



**ASX ANNOUNCEMENT**  
(ASX: **NVX**)

4 February 2019

**ACHIEVEMENT OF 75% OF PUREGRAPHITE AND  
PLACEMENT TO ENERGY-SECTOR STRATEGIC INVESTOR**

**HIGHLIGHTS**

- **NOVONIX has exercised its option to increase its ownership in the USA-based PUREgraphite battery anode material business to 75%**
- **The option exercise has been funded via a three-year \$10.9m Convertible Loan Note issue to the St Baker Energy Innovation Fund and another leading Australian institutional investor**
- **The St Baker Energy Innovation Fund, led by Trevor St Baker, is Australia's largest private energy innovation fund**
- **The funds raised have facilitated the exercise of the PUREgraphite option and will provide additional working capital to fund PUREgraphite**

ASX-listed **NOVONIX Limited (ASX: NVX)** ("NOVONIX" or the "Company") is very pleased to announce that it has exercised its option to increase its ownership interest to 75% in the USA-headquartered PUREgraphite battery anode material business in accordance with the terms of the Joint Venture agreement of February 2017.

The option exercise has been funded via a placement to Australia's largest private energy innovation fund, the St Baker Energy Innovation Fund (SBEIF) - led by Trevor St Baker, and another leading Australian institutional investor.

The increase in ownership of PUREgraphite to 75% in accordance with the February 2017 Joint Venture agreement provides NOVONIX with control of the business and significant commercial benefits, including the right to 100% of PUREgraphite anode material production exceeding 1,000 tonnes per annum.

Exercising the PUREgraphite option makes very strong commercial sense as it provides NOVONIX with both control of the business and the right to 100% of PUREgraphite's production in excess of 1,000 tonnes per annum.

Trevor St Baker, founder of the St Baker Energy Innovation Fund said that the investment in NOVONIX complemented the Fund's investments in electric vehicle energy systems.



"The Fund's existing investments include TRITIUM, which is a global leader in fast-chargers for EVs, and Evie Networks, which is rolling-out a national ultra-fast EV charging network around Australia".

"NOVONIX has the world's most advanced battery testing technology, helping battery-makers accelerate battery performance and drive-down battery costs."

"Our investment will help NOVONIX commercialize its PUREgraphite-branded battery anode materials that will deliver better performance, longer-life and lower costs," Mr St Baker said.

NOVONIX Limited Founder and Executive Director, Greg Baynton, said that achievement of control of PUREgraphite and the support from StBEIF marked the start of a new growth phase for the Company.

"Trevor St Baker's *St Baker Energy Innovation Fund* is the largest private investor in this space in Australia, and clearly has a global outlook in the new energy arena.

"This funding will transform our Lithium Ion battery anode material production opportunity and help scale production to achieve levels for initial commercial volumes."

"With the support of the SBEIF and the certainty of this much larger business opportunity in anode materials, 2019 should be a transformational year for NOVONIX", Mr Baynton said.

The \$10.9m placement is being conducted by way of Convertible Loan Notes priced at \$0.40 each, with a term of three years. The Convertible Loan Notes may be redeemed by NOVONIX at any time before expiry, subject to a notice period of 10 business days. This placement is subject to approval by Shareholders at a General Meeting of Shareholders planned for March 2019. The meeting notification and explanatory documentation is currently being finalized and will be dispatched to shareholders in the coming days.

\$10m of the placement funds will be invested by SBEIF, with a \$900,000 co-investment from a major Australian listed investment company. The investors participating in the placement have the right to re-invest the same amount at a 100% premium to the current pricing within a three-year period.

SBEIF has provided a short-term loan of \$6m, funds have been received and utilized to exercise the PUREgraphite option. The short-term loan is unsecured and interest-bearing at the same rate as the Convertible Loan Notes. This short-term loan will be converted to Loan Notes following receipt of Shareholder approval.

### **Key Loan Note Terms**

- Unsecured loan note issued at AUD \$0.40 per note;
- Coupon 10% per annum capitalised over a term of 36 months;
- Convertible at the option of the holder on 1 for 1 basis;
- Redeemable by NVX at any time (with 10 business days' notice);
- The notes are not listed or tradeable;
- 1 for 1 attaching Option, exercisable at \$0.80 per share within three years; and



- Settlement in two tranches (both subject to shareholder approval), with the initial tranche to complete following the General Meeting of Shareholders planned for March 2019 and the second tranche to complete on 1 July 2019 (Notice of General Meeting of Shareholders to be issued shortly).

## FOR FURTHER INFORMATION

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## ABOUT NOVONIX

**NOVONIX LIMITED** (ASX: NVX) is an integrated developer and supplier of high performance materials, equipment and services for the global lithium-ion battery industry with operations in the USA and Canada and sales in 14 countries.

NOVONIX is majority-owner of the PUREgraphite battery anode material Joint Venture, headquartered in Chattanooga, Tennessee, USA.

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

## ABOUT St Baker Energy Innovation Fund

Trevor St Baker AO, is the founder and major shareholder of ERM Power (Australia's second largest electricity supplier to Australian commercial, industrial and government customers and owner low emission gas fired generation, Oakey Power Station and Neerabup Power Station); joint owner of Delta Electricity (Vales Point Coal Fired Power Station) and owner of the St Baker Energy Innovation Fund, Australia's largest private energy innovation fund.

Trevor St Baker's energy innovation fund invests in disruptive future technologies and products in the clean energy sector including electric vehicle charging systems (largest shareholder in TRITIUM and world leader in fast charger systems); electric vehicle charging networks (largest shareholder of "Evie Networks" which has plans to build an Australia wide EV fast charger network); next generation lighting (largest shareholder in Nth Degree Technologies with printed LED lighting); and battery technologies and materials (major shareholder in Printed Energy and now a significant strategic investor in NOVONIX a leading battery testing technology and battery materials development company).

Trevor St Baker is a highly-successful energy entrepreneur who has demonstrated over decades an ability to identify market needs and long-term investment opportunities in the energy sector covering traditional energy infrastructure, transitional energy solutions and energy solutions for the future.

Trevor has a unique and integrated approach to investing in energy with consideration of immediate needs, medium and long-term needs of the market and existing, transitional and emerging technologies.