

Announcements

Alexium Partners with New York Based EAS Advisors

Alexium CEO Meets Key Legislators in Support of Eco-Friendly Flame Retardants

Craig Metz Joins Alexium Board as Independent Non-Executive Director

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Message from the CEO

2014 has been a busy year for Alexium, but we have accomplished a lot and I know 2015 will be even better. Our staff has done an incredible job in all fronts, from developing new chemistries to cultivating customer relationships, and their efforts are appreciated.

I plan on spending 2015 focusing on my relationships on Capitol Hill and listing the company on the New York Stock Exchange. The addition of Craig Metz as a non-executive director will help us on both of these fronts. Craig's experience in staff positions throughout Congress has allowed us to meet many decision makers in Washington, D.C., and his involvement in the company will help navigate the complex process of promoting our products through government channels. The partnership with EAS Advisors will also help us gain traction with the U.S. market. Their experience of exposing ASX companies to the U.S. is invaluable, and we are pleased to have their expertise as we promote Alexium to American investors.

I'd also like to thank all of the shareholders for their continued support the past 12 months. We have learned a lot the past year as we've further moved from research and development to a commercialized business, and we are glad to have all of you on this journey with us. Although this is the final newsletter for 2014, there is still exciting things to come before the year is out. Stay tuned!

Merry Christmas to you and your loved ones, and let's look forward to a great 2015.



Company Operations

This month, Alexium has continued to work with a wide range of customers along the product scale-up path, from initial fabric treatment to full-scale manufacturing, all pushing towards sales. With every market we are addressing, from transportation to decorative fabrics to military, we are seeing a clear trend – a textile industry that has come out of the last two decades of downsizing with a limited ability to understand and apply new chemistries. This has emerged as an enormous benefit to Alexium and how we operate – as opposed to the traditional giant chemical company that just gives you a catalog and provides little-to-no support, Alexium provides ready-to-go FR solutions to an industry that desperately needs it. That, combined with the high-performance, eco-friendly nature of Alexium's chemistries, has allowed our products to take hold very quickly in a market that traditionally moves very slowly. The service element of what we do will, operationally, continue to receive significant focus as sales continue to grow.



Business Development and Sales

The sales team has received several purchase orders for production runs at customer facilities. These are customers in the transportation industry, where we have found success using our Alexiflam™ chemistry as a backcoating solution, and these production runs should validate our products to the end users. The sales team is also pursuing other opportunities in the backcoating transportation market, mainly upholstery seating applications.

We have also found that our Alexiflam™ chemistry works well as a backcoating in many upholstery applications.

We have had trials with three customers, two in the U.S. and one in Europe, who would like to fulfill orders to use our chemistry on their customers' fabrics. The Alexiflam™ has performed as well as halogenated products on their fabrics, but we offer the eco-friendly alternative the end users are looking for.

The 2015 tradeshow schedule has been finalized as well. We will be attending a few shows in early 2015, but we will also be exhibiting at Techtextil in Frankfurt in May. Techtextil is one of the largest textile shows in the world and should attract nearly 30,000 visitors from all over the world. Then in June we will be



Business Development and Sales Continued

exhibiting at the Techtextil North America show in Houston, the same show we exhibited at earlier this year that resulted in over 50 leads. We also plan to exhibit at two more shows in the fall (one in Europe and one in the US), and we will be attending several shows throughout the year as well.

We look forward to 2015 being a defining year as we secure contracts that should lead to continuous revenue.



The Benefits of Alexium's NyCo Treatment

Over the past two years, a key development at Alexium has been a proprietary FR treatment for 50% nylon/50% cotton-based fabrics – or as we more generally refer to it, **FR NyCo**. NyCo is a principal fabric for the US military, with millions of yards used for uniforms issued annually. While the US military values the excellent durability, wearability, and strength of NyCo, its flammability limits its use to non-combat/low-risk environments. For a number of years, the US military has actively sought a flame retardant NyCo, but no one has provided a commercially viable option (besides now Alexium). Over the past seven years, the currently fielded flame retardant uniform (FR ACU) used by the US military provides flame retardancy but with significantly reduced durability and strength while at a significantly increased cost relative to NyCo.



Alexium's FR NyCo has now been under evaluation by segments of the US military, and the feedback has been very positive. Most importantly, four key points distinguish Alexium's FR NyCo:

- The flame retardancy is equivalent to the current FR ACU
- The tear and tensile strength is equivalent to NyCo (which far exceeds that of the current FR ACU)
- Over 50+ laundering cycles, the flame retardancy, tear, and tensile strength is retained.
- The cost of Alexium FR NyCo is significantly less than the current FR ACU.

The value of Alexium's FR NyCo is obvious, and we are working with key parties to push this forward rapidly.

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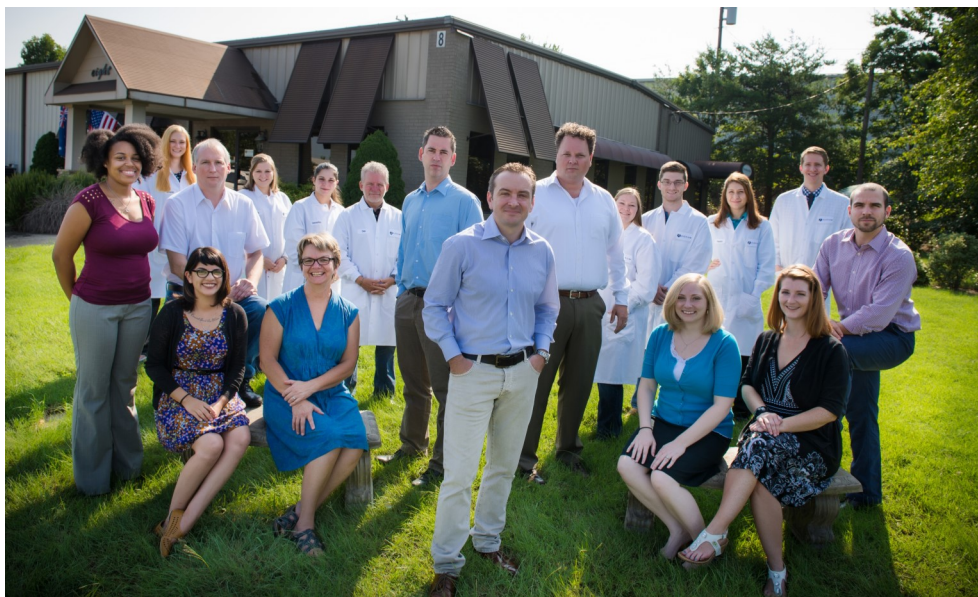
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Alexium Gives Back

On November 15, Alexium's lab supervisor Donald Buotte raised money for the Ronald McDonald House by biking 100 miles from Greenville, South Carolina, to Asheville, North Carolina. The Alexium team helped with the fundraising efforts by pledging money for every mile Don rode, totaling over \$1000. The Ronald McDonald House provides shelter for families who have children undergoing medical treatments in hospitals away from their homes. The money raised by the Alexium team will go towards making meals for these families as well as providing recreational activities for them to enjoy time together away from the hospital. We were thrilled to donate to such a wonderful cause and look forward to getting even more involved with the community in the future.



Happy Holidays from the Alexium Staff



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