September 2, 2026

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

M. Marin
312-265-9211
mmarin@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

Novonix Ltd (NVX-NASDAQ)

NVX: 1H Report: Highlights Milestones as NVX Develops North American Supply Chain to Support Battery / Other Sectors

NVX continues to build a North American vertically integrated synthetic graphite supply chain to support multiple sectors, including for battery, energy storage & industrial applications. As it executes its growth strategy, NVX delivered a C-sample of synthetic graphite anode active material to Panasonic Energy and affirmed that its Riverside plant remains on-track to become the first large-scale synthetic graphite manufacturing plant in North America.

Current Price (9/1/26)	$3.03
Valuation	**$5.00**

OUTLOOK

As NVX advances towards expected commercialization, NVX believes it remains on-track to begin commercial production for Panasonic in 2H 2027, subject to successful completion of Panasonic's full qualification process. The company also believes that moving forward with Panasonic facilitated its capital raise in 1H 2026, with funds earmarked to support capacity, equipment, and operations to commence production to fulfill the Panasonic offtake agreement. Moreover, NVX has provided 100+ samples of synthetic graphite to prospective customers in 2025-26 to-date for battery, energy storage, and industrial applications & expects to expand its customer base. Separately, NVX Riverside has been selected for inclusion in a South Korea-U.S. government led infrastructure initiative designed to attract Korean investors & financing partners and potentially facilitate NVX's ongoing development plans.

SUMMARY DATA

52-Week High	**NA**
52-Week Low	**2.89**
One-Year Return (%)	**NA**
Beta	**NA**
Average Daily Volume (sh)	**30,881**
ADSs Outstanding (mil)	**218**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**48**
Insider Ownership (%)	**21**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2025	**N/A**
P/E using 2026 Estimate	**N/A**

Risk Level	**Above average**
Type of Stock	**Growth**
Industry	**Materials**

ZACKS ESTIMATES

Revenue
(in millions of US$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023		$3.9 A			$8.1 A
2024		$2.7 A			$5.9 A
2025		$2.8 A			$5.6 A
2026		$0.0 A			$0.0 E

Earnings or Loss Per ADR

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023		-0.23 A			-0.38 A
2024		-0.23 A			-0.60 A
2025		-0.13 A			-0.54 A
2026		-0.12 A			-0.27 E

L/ADR do not sum

' Disclosures pg 8

1H 2026 REPORT HIGHLIGHTS RECENT MILESTONES

NVX delivered C-sample of material to Panasonic Energy and strengthened its balance sheet as it moves forward to fulfill Panasonic offtake agreement & grow its customer base

Novonix (NVX-NASDAQ) is building a North American vertically integrated synthetic graphite supply chain to support multiple sectors. The company filed its Half Year report this week, highlighting several recent milestones as it executes its growth strategy, including delivering a C-sample of synthetic graphite anode active material to Panasonic Energy and strengthening its balance sheet. NVX's Chattanooga, Tennessee facility is on-track to become the first large-scale synthetic graphite manufacturing plant in North America, according to NVX, which believes it has first mover advantage as an early manufacturer of synthetic graphite, a key element in the battery anode, in North America.

According to CSIS (Center for Strategic & International Studies), 'total demand for rechargeable chemical batteries could more than quadruple from 2023 levels by 2030" from an already historically high level. Lithium-ion and other energy dense durable technologies have gained share of total U.S. battery production and now account for about 90%, according to CSIS, which notes that despite this momentum, however, …[c]apacity for critical battery components — including cathode and anode active materials, foils, and separators—has lagged…"

As the company moves its development and commercialization strategy forward, NVX provided more than 100 samples of synthetic graphite to 15 customers and prospects in 2025 for battery, energy storage, and industrial applications and continues to deliver additional samples to prospective industrial customers. For example, NVX delivered a C-sample (mass production qualification sample) of synthetic graphite anode active material to Panasonic Energy earlier this year. The company believes it remains on-track to begin commercial production for Panasonic in 2H 2027, depending on the successful completion of Panasonic and its customers' broader qualification process.

The company also believes that moving forward with Panasonic was an important step that also facilitated NVX's share issuance during 1H 2026, as it made progress toward what it believes is the first known synthetic graphite AAM C-sample produced in North America. Funds from the recent capital raise are earmarked to support capacity, equipment, and operations to commence production to fulfill the Panasonic offtake agreement. NVX placed A$20.7 million with institutional and sophisticated investors and A$0.96 million with existing shareholders and NVX had a cash balance of US$59.5 million as of June 30, 2026.

Moreover, as noted, NVX's Riverside facility is expected to become the first large-scale synthetic graphite production facility in North America and its planned 20k tonnes of capacity per annum is supported by offtake agreements with Panasonic Energy and PowerCo. As NVX continues to deliver samples to additional prospective customers, to support anticipated growth in demand from a growing customer base, NVX is evaluating expansion plans. The company has decided not to move forward with the purchase of 17.5 acres adjacent to Riverside that it had contemplated previously, although it intends to maintain the ability to evaluate future opportunities with the property owners as NVX seeks to create operational and logistic synergies.

Government support underscores importance of developing a domestic supply of battery-grade graphite & reducing reliance on China and other international producers

NVX recently announced that the U.S. Government has certified its Riverside project in connection with the US$103 million in tax credits previously allocated under the U.S. Government's Section 48C Advanced Energy Project Credit Program. NVX will receive the US$103 million of tax credits when it places its first 11,000 tpa of production in service if that occurs before April 7, 2028. The tax credits can be sold to a third party.

Synthetic graphite is a designated U.S. Critical Mineral. NVX's patented production technologies have been shown to be more energy-efficient and environmentally responsible compared to Chinese product, which represents the majority of production currently. 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, implying potential risks, we believe, that could lead to supply side disruptions. The U.S. Trade Representative commenced two Section 301 investigations in March 2026 that might result in the imposition of tariffs on Chinese manufacturers.

Reflecting the importance of developing a domestic supply of battery-grade graphite and reducing reliance on China and other international producers, NVX has gotten support from the U.S. government, in addition to tax credits and status of the material noted above. For example, the company has been able to obtain other sources of non-dilutive funding from the U.S., as well as the Canadian governments. This includes from the DOE, Canada's NRC IRAP (National Research Council of Canada Industrial Research Assistance Program) and other sources. The company has successfully garnered government grants, tax credits and also strategic partner funding as it develops infrastructure to produce high performance long lasting materials to support a North American supply chain for battery production. We believe these grants and other funding underscore the government's interest in the development of a local North American supply chain for materials to support sustainable energy sources.

Moreover, the Republic of Korea's Ministry of Land, Infrastructure and Transport (MOLIT) and the Korea Overseas Infrastructure & Urban Development Corporation (KIND) have selected the company's Riverside project for inclusion in a South Korea-U.S. government-led infrastructure initiative designed to connect major U.S. projects with Korean companies, investors and financing partners. NVX believes this could facilitate the ongoing development of its growth plan, as demand for Novonix materials is expected to rise.

Multiple factors driving anticipated growth in demand for synthetic graphite, including EVs & installations of ESS

There are multiple factors driving the anticipated growth in demand for synthetic graphite, including installations of electric storage systems (ESS), among others. Electricity and/or other energy sources such as solar energy are used to charge energy storage systems, which then supply electricity as needed and to support electric power grids. Installations of energy storage increased 43% year-over-year in 2025, according to Reuters citing Wood Mackenzie, and are projected to grow at an average annual rate of nearly 11% through 2034.

Total demand for energy is projected to rise by as much as 25% by 2030 and nearly double by 2050, according to the U.S. Department of Energy (DOE), in turn challenging an aging and often inadequate power grid. Deploying storage technologies is one of the solutions the DOE has outlined. Key uses and benefits of ESSs, according to the U.S. Energy Information Administration (EIA) include balancing grid supply and demand and improving quality and reliability, arbitraging peak / non-peak demand pricing, storing and smoothing renewable electricity generation and power, backing-up power, as well as integrating with microgrids. ESSs are being integrated into microgrids that supply a relatively small geographic area or customer base to provide some or all of the uses and benefits of electricity storage listed above. Domestic demand for power rising at unprecedented rates, reflecting energy-intensive AI data centers, manufacturing reshoring, electric vehicles (EVs) and other factors.

On the batteries side, consumer adoption of EVs is also expected to boost demand for NVX materials. EV sales in other parts of the world remain robust. Moreover, some data suggest that surging gas prices since the Iran War began is sparking higher interest in EVs – CNBC, citing Edmunds data, notes that in April, 72.1% of buyers purchasing a new EV at dealerships traded in a gas car, up from 67.1% in January – it seems premature at this point to expect such a trend. We therefore view the company's diversification initiatives positively.

Recent BTS sale aligns with focus on synthetic graphite business

To focus on advancing its synthetic graphite business, the company completed the previously announced sale of NOVONIX Battery Technology Solutions (BTS) to former CEO Dr. Chris Burns. NVX receives a 15% equity stake in the developing cathode business, which has rebranded as Dryve Battery Materials Inc. BTS was not a core business for the company. The divestiture therefore was consistent with the company's objective to focus on the synthetic graphite business, while still retaining exposure to the potential upside if, as management expects, the cathode business progresses.

NVX also sold its Mt. Dromedary Natural Graphite Project in Queensland, Australia in September 2025 for A$2 million to Lithium Energy, which also repaid A$250,000 that NVX had incurred previously to divest this asset. We view these initiatives positively as they underscore, in our view, NVX's prioritizing its synthetic graphite development and the sale of noncore assets will enable the company to focus on and allocate capital to synthetic graphite.

Separately, pending the appointment of a permanent Chief Financial Officer (CFO), Ron Edmonds transitioned from his role as Chairman to Interim CFO.

VALUATION

Share price multiples in the clean tech space average about in the range of >5x to nearly 9x on an EV/revenue basis and above 3x on P/S. Multiples for renewable energy players are significantly higher. Energy storage and battery technology companies can command a broad range of multiples. For examples, on an EV/EBITDA basis, the range is about 10.0x to 15.0x.

Given some of the growth drivers discussed above anticipated to contribute to a rise in demand for synthetic graphite and depending on market conditions, we believe it is not unreasonable to expect that NVX could deliver annual revenue in the US$35 million to US$55 million range in the next few years, the combination of offtake agreements that are in place and potential new agreements following materials testing with prospective customers that need the material for a substantially broader range of applications than we had initially anticipated. We expect NVX shares to begin to reflect the value of the company's anode initiatives as Novonix moves closer to commercializing its North American materials businesses. We believe expected milestones – such as signing new offtake agreements and fulfilling the Panasonic commitment – could act as catalysts for multiple expansion and share price appreciation.

There are no true direct comparisons for Novonix, in our view. Nevertheless, these sectors can provide a partial benchmark. We believe NVX's ability to execute its growth strategy has improved significantly with a new management team in place. If NVX can execute successfully and reach the above noted revenue in the 2027-29 timeframe and applying a ~13x multiple to reflect scarcity value of North American produced synthetic graphite material at this early stage in NVX's development, it implies a near-term valuation of about $5. If the company achieves certain milestones faster than we expect, it could cause us to change our valuation metric.

We believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon, as we think the current share price level does not reflect the fundamental value of the company's prospects as NVX continues to advance its strategy. In success, we would anticipate multiple and share price expansion. Any delay or failure in successful execution of the strategy could cause the share price to decline and represent a potential risk to our valuation.

RISKS

We believe risks to Novonix achieving its goals, and to our valuation, include the following, among others.

- Signing additional offtake agreements for anode material could take longer than the company expects, which could lead to slower than anticipated revenue ramp.
- The timing of expanding production capacity could be delayed, which could also delay sales ramp.
- The company could incur unanticipated costs associated with its growth strategy.
- The price of synthetic graphic could come under pressure if substitute materials are shown to be effective or if other producers price irrationally to protect market share.
- Additional commercial deals might take longer than expected to close or might not materialize at all.
- Competition could increase.
- Technology could evolve that makes the company's advanced materials less important to the global battery sector than management currently anticipates.
- NVX might need to raise additional capital to support its strategy that could be dilutive to current shareholders.
- NVX received notice from Nasdaq in March 2026 that it is not in compliance with the minimum bid price requirement of US$1.00 per ADR and has 180-calendar days to regain compliance.

RECENT NEWS

- NVX announced that it was selected for South Korea-U.S. infrastructure initiative on September 1, 2026.
- NOVONIX delivered mass production AAM sample to Panasonic on June 11, 2026.
- On April 30, 2026, NVX completed divestiture of non-core BTS to focus on synthetic graphite.
- On April 9, 2026, NVX affirmed that it was certified for US$103 million 48C Tax Credits for its plant.
- NVX secured rights to purchase adjacent land at Riverside location on March 10, 2026.
- NVX appointed CEO Mike O'Kronley to the Board of Directors on December 15, 2025.
- NVX appointed Dwayne Johnson as Chief Operating Officer on October 29, 2025.
- On October 28, 2025, NVX draw down the additional tranche of convertible debentures.
- On September 25, 2025, NVX announced the sale of the Mt Dromedary natural graphite project for AUD$2 million.

PROJECTED FINANCIALS

Novonix Income Statement & Projections (6 months ended in US$)

	Dec 2023A	June 2024A	Dec 2024A	June 2025A	Dec 2025A	June 2026A	Dec 2026E
Revenue from contracts with customers	8,054,528	2,740,479	5,854,424	2,817,488	5,617,119	-	-
COGs	2,817,269	1,005,515	1,770,517	643,479	2,500,423	-	-
Gross profit / (loss)	5,237,259	1,734,964	4,083,907	2,174,009	3,116,696	-	-
Gross margin	65%	63%	70%	77%	55%	nm	nm
Admin & other expense	(18,863,896)	(9,522,197)	(19,919,292)	(9,729,900)	(22,208,638)	(6,229,547)	(22,430,724)
D&A	(4,740,135)	(2,271,186)	(4,568,969)	(2,300,730)	(4,570,856)	(2,504,616)	(4,616,565)
R&D	(5,750,574)	(2,026,377)	(4,849,571)	(2,024,208)	(5,670,587)	(3,697,915)	(5,727,293)
Share based comp	(5,621,959)	(13,089,333)	(5,523,560)	(1,368,001)	(1,142,636)	(876,387)	(1,154,062)
Employee benefits	(20,339,880)	(4,746,702)	(23,632,917)	(13,195,623)	(24,027,480)	(9,594,354)	(24,267,755)
Other	-	-	-	-	-	(680,090)	(2,200)
Total	(55,316,444)	(31,655,795)	(58,494,309)	(28,618,462)	(57,620,197)	(23,582,909)	(58,198,599)
Operating income / (loss)	(50,079,185)	(29,920,831)	(73,285,587)	(26,444,453)	(54,503,501)	(23,582,909)	(58,198,599)
Borrowing costs	(2,864,102)	(1,886,279)	(3,566,998)	(1,827,194)	(11,946,441)		-
Discontinued operations		-	-	-	-	(1,051,104)	-
(Loss)/gain fair value of derivative instruments	1,525,320	421,365	(4,536,546)	4,207,340	(5,100,800)		-
Other	3,609,900	2,133,170	7,840,177	2,360,639	(22,983,454)	(1,087,921)	(1,392,797)
FX	1,359,857	541,618	(1,175,500)	1,568,121	1,834,551	807,178	1,852,897
Pretax income / (loss)	(46,448,210)	(28,710,957)	(74,724,454)	(20,135,547)	(92,699,645)	(24,914,756)	(57,738,499)
Taxes	199,949		(97,687)		(25,542)		-
Net loss	(46,248,261)	(28,710,957)	(74,822,141)	(20,135,547)	(92,725,187)	(24,914,756)	(57,738,499)
LPS	($0.09)	($0.06)	($0.15)	($0.03)	($0.14)	($0.03)	($0.07)
Loss per ADR	($0.38)	($0.23)	($0.60)	($0.13)	($0.54)	($0.12)	($0.27)
Avg shares out	487,474,460	489,003,935	496,862,010	636,199,259	681,677,490	865,492,073	871,508,323
ADRs	121,868,615	122,250,984	124,215,503	159,049,815	170,419,373	216,373,018	217,877,081

Source: Company reports, Zacks estimates FY ends Dec. 31

ADR = 4 ordinary shares

HISTORICAL STOCK PRICE

Source: Yahoo Finance

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research (“Zacks SCR”), a division of Zacks Investment Research (“ZIR”), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, M. Marin, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer’s business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.