

END OF YEAR COMMERCIAL SALES AND DEVELOPMENTS

Perth, Australia, and Greer, South Carolina- 17 December 2018- Alexium International Group Limited ("Alexium," "the Company," ASX: AJX, NASDAQ Designation: AXXIY) is pleased to provide the following updates regarding significant commercial sales growth and milestones for the Alexicool® product line. As highlighted at the annual general meeting, Alexicool® phase change materials (PCM) are key to the company's path to profitability in the short term, with Alexiflam® products providing significant potential upside in the medium term. This update shares material developments since that meeting.

Alexicool® Products Selected for Multi-Million Pillow Program for Big-Box Retailer

Alexicool® products were chosen as key PCM ingredient in a multi-million pillow program with a major North American big-box retailer. These products were selected as the key cooling technology for innovative pillows developed in a partnership with Pegasus Home Furnishings. This commercial program has begun, with Alexicool® products shipped to manufacture pillows that will be stocked and sold in early 2019. This new pillow program is in addition to previously announced products sales by the company.

Alexium CCO Allen Reihman stated, "We are encouraged about the new products developed in our Pegasus initiatives, and this capitalizes on strong technical and commercial efforts by both companies. We have worked with Pegasus to provide their extensive customer base with improved cooling functionality using the latest technical innovations. This allows Pegasus to provide comfortable solutions for bedding end-use customers. With the launch of this Alexicool® pillow product, we continue to create and commercialize a product portfolio that drives momentum and improves profits in the months ahead."

Higher Performance of Alexicool® Foam Product Verified through Third-Party Testing

As announced at the annual general meeting in November 2018, the Company's new cornerstone initiative is Alexicool® technology for foam applications. Recent tests by a third-party facility have demonstrated that Alexicool® products have up to *75% greater cooling effect over a major competitor*. Product commercialization efforts are slated for early 2019. Vice President of Research and Development Richard Estes said, "Our initial product testing is very encouraging, and the positive results achieved are more dramatic than anticipated. This is another example of how well our Alexicool® technology and product portfolio is distinguishing itself in thermal management markets. We are confident that Alexium will commercialize Alexicool® technology for foam as part of an ongoing stream of useful and differentiated cooling technologies."

End of the Year Note from the CEO

With the Holiday Season approaching, I was looking to provide a year-end update, and the recent news from Pegasus Home Furnishings and Alexicool® for foam gave all the more reason.

Our Alexicool® business continues to gain sales momentum as our business partners prepare for the launch of new bedding products in early CY 2019. This growth is driven by how we engage with our customers. Recently developed analytical methods have been very important in providing demonstrable cooling performance and guiding our customers to choose Alexicool® products that best suit their needs.

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In the near term, our path to profitability will be defined by our Alexicool products. Contributors to this are the following:

1. ramp up of bedding sales after the annual Las Vegas bedding show in January 2019,
2. launch of PCM for foam, and
3. plans to reduce the cost of production and to achieve margin improvement.

Additionally, our flame-retardant products for military applications and Alexiflam[®] NF are progressing very well. As discussed at the AGM, major technical milestones have been achieved with the current focus on commercialization and transition to production. I look forward to providing key updates on these programs as well in early CY 2019. With all of this, the Board and Management are excited about the year ahead.

Finally, I'd like to thank investors for their support over the past year and wish them all the best this Holiday Season.

About Alexium International Group Limited

Alexium International Group Limited (ASX: AJX, Nasdaq Designation: AXXIY) holds proprietary patent applications for novel technologies developed to provide flame retardancy for a wide range of materials. These environmentally friendly flame retardants have applications for several industries and can be customized. Further, Alexium has developed products for a range of other applications including phase-change materials, water repellents, antimicrobials, and combinations thereof. Alexium also holds patents for a process developed initially by the U.S. Department of Defense, which allows for the surface modification and attachment of nanoparticles or multiple chemical functional groups to surfaces or substrates to provide functions such as fire retardancy, water proofing, oil proofing, and antimicrobial treatments. Applications under development include but are not limited to textiles, packaging, electronics, and building materials. Alexium's chemical treatments are currently marketed as Alexicool[®] and Alexiflam[®]. For additional information about Alexium, please visit www.alexiuminternational.com.

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