

ALEXIUM

2020 ANNUAL GENERAL MEETING

15 December 2020
ASX: AJX



Disclaimer



To the maximum extent permitted by law, the information contained in this presentation is given without any liability whatsoever being accepted by Alexium International Group Limited (**Alexium**) or any of its related entities or their respective directors or officers, employees, advisors and agents (**Relevant Parties**), and is not intended to constitute legal, tax or accounting advice or opinion. No representation or warranty, expressed or implied, is made as to the accuracy, completeness or thoroughness of the content of the information. The information in this presentation is not an offer or recommendation to purchase or subscribe for securities in Alexium or to retain or sell any securities that are currently held. The presentation does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in Alexium nor does it contain all the information which would be required in a disclosure document prepared in accordance with the requirements of the Corporations Act and should not be used in isolation as a basis to invest in Alexium. In providing this presentation, Alexium has not considered the objectives, financial position or needs of the recipient and the recipient should consult with its own legal, tax or accounting advisers as to the accuracy and application of the information contained herein and should conduct its own due diligence and other enquiries in relation to such information and any investment in Alexium and the recipient's objectives, financial position or needs.

To the maximum extent permitted by law, Alexium and the Relevant Parties disclaim any responsibility to inform any recipient of this presentation on any matter that subsequently comes to their notice which may affect any of the information contained in this presentation and undertake no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

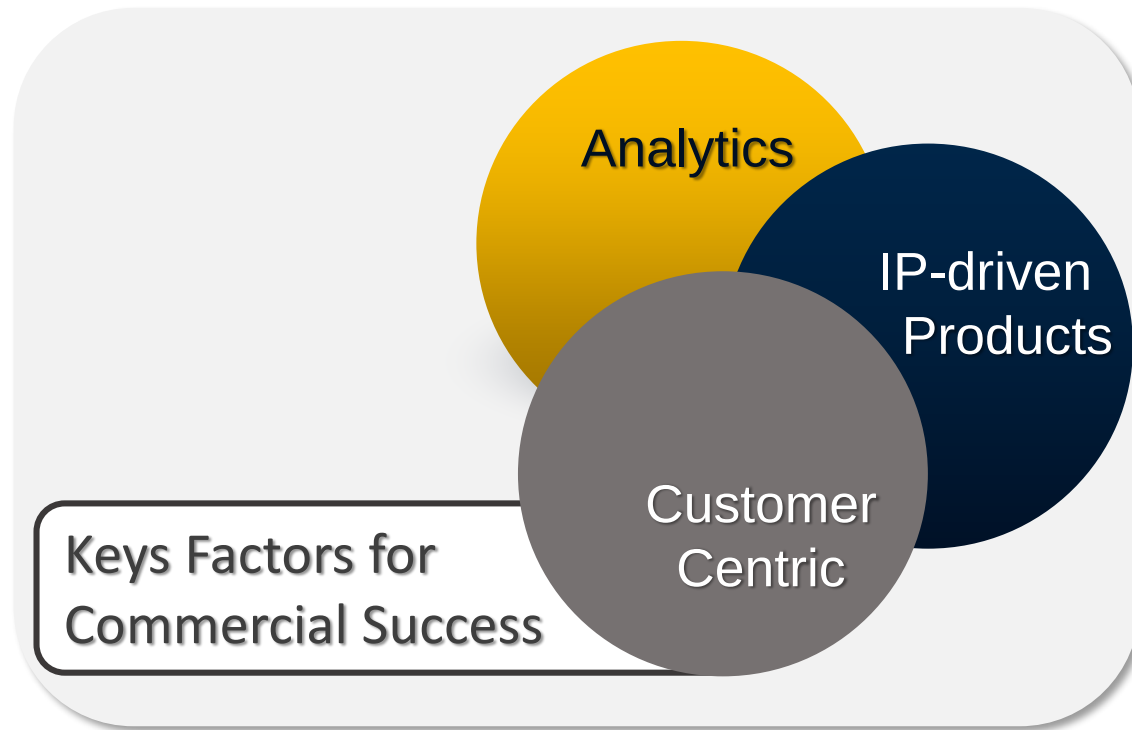
The information in this presentation has not been independently verified by Alexium. To the maximum extent permitted by law, Alexium and the Relevant Parties disclaim any responsibility for any errors or omissions in such information, including the financial calculations, projections and forecasts and indications of, and guidance on, future earnings and performance and financial position set forth herein. This presentation contains certain "forward-looking statements." Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors and are subject to significant business, economic and competitive uncertainties and contingencies associated with exploration and/or production, many of which are beyond the control of Alexium, that may cause actual results to differ materially from those predicted or implied by any forward-looking statements. No representation or warranty is made by or on behalf of Alexium or the Relevant Parties that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this presentation should or will be achieved or that actual outcomes will not differ materially from any forward-looking statements.

This presentation does not carry any right of publication. This presentation is incomplete without reference to, and should be viewed solely in conjunction with, the oral briefing provided by Alexium. Neither this presentation nor any of its contents may be reproduced or used for any other purpose without the prior written consent of Alexium.

Alexium at a Glance



An advanced materials provider of proprietary technologies for flame retardant and thermal management applications



- Technology leader in textile/foam-based products for US consumer and military markets
- Patented and patent-pending technologies developed to address market gaps and customer needs
- Product manufacturing through tolling partners to enable flexibility/responsiveness to business growth and the operation of a “capital light” model

Financial Snapshot

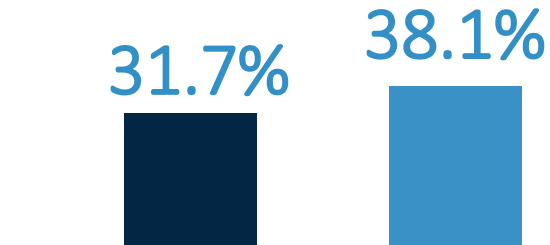
Improvements throughout the financial reporting sections versus 2019

Revenue Growth



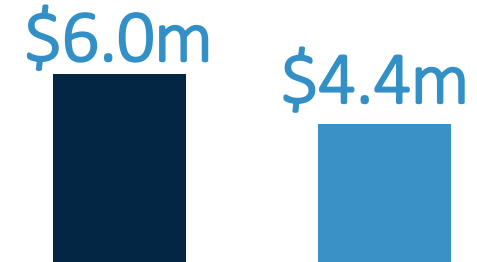
Revenue growth of 20.2% despite being negatively impacted by COVID-19 on existing sales and commercialisation timelines

Gross Margin



Improvement of 640 bps

Operating Expenses



Favorable Operating expenses – reduced by \$1.6m from \$6.0m to \$4.4m

Operating EBITDA



Increased from (\$4.4m) to (\$2.1m)

Operating + Investing Cash Outflow



Reduced by \$1.1m to \$4.4m

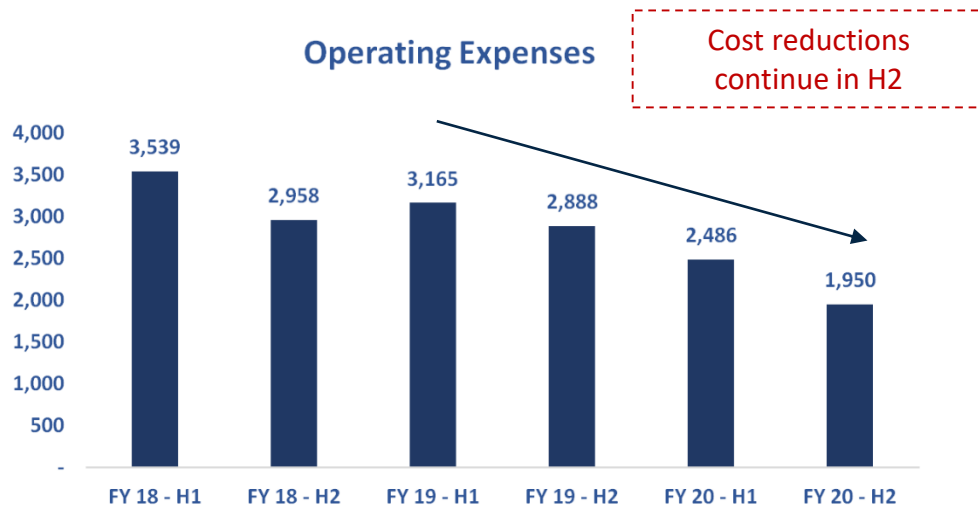
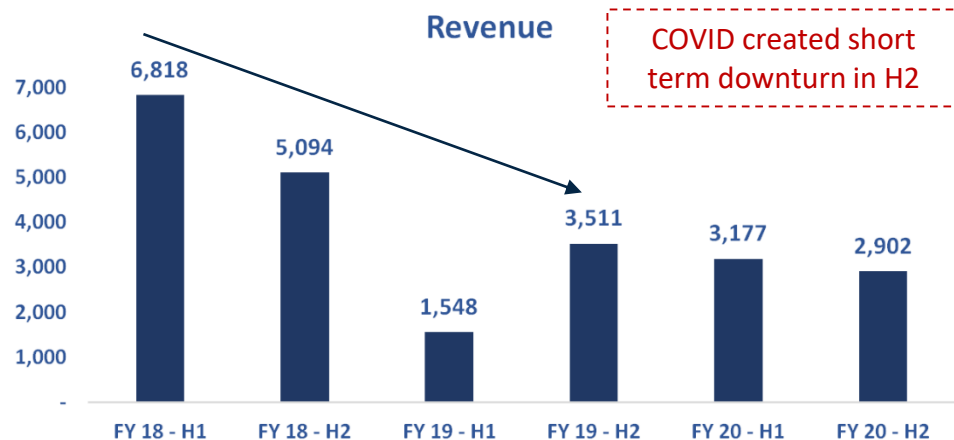
Cash Interest



Cash interest down \$0.3m for the year with an expected annual rate of \$1.0m

Financial Snapshot (cont.)

Deliberate and systematic changes throughout the company manifest conclusive results



In FY2020, Capital structure re-set eliminated high-cost debt, provides funding required to realise product development and commercialisation efforts:

- ☐ **\$15.1m successfully raised in December 2019 / January 2020 with proceeds used to retire GPB debt**
 - Well regarded institutional investor Colinton Capital Partners became a cornerstone investor in Alexium
 - Simon Moore, Senior Partner of Colinton Capital Partners joined the Alexium Board in February 2020
- ☐ **\$0.5M loan related to US CARES act stimulus. 2-year loan with 1% annual interest. This is expected to be forgiven based on submission of qualified expenses.**

Expansion of Alexium Product Portfolio



Over the past 12 months, the scope of the product portfolio has significantly expanded, providing a wider range of market opportunities

Commercialised
Platforms for
Driving Revenue
Growth

Alexicool Biobased
PCM

Biobased and biodegradable phase change materials for thermal management in consumer products

Phonon

Next-generation perpetual cooling technology for consumer products

Alexiflam NF for FR
Socks

Proprietary FR technology for cotton-based fabrics to provide environmental/ consumer safety at a cost savings

Alexiflam FR

Environmentally friendly & non-toxic flame retardant for synthetic-rich fabrics and foams

Expansion of Alexium Product Portfolio

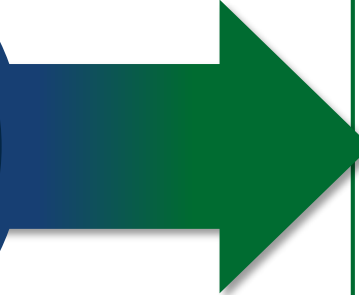


1

Proprietary
Technologies

2

Customer Centric
Products



Portfolio of Environmentally Friendly Products

- The natural evolution of our product development and commercial efforts have built a unique portfolio of eco-conscious products
- Focus on how to provide safe and environmentally friendly products that are also....
 - ☐ Cost competitive
 - ☐ Equivalent to better performance than incumbent products

Alexicool® Platform Update



Strategies for Driving Near-Term Revenue Growth

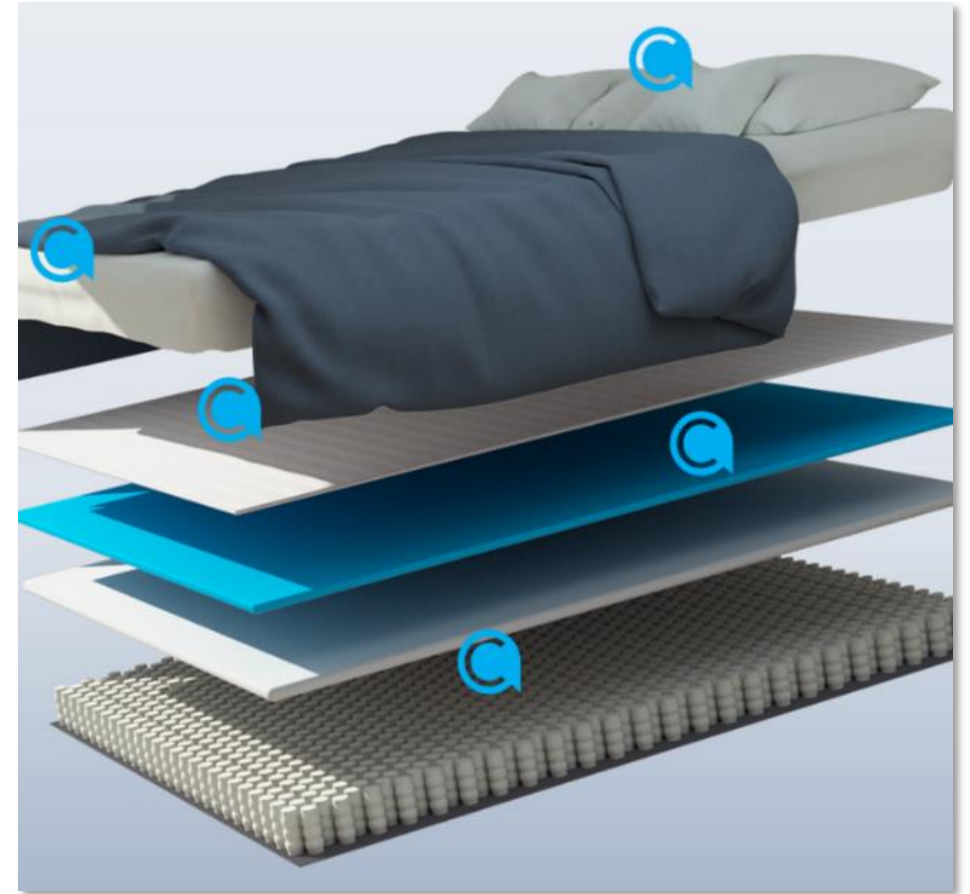
Total Mattress Cooling Systems

- By leveraging its broad product portfolio and analytical tools to develop total mattress cooling systems (TMCS), Alexium enables a stronger market differentiation for customers while integrating a broad set of Alexicool products.
- With the integration of Phonon™ technology, a new-to-the-world approach for providing perpetual cooling, the TMCS strategy is further expanded.

Increase Market Penetration thru Targeted Market Segments

- Through recent developments in PCM technologies, Alexium can now expand its opportunities beyond the premium, high-performance market segment.

Expand Supply Chain Footprint Outside the US



alexicool®

Alexiflam® Platform Update

Pine Belt Partnership for FR NyCo

- Alexium has partnered with Pine Belt (current finisher of uniforms for the US military) to commercialise their FR treatment of nylon/cotton fabrics.
- Both parties bring proprietary chemical and application technologies to the effort and integration of best practices from both sides is required. Despite delays related to the COVID-19 pandemic, progress is being made and both parties look forward to finalisation of the process.
- Current focus of this effort is to demonstrate manufacturability of FR NyCo at Pine Belt's facility. Success here then allows this work to move to testing and evaluation by the US military.



alexiflam®

Alexiflam® Platform Update

FR Sock for Protection of Foam Mattresses

- Commercialisation of Alexiflam NF is fully underway for the flame retardation of cotton-based socks as barrier fabrics in foam mattresses.
- UL testing of this product has demonstrated equivalent performance to incumbent products while providing an eco-friendly product at a cost savings.
- Potential customers for this product are in various stages of evaluation – from prototype to production scale.

Distribution Partner for Alexiflam NF

- Due to the global scale of FR cotton applications, Alexium is working with a major flame-retardant company for opportunities with Alexiflam NF.
- While some delays have been encountered on this initiative due to COVID-19, efforts are progressing well for opportunities in the US and EU.



alexiflam®

Near Term Target Markets Expected to be Realised in FY21

Strong progress has been made over the last 6 months, with the next 12-18 months representing an important period of commercialisation



	Program	Current Status	Anticipated revenue realisation profile			
			1H-FY21	2H-FY21	1H-FY22	2H-FY22
1.	General Alexicool® Sales	- Generating Revenue and increasing market penetration - Commercialised biobased/biodegradable PCM products				
2.	Alexicool® Total Mattress Cooling Systems	- First customer agreement signed with initial sales targeted for 2H FY21 - Parallel developments underway (including Phonon)				
3.	Alexiflam® NF Sock	- Market opportunity validated with existing customer base - Production scale work and finished product testing currently underway				
4.	Alexiflam® NF global distribution partnership	Development agreement finalised and commercialisation efforts underway				
5.	Alexiflam® FR NyCo	- Optimising FR NyCo technology/process for Pine Belt manufacturing process and Marine specifications - Product will proceed to military testing once technical production testing completed				

Today



ALEXIU M