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AJX Business Update

Highlights:

- Year-to-date FY2022 sales are 55% stronger versus the same period in the prior year
- For 2H FY2022, the Company foresees another stage of strong revenue growth in sales
- Flame retardant nylon/cotton (FR NyCo) has successfully finalized all production work, and production goods have been prepped for testing/evaluation for US military applications

Sydney (Australia), Greer (South Carolina, US) – 16 December 2021: Alexium International Group Limited (ASX: AJX) is pleased to provide the following updates regarding progress in 1H FY2022. As detailed at the annual general meeting, the Company's strategy for its thermal management and flame retardant products is advancing well, and the updates provided here demonstrate continuing revenue growth and achievement of a strategic milestone.

FY2022 SALES GROWTH

Sales through the month of November 2021 continue the strong performance of 1Q FY2022 with fiscal year-to-date sales of US\$4.6M as of 30 November. These sales are 55% stronger compared to the same period in the previous fiscal year while improving margins. This increase is driven by the strength of Alexicool and Biocool sales for the bedding market.

Looking forward to 2H FY2022, the Company foresees another stage of strong revenue growth in addition to current sales. Based on current guidance by customers, this growth will be driven by increased Alexicool product sales for total mattress cooling systems (TMCSs) and Biocool products more broadly. Commenting on this update, VP of Sales and Marketing Chris Crawford said, "We are excited by the success our customers are having with our Alexicool and Biocool products. The sales team has positioned the Company well, so the second half of the fiscal year continues our strong momentum."

FR NYCO PRODUCTION COMPLETED WITH GOODS MOVING TO MILITARY TESTING

The Company has successfully finalized all production work on flame retardant nylon/cotton fabrics (FR NyCo) and has prepped production goods for testing/evaluation by relevant personnel for United States military programs. These fabrics were prepared as roll goods utilizing the Company's proprietary Alexiflam® and Alexiguard™ products and satisfy all key specifications that were targeted. All work from

this point will focus on supporting the testing and evaluation (T&E) by military programs who have expressed an interest.

Based on public information, the total addressable market for this application is US\$90M per annum with the market segment focus of the Company's near-term efforts valued at US\$10M. Completing the production work on this program satisfies a key milestone for the Company. With completion of this work, production goods will now undergo T&E in outside test facilities. Initial T&E will validate fabric specifications (anticipated time: 2-3 months), and with subsequent approvals, T&E would typically continue with wear trials. Commenting on meeting this milestone, Alexium CEO Bob Brookins stated, "For over a year, the Alexium team has been working to complete the production-scale application of our FR NyCo process. Meeting this milestone has been a real win for the team. All of the flame retardant, wash durability, and comfort specifications that we targeted have been met. Notably, while completing this work, we have developed critical trade secrets on the nuances of finishing NyCo fabrics which further strengthens the Company's broader IP position. We look forward to submitting these fabrics for testing and evaluation and progressing this program to its next stages."

About Alexium International Group Limited

Alexium International Group Limited (ASX: AJX) is a performance chemicals provider for advanced materials applications with a focus on flame retardancy and thermal management. The Company is driven by an innovation model for addressing market gaps with patent-protected technologies. These environmentally friendly solutions have applications for several industries and can be customized to meet customer needs. Key markets for Alexium are military uniforms, workwear, and bedding products. Alexium brands include Alexicool® and Alexiflam®. For additional information about Alexium, please visit www.alexiuminternational.com.

Authorised for release by Ms. Rosheen Garnon, Chair of the Board of Alexium International Group Limited.

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