



ASX ANNOUNCEMENT
(ASX: **NVX**)

23 March 2020

COVID-19 Corporate Update

NOVONIX Limited (ASX: NVX) (“NOVONIX” or “the Company”) hereby provides a specific COVID-19 Update in the context of the various government measures being implemented in the jurisdictions in which the Company operates.

On 10 March NOVONIX commenced the implementation of a COVID-19 Response Plan, and on 12 March, implemented a companywide COVID-19 Protocol applying to all staff, corporate and operational, in all the Company’s operating locations.

The COVID-19 Protocol and Response Plan is focused on protecting people first and ensuring NOVONIX (and its subsidiaries) is implementing the best practices possible to minimise the various risks arising from COVID-19, while maintaining business activities where it is safe to do so.

To date we have been able to maintain all core operating activities and functions at both PUREgraphite in Chattanooga Tennessee and NOVONIX BTS in Halifax Nova Scotia. We have had all staff return to their hometown (or an alternative home-base), cancelled all non-essential travel, implemented cleaning and social distancing practices, home based work, two shift operation and controls over visitors to our operations, cancelling most.

To date, NOVONIX has not experienced any material delays to the commissioning of the PUREgraphite anode material production plant arising from COVID-19. The PUREgraphite team has finished construction and is in the final stages of commissioning its first commercial production system.

NOVONIX expects to be producing finished product from this system at the end of March 2020, subject to unforeseen COVID-19 related events that may impact those plans.

PUREgraphite’s critical supply chains are predominantly within the USA and are currently functioning as normal. Additionally, PUREgraphite has built-up a significant inventory of precursor feedstock materials on site to support operations for at least six months. Provided operations continue despite COVID-19 risks, NOVONIX has the personnel and the supplies locally to continue operating and implementing its business plan with minimal change.

NOVONIX does not expect that short-term shut-downs or a major downturn in the global economy arising from the impact of COVID-19 would alter the current business plan for PUREgraphite. The expected medium-term and long-term demand growth for battery anode materials remains strong, driven by demand growth for electric vehicles and energy storage.

PUREgraphite currently is in its ramp-up phase, building commercial production capacity in the USA from a zero-base. To take advantage of the market opportunity for high-quality, US-

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produced anode material, this commercial ramp-up must continue, irrespective of short-term interruptions and related market conditions.

The Company has not experienced any material impacts on equipment sales, battery testing and R&D services with our NOVONIX BTS business. Its inventories and contingencies have positioned the company well, and its supply chains are still functioning on virtually a business-as-usual basis in accordance with local regulations around limited gatherings and social distancing. Despite this, the Company anticipates that there may be a delayed impact on equipment sales, battery testing and R&D services related to COVID-19 due to the sales cycle significantly slowing for a period. The materiality of the likely impact is difficult to forecast currently.

COVID-19 is also contributing to significant volatility in global markets and currencies. PUREgraphite sales are denominated in US dollars and NOVONIX BTS sales are primarily denominated in US dollars (with some in Canadian dollars). The Company is exposed to foreign exchange rate movements and the Company is actively managing currency risk through conversion of funds into US currency and hedging activities.

NOVONIX is committed to putting the safety of its people and the community first and foremost. In this context, the company is continuing to operate while working with key stakeholders and the relevant authorities to minimise risk and harm for all.

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 more than 14 countries.

NOVONIX's mission is to support the global deployment of Lithium Ion Battery technologies for a cleaner energy future.

FURTHER INFORMATION

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