

(4) “**Erroneously Awarded Compensation**” means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

(5) “**Executive Officer**” means each individual who is currently or was previously designated as an “officer” of the Company as defined in Rule 16a-1(f) under the Exchange Act. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include each executive officer who is or was identified pursuant to Item 6.A of Form 20-F, as well as the principal financial officer and principal accounting officer (or, if there is no principal accounting officer, the controller).

(6) “**Financial Reporting Measures**” means measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company’s financial statements or included in a filing with the SEC.

(7) “**Incentive-based Compensation**” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(8) “**Nasdaq**” means The Nasdaq Stock Market.

(9) “**Received**” means, with respect to any Incentive-based Compensation, actual or deemed receipt, and Incentive-based Compensation shall be deemed received in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation to the Executive Officer occurs after the end of that period.

(10) “**Restatement Date**” means the earlier to occur of (i) the date the Board, a committee of the Board or the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

Effective as of October 2, 2023.

Exhibit A

ATTESTATION AND ACKNOWLEDGEMENT OF POLICY FOR THE RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

By my signature below, I acknowledge and agree that:

- I have received and read the attached Policy for the Recovery of Erroneously Awarded Compensation of Novonix Limited (this "**Policy**").
- I hereby agree to abide by all of the terms of this Policy both during and after my employment with the Company, including, without limitation, by promptly repaying or returning any Erroneously Awarded Compensation to the Company as determined in accordance with this Policy.
- I hereby waive any right to the indemnification, insurance or advancement of expenses by the Company with respect to any Erroneously Awarded Compensation in accordance with Section D of this Policy.

Signature:_____

Printed Name:_____

Date:_____

