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Novonix Ltd (NVX-NASDAQ)

NVX: CEO Transition Expected to be Smooth

Research Note

Company names new CEO; transition expected to be smooth...

Novonix (NVX-NASDAQ) has named Michael O'Kronley as its new Chief Executive Officer effective next month on May 19, 2025. He has a background in engineering and more than 30 years of automotive experience, including 15 in the areas of lithium-ion battery and battery materials. His most recent position was CEO of Ascend Elements, which is also "creating a domestic supply of critical minerals and engineered lithium-ion battery materials."

With the CFO in place since late 2024, both C-suite executives are relatively new to NVX, but the Novonix Board of Directors and company's strategic advisors have longtime experience with the company. Moreover, former CEO Dr. Chris Burns had indicated that he would stay on as a strategic advisor to the board to ensure a smooth transition and the company's CFO, Robert Long, was interim CEO and will now resume the CFO role and will also help with the transition.

The CEO appointment comes at a time when NVX is moving from an early stage company to a commercial large scale manufacturer of critical materials for the North American battery supply chain. The company's near to medium-term goals are to continue to scale production of synthetic graphite at its Chattanooga plant, commercialize its patented all-dry, zero-waste cathode synthesis process and attain a leadership role in the North American critical minerals supply chain.

Multiple expected competitive advantages include 1st mover advantage, cleaner & more cost efficient processes, plants' proximity to end users…

NVX's Anode and Cathode divisions are each preparing to produce critical materials for the battery supply chains. The anode division is further along in development than the cathode division and is the expected growth engine in the near-term. The company believes it has multiple competitive advantages, including first mover advantage and that its processes are cleaner compared to other producers and its plant and planned second facility are closer to end users, making it easier, more cost efficient and less risky in terms of distribution as NVX advances both its cathode and anode materials units.

Currently, manufacturers in China produce about 65% to 80% of the world's graphite, according to the U.S. Geological Survey and United States Trade Representative (USTR). China accounts for roughly 79% of global production of synthetic anode material and an estimated 80+% of the market for automotive battery anodes. Sourcing critical battery materials primarily from China has potential risks, including geopolitical, economic particularly the impact of tariffs and quotas and logistics and supply side disruptions. By comparison, NVX's existing plant is located in Tennessee, and the planned new facility will also be in Tennessee.

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Environmental Benefits of NOVONIX Technology

	Anode Technology	Cathode Technology
Inputs	• Clean power sources[1] • High purity input materials	• Reduced power requirements • No reagents
Process	• Proprietary furnace and process technology • Increased energy efficiency • No chemical purification	• Proprietary all-dry, zero-waste cathode synthesis technology • Simplified processing requirements and flowsheet
Outputs	• Support higher-performance lithium-ion batteries resulting in longer life • Negligible facility emissions • LCA[2] demonstrated a ~60% decrease in global warming potential	• No sodium sulfate waste • Eliminates process waste-water • Negligible facility emissions

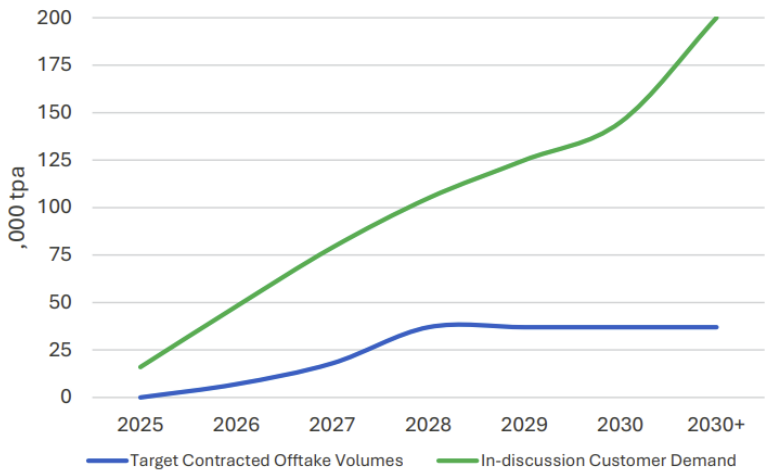
1. Tennessee Valley Authority, 2023 Sustainability Report notes 55% of power is from carbon-free sources
2. The LCA conducted by Minviro Ltd. demonstrated a ~60% decrease in global warming potential relative to conventional anode grade synthetic graphite versus Chinese product

Source: Company reports

Multiple offtake agreements will account for 100% of initial anode capacity, as plans for 2nd plant move forward…

Novonix has signed binding offtake agreements to supply synthetic graphite to multiple key players, including Panasonic Energy, Stellantis, and Volkswagen subsidiary PowerCo. In the aggregate, the company has allocated all the volume of the initial production capacity at its Riverside facility. The company believes Riverside is set to become the first large-scale production facility of high-performance synthetic graphite for the battery sector in North America. With the commitment from Stellantis, which has become the company's largest customer, NVX has secured upfront demand for all available initial volumes at the Riverside plant, plus a portion of volume to be produced at the planned second plant.

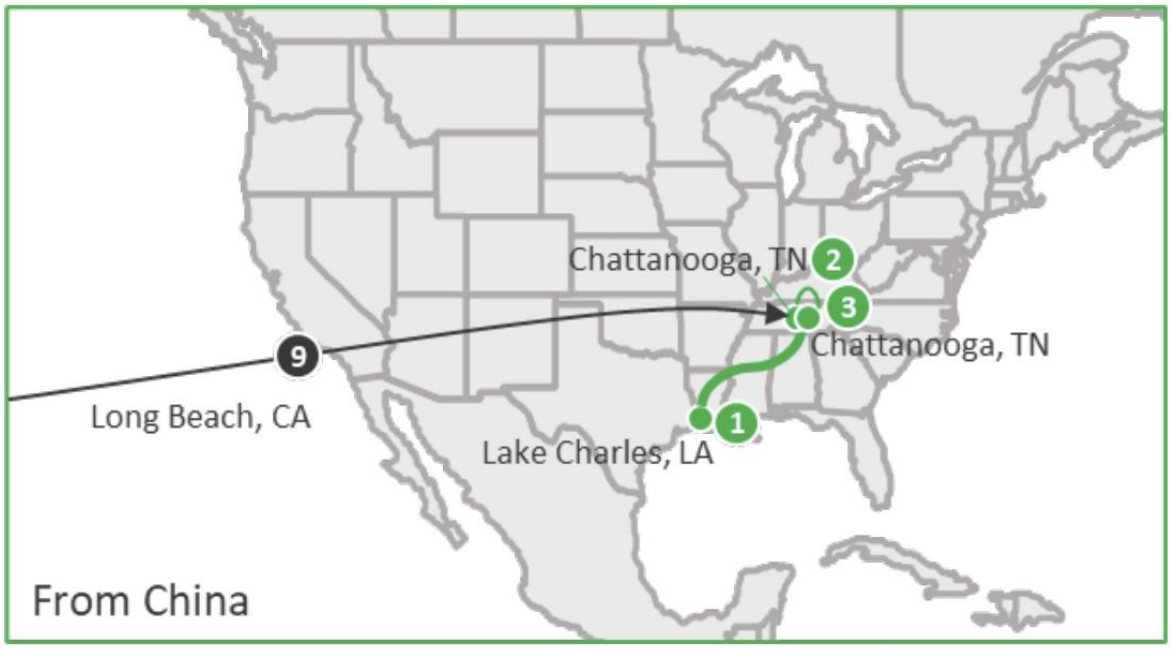
Contracted Customer Volumes[1,2]



1. Contracted volumes shown require product qualification and growth dependent on customer plans and capital availability. NVX will add production lines at facilities to generally align with contracted volumes
2. The volumes shown are management's annual estimates of the offtakes for Stellantis, PowerCo and Panasonic, including the assumption that Panasonic contract is renewed past 2028

Source: Company reports

As noted, NVX's second production facility, Enterprise South, will also be located in Tennessee. Enterprise South, combined with Riverside, which is scaling up production to 20k tonnes per annum (tpa), are expected to increase NVX's total production capacity to more than 50k in Chattanooga by 2028. NVX received approval last month from the City of Chattanooga and Hamilton County to acquire a 182-acre land parcel for Enterprise South, which it will purchase for about US$4.6 million. The company has received government funding toward the construction of Enterprise South, which is expected to reach full production capacity of 31.5k tpa by year-end 2028.



Source: Company presentation

The company's goal as it advances Novonix Cathode Materials is to maintain industry leading and sustainable technology around its processes. For its cathode division, NVX will use its patented all-dry, zero-waste synthesis process. Novonix has filed multiple patent applications, including around its cathode synthesis technology and believes it can produce high nickel cathode materials with higher yields at lower costs, no water waste and attain greater flexibility around input materials. Nickel-based cathode material represents about 30% to 50% of the cost of a battery cell, according to company estimates. Each tonne of cathode powder generates 3,500 to 15,000 liters of water waste and 1-2 tonnes of sodium sulphate waste. The global cathode active material (CAM) market was valued at an estimated at $27 billion in 2024, according to Research and Markets, and is forecast to reach revenue of more than $100 billion by 2030.

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