ALEXIUM

HALF-YEAR REPORT

For the Six Months Ended 31 December 2024

ABN 91 064 820 408

Presented in US Dollars

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ALEXIUM INTERNATIONAL GROUP LIMITED
ABN 91 064 820 408

This information is provided to the Australian Securities Exchange under ASX Listing Rule 4.2A (3). This information should be read in conjunction with the most recent annual financial report.

Current reporting period: 01 July 2024 to 31 December 2024
Previous reporting period: 01 July 2023 to 31 December 2023

Amounts in US$				
Revenue from ordinary activities	down	(17.2%)	to	2,290,345
Loss from ordinary activities for the period after tax attributable to members	down	(15.7%)	to	(1,655,125)
Net loss for the period attributable to members	down	(15.7%)	to	(1,655,125)

Dividends	**Amount per security**	**Franked amount per security**
Interim dividend declared this period	Nil	Nil
Interim dividend declared and paid in previous corresponding period	Nil	Nil

Commentary on Results for the Period

Revenue from ordinary activities decreased over the prior year by 17.2% due to a decline in the US retail market conditions which negatively impacted bedding market sales. Gross margin decreased by 2.2 percentage points over the same period prior year due to an unfavourable customer/product mix. The loss before finance costs of $1.6M was an increase of 28.5% versus the comparative period primarily due to the decrease in revenue and the impairment adjustment on intangibles of $0.1M. Operating expenses, excluding the impairment on intangibles, are relatively flat to the prior year with a decrease of 1.1%. Total net loss for the period of $1.7M was a 15.7% decrease over the comparative period. This reduction was primarily driven by a $0.5M decrease in interest expense and a $0.1M decrease in the loss on embedded derivatives, which helped offset the decline in revenue. These expenses decreased as a result of the conversion of the Company's long-term convertible note to equity during the capital raise and refinancing transaction in FY24 Q4.

Net Tangible Assets	**31-Dec-24**	**31-Dec-23**
Net Tangible Asset backing per ordinary shares	US 0.07 cents	US (0.71) cents

Controlled entities acquired or disposed of:
There were no entities acquired or disposed of during the current reporting period.

Additional dividend/distributions information
Not applicable

Dividend/distribution reinvestment plans
None

Associates and Joint Venture entities
None

Your directors submit their report for the half year ended 31 December 2024.

The names of the Group's Directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Simon Moore
Dr Paul Stenson
Carl Dennis (until 20 November 2024)
James Wentworth (from 21 November 2024)
Martyn Strickland
Randall Lane
Dr Bob Brookins
William Blackburn

RESULTS AND REVIEW OF OPERATIONS

PRINCIPAL ACTIVITIES

The Group's revenue is generated from the development and sale of innovative and proprietary high-performance materials to various partners in the textile industry. The Group's proprietary technologies, AlexiCool®, BioCool®, Eclipsys®, DelCool™, AlexiFlam® and AlexiShield, serve the phase change material (PCM) and flame retardant (FR) market opportunities where Alexium's product differentiation and technical service model creates distinction from others in the market.

OPERATING AND FINANCIAL REVIEW

The mattress industry has experienced a decline in both unit sales and market value over the past two years, primarily due to economic factors such as higher interest rates affecting housing affordability and consumer spending. However, a recovery is expected from 2025, driven by lower mortgage rates and a slight improvement in the housing sector. During this reporting period, Alexium continued to face challenges due to its overconcentration in the textile mattress segment and reliance on a single large customer, limiting its ability to achieve meaningful growth. Nonetheless, the company has made significant strides by refining its strategy, leading to advancements in mPCM product technology and manufacturing processes. These innovations have enabled Alexium to enter the foam mattress market, which has higher annual usage, and open up global opportunities. Additionally, the company has enhanced its supply chain, manufacturing processes, and go-to-market strategy for its flame-retardant (FR) technologies by shifting its approach to directly offering finished components to end-user brands, resulting in improved quality control, reduced sales cycle times and higher revenue per unit. Moving forward, Alexium aims to diversify its markets, customer base and product offerings, with a clear path to delivering near-term value to stakeholders.

Revenues were down 17.2% versus the comparative period due to a decline in US retail market conditions negatively impacting bedding market sales as consumer confidence continued to weaken amid ongoing inflationary concerns. Gross margin decreased by 2.2 percentage points over the same period prior year due to an unfavourable customer/product mix.

Operating expenses, excluding the impairment on intangibles, are relatively flat to the prior year with a decrease of 1.1%. The loss before finance costs of $1.6M was an increase of $0.4M or 28.5% versus the comparative period primarily due to the decrease in revenue and the intangibles impairment of $0.1M. Total net loss for the period was $1.7M which decreased $0.3M from a $2.0M net loss in the comparative period. The reduction in the net loss for the period was attributable to a decrease in interest expense of $0.5M and a decrease in the loss on embedded derivative of $0.1M, both of which helped to offset the lower revenue. The interest and loss on embedded derivative expenses decreased as a result of the conversion of the Company's long-term convertible note to equity and the write-off of the related derivative liability during the capital raise and refinancing transaction in FY24 Q4.

On 23 December 2024, the Company entered into an unsecured loan with its two largest shareholders, Colinton Capital Partners Pty Limited ("CCP") and Wentworth Williamson Management Pty Limited ("WW") to provide working capital funding. The facility carries a face value of $932,550 (A$1,500,000 in total with A$1,250,000 funded by CCP and A$250,000 funded by WW). The loan matures on 23 June 2026 and carries an interest rate of 15%.

As of 31 December 2024, the cash position was $1,885,918 (30 June 2024: $2,053,000) and the Group had 1,576,511,416 ordinary shares on issue (30 June 2024: 1,562,058,469).

SUBSEQUENT EVENTS

There has not arisen any item, transaction, or event of a material and unusual nature, which in the opinion of the Directors of the Company, is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on the following page dated this 25th day of February 2025 and was signed in accordance with a resolution of the Directors.

W. T. Bl

William Blackburn
Chief Executive Officer
25 February 2025

Grant Thornton Audit Pty Ltd
Level 26
Grosvenor Place
225 George Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of Alexium International Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Alexium International Group Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 25 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	31-Dec-24 US$	31-Dec-23 US$
Revenue		**2,290,345**	**2,766,427**
Cost of sales		**(1,325,068)**	**(1,540,501)**
Gross Profit		**965,277**	**1,225,926**
Other Income		**-**	50
Administrative expenses		**(1,765,177)**	(1,786,624)
Sales and marketing expenses		**(241,110)**	(156,888)
Research and development costs		**(376,811)**	(446,667)
Impairment of Intangibles	3	**(129,857)**	-
Other expenses		**(87,585)**	(107,939)
Operating expenses		**(2,600,540)**	(2,498,118)
Loss before finance costs		**(1,635,263)**	(1,272,142)
Interest expense		**(44,388)**	(558,582)
Loss on embedded derivative	5	**-**	(137,584)
Interest earned		**24,526**	6,057
Total finance costs		**(19,862)**	(690,109)
Loss before tax		**(1,655,125)**	(1,962,251)
Tax expense		**-**	-
Loss from continuing operations		**(1,655,125)**	(1,962,251)
Other comprehensive income - Exchange differences on translation of foreign operations which may subsequently be reclassified to profit or loss		**(37,606)**	(185,566)
Total comprehensive loss for the period		**(1,692,731)**	(2,147,817)
Loss for the year attributable to members of the group		**(1,655,125)**	(1,962,251)
Total comprehensive loss for the year attributable to members of the group		**(1,692,731)**	(2,147,817)
Basic and diluted loss per share (cents)		**(0.11)**	(0.30)

This consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

	Note	31-Dec-24 US$	30-Jun-24 US$
Current Assets			
Cash and cash equivalents		**1,885,918**	2,053,000
Trade and other receivables		**530,234**	895,203
Inventories		**618,324**	560,052
Other current assets		**60,408**	67,813
Total Current Assets		**3,094,884**	3,576,068
Non-Current Assets			
Other financial assets		**16,571**	16,571
Property, plant and equipment		**427,991**	516,477
Intangible assets	3	**590,706**	762,603
Right of use asset		**300,984**	355,708
Total Non-Current Assets		**1,336,252**	1,651,359
Total Assets		**4,431,136**	5,227,427
Current Liabilities			
Trade and other payables		**734,878**	955,779
Lease liabilities		**168,675**	157,083
Borrowings	4	**503,354**	368,651
Total Current Liabilities		**1,406,907**	1,481,513
Non-Current Liabilities			
Borrowings	4	**934,785**	-
Lease liabilities		**356,392**	443,692
Total Non-Current Liabilities		**1,291,177**	443,692
Total Liabilities		**2,698,084**	1,925,205
Net Assets		**1,733,052**	3,302,222
Equity			
Contributed equity	6	**73,709,023**	73,594,023
Reserves		**(1,481,959)**	(1,205,301)
Accumulated losses		**(70,494,012)**	(69,086,500)
Total Equity		**1,733,052**	3,302,222

This consolidated statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

	Contributed Equity US$	Shares to be Issued Reserve US$	Options & Warrants Reserve US$	Share Appreciation Rights Reserve US$	Foreign Currency Translation Reserve US$	Consolidated Accumulated Losses US$	Total US$
Balance at 1 July 2024	**73,594,023**	**113,237**	**-**	**298,612**	**(1,617,150)**	**(69,086,500)**	**3,302,222**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(1,655,125)**	**(1,655,125)**
Foreign currency translation	**-**	**-**	**-**	**-**	**(37,606)**	**-**	**(37,606)**
Total comprehensive income / (loss)	**-**	**-**	**-**	**-**	**(37,606)**	**(1,655,125)**	**(1,692,731)**
Transactions with owners in their capacity as owners:							
Expiration of outstanding SARs	**-**	**-**	**-**	**(247,613)**	**-**	**247,613**	**-**
Share appreciation rights expense	**-**	**-**	**-**	**53,978**	**-**	**-**	**53,978**
Share-based payments earned	**-**	**69,583**	**-**	**-**	**-**	**-**	**69,583**
Share issues for share-based payments	**115,000**	**(115,000)**	**-**	**-**	**-**	**-**	**-**
Balance at 31 December 2024	**73,709,023**	**67,820**	**-**	**104,977**	**(1,654,756)**	**(70,494,012)**	**1,733,052**

	Contributed Equity US$	Shares to be Issued Reserve US$	Options & Warrants Reserve US$	Share Appreciation Rights Reserve US$	Foreign Currency Translation Reserve US$	Consolidated Accumulated Losses US$	Total US$
Balance at 1 July 2023	66,610,771	77,987	-	551,996	(1,604,412)	(66,619,478)	(983,136)
Loss for the period	-	-	-	-	-	(1,962,251)	(1,962,251)
Foreign currency translation	-	-	-	-	(185,566)	-	(185,566)
Total comprehensive income / (loss)	-	-	-	-	(185,566)	(1,962,251)	(2,147,817)
Expiration of outstanding options	-	-	-	(293,688)	-	293,688	-
Share appreciation rights expense	-	-	-	(15,471)	-	-	(15,471)
Share-based payments earned	-	70,363	-	-	-	-	70,363
Share issues for share-based payments	110,281	(110,281)	-	-	-	-	-
Balance at 31 December 2023	66,721,052	38,069	-	242,837	(1,789,978)	(68,288,041)	(3,076,061)

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

	Note	31-Dec-24 US$	31-Dec-23 US$
Cash flow from operating activities			
Receipts from customers and other income		**2,646,408**	3,256,941
Payments to suppliers and employees		**(3,637,071)**	(3,623,843)
Interest received		**24,526**	6,057
Interest and other costs of finance paid		**(58,851)**	(33,921)
Goods & services tax received		**34,189**	22,185
Net cash flows (used in) operating activities		**(990,799)**	(372,581)
Cash flows from investing activities			
Purchase of property, plant, and equipment		**(1,907)**	-
Payments for development costs		**(99,939)**	(116,064)
Net cash flows (used in) investing activities		**(101,846)**	(116,064)
Cash flows provided by financing activities			
Proceeds from borrowings		**1,989,320**	3,214,850
Repayment of borrowings		**(1,864,246)**	(2,785,960)
Proceeds from shareholder loan		**932,550**	-
Proceeds from bridging loan	4	**-**	1,368,000
Transaction costs related to issues of shares		**(5,228)**	-
Repayment of lease liabilities		**(75,707)**	(65,833)
Net cash flows from financing activities		**976,689**	1,731,057
Net (decrease)/increase in cash and cash equivalents		**(115,956)**	1,242,412
Cash and cash equivalents at beginning of year		**2,053,000**	513,277
Effect of exchange rate changes on cash and cash equivalents		**(51,126)**	384
Cash and cash equivalents at end of year		**1,885,918**	1,756,073

This consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

1. CORPORATE INFORMATION

The consolidated financial statements of Alexium International Group Limited and its subsidiaries (collectively, the Group) for the six-months ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 25 February 2025. Alexium International Group Limited is incorporated and domiciled in Australia and is publicly traded on the Australian Securities Exchange under the trading symbol AJX. These financial statements include the consolidated financial statements and notes of Alexium International Group Limited and its controlled entities ('Group' or 'Company').

These financial statements are presented in US Dollars which align with the Company's financial reporting and with the nature of the business operations which primarily occur in the United States as described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated half-year financial statements for the six-months ended 31 December 2024 are general-purpose financial reports, which have been prepared in accordance with the requirement of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. The consolidated half-year financial statements have been prepared on a historical cost basis, except where stated. For the purpose of preparing the consolidated half-year financial statements, the half year has been treated as a discrete reporting period.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The presentation is in United States dollars to correspond with the primary currency that influences sales price of goods, labour, materials, and costs of providing goods for sale.

(b) New and amended standards adopted by the Group in this financial report

On 1 July 2023, the Group adopted amendments to the Disclosure of Accounting Policies AASB 101 which require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed to align with the amendments but there was not a significant impact on the Company's financial statements.

(c) Impact of standards issued but not yet applied by the Company

On 14 June 2024, the AASB released AASB 18 Presentation and Disclosure in Financial Statements. AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information. AASB 18 applies to annual reporting periods beginning on or after 1 January 2027. Management is currently assessing the impact of AASB 18 on presentation and disclosures in the Group's Financial Statements.

Several other new standards are effective for annual periods beginning on or after 1 July 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements. While these new or amended standards remain subject to ongoing assessment, no significant impacts to future reporting periods have been identified to date.

(d) Significant accounting judgements, estimates and assumptions

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) and Monte Carlo option valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions in relation to these factors could affect the reported fair value of financial instruments.

Intangible Assets
The Company assesses at initial recognition whether an internally developed asset has met the recognition requirements established in AASB 138 and measures the direct and indirect costs of development using several estimates and assumptions. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. For assets not yet ready for use, management estimates the fair value less costs of disposal (FVLCD). To estimate the FVLCD, management applies the cost replacement model whereby an estimate is made of all costs required in current market conditions to produce a similar product. With respect to ready-for-use assets, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results, the determination of a suitable discount rate, and the appropriate classification of cash generating units. See Note 3 for further disclosures.

(e) Going Concern

These financial statements have been prepared on going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss after tax attributable to members of $1,655,125 (2023: $1,962,251). The Group incurred negative cash flows from operations and investing activities of $1,092,645 for the period ended 31 December 2024 (2023: negative $488,645).

The Group has current assets of $3,094,884 (30 June 2024: $3,576,068) which exceed current liabilities of $1,406,907 (30 June 2024: $1,481,513) and cash of $1,885,918 at the end of the period (30 June 2024: $2,053,000).

To ensure the Group had adequate funding for its working capital needs, the Company obtained a shareholder loan of $932,550 in December 2024. The loan matures in June 2026. See Note 4 for additional information.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and be able to pay its debts as and when they fall due after consideration of the following mitigating matters:

- the Group has performed a cash flow forecast and determined that it has or will have access to adequate cash resources to fund its operations for at least 12 months from the date of approval of these financial statements
- the Group expects to have continued access to working capital facilities to support cash needs and expected growth in revenues
- the Group expects to successfully convert current commercialisation efforts to future revenue and cash receipts to support the fixed base of expenditures

Should the above not eventuate or are not able to be resolved in the Group's favour, it can offset the impact with operating expense cost reductions.

3. INTANGIBLE ASSETS

Cost	
Balance at 30 Jun 2024	4,462,881
Additions	**100,939**
Balance at 31 Dec 2024	**4,563,820**
Amortisation and impairment	
Balance at 30 Jun 2024	3,700,278
Amortisation	**142,979**
Impairment	**129,857**
Balance at 31 Dec 2024	**3,973,114**
Net book value	
Balance at 30 Jun 2024	762,603
Balance at 31 Dec 2024	**590,706**

Intangible assets represent costs incurred and capitalised during the development of new high-performance materials and technologies. Intangible assets are then monitored and assessed annually for whether there are any indicators that capitalised costs may be impaired (see Note 2 (d) for additional information).

4. BORROWINGS

	31-Dec-24	30-Jun-24
Current Borrowings:		
Line of credit	**503,354**	368,651
Total	**503,354**	368,651
Non-current borrowings:		
Shareholder Loan	**932,550**	-
Accrued interest	**2,235**	-
Total	**934,785**	**-**

(a) Line of credit

The Company entered into a three-year line of credit agreement on 05 April 2022 with Alterna Capital Solutions to provide working capital funding. The facility is a three-year $3.0M asset-based facility which can be increased to $5.0M with the approval of the lender. The borrowing base of the line of credit consists of 90% of eligible accounts receivable plus a calculated portion of inventory which, among other factors, will not exceed 50% of eligible inventory.

Effective 1 Aug 2024, the Company renegotiated and extended the terms of its outstanding asset-based line of credit with Alterna Capital Solutions (ACS). The interest rate spread above the US Prime Rate was reduced by 2 percentage points, the term of the agreement was extended to 28 February 2026 (from the original term which was due to expire 4 April 2025) and the monthly and annual fixed fees were all reduced. There was no change to the maximum funding amount available under the agreement or the collateral on which it is based.

The funds usage interest rate at execution of the agreement was 8.25% and adjusts with changes in the Wall Street Journal Prime Rate. The applicable interest rate on 31 December 2024 was 10.5% (30 June 2024: 13.5%).

Costs incurred to obtain financing are deferred and amortised on a straight-line basis over the term of the financing facility. The unamortised deferred financing costs are shown as a reduction of the carrying value of the related debt. The amortisation expense was $9,628 for the period ended 31 December 2024 (2023: $9,628) and is included in interest expense.

	31-Dec-24	30-Jun-24
Line of credit liability	**508,168**	383,093
Unamortised deferred financing costs	**(4,814)**	(14,442)
Net carrying value of line of credit	**503,354**	**368,651**

(b) Shareholder Loan

On 23 December 2024, the Company entered into an unsecured loan with its two largest shareholders, Colinton Capital Partners Pty LTD (“CCP”) and Wentworth Williamson Management Pty Limited (“WW”) to provide working capital funding. The facility carries a face value of $932,550 (A$1,500,000 in total with A$1,250,000 funded by CCP and A$250,000 funded by WW). The loan matures on 23 June 2026 and carries an interest rate of 15%.

5. LOSS ON EMBEDDED DERIVATIVE

During the previous reporting period, the Company had a loss on embedded derivative in the amount of $137,584 (nil in the current period). The derivative was related to convertible notes that were considered hybrid instruments with host and derivative liability components. When initially recorded, the derivative was measured at fair value and separated from the host liability. Subsequently, changes in value were recorded in profit or loss upon revaluation.

The convertible notes and related derivative liability were extinguished in H2 FY24, as part of a Capital Raise and Refinancing transaction.

6. CONTRIBUTED EQUITY

	31-Dec-24 Shares	31-Dec-23 Shares	31-Dec-24 $	31-Dec-23 $
(a) Issued capital				
Ordinary shares fully paid	**1,576,511,416**	661,210,753	**73,709,023**	66,721,052
(b) Movement in share capital				
Balance at 01 July	**1,562,058,469**	651,389,760	**73,594,023**	66,610,771
Shares issued in lieu of salary	**14,452,947**	9,820,993	**115,000**	110,281
Balance at 31 December	**1,576,511,416**	661,210,753	**73,709,023**	66,721,052

(c) Share appreciation rights

	Grant Date	Vesting Date	Opening Price (AUD)	Full Vesting Target Price (AUD)	FV at Grant (AUD)	Open Balance 01-Jul-24	Granted	Expired	Forfeited	Outstanding
FY 25-Tranche 1	**21-Nov-24**	**30-Sep-27**	**0.010**	**0.044**	**0.002**		**52,503,385**	**-**	**-**	**52,503,385**
FY 25-Tranche 2	**21-Nov-24**	**30-Sep-27**	**0.010**	**0.070**	**0.002**		**22,466,268**	**-**	**-**	**22,466,268**
FY 24	15-Nov-23	30-Sep-26	0.015	0.105	0.002	18,656,294	-	-	(467,444)	18,188,850
FY 23	23-Sep-22	23-Sep-25	0.020	0.171	0.005	3,509,195	-	-	(292,153)	3,217,042
FY 23-ELT	16-Nov-22	23-Sep-25	0.030	0.171	0.005	13,217,936	-	-	-	13,217,936
CEO Award	16-Nov-22	Various	0.030	0.150	0.006	16,131,415	-	-	-	16,131,415
FY 22	23-Sep-21	23-Sep-24	0.076	0.148	0.038	8,901,455	-	(8,901,455)	-	-
Total						**60,416,295**	**74,969,653**	**(8,901,455)**	**(759,597)**	**125,724,896**

At the discretion of the Board, the Company may make offers and issue share appreciation rights (SARs) to eligible individuals under the Plan. Unless the Board determines otherwise, the award is calculated by multiplying a defined percentage by the fixed component of compensation.

The objective of the plan is to:
(a) provide an incentive and to reward, retain and motivate participants;
(b) recognise the abilities, efforts, and contributions of participants to the performance and success of the Group; and
(c) provide participants with the opportunity to acquire or increase their ownership interest in the Group.

Vested Rights:
a) Participants are entitled to the amount by which the closing share price exceeds the opening share price. Shares will be issued in the amount equal to the closing share price less opening share price divided by closing share price then multiplied by the vested and exercised SARs. Closing price is defined as the 20-day volume weighted average price ("VWAP") as at the vesting date of the relevant SAR.

Vesting Conditions:
The Board sets the vesting conditions for each SAR plan year using the following as general guidelines.
(a) The Board sets the Fully Vested Target Price by applying a compounded annual growth rate ("CAGR") on the opening share price for the term of the relevant SAR. The opening price is the 20-day VWAP from the issuance date of the annual report or as set by the Board. Partial vesting will begin at the approved minimum share price at an approved percentage of the total SAR grants. Vesting from the minimum share price to the fully vested share price will occur on a linear scale between the minimum percentage of the total SAR grants and 100% of the total SAR grants.
(b) Continued employment through the vesting date.

(d) Terms and conditions of contributed equity
Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the case of a liquidation of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

(e) Capital management
The Company's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for the stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

7. COMMITMENTS AND CONTINGENCIES

(a) Commitments

There have been no material changes to the commitments as disclosed in the annual report to 30 June 2024.

(b) Contingencies

There have been no material changes to the contingencies as disclosed in the annual report to 30 June 2024.

8. SUBSEQUENT EVENTS

There has not arisen any item, transaction, or event of a material and unusual nature, which in the opinion of the Directors of the Company, is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards and the Corporations Regulations 2001, other mandatory professional reporting requirements; and

    b. give a true and fair view of the Group's financial position as of 31 December 2024 and of its performance for the half year ended on that date; and

2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Simon Moore

Simon Moore
Interim Chair
Dated 25 February 2025

GrantThornton

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Independent Auditor's Review Report

To the Members of Alexium International Group Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Alexium International Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Alexium International Group Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

N P Smietana
Partner – Audit & Assurance

Sydney, 25 February 2025