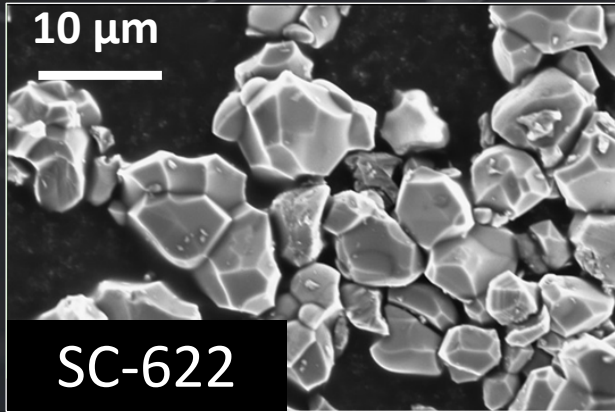
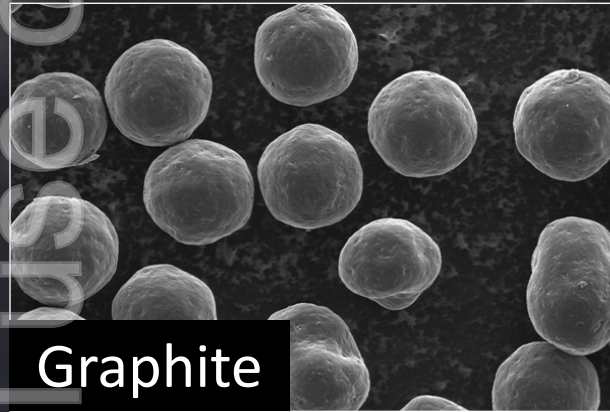


NOVONIX

NOVONIX LIMITED



Quarterly Activities Report
October – December 2021

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Contents

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 - Corporate Update
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 - Cathode Synthesis Technology Update
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 - New Additions to the Team
 - NOVONIX Anode Materials Growth Opportunity

NOVONIX Notable Milestones



19 Jan 2021: Leading researcher, Dr. Jeff Dahn appointed as Chief Scientific Advisor, effective July 2021



12 Feb 2021: NOVONIX entered into a new five year research sponsorship agreement with Mark Obrovac's Research Group of Dalhousie University



ASX
AUSTRALIAN SECURITIES EXCHANGE

26 Feb 2021: Completion of ASX equity raise of A\$115m to support growth of NOVONIX Anode Materials with an additional ~A\$16m from directors



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



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



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

January 2021

Today



21 Jan 2021: NOVONIX Anode Materials selected to receive US \$5.57mm grant from the US Department of Energy



19 Feb 2021: Emera and NOVONIX partner on innovative residential energy storage technology



Apr 2021: Completed installation of first Generation 2 furnace system built by Harper under our strategic partnership program and initiated build of first Gen 3 furnace



20 Oct 2021: Zhanna Golodryga joins the Board of Directors as Phillips 66 right to nominate a Director. Ms. Golodryga is the SVP, Chief Digital and Administrative Officer for Phillips 66



09 Jan 2022: Filed draft registration statement with U.S. SEC in connection with a potential Level II ADR Program on the Nasdaq



24 Jan 2021: Letter of Intent signed to enter anode material supply agreement and make strategic investment in US-based KORE Power

Corporate Activities (1 of 2)

October – December 2021

- Phillips 66 nominated Zhanna Golodryga to NOVONIX board – 20 October 2021 (see slide 10)
- NOVONIX hosts Secretary of Energy Jennifer M. Granholm for Opening of NOVONIX's New Riverside Facility – 23 November 2021 (see slide 6)
- Held FY2021 AGM – 29 November 2021
 - Admiral Bob Natter Elected to Chairman of NOVONIX Board of Directors
- Included in S&P/ASX 200 Index – 3 December 2021
- Received \$1.675 million CAD from Next Generation Manufacturing Canada (Ngen), Supporting Battery Materials Development Capabilities – 7 December 2021
- Released Preliminary Results of Environmental Impact Study Showing 60% decrease in CO₂ emissions – 19 December 2021
- Cash balance as of 31 December 2021: \$259.9 million AUD
- Payments to Related Parties
 - A total of \$286,000 was paid to directors and their associates for salaries, director fees and superannuation during the quarter ended 31 December 2021.

Corporate Activities (2 of 2)

Post-December Quarter and Ongoing:

Post-December Quarter:

- Filed 20-F Registration Statement Publicly with the SEC, Commencing Process for Nasdaq Listing – 9 January 2022
- Phillips 66, NOVONIX Sign Technology Development Agreement to Advance Production of Anode Material for Lithium-Ion Batteries in North America – 19 January 2022
- Announced Intent to Enter Anode Material Supply Agreement and Make Strategic Investment in US-based KORE Power – 24 Jan 2022 (see slide 7)
 - NOVONIX to be the exclusive supplier of graphite anode material to KORE Power's US operations
 - NOVONIX to invest \$25M USD for an approximately 5% stake in KORE Power

NOVONIX continues to:

- Engage in qualification programs and production capacity planning with prospective cell manufacturer and automotive OEM customers
- Leverage NOVONIX Battery Technology Solutions' (BTS) position in the market to identify strategic partnership opportunities for new technology development with new and existing customers
- Engage and progress relationships with multiple international partners for potential technology partnership opportunities
- Monitor clean energy policies in North America and Europe and liaise with relevant agencies
- Assess opportunities to develop the Mt. Dromedary high grade graphite deposit asset located in Northern Queensland, Australia

NOVONIX Anode Materials Activities

October – December 2021

- US Secretary of Energy Jennifer Granholm featured as keynote speaker at opening of new NOVONIX Riverside facility (see slide 6)
- Production Equipment and Capacity:
 - Generation 2 furnace system in continuous operation with second system being commissioned in Q3
 - First two Generation 3 furnace systems completing installation and being commissioned in Q3
 - Additional necessary equipment to meet ongoing production targets continues on track
- Engineering design work continues both on optimizations for Riverside as well as for 30ktpa expansion plans to meet 2025 targets
- Engaged Minviro on life cycle assessment of NOVONIX's GX-23 grade graphite material with preliminary results showing a 60% decrease in CO₂ emissions compared to current processing of synthetic graphite in China
- Technology Development Agreement signed with Phillips 66 with leverage both parties' expertise to collaborate on development and optimization of feedstock and anode processing with the goal higher performance, lower carbon intensity materials
- Continued engagements with Samsung SDI and Sanyo with plans to defer deliveries and provide material meeting specifications using Generation 3 furnace technology
- Signed letter of intent to enter into first large volume supply agreement with KORE Power (see slide 7)
- Progressed relationships with prospective customers with strong growing demand in the United States for local supply of synthetic graphite

Secretary of Energy Jennifer M. Granholm Celebrates NOVONIX's New Riverside Facility



Key Observations

- Purchased on July 28th, 2021, this 400,000+ square-foot plant will allow for 10,000 tonnes per year of synthetic graphite anode material production by 2023
- On November 22nd, 2021, NOVONIX celebrated Riverside Recharged to inaugurate the new Riverside facility with keynote speaker Secretary of Energy Jennifer M. Granholm
- Other speakers included:
 - Director Andrew Liveris AO
 - Director Zhanna Golodryga
 - CEO Chris Burns
 - U.S. Rep. Chuck Fleishmann
 - TN ECD Commissioner Bob Rolfe
 - Hamilton County Mayor Jim Coppinger
 - City of Chattanooga Mayor Tim Kelly
 - Former U.S. Senator Bob Corker
- “The local support for this means not just something for Chattanooga, and it's not just for Tennessee, but it really is for the country. The fact that we're at a facility that once employed about 230 people and that now is going to employ 300 people, making the future of our transportation energy system secure, is such a great day for America.” - Secretary of Energy Jennifer M. Granholm

Strategic Relationship with KORE Power

Highlights of Proposed Agreements



- KORE Power is a leading US based developer of battery cell technology for clean energy industries
- NOVONIX and KORE Power have worked together since 2019 through NOVONIX's BTS division to improve and validate KORE's battery technology
- KORE announced on 29 July 2021 the intention to build KOREPlex, a one million square foot manufacturing that will support up to 12 GWh of battery cell production in Buckeye, AZ
- KOREPlex scheduled to begin production in early 2023
- Through the intended Supply Agreement, NOVONIX will be the exclusive supplier of graphite anode material to KOREPlex which when in full production will be close to 12,000 tonnes per year of material
- NOVONIX will invest \$25M USD to acquire a roughly 5% stake in KORE Power



Sandra Watson of the Arizona Commerce Authority, Buckeye Mayor Eric Orsborn, Gov. Doug Ducey and Kore Power CEO Lindsay Gorrill announce Kore's investment in Buckeye.

Kore Power to invest \$1B in Buckeye

www.westvalleyview.com

Battery Technology Solutions (BTS) and Cathode Activities

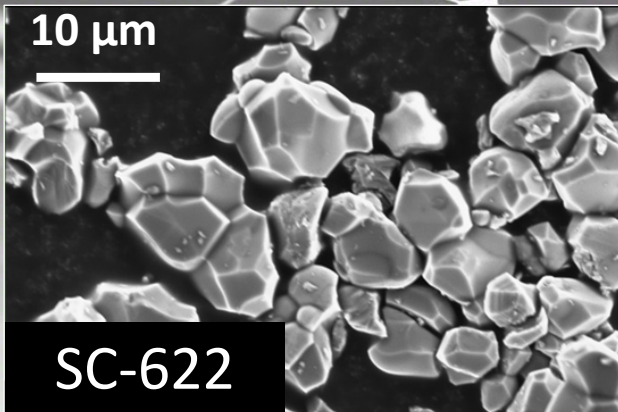
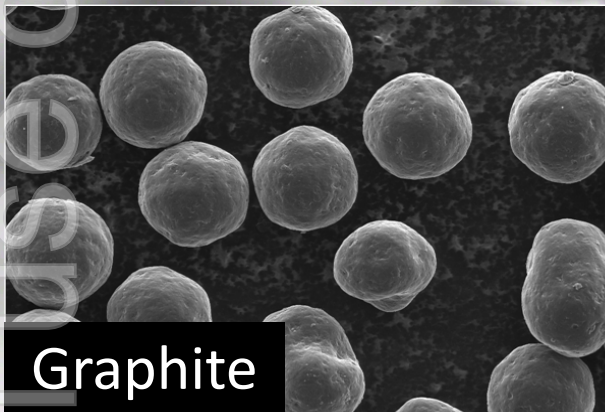
October – December 2021

Battery Technology Solutions Activities:

- Continued strong revenue growth each quarter with expansion of hardware sales and R&D service offerings by adding and growing key strategic accounts
- Increased team size from 27 to 56 during calendar year 2021
- Continued renovations and upgrades to second BTS facility that will be dedicated to hardware development and cathode pilot line, preparing for move-in during the third quarter of this fiscal year

Cathode Synthesis Technology Activities:

- Expanding internal cathode development team and capabilities
- Continued process development internally and collaboratively with Dr. Obrovac's group at Dalhousie pursuing new IP
- Equipment for 10 tonne per annum capable demonstration line on track to begin installation and commission this fiscal year
- Received \$1.675 million CAD from Next Generation Manufacturing Canada (Ngen), Supporting Battery Materials Development Capabilities toward support of the expanded cathode demonstration line



Appendix

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Zhanna Golodryga Joined NOVONIX – 20 October 2021

Zhanna Golodryga Overview

- Zhanna Golodryga joins the Board of Directors as Phillips 66 (NYSE: PSX) right to nominate a Director pursuant to their strategic investment in NOVONIX
- Ms. Golodryga is the SVP, Chief Digital and Administrative Officer for Phillips 66
- Over 30 years of experience in the energy industry and the information technology field
- Currently serves on the boards of Regions Financial Corp. (NYSE: RF), and Memorial Hermann Foundation, and chairs the AspenTech Executive Advisory Board
- Holds a master's degree in mechanical engineering from Kiev Engineering and Construction Institute in the Ukraine

We are thrilled to welcome Zhanna Golodryga to our Board of Directors

“At Phillips 66, we are working with NOVONIX on expanding the U.S. battery supply chain as part of our commitment to developing lower-carbon solutions,” Ms. Golodryga said.

“I am looking forward to working with the NOVONIX team to find ways to successfully scale the company’s technology.”



NOVONIX

We make battery technology count

Battery Manufacturers and Auto OEMs have Announced New Gigafactories to Support NA EV Growth

Gigafactories Announced before 2021

Battery Manufacturer	Auto OEM	Investment	2025E Capacity	Status	State
LG Chem		\$300M	16 GWh	Operating	MI
		NA	53 GWh	Operating	NV
		NA	10 GWh	Operating	TN
LG Chem		\$2.3B	15 GWh	Announced Dec'19	OH
		\$1B	95 GWh	Operating 2021	TX
		\$1.7B	10 GWh	Operating 2022	GA
Total:		\$5.3B	199 GWh		

Gigafactories Announced since 2021

Battery Manufacturer	Auto OEM	Investment	2025E Capacity	Status	State
LION ELECTRIC	LION ELECTRIC	\$185M	5 GWh	Operating 2022	QC
	NA	NA	32 GWh ⁽¹⁾	Operating 2022	NY
LG Chem		\$2.3B	35 GWh	Operating 2023	TN
		~\$0.8B	12 GWh	Operating 2023	GA
		\$11.4B	129 GWh ⁽²⁾	Operating 2025	KY/TN
KOREPOWER	NA	NA	12 GWh	Operating Q2 2023	AZ
	NA	NA	60 GWh ⁽³⁾	NA	QC
		NA	40 GWh 40 GWh	Operating Q1 2024 Operating 2025	TBD
		\$1.3B	NA	Operating 2025	TBD
Total:		\$16.0B	365 GWh		

Source: Company press releases and management analysis.

(1) Expected capacity by 2028. (2) Expected capacity by 2025 across 3 plants: 2 in Kentucky and 1 in Tennessee. (3) Included in 2030 implied Anode and Cathode material demand.

Contact Information

NOVONIX Anode Materials

1029 West 19th Street, Chattanooga, TN, 37408, USA



353 Corporate Place, Chattanooga, TN, 37419, USA



NOVONIX BTS

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



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



Send all investor queries to: IR@novonixgroup.com

This announcement has been authorised for release to the ASX by the Chairman, Admiral Robert J. Natter, USN Ret..



ASX: NVX

OTCQX: NVNXF

Appendix 4C

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

Name of entity

NOVONIX LIMITED

ABN

54 157 690 830

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,217	3,881
1.2 Payments for		
(a) research and development	(2,066)	(2,972)
(b) product manufacturing and operating costs	(597)	(2,045)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(6,372)	(10,089)
(f) administration and corporate costs	(5,168)	(8,758) ¹
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(575)	(852)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	4,952	5,099
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(7,606)	(15,733)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(25,831)	(94,086)
(d) investments	-	-
(e) intellectual property	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	(5)	(60)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Refunds/(Payments) for security deposits	1,884	(18,249)
2.6	Net cash from / (used in) investing activities	(23,952)	(112,395)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	208,138
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(158)	(158) ¹
3.5	Proceeds from borrowings	1,365	43,524
3.6	Repayment of borrowings	(280)	(411)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(104)	(208)
3.10	Net cash from / (used in) financing activities	823	250,885
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	290,971	136,664
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(7,606)	(15,733)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23,952)	(112,395)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	823	250,885
4.5	Effect of movement in exchange rates on cash held	(312)	503
4.6	Cash and cash equivalents at end of period	259,924	259,924

¹ Reclassification of \$1,191 of Q1 FY22 US IPO costs from transaction costs related to issue of equity securities to administration and other corporate costs. Also includes \$3.4M of tax withholding obligations on the vesting of employee performance rights.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	249,924	280,971
5.2	Call deposits	10,000	10,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	259,924	290,971

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
286
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties (directors and Nick Liveris) includes director fees, salary and wages, bonuses and superannuation.

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7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	50,173	49,463
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	50,173	49,463

7.5 **Unused financing facilities available at quarter end** 710

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

- Loan facility with BDC for CAD\$2,680,000 secured by first mortgage over the group's freehold land and buildings. The facility is repayable in monthly instalments ending 15 November 2042. Interest rate is variable and is currently 4.55%. As at 31 December 2021 the facility had CAD\$414,000 available.
- On 28 May 2021, the Group purchased commercial land and buildings in Nova Scotia, Canada for CAD\$3,550,000 from which the Cathode business will operate. The Group entered into a loan facility with BDC to purchase the land and buildings. The total available amount under the facility is CAD \$4,375,000 and it has been drawn down to CAD\$4,259,000 as at 31 December 2021. The balance of the facility will be used to fund renovations to the building. The full facility is repayable in monthly instalments, commencing 31 May 2022 and ending 30 April 2047. The land and buildings have been pledged as security for the bank loan.
- Contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD\$1,000,000. As at 31 December 2021 it has been fully drawn down and the balance outstanding is CAD\$755,000. The facility is interest free and repayable in monthly instalments.
- Contribution agreement with Atlantic Canada Opportunities Agency (ACOA), for CAD\$250,000. As at 31 December 2021 it has been drawn down to CAD\$125,000. The facility is interest free and repayable in monthly instalments.
- On 28 July 2021, the Group purchased commercial land and buildings in Chattanooga for USD \$42.6M to expand the NAM business. The Group entered into a loan facility with PNC Real Estate to purchase the land and buildings. The total available amount under the facility is USD\$30,100,000 and it has been fully drawn down as at 31 December 2021. The facility is repayable in monthly instalments, commencing September 2021 and ending August 2031. The land and buildings have been pledged as security for the loan.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(7,606)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	259,924
8.3	Unused finance facilities available at quarter end (Item 7.5)	710
8.4	Total available funding (Item 8.2 + Item 8.3)	260,634
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	34.3

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

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

Date: 31 January 2022

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

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

[name of board committee – eg Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council’s *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.