



ASX ANNOUNCEMENT

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ASX Code: NVX

3 June 2020

Dispatch of Retail Entitlement Offer Information Booklet and Letters to Ineligible Shareholders

NOVONIX Limited ACN 157 690 830 (ASX: NVX) (**NOVONIX** or **NVX**) is conducting a fully underwritten ~\$58.28 million equity raising via:

- (a) a placement to institutional and sophisticated investors to raise \$5.65 million (**Institutional Placement**);
- (b) subject to shareholder approval, a placement to St Baker Energy Innovation Fund (**SBIF**) to raise between \$14.72 million and \$19.45 million (**Strategic Placement**); and
- (c) an accelerated non-renounceable offer of 1 New Share for every 1 existing NOVONIX ordinary Share at \$0.29 per New Share to raise approximately \$37.91 million (**Entitlement Offer**),

(together, the **Equity Raising**).

The Entitlement Offer comprises an accelerated institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Company confirms that in accordance with the timetable for the Equity Raising, the information booklet for the Retail Entitlement Offer, a copy of which was lodged with ASX on 29 May 2020, as well as personalized entitlement and acceptance forms, have been dispatched to eligible retail shareholders. Letters to ineligible shareholders have also been dispatched today, a copy of which is attached to this announcement.

Morgans Corporate Limited ACN 010 539 607 is acting as lead manager and underwriter to the Equity Raising.

This announcement has been authorized for release to the ASX by the Chairman, Tony Bellas, on behalf of the Board.

If you have any queries in relation to this announcement, please contact Greg Baynton, Executive Director, at greg@novonixgroup.com or +61 414 970 566.

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.

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NOVONIX

3 June 2020

Dear Shareholders

NOVONIX Limited Equity Raising – Notice to Ineligible Shareholders

Background

1. On 27 May 2020, NOVONIX Limited ACN 157 690 830 (**NOVONIX**) announced a capital raising via:
 - (a) a proposed placement to institutional investors to raise approximately \$5.65 million (**Institutional Placement**);
 - (b) a strategic placement, subject to shareholder approval, to St Baker Energy Innovation Fund (**SBIF**) to raise between \$14.72 million and \$19.45 million (depending upon the extent to which shortfall shares are placed to it under the Entitlement Offer) (**Strategic Placement**); and
 - (c) a 1 for 1 accelerated non-renounceable entitlement offer of fully paid ordinary shares in Novonix (**New Shares**) to raise approximately \$37.91 million (**Entitlement Offer**),

(together, the **Equity Raising**).
2. The Institutional Placement and Entitlement Offer are fully underwritten by Morgans Corporate Limited ACN 010 539 607 (**Underwriter**). The Institutional Placement and the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) were successfully completed on 29 May 2020. Shareholder approval for the Strategic Placement is being sought at the general meeting on 30 June 2020. Further details of the retail component of the Entitlement Offer (**Retail Entitlement Offer**) are set out in the Offer Booklet lodged with ASX on 29 May 2020.
3. The proceeds of the Equity Raising will be applied principally to:
 - (a) \$25.5 million to redeem all convertible notes and repay the loans.
 - (b) \$23.5M for capex and working capital to achieve 2000tpa anode capacity with DPMG deployment and self-funding capacity.
 - (c) \$5 million for commercialization of DPMG technology for cathode and other million-mile innovations (incl. electrolytes).
 - (d) The remainder will be used for capital raising fees and expenses, and general working capital.

Terms of the Equity Raising

NOVONIX

4. The offer price for the Equity Raising is \$0.29 per new NOVONIX share (**Offer Price**). The Entitlement Offer is being made at the same offer price as the Institutional Placement and Strategic Placement.
5. Under the Entitlement Offer, eligible shareholders will be able to subscribe for one New Share for every 1 existing share held at 7.00pm (Sydney time) on 29 May 2020 (**Record Date**) at the Offer Price (**Entitlements**).
6. NOVONIX will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Offer Booklet and notices given in accordance with sections 708AA(2)(f) and 708AA(12) of the Corporations Act have been lodged with ASX and are available to view on ASX's website (www.asx.com.au).
7. Shareholder approval is not required for NOVONIX to make offers under the Institutional Placement or Entitlement Offer.
8. Fractional Entitlements will be rounded down to the nearest whole number of New Shares, and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.
9. Eligible shareholders may also apply for additional New Shares in excess of their Entitlement at the same price as under the Entitlement Offer (**Top-Up Facility**). Additional New Shares will only be available under the Top-Up Facility where there is a shortfall between applications for New Shares received from eligible shareholders and the number of New Shares proposed to be issued under the Entitlement Offer. There is no guarantee that applicants under this Top-Up Facility will receive all or any of the shares that they apply for under the Top-Up Facility.
10. The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be transferred or otherwise disposed of.

Proposed timetable

11. NOVONIX expects that the Equity Raising will be conducted according to the following timetable:

| Event | Time and Date * |
|---|----------------------------------|
| Announcement of the Equity Raising | Before 12:00 noon on 27 May 2020 |
| Institutional Placement Institutional Entitlement Offer | 27 - 28 May 2020 |
| Announcement results of Institutional Placement and Institutional Entitlement Offer | 29 May 2020 |

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|---|--------------|
| Trading of NOVONIX shares resumes | |
| Record Date for Entitlement Offer (7.00pm) | |
| Information booklet and entitlement and acceptance form and notice of meeting to approve Strategic Placement dispatched | 3 June 2020 |
| Retail Entitlement Offer opens | |
| Issue of New Shares under the Institutional Placement and the Institutional Entitlement Offer | 5 June 2020 |
| Closing date for acceptances under Retail Entitlement Offer (5.00pm) | 18 June 2020 |
| Announcement of results of Retail Entitlement Offer | 23 June 2020 |
| Issue of New Shares issued under the Retail Entitlement Offer | 25 June 2020 |
| Normal ASX trading for New Shares issued under the Retail Entitlement Offer commences | 26 June 2020 |
| Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer | |
| Shareholder meeting to approve Strategic Placement | 30 June 2020 |
| Allotment of shares under the Strategic Placement | |

Notes:

All times are Sydney time.

This timetable is indicative only and subject to change. The board of directors of NOVONIX may vary these dates, in consultation with the Underwriter, subject to the ASX Listing Rules. An extension of the closing date for acceptances under the Retail Entitlement Offer will delay the anticipated date for issue of the New Shares. The board of directors of NOVONIX also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

Capital structure

12. The capital structure of NOVONIX following completion of the Equity Raising is expected to be as follows (ignoring the effect of rounding Entitlements):

| Shares (approx.) | Assuming minimum subscription under the Strategic Placement | | Assuming maximum subscription under the Strategic Placement | | |
|------------------|---|---|---|----|---|
| | Number of Shares | % | Number of Shares | of | % |
| | | | | | |

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|--|-------------|-------|-------------|-------|
| Existing Shares on issue as at 26 May 2020 | 130,721,435 | 39.41 | 130,721,435 | 37.56 |
| Institutional Placement | 19,495,469 | 5.88 | 19,495,469 | 5.60 |
| Entitlement Offer | 130,721,435 | 39.41 | 130,721,435 | 37.56 |
| Strategic Placement | 50,755,077 | 15.30 | 67,085,100 | 19.28 |
| Total | 331,693,416 | 100 | 348,023,439 | 100 |

13. The new NOVONIX shares issued will be fully paid and rank equally with existing ordinary shares on issue in the capital of NOVONIX.

Eligibility of shareholders to participate in the Entitlement Offer

14. The Entitlement Offer is only available to eligible shareholders. NOVONIX has determined under ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer. Accordingly, this letter is to inform you that NOVONIX has determined that you are not an eligible shareholder and you are therefore ineligible to apply for the New Shares. You are not required to do anything in response to this letter.
15. A person is eligible to participate in the Retail Entitlement Offer as an eligible shareholder where the person is a registered holder of ordinary shares in the capital of NOVONIX as at 7.00pm (Sydney time) on the Record Date who:
- (a) has a registered address on the NOVONIX share register in Australia, New Zealand or Canada (Nova Scotia province only);
 - (b) is not in the United States and is not a person (including nominee or custodian) acting for the account or benefit of a person in the United States;
 - (c) was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
 - (d) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus to be lodged or registered.
16. As you do not satisfy the criteria for eligibility, NOVONIX is unable to extend the Retail Entitlement Offer to you.
17. New Shares equivalent to the number of New Shares you would have been entitled to if you were an eligible retail shareholder will be allocated in accordance with the underwriting agreement between NOVONIX and the Underwriter.
18. As the Entitlement Offer is non-renounceable, you will not receive any payment or value for these entitlements in respect of any New Shares that would have been offered to you if you were eligible.



Further information

19. If you have any queries, please contact the Company Secretary on suzie@novonixgroup.com or +61 439 310 818 between 9:00am and 5:00pm (AEST) Monday to Friday, alternatively, consult your stockbroker, solicitor, accountant or other professional financial adviser.

On behalf of the directors, I thank you for your continued support of NOVONIX.

Yours sincerely

A handwritten signature in black ink that reads "Tony Bellas".

Tony Bellas
Chairman
NOVONIX Limited

Important notices

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this letter have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

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