

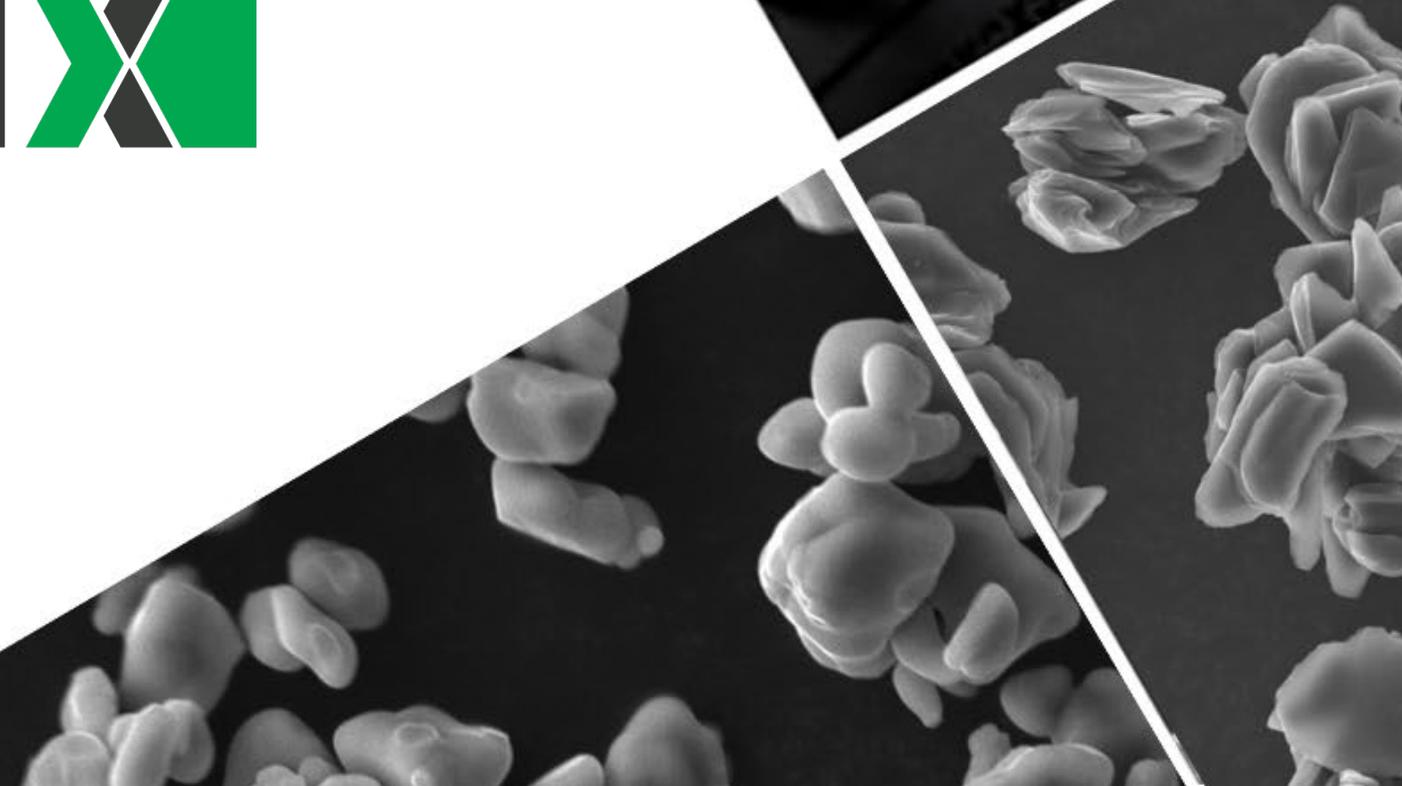
The NOVONIX logo features the word "NOVONIX" in a bold, black, sans-serif font. The letter "X" is stylized with a green square on its right side, and a white diagonal line crosses through the center of the "X".

# NOVONIX

A small green arrow icon pointing to the right, positioned to the left of the text.

## ► Set for Growth

Third Quarter Activities Report Update  
October 2023



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# Providing Revolutionary Solutions to the Battery Industry

## Investment Highlights



Leading U.S. based battery materials and technology Company with lower carbon footprint



Large and growing market for battery materials supported by localization efforts



Intellectual property portfolio for synthetic graphite manufacturing and all-dry, zero-waste NMC cathode synthesis



Battery Technology Solutions provides competitive advantage to accelerate innovation



Customer and government financing support paving a path to profitability as a sector leader

# NOVONIX



*Riverside Facility in Tennessee*

# China Announces Export Controls on Graphite

- Strong reliance on Chinese material presents challenges for IRA compliance
- China's recent announcements on export controls for battery graphite present significant risk to supply chain in USA

## China imposes export curbs on graphite

Restrictions on critical electric vehicle battery material set to escalate trade tensions with US



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China

### China, world's top graphite producer, tightens exports of key battery material

By Siyi Liu and Dominique Patton

October 21, 2023 4:08 AM GMT+9 · Updated 2 days ago

BEIJING, Oct 20 (Reuters) - China said on Friday it will require export permits for some graphite products to protect national security, springing a surprise with another bid to control critical mineral supply in response to challenges over its global manufacturing dominance.

**CNN BUSINESS** Markets Tech Media Calculators Videos

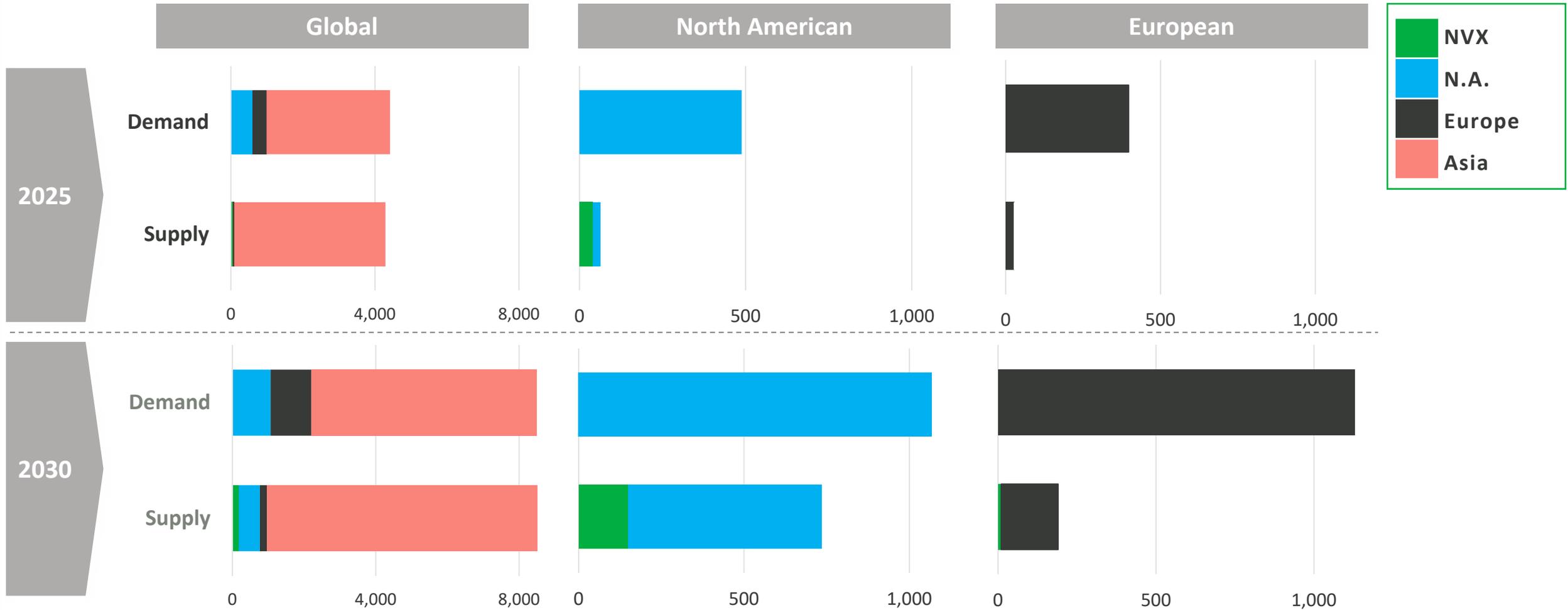
### China restricts exports of graphite as it escalates a global tech war

By Juliana Liu  
3 minute read · Updated 7:22 AM EDT, Fri October 20, 2023



# Non-Asia Anode Material Supply Shortfalls

Graphite Supply and Demand, thousand tpa



Source: Benchmark Mineral Intelligence, Company Reports, NVX estimates.

# Third Quarter Activity Highlights

## NOVONIX Anode Materials

- Achieved Key Milestones and Established Pathway to Profitable Anode Material Production in the U.S.
- Active Negotiations on DOE Grant Terms and Conditions
- Continued Progress Towards DOE ATVM Loan
- Progressed Anode Customer Discussions and NAM Operational Targets

## NOVONIX Battery Technology Solutions

- Commissioned Cathode Pilot Line
- Announced Results of Engineering Study on Proprietary All-Dry, Zero-Waste Cathode Synthesis Process
- Secured Financial Support from the Government of Canada for Cathode and Data Product Research and Development
- Announced Collaboration with SandboxAQ on Breakthrough AI Solutions for Battery Technology

## Corporate

- Announced Appointment of Suresh Vaidyanathan to Board of Directors
- Quarter End Cash Balance of US\$86.8 million

# NOVONIX is Localizing the Synthetic Graphite Supply Chain

## NOVONIX Anode Material Progress & Advantages



### Domestic Supply

Producing high-performance synthetic graphite materials sustainably for local supply of Tier 1 battery and OEM customers



### High Performance

Our products are developed to meet or exceed Tier 1 EV OEM's specifications



### Cleaner, More Efficient Technology

Produced with cleaner energy sources with virtually zero emissions and uses no harmful chemicals



### Strategic Relationships

Leveraging close collaboration with partners and customers to bring our anode materials to market

## Key Strategic Relationships & Highlights



LG Energy Solution



- Signed a Joint Research and Development Agreement (JDA) with LGES in June 2023
  - Upon completion of JDA, LGES has the option to purchase up to 50,000 tonnes of artificial graphite anode material over a 10-year period
  - LGES invested \$30M in convertible notes
- Supply Agreement with KORE Power scaling to ~12,000 tpa of anode material
- MOU agreements with both Panasonic Energy and Samsung SDI for evaluation of NOVONIX materials
- In August 2021, Phillips 66 made a \$150 million strategic investment to become NOVONIX's largest shareholder and engaged PSX in technology development agreement
- Partnership with Harper International, a domestic specialized furnace technology leader, developing and supplying NOVONIX with proprietary systems for thermal processing

# Riverside Facility Begins Production in 2024

## Riverside Facility Overview

- In 2021 celebrated opening of NOVONIX's new Riverside facility attended by US Secretary of Energy, Jennifer Granholm
- NOVONIX has been running Generation 3 Furnaces campaigns through 2023 to better understand furnace performance and provide customer samples
- Supply Agreement with KORE Power to begin deliveries in late 2024 scaling to 12,000 tpa for their KOREplex Facility



Riverside Facility in Chattanooga, Tennessee

## Riverside Update & Next Steps

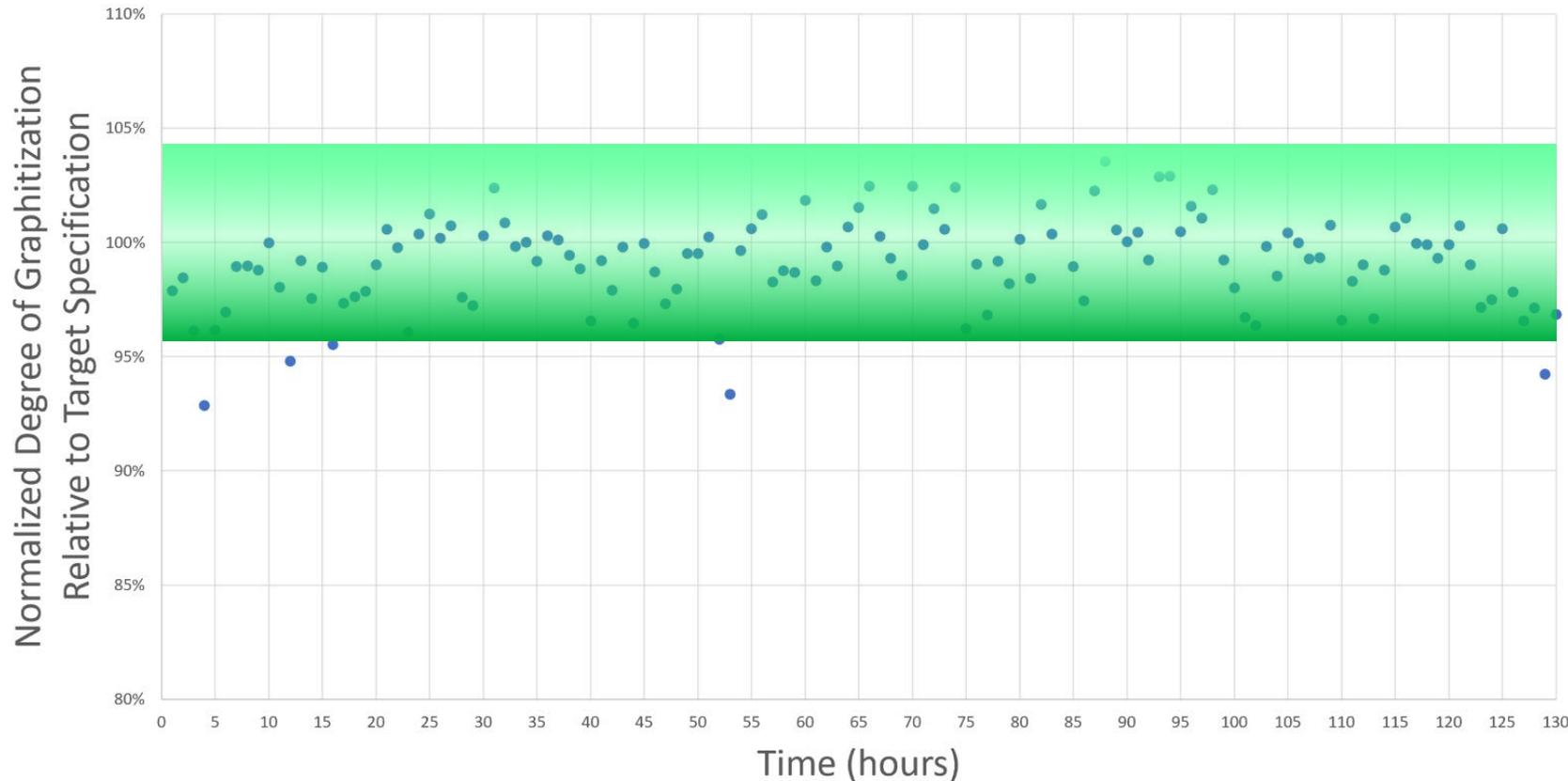
- Demonstrated successful production with the Company's Generation 3 Furnaces meeting design targets, including throughput, cost, and sustainability targets
- Increased production capacity target from 10,000 tpa to up to 20,000 tpa for Riverside Facility
- Expected capital and operating costs for future facilities projected to be lower than the Company's initial estimates
- Engineering anticipated by Q1 2024 to support ordering of mass production equipment for Riverside buildout and supports potential future expansions



NOVOX Generation 3 Continuous Induction Furnace Systems

# NOVONIX has Demonstrated Meeting Target Product Specifications

## Product Quality vs. Hours of Operation

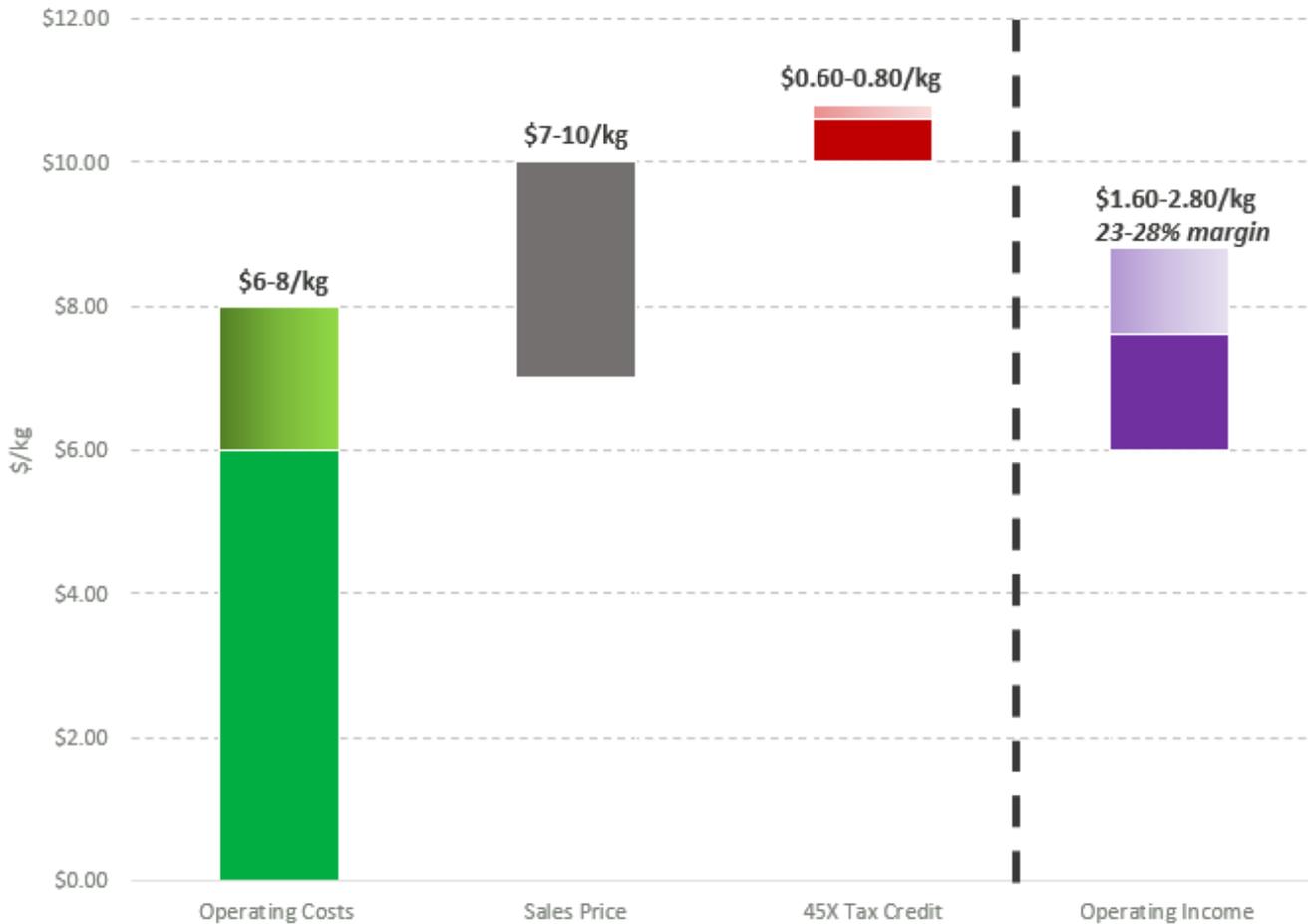


## Highlighted Achievements

- GX-23 was analyzed and met all its target physical and electrochemical specifications in a recent production campaign, data shown in the chart demonstrating 130 hours of in-spec material
- The continuous output from a single Generation 3 Furnace, producing multiple tonnes of material, was confirmed to meet the target for the degree of graphitization for the product
- Meeting production targets at competitive cost while reaching our high-energy efficiency target with a near zero-emission process

# NOVONIX has Demonstrated a Pathway to Profitable Production in the USA

## Riverside Facility Unit Economics Overview



## Highlights

- Recent production campaigns validate furnace throughput and demonstrate improved unit economics for Riverside
- Unit economics expected to improve with increased scale of facility
- Pricing to range dependent on
  - Product specification
  - Localization premium
  - Government programs
    - Section 301 Tariffs
    - IRA 30D Compliance, 45X, 48C

# Phased Growth Plan Matches Customer Demands

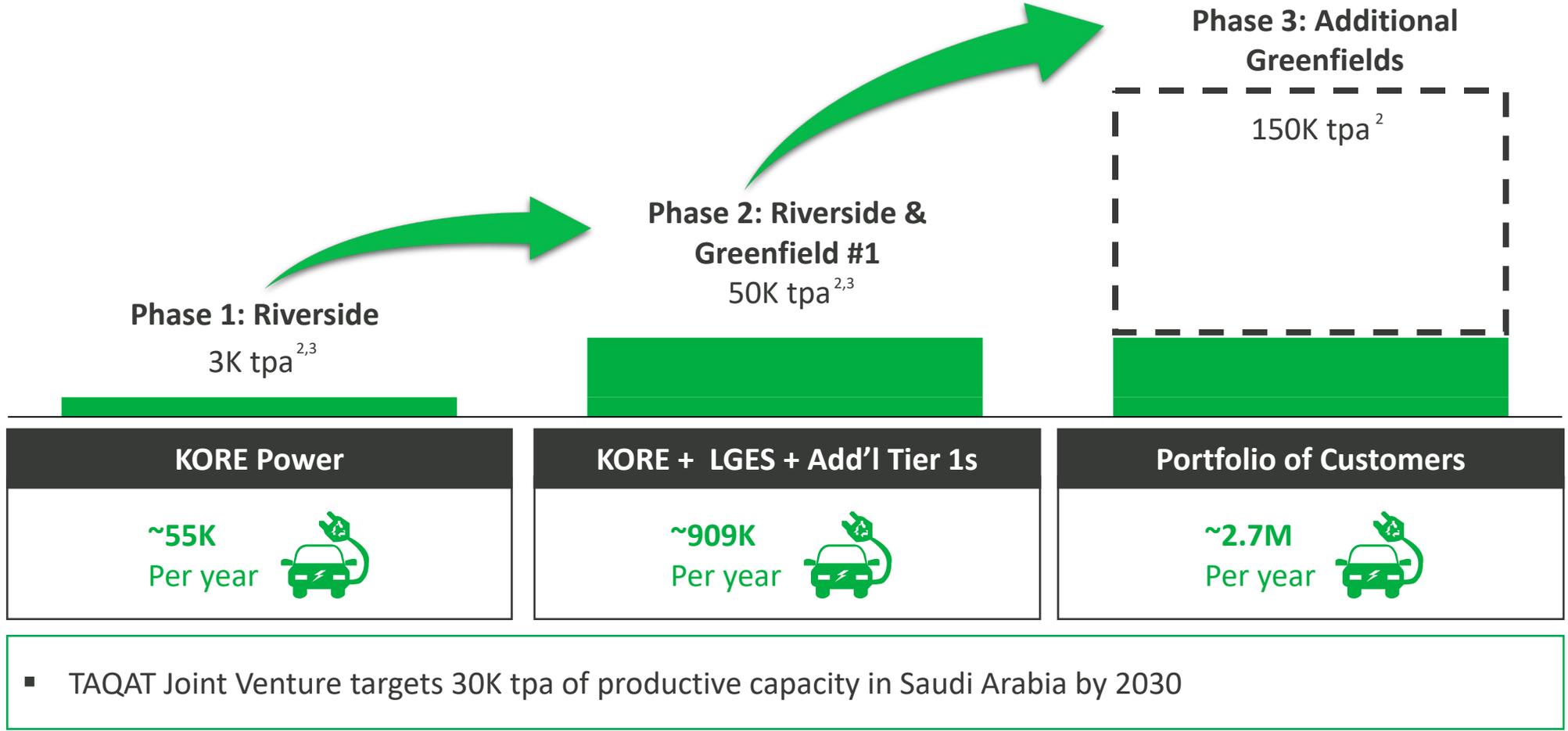
North American Anode Market Share<sup>1</sup>:



**NOVONIX N.A. Capacity / Tonnage Phased Growth**

**NOVONIX's Illustrative N.A. Scale Plan<sup>4</sup>**

**TAQAT JV**



1. Market share based off implied North American graphite demand in 2025, and 2030. Source: Benchmark Mineral Intelligence Gigafactory Assessment – April 2023. Based on announced capacity. Assumes full utilization.  
 2. Company expectations aligned with customer contracts and anticipated customer demand, which may or may not materialize  
 3. KORE Power agreement to supply Koreplex anticipates a ~3,000 tpa delivery rate in 2H 2024 ramping to ~12,000 tpa rate in 2028.  
 4. Assumes 55kg of graphite per EV.

# Industry Leading R&D Powered by Artificial Intelligence

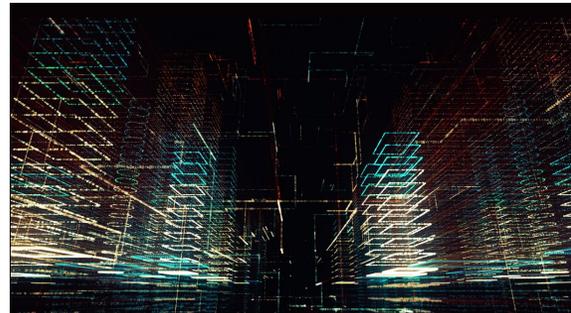
## NOVONIX BATTERY TECHNOLOGY SOLUTIONS

- Leading lithium-ion battery testing equipment and R&D services
- Unparalleled visibility across the entire industry driving value-add opportunities



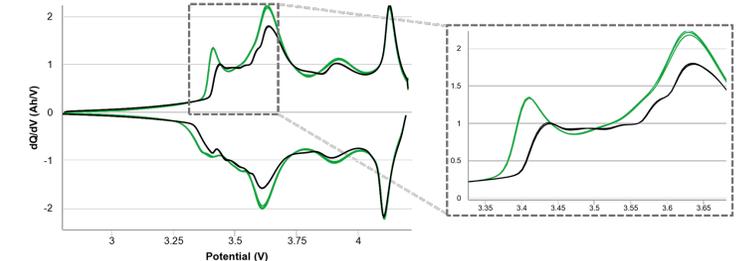
## SANDBOXAQ™

- Enterprise SaaS company that combines artificial intelligence (AI) with quantum analysis (AQ) to address some of the world's most challenging problems
- Alphabet spin-out



### New Product Overview:

- Machine learning algorithms and quantum simulations for battery R&D
  - Data Processing/Visualization
  - Analysis and Report Automation
  - AI and ML tools
  - Materials discovery
  - Cell performance prediction



**NOVONIX AI-powered data and analytics solution will help enable and optimize ongoing materials development and provide a SaaS solution for the industry**

# Cathode Synthesis: Engineering Scoping Study Results

NOVONIX engaged Hatch to provide a 'Process Comparison Study' by contrasting the **NOVONIX All-Dry, Zero-Waste Cathode Synthesis Process** against conventional cathode synthesis for comparative costs and environmental details



## Hatch Study Estimated Findings [FEL-1]

### Capital Intensity Lowered by ~30 %

- Fewer unit operations leads to simplified flowsheet
- Higher mass feed rate due to 'hydroxide-free' feedstock

### Operational Process Expenses Lowered by ~50%

- Fewer unit operations leads to lower labour costs
- Low-to-no processing reagents
- Lower power consumption
  - More efficient calcination
  - Fewer processing steps
- Lower maintenance costs
- Lower waste treatment costs

### More Environmentally Friendly process

- ~27% lower power consumption & CO2 intensity
- ~65% less water usage
- Eliminates production of sodium sulphate biproduct
- No ammonia required removing a significant safety risk

Note: Please see Hatch disclaimer shown in Sept 12, 2023 press release on Study description and estimates.

# Goals for the Future of NOVONIX

Scaling anode materials production capacity to 150K tpa

All-Dry Zero-Waste Cathode technology supported by our proprietary processing

Recognized battery technology leader

Highly developed IP with leading market positions

Forefront of product innovation

Foresee strong cash flow generation and margins

