



ALEXIUM
SPECIALTY CHEMICALS AND SOLUTIONS

May 2017





Agenda

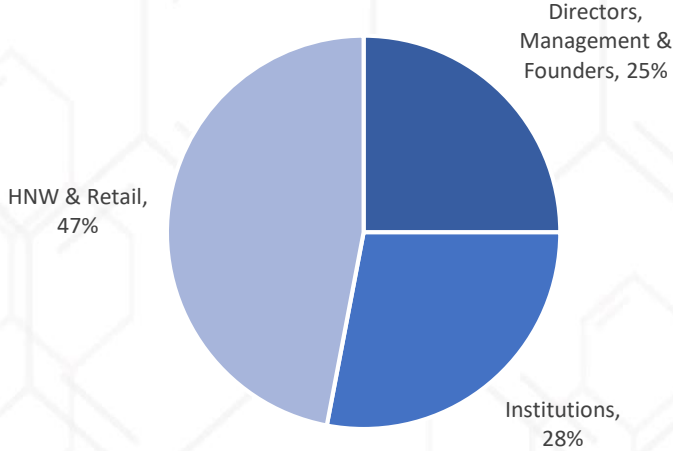
- 1 Alexium Overview**
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Company Overview

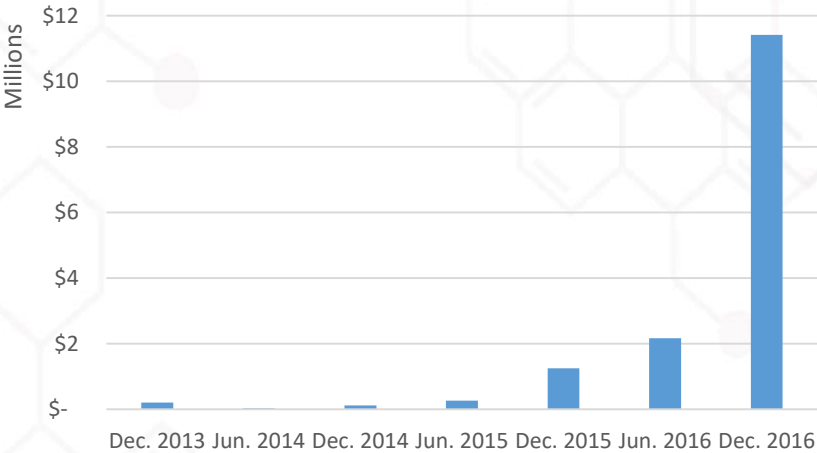
Shareholder Structure



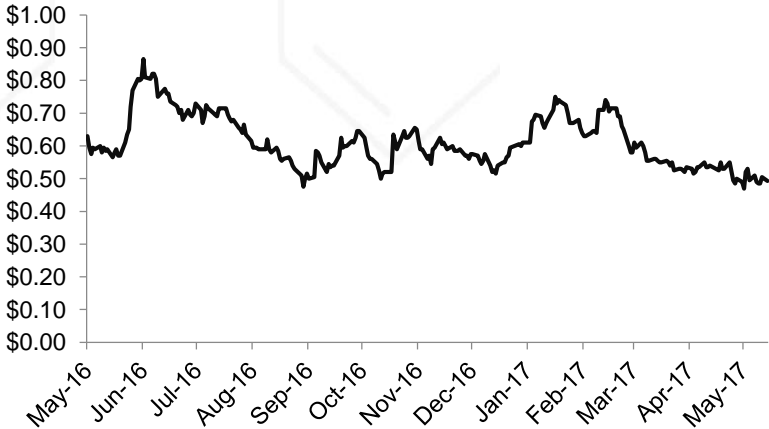
Key Statistics

ASX Code	AJX
Current Share Price	\$0.50
52 Week High	\$0.91
52 Week Low	\$0.47
Shares on Issue	~303m
Market Capitalisation	~\$153m
Cash (31 December 2016)	~\$11.4m
Cash Burn per month	~\$100k

Revenue Growth



12 month share price performance (A\$)



*Key Statistics as of 12 May 2017.



Alexium – Positioned for Success

Alexium Product Launches	✓
Clear Market Demand	✓
Commercial Partnerships	✓
Clearly Differentiated Technology	✓
Scalable Capital Light Business Model	✓
Innovative Environmentally Friendly Chemistry	✓
Expanding Patent Portfolio	✓



Alexium is a Specialty Chemicals developer

Who We Are

- **Specialty chemical solutions developer** and provider located in Greer, SC
- Focus on **environmentally friendly, non-hazardous** Flame Retardants (FR) and Phase Change Materials (PCM) that offer superior performance
- IP portfolio of **25 global patent applications** covering our chemical structures and applications
- Alexium team has over 150yrs aggregate experience in chemical synthesis, manufacturing, product development and sales

What We Do

- **Cost effective** highly innovative and robust chemical solutions for textiles and non-textile markets
- Formulations made as a **single step, drop-in solution** that can be added at any finishing facility around the globe with no changes to equipment
- Market knowledge and IP allow realization of 30-60% Gross profit margins on sales

Rapidly Growing Business

- Rapid growth in sales from pre-revenue in 2014 to A\$1.0m in 2015 to A\$13.3m in 2016
- A\$2.0m recurring revenue **per month** and growing
- Identified addressable market opportunity in excess of US\$3.0bn

The Alexium Strategy

- Identify key markets in significant transition that are underserved by current market players and/or structure
- Provide unparalleled integration support with end user customers to assist early adoption and product innovation
- Attack markets via value add reseller model to allow rapid global expansion
- Leverage low-capital toll manufacturing strategy and with major industry players to allow rapid scale up and globally established supply chain



Current focus in **Flame Retardancy** and **Thermal Regulation**








Global Sales Partnerships

Alexium has established strategic partnerships in order to rapidly scale its go-to-market capabilities

- Partnerships were carefully selected according to geography and sector expertise
- 48 sales agents (with 7 key partnerships) representing various Alexium target markets started in 2016

Global Distribution & Sales Agent Network

 iTextiles	<ul style="list-style-type: none"> • Europe, Asia 	Transport and military & workwear segments
 allure	<ul style="list-style-type: none"> • Brazil 	Workwear, carpet, and transportation industries
 Creating Solutions CHEMPLAS	<ul style="list-style-type: none"> • Australia & New Zealand 	Transportation, workwear, carpet, upholstery
 JEBSEN & JESSEN INGREDIENTS	<ul style="list-style-type: none"> • Southeast Asia: Myanmar, Vietnam, Indonesia, Thailand, Malaysia, Singapore 	Polymers & formulated compounds sales groups
 GADOT	<ul style="list-style-type: none"> • Israel & Mediterranean 	Textiles (workwear, military, bedding, transportation) , polymers, plastics
Schmits Chemical Solutions	<ul style="list-style-type: none"> • Northern & Southern Europe 	Workwear, transportation, bedding, and military
Southern Solutions LLC	<ul style="list-style-type: none"> • South eastern US 	Polymers and textiles



Toll Manufacturing/Supply Chain

Scale through asset-light operating model



VLS-GROUP

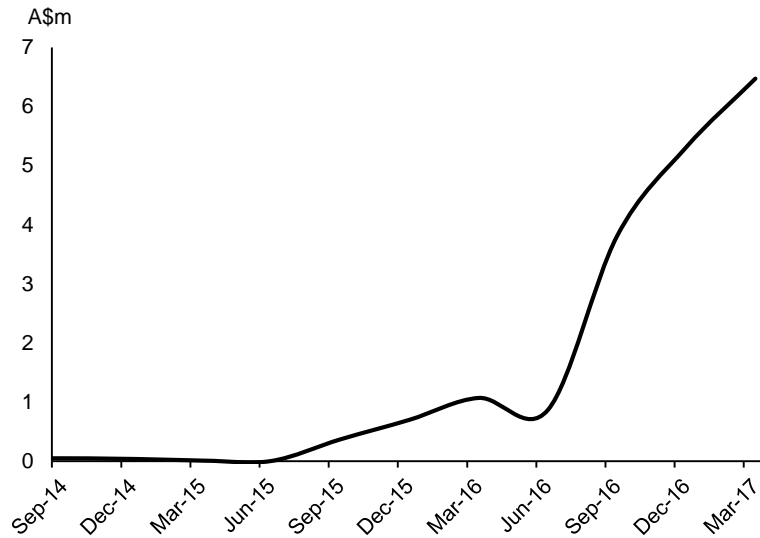


- Strategic partnerships established to rapidly scale go-to-market capabilities.
- Manpak is in Australia, Brocolor in Germany; VLS in Belgium, Euroflam in the UK with the other partners being located in the US.



Financial Overview

Cash Receipts (A\$m) from Customers



Key Takeaways

- Sales to customers continue to trend upwards quarter over quarter
- Alexium will continue to see a growth in recurring revenue as new customers are onboarded
- Alexium has current customers expanding volume due to high demand by end customers

Path to Cash Neutrality

- Sales receipts have never been higher and are forecast to continue a steady growth trajectory
- Gross profit margins have risen 21% over the last 9 months from -15% to 7% as Alexium begins to realise economies of scale on raw materials and manufacturing
- Forecasting relatively flat SG&A expense over the next 12 months



Financial Overview

Balance Sheet (31 December 2016)

Current Assets		Current Liabilities	
Cash and cash equivalents	12,357,122	Trade and other payables	5,856,923
Trade and other receivables	2,340,633	Provisions	94,051
Other current assets	2,211,925	Other liabilities - deferred income	27,108
Total Current Assets	16,909,680	Total Current Liabilities	5,978,082
Non-Current Assets		Non-Current Liabilities	
Other financial assets	43,502	Trade and other payables	488,697
Property, plant and equipment	2,754,458	Derivative liability	1,245,670
Intangible assets	156,315	Borrowings	5,567,803
Total Non-Current Assets	2,954,275	Total Non-Current Liabilities	7,302,170
Total Assets	19,863,955	Total Liabilities	13,280,252
		NET ASSETS	6,583,703
		EQUITY	
		Contributed equity	52,471,501
		Reserves	9,337,707
		Accumulated losses	(55,225,505)
		TOTAL EQUITY	6,583,703

Key Takeaways

- Solid cash position with growing revenues and increasing profit margins offer an advantageous position for continued organic growth
- Toll manufacturing and global sales and distribution network offer a capital light business model with large operating leverage, offering scalability under rapid sales growth



Fire Retardants – Key drivers

- FR chemistry renders a substance difficult to ignite and inhibits the ignition and the spread of a flame.
- Application to textiles currently, but growing in other areas.
- US\$7.0B annual global industry showing c7.5% CAGR through to 2019.
- Roughly 65% of incumbent technology under intense regulatory pressure due scrutiny from US EPA and EU law changes.

Regulatory / Green Drivers

- Evidence of toxicity and bio accumulation in incumbent technology (halogenated compounds).
- Increased regulatory and legislative focus across US and Europe on restricting / eliminating the use of halogenated compounds.
- Increased cases of litigation against products without appropriate or effective FR treatments is driving demand for better solutions.

1. *MarketsandMarkets' Report on the Flame Retardant Market: Trends & Forecasts to 2019*

2. *Due to the restricted use and ban of brominated flame retardants, organophosphorus compounds (Ops) are ubiquitous in various environmental compartments worldwide*



Fire Retardants – Key drivers

Alexium Advantage

- Alexium's proprietary chemistries are eco-conscious and non-hazardous
- Alexium is able to meet and/or exceed market needs while hitting price points to win business and achieve Gross profit margins of 30-60%
- No other chemical company has proven to meet durable FR needs while minimally impacting other properties
- Application is low cost; no change to current manufacturing process for customers
- Applications predominantly in textiles to date (i.e. fabrics) but 75% of potential market-wide applications are outside of textiles
- Alexium produce five flame retardant products



Thermal Regulation - Key Drivers

- PCMs are materials that change from one state to another and can re-charge itself when not in use; in this case for textiles, it is a chemistry that when applied, can absorb heat and provide a cooling touch
- Markets include: bedding, under/activewear, HVAC, energy storage
- Current US\$600m annual global market for chemistry which absorbs heat and can be infinitely “recharged”
- PCM market is forecast to show CAGR of 21% 2014 - 2019 to reach US\$1.5bn

PCMs are a microscopic chemistry that attach to fibres



Thermal Regulation - Key Drivers

Alexium Advantage

- Alexium has developed Alexicool, a combination thermal regulation, flame retardant and anti-odour package.
- Wash cycle is far longer; Alexicool can apply to garments for far longer than competition.
- Can offer cooling and (liquid) wicking; competition is limited to one or the other.
- Burgeoning demand in markets in need of development support.
- Current offerings monolithic, expensive, alter material properties excessively.
- Alexium has quickly established itself as best-in-class for customer service and value.



Fire Retardant Market Highlights

1. Flame Retardant Textile Markets

- Alexium is in scale-up or active selling of FR chemistry with numerous key players in three key commercial textile markets: Transportation, Decorative Fabrics and Outdoor Fabrics
- FR chemistry sales into these three markets is estimated to be +US\$400m p.a.

FR Textile Focus – Outdoor Market

- Alexium has developed the first durable, high-performance eco-friendly FR solution for tenting fabrics
- Alexium has partnered with industry giant ICL to work with end retailers to develop new industry standards for eco-conscious FR solutions
- Alexium negotiating supply agreements with multiple major players in consolidated tenting fabric field
- Alexium currently making investments to become a leader in certification testing of FR tent fabrics



Fire Retardant Market Highlights

2. Military Flame Retardant Textile Markets

- Currently, only 10% of military personnel get FR protected uniforms is due to high cost of incumbents
- FR Army Combat Uniform is +US\$100m p.a. annual industry
- “Holy grail” is to treat standard 50/50 NyCo CU fabrics to meet FR standard

Alexium Progress / Success

- Alexium successfully developed FR treatment for 50/50 NyCo in 2016 through funded effort with Natick.
- Recently partnered with major current fabric supplier to Army and Marines to tailor combat uniform fabrics.
- Working directly with Army and Marines alongside fabric partner to finalize fabric and enter uniform field trials.



Fire Retardant Market Highlights

3. Flame Retardant Cotton – Alexiflam NF

- FR cotton chemistry market +US\$250m per year.
- FR cotton chemistry market dominated for decades by two products, Pyrovatex CP and Proban.
- Difficult application process and high levels of formaldehyde in both incumbents.



Alexium Progress Success

- Alexium has developed a groundbreaking new FR cotton technology that:
 - Performs to the same level as the incumbents
 - Cost-competitive on raw materials
 - Much lower variable cost to convert
 - Zero reportable levels of formaldehyde
- Alexium is in negotiations to license this technology with three global chemical suppliers.
- Licensing agreement anticipated in 2017.



Fire Retardant Market Highlights

4. Flame Retardant Epoxy Market

- FR chemistry for electronics currently exceeds US\$1.3B per year.
- Current market serviced by halogenated materials or ineffective materials.
- Eco-conscious materials which work at low loadings are highly desired.



Alexium Progress / Success

- Alexium has successfully developed a chemistry and processing method to achieve the requirements of this market (circuit boards).
- Alexium has its chemistry in UL testing with major supplier into this market.
- Working with industry leader ICL to launch this material/process globally to its extensive network of customers.



Thermal Regulation Market Highlights

1. Bedding

- Key driver for bedding industry is to combat “hot” feel of mattresses.
- Thermal Regulation chemistry demand in this market rapidly escalating.
- Current offering does not satisfy cost or performance requirements of large segment of market.



Alexium Progress / Success

- Alexium secured first Alexicool account with major bedding brand in October of 2016.
- Presently, Alexicool is being applied to **ten** different bedding programs.
- Current Alexicool shipments into the bedding industry exceed 20,000 lbs per week with gross profit margins exceeding our average target of 40%.
- Recent disruptions in bedding supply chain will positively affect Alexium’s position.



Thermal Regulation Market Highlights

2. Pillows & Bedding Auxiliaries

- Same market drivers as mattresses.
- Alexium recently signed MOU with Pegasus Home Fashions to offer Alexium-treated pillows in major retailers.
- Alexium actively working with other pillow suppliers in institutional and overseas markets.
- Forecasted revenues beginning in mid-2017.



3. Apparel

- Alexium working exclusively with worldwide leader in innerwear/outerwear to offer Alexicool globally on customers brand.
- Currently integrating our cooling chemistry with wicking components.
- Expect revenues in late 2017.



Board of Directors



Gavin Rezos – Executive Chairman

- Extensive international investment banking experience
- Held CEO positions in companies in Australia, the UK, US & Singapore
- Non Executive Director of Iluka Resources



Nick Clark – CEO and Executive Director

- Multi disciplined experience in the corporate sector
- Adjunct Professor, board member on American Security Project and Council for a livable world
- Attended Columbia University and Yale CEO College.



Congresswoman Karen Thurman, (D-FL) – Non-Executive Director

- Congresswoman Karen Thurman served in the United States House of Representatives from 1993 to 2003.
- Prior to being elected to Congress in 1992, Thurman served in the Florida State Senate for 10 years.
- She obtained her bachelor's degree in Education from the University of Florida.



Craig Metz – Non Executive Director

- Partner at Nelson, Mullins, Riley and Scarborough LLP with over 20 years experience in legislative and regulatory affairs
- Served as Chief of Staff to the late Congressman Floyd Spence (R-SC)
- Held staff positions in the United States Senate and House of Representatives
- Appointed to senior positions in the Executive Branch of the Federal Government



Brigadier General Stephen Cheney – Non-Executive Director

- Former Inspector General of the Marine Corps and Commanding General of Parris Island Marine Base
- Former Deputy Executive Secretary to U.S. Defense Secretary Dick Cheney under President George H.W. Bush
- Sits on Secretary of State John Kerry's Foreign Affairs Policy Board



Executive Management



Nicholas Clark– Chief Executive Officer

Nick is responsible for the overall strategic development and ongoing growth of Alexium International. As CEO Nick works closely with the Executive Leadership Team in Business Strategy, Management, and Leadership.



Dirk Van Hying– Deputy Chief Executive Officer

Dirk is responsible for Alexium's ongoing operation, leadership management and direction of the business amongst all departments. Dirk works closely with Nick on strategy and development focusing on continued growth.



Aaron Krech- Chief Financial Officer

Aaron is responsible for leading global business operations at Alexium. As the company continues to grow, Aaron provides leadership ensuring our customers receive the highest quality and customer service possible. Aaron is responsible for all aspects of efficiency within the business.



Robert Brookins- Vice President of Research and Product Development

Robert (Bob) is now responsible for the research and development and product development labs. Bob continues to work with the R&D team on new and existing chemistry as well as the PD team in leadership and development as well as maximizing efficiency in production, moving chemistry faster from lab to client.



Executive Management, *Continued*



Mark Wise– Vice President of Investor Relations

Mark is responsible for overall management of Alexium’s IR and Communications work. Mark works closely with institutions and retail shareholders along with media and PR firms ensuring that the company’s positive message is being communicated accurately to the market.



Brian Enlow– Vice President of Finance

Brian is responsible for the day-to-day fiscal management of the business. Brian manages the finance team and is responsible for all aspects of budget management as well as debtor and creditor management. Brian also works on best practice with our logistics team. Working closely with the CFO, Brian also oversees the auditing and financial reporting.



Jessica Hutchison- Vice President of Human Resources

Jessica is responsible for all aspects of human capital management, including talent management, employee relations, benefits and compensation, as well as oversight of Alexium’s safety, security, and environmental efforts. Jessica collaborates with business leaders to organize and implement strategic human resources initiatives while supporting company strategy and growth objectives.



Scott Hunter- Vice President of Sales and Marketing

Scott is responsible for leading sales and marketing strategies and initiatives to increase Alexium’s market share while growing existing sales to support our overall business strategy. Scott works cross-functionally with our technical teams to ensure our sales executives are well prepared to accelerate growth through solution selling.





ALEXIUM
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