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## ANNOUNCEMENTS/ DISTRIBUTION EMAILS:

- [Extension of Further Business with Murdock Webbing](#)
- [Alexium Presented at ASX Conference](#)
- [Alexium Alexiflam-Crockban™ Wins Top 10 Textile Innovation Award](#)
- [Alexium Featured in Major FR Publication](#)
- [Alexium Increases Sales to 18 New Customers](#)
- [Alexium Continues Efforts with Global Distribution Network](#)
- [Washington DC Mayor Passes Bill into Law Banning Toxic FR](#)
- [Alexium Wins New Customer in Floor Covering and Enters New Market](#)

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# MESSAGE FROM THE CEO

As you will see detailed in this newsletter, March was a pivotal month for Alexium for a variety of reasons. In addition to continued growth and success, Alexium's revolutionary chemistry was recognized as a Top 10 Textile Innovation for 2016.

In addition to the success at our company headquarters, March was also an important month on the Hill in Washington, D.C., as the Mayor passed a bill into law banning toxic FR chemicals in all household goods.

It has been my personal mission over the past year in Washington, D.C. to raise awareness around the severe impact of toxic FR used in various consumer household goods, while simultaneously educating decision makers about the high performance, non-toxic alternatives currently available by Alexium.

The bill being signed on March 18<sup>th</sup> indicates the importance of banning these toxic chemicals in the US holistically as it will only be a matter of time before other states quickly follow suit. This is a great path forward for the company's chemistries and our future.



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Nicholas Clark  
CEO

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## A NOTE FROM THE PRESIDENT



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Dr. Dirk Van Hying  
President

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Last month we outlined three key legs of our 2016 growth strategy and Alexium is making great progress in all three areas. Some highlights:

- Alexium more than **doubled its customer base**, putting us well on track for 2016 financial targets;
- We **expanded our active markets** from five (Automotive, Home Furnishings, Military/Protective, Outdoor and Polymers) to six by completing initial sales into the Floorcovering market;
- First two commission sales network partners have added **significant new double-digit opportunities** to the Alexium pipeline in first days of activity after training;
- Alexium is scaling up revolutionary new Alexium NF-2, the **first-ever** highly-durable, one-step durable treatment for cotton with minimal processing costs.

This holistic progress, viewed alongside recent national awards for our Alexiflam Crockban product and our inclusion into the S&P ASX 300, clearly shows the exciting trajectory Alexium is on.



# Looking Forward

## Operations Report

### Growth

We are working with multiple new Toll Manufacturing Partners –both in the USA and in Europe-- so we can have streamline growth when new business comes online. Because we have five different technology platforms, some polymers have overlap and some require specific manufacturing sites and registrations; therefore, we require multiple partnerships for each region, plus backup and growth plans. Our new Manufacturing Engineer—Dr John Blackburn—is currently heading up this strategy. In addition to the manufacturing components, we have established cradle to grave Supply Chain & Logistics for each of our upcoming new business targets. We are fully prepared to meet all growth targets.

### Operations

We have successfully trained Jepsen & Jensen (Southeast Asia) and Southern Solutions (Southeast USA) thus far, and over the next 4 weeks we will train Allure (Brazil) and set training dates for Chemiplas (Australia/New Zealand), iTextiles, Gadot (Israel/Mediterranean), etc. By mid-Summer, we should have over 60 trained Sales Reps working on our behalf. Thus far, we have generated many meaningful lab projects and we are targeting dozens more. We are in discussions with several new distributors for additional coverage in the USA and Canada and anticipate making announcements along these lines soon. In addition, we are working on strategic partnerships with our new platform technologies with industry leaders so we can leverage our technology with a partner's Marketing/ Sales/ Manufacturing Infrastructure—more news to come on this soon.

### Global Distribution Network Representation



Michael Schwartz,  
*General Manager of  
Operations and Growth*





# SALES UPDATE

March is a lion all month. Our team has been on the road constantly with trials and visits. By the end of the month, we will have seen all of our top tier customers at least once—some with multiple visits.

An update of each market follows:



Steve Gravlee,  
VP of Sales



## Bedding and Decorative Fabrics

Our initial placements for FR in Bedding is continuing at the expected pace. In addition, multiple trials are underway that will expand our offerings from only FR to multiple attributes (I mentioned several in last month's newsletter). One particular offering has even received accolades as Crockban was selected as FabricLink's Top Textile Innovation Award for 2016. We are pursuing an additional wall covering opportunities based on the success of our work with a similar product. We also penetrated the carpet market this month with our first placement of business in that very large market.



## Military

Uniforms are being sent back from cut and sew for testing and we will be scheduling the PyroMan™ burn. We are continuing to reach out to new customers in the ballistic vest and backpack area. Our work on the Nylon/Cotton fabric for military will be expanded into Workwear particularly with our partner iTextiles.



## Outdoor

Our efforts in the tent area are being evaluated by outside testing prior to scheduling the trial in Asia. The work Product Development has done on the 100% cotton solution will have impact in the Decorative Fabrics area as well as tenting fabrics. This work continues to be extremely promising.



## Automotive

Mark Valdario travels to Europe next week to further efforts for our trials in Automotive. Domestically, we have sampled a large supplier and initial lab work has been very promising. A third supplier is set to complete a plant trial in the coming weeks.



## Resins, Coatings, Films and Polymers

We are working very closely with our consumer electronic customer to finalize formulations with them. Our product has shown great promise in allowing them to resurrect one of their products that would not meet FR specs. Our PET film customer is entering the final approval process.

# RESEARCH AND DEVELOPMENT UPDATE



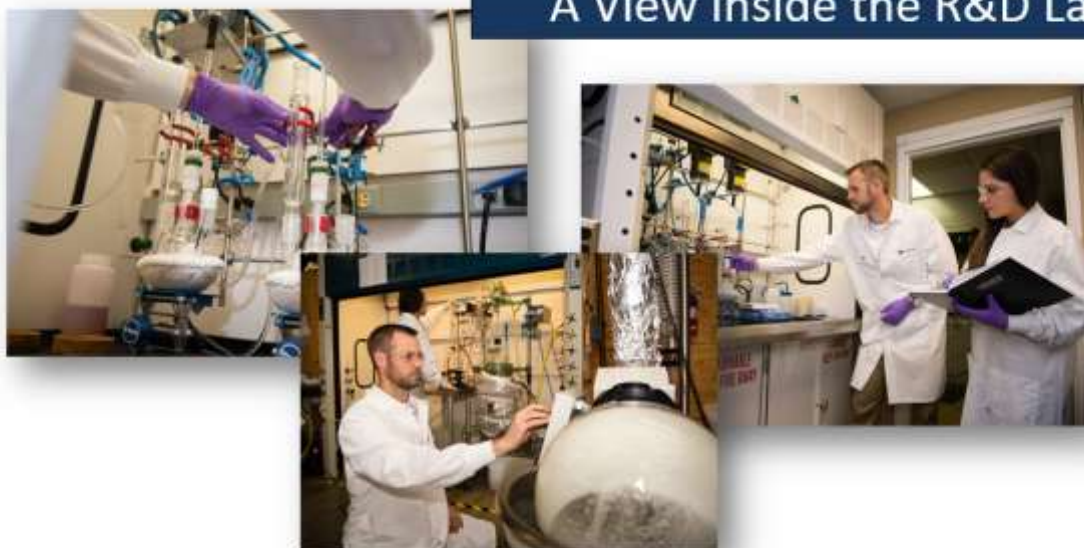
*Dr. Bob Brookins*  
*VP of Research & Development*

Since Alexium's last newsletter, the R&D group has been working aggressively on the commercialization of our new flame retardant technology for cotton-based fabrics. For those supporting this project, there is a great zeal to this effort as we pull everything together – which ranges from demonstrating its efficacy on an array of fabrics, preparing technical documentation, and regulatory compliance. The following list is a summary of key updates on this product:

- Alexium's new flame retardant treatment for cotton-based fabrics is officially titled "**Alexiflam NF.**" With the prominence we see for this product in our "natural fiber" applications, applying this name was obvious for us.
- Alexiflam NF is exempt from registration under REACH (the chemical regulatory system for the European Union). *Thus, Alexiflam NF is well-poised for commercialization into EU markets.*
- Alexium's strategy for protecting intellectual property for Alexiflam NF is set and is being implemented.
- Key contacts for rolling out Alexiflam NF to the market have been initiated.

Seeing this new product move from the lab to the market is exciting and a testament to Alexium's momentum.

## A View Inside the R&D Lab



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# Corporate Services

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During the month of February the Finance and Human Resources teams have been working diligently to support the ever increasing sales activity Alexium is experiencing. The team has entered into the preliminary phases of two major efforts which will evolve over the course of the coming months to help bolster the Finance team's ability to communicate and keep up with the uptick in activity.



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*Aaron Krech*  
**CFO**

First, Alexium has engaged a consultant to help us implement software that will allow the Company to greatly increase the lines of communication between business development, finance, and operations to ensure that as the team here at Alexium continues to grow, there is no loss or lag in cross department communication.

Secondly, we have created a new position within the finance team which will focus on project management, such as the implementation of the software noted above, financial reporting, and analysis. This position will be integral as the need to analyze historical sales, margins, and expenses become more and more critical with the increase in customers and sales volumes. These two efforts will allow the company to perform optimally as it continues to grow in its most successful year to date.

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