



## ALEXIUM INTERNATIONAL GROUP LIMITED

### Quarterly Activities Report for the Period to 31 March 2015

#### Sales and Marketing:

- Alexium remains on target for 2015 revenue growth goals
- Alexium has now shown continuous quarter-over-quarter growth, with 1Q 2015 revenues exceeding 4Q 2014.
- Alexium has seven (7) “near-term” customers running in-plant scale-up production, all slated to show 2Q or 3Q revenue.
- Alexium, through 1Q 2015, continues to successfully develop flame-retardant 50/50 nylon-cotton through five different routes, through Natick, prime contractors and fabric suppliers

In the first quarter of 2015, Alexium closed two new accounts and continued to make significant progress towards launching several new products in 2Q 2015. Alexium remains on track to meet or exceed its 2015 financial projections with a predicted very active remainder of the year.

#### Key 1<sup>st</sup> Quarter Announcements

January 16	Independent Market Analysis of Global FR Chemistry
January 20	Alexium Commences First Significant Commercial Sector Account
February 23	Alexium Lands Second Commercial Sector Account
February 25	Alexium Completes and Delivers on Stage One; Environmentally-Friendly Flame Retardant Nylon-Cotton Fabric to Natick for “Down Select” Testing
March 20	President Obama Announces Institute for Manufacturing Innovation in Revolutionary Fibers and Textiles
March 23	Alexium Negotiates Exclusive Agreement with Leading US Outdoor Fabric Manufacturer for Providing “Alexiflam-SYN” as a Fire Retardant (FR) Solution for Outdoor Tenting Fabric
April 13	Alexium Increases Sales and Product Development Staff to Meet Marketplace Demand for Alexium Flame Retardant Solutions
April 14	U.S. Brigadier General Stephen Cheney USMC (Ret) Joins Alexium Board as Non-Executive Director
April 22	Natick (US Army Soldier Systems Center) Selects Alexium to Proceed to Second Stage of the Development of Non-Inherent Flame-Retardant 50/50 NyCo Uniforms

Rule 4.7B

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

ALEXIUM INTERNATIONAL GROUP LIMITED

ABN

91 064 820 408

Quarter ended ("current quarter")

31 March 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (...9... months) \$A'000
1.1	Receipts from customers	10	72
	Other Income/Grants	101	190
1.2	Payments for (a) staff costs	(596)	(1,524)
	(b) advertising & marketing	(34)	(114)
	(c) research & development	(69)	(156)
	(d) leased assets	-	-
	(e) other working capital	(531)	(1,409)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	7	21
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (GST)	8	27
<b>Net operating cash flows</b>		<b>(1,104)</b>	<b>(2,893)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (...9... months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,104)	(2,893)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property	(12)	(29)
(d) physical non-current assets	(52)	(65)
(e) other non-current assets	-	(1)
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (Loans from related entities)		
<b>Net investing cash flows</b>	(64)	(95)
<b>1.14 Total operating and investing cash flows</b>	(1,168)	(2,988)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	558	3,205
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from convertible notes		
1.18 Repayment of borrowings		
1.19 Dividends paid		
1.20 Other (Share issue, Convertible Note Costs)	(21)	(134)
<b>Net financing cash flows</b>	537	3,071
<b>Net increase (decrease) in cash held</b>	(631)	83
1.21 Cash at beginning of quarter/year to date	5,274	4,197
1.22 Effects of exchange rate changes on cash	322	685
1.23 <b>Cash at end of quarter</b>	4,965	4,965

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(150)
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

--

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Alexium continues to build sales momentum in the commercial sector. As 2015 was Alexium's first true introduction of sales into the marketplace, the key strategy has been to create a solid foundation of clients with product validation both by customers and end users. Alexium has a number of customers undertaking production trials as well as having announced sales contract this quarter where revenue will start to grow strongly.

In the Defense sector, Alexium's work with NATICK is proceeding as per schedule with results that have exceeded NATICK's expectations. Alexium remains on track to achieve US Department of Defense revenues in 2015.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

## Appendix 4C

### Quarterly report for entities admitted on the basis of commitments Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	4,965	5,274
4.2	Deposits at call		
4.3	Bank overdraft		
4.4	Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.23)		4,965	5,274

### Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

*Nicholas Clark*

30 April 2015

Sign here: ..... Date: .....  
(Director/~~Company secretary~~)

Nicholas Clark

Print name: .....

---

+ See chapter 19 for defined terms.

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

---

+ See chapter 19 for defined terms.