

Alexium to Supply Alexiflam™ and Alexicool™ to Two U.S. Mattress Ticking Producers in US\$3 Million Per Year Agreements

Alexium's First Multifunction, Single-Formulation Chemistries Agreements Are For 3-Year Period

Highlights

- Alexium to produce Alexicool™ for two leading global mattress makers for three years
- Alexium's chemistry chosen for superior performance
- Purchase and Production has already commenced

Perth, Australia and Greer, South Carolina – 19 October 2016 -- Alexium International Group Limited ("Alexium," "the Company") (ASX:AJX, OTC QX:AXXIY) has signed its first multifunction, single-chemical formulation sales agreements to supply its flame retardant (FR) (Alexiflam™), phase change cooling technology (Alexicool™) and an odor preventer for mattress ticking. These agreements are between Alexium and two separate U.S.-based major producers and finishers of mattress fabrics for joint supply to one of the largest mattress brands in the world.

Sales are expected to commence immediately with monthly revenue to continue over an initial three-year production period, representing sales revenues in excess of US\$3 million per year. Under these agreements, Alexium will supply its chemistry to three locations worldwide, with the end bedding products being sold primarily in stores in the United States.

Following Alexium's success with its Alexiflam™ and Alexicool™ products in the bedding market, the company sought to provide a single chemical package comprising a number of products and functions to help its customers reduce production time and complexity. These sales agreements are Alexium's first successful implementation of that approach. This new approach to the bedding market allows Alexium to capitalize on its expert knowledge of proprietary chemistry formulations to provide customized solutions to its customers and maintain strong margins, while its customers are responsible for the production process.

"When we first entered the bedding sector with our initial FR product, Alexiflam™, we quickly established ourselves as not only a provider of high-quality FR products but also as a highly capable partner for providing complex chemical solutions reliably," stated Dirk Van Hying, President of Alexium. "These multifunction, single-formulation agreements are a major step forward for Alexium as we expand our capabilities in the marketplace."

Mr. Van Hying added, "We have been in discussions with other bedding fabric producers and finishers and anticipate further interest in our multifunction, single-formulation chemistries. We also expect this broader approach to the chemical marketplace will be very successful in other industries such as apparel, footwear and beyond."

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Alexium International Group Limited (ASX: AJX, AX:AJX OTC QX: 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 a number of 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 nano-particles or multiple chemical functional groups to surfaces or substrates to provide functions such as fire retardancy, water proofing, oil proofing, and anti-microbial treatments. Applications under development include but are not limited to textiles, packaging, electronics, and building materials. Alexium's chemical treatments are currently marketed under the Alexiflam™, Alexiflam FR™, Alexiflam SYN™, Alexiflam NF™, Alexicool™, Alexiflam PB™, and Alexiflam AD™ brand names. For additional information about Alexium, please visit www.alexiuminternational.com.