



# ALEXIUM

SPECIALTY CHEMICALS AND SOLUTIONS

NEWSLETTER | AUGUST 2016



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## MESSAGE FROM THE CEO

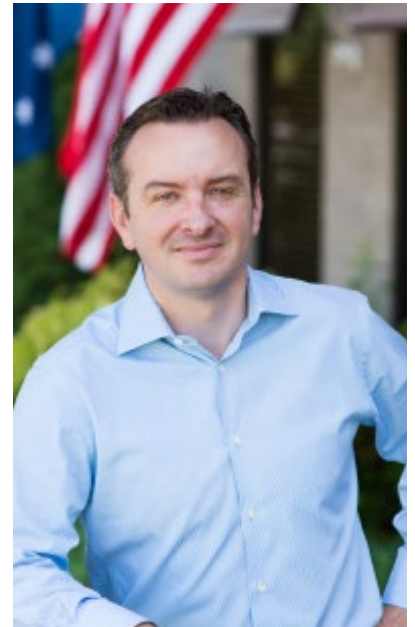
This month's edition brings good news of further expansion of our innovative product line and increasing penetration into new markets and industries for Alexium's line of specialty chemistries. These advances continue to raise the company's profile and influence globally.

In addition to the important work that is going on in the Research and Development (R&D) and Product Development areas, we continue to exploit opportunities to reach market influencers — government and military organizations, trade associations, corporate and news media leaders — whose opinions and awareness of Alexium create awareness, momentum,

and support for our products.

In the last month, Bob Brookins, our Vice President of R&D, made presentations to the U.S. Consumer Product Safety Commission and the International Association of Fire Fighters to develop awareness of Alexium's safer flame retardant alternatives for consumer products and uniforms. I continue to work in the U.S. capital to advance the need for a new generation of flame retardant chemistries that provide greater environmental and human safety.

I continue to be pleased with our progress and impressed with the excellent team here at Alexium.



Nicholas Clark  
CEO

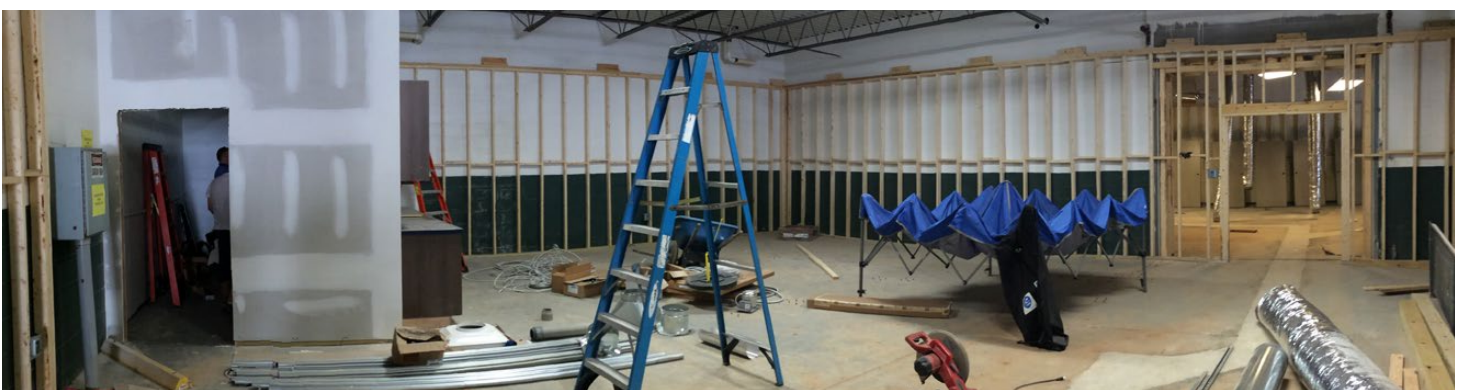


Dr. Dirk Van Hying  
President

## A NOTE FROM THE PRESIDENT

Our continuing focus on innovation is evident throughout this month's newsletter. The rapid development of chemical formulations for nylon and for cotton is opening up new markets for us globally. The success of Alexicool, our phase change material technology (PCM) continues with new sales this month and identification of new applications. The rapidly expanding global PCM market represents a significant opportunity for the company, and we're moving to capitalize on our advanced technology for sales of Alexicool. To meet expected demand, we are expanding manufacturing capacity, which is now approximately 30 million pounds.

Work continues on the construction of our new facility in Greer, South Carolina, which will increase the efficiency of our operations and enable us to better serve our customers. The larger space will offer an updated workspace where all of our employees will work together, and the project is progressing well.







Michael Schwartz  
VP of Sales

## GROWTH & SALES

August saw gains in client growth, geographic expansion and entry into new markets for Alexium. iTextiles, Alexium's distribution partner in southeast Asia ordered Alexicool, Alexium's phase change material (PCM) for new customers in that region in the workwear, tenting and transportation sectors. And, two new clients in the bedding industry have placed purchase orders for Alexicool; one of the customers is located in the U.S. and the other in Europe.

The ever growing list of Alexium clients is impressive and made up of many well known, major players. Customers are usually not willing to have their names announced, because they would lose a competitive advantage.

To reach potential clients for Alexicool, prospecting is underway with 240 new leads in the U.S.; the sales team is extremely focused on these efforts.

Numerous plant trials of Alexium's proprietary chemistries are underway around the globe. Trials have been scheduled starting next month as a result of recent meetings in Dubai with representatives of iTextiles, Alexium and new customers.



## RESEARCH & DEVELOPMENT

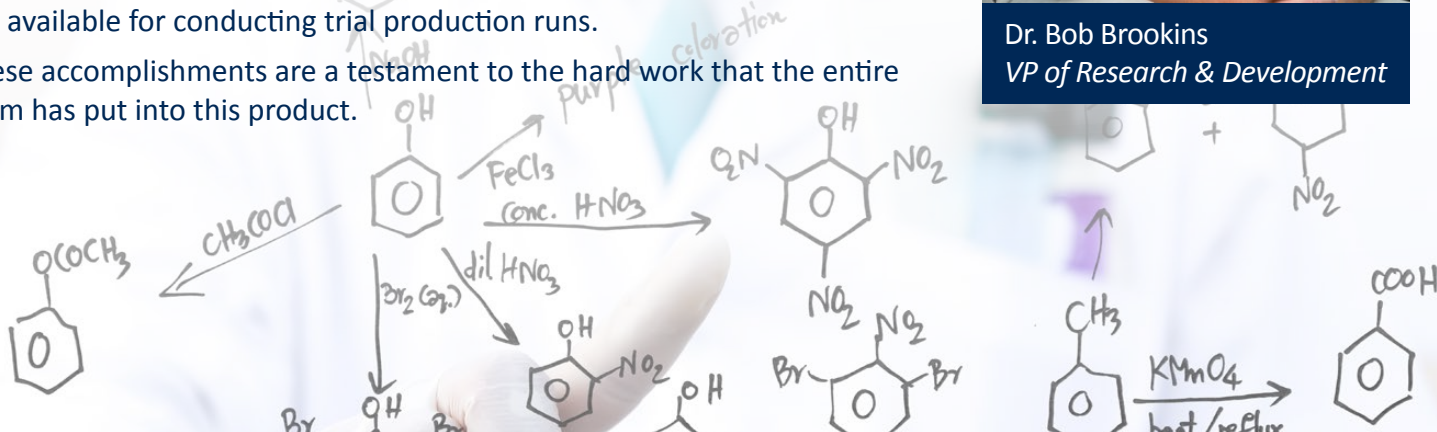
The Research and Development Department has been working diligently on the commercialization of Alexiflam NF, Alexium's proprietary chemistry for providing a durable, flame retardant treatment for cotton-based fabrics. In the last month, there have been several important developments:

- **Alexiflam NF Launch in Europe:** As part of the commercialization of this product, Alexium has pre-registered Alexiflam NF under REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) with the European Chemicals Agency. With this, Alexium is able to sell production-scale quantities of Alexiflam NF into the EU.
- **Alexiflam NF Manufacturing:** Alexium has successfully manufactured Alexiflam NF on a multi-ton scale. This work provides a validation of the process and ensures that a sufficient quantity of product is available for conducting trial production runs.

These accomplishments are a testament to the hard work that the entire team has put into this product.



Dr. Bob Brookins  
VP of Research & Development







Jonus Larue  
Vice President

## PRODUCT DEVELOPMENT

Following Alexium's recent sales in the tenting markets, the product development (PD) team has been focused on further developing and certifying a number of formulations such as lightweight nylon. A number of fabrics from 2-4 ounces per square yard have been CPAI 84 certified utilizing a solution based on the Alexiflam PB product line. CPAI 84 is a standard of flammability certification set by Industrial Fabrics Association International for recreational tents. Alexium is now one of very few flame retardant (FR) companies that can provide semi-durable to durable product for 100%

nylon. Production trials are planned to start during 2016.

Product Development also continues to refine and advance the existing product lines through its close collaboration with the sales team. The goal is to meet a wide range of specific client needs through product customization, a three-step process that comprises development of customer formulations, assistance in streamlining the commercialization process, and establishment of partnerships with toll manufacturers to prepare for commercial scale manufacturing.



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