

## Announcements

Alexium Technology Reviewed by Invitation Only  
Industry Day for U.S. Army Natick Soldier RD&E Center

European Sales Cycle Progress: Alexium Completing  
Production Trials at Euroflam on Over Forty Different  
Customer Fabrics

## this issue

Message from the CEO

Sales Corner

Product Commercialization Updates

Alexium's IP Strategy

## Message from the CEO

Alexium has focused on working with our customers to make sure our products meet their needs. Our trial runs at Euroflam were well received, and we are currently looking for a toll manufacturer to help meet European demand for our products. We have also received fabrics from U.S. based customers that we are currently testing. These opportunities give us the ability to adapt our chemistries for requirements in several new industries.

Alexium was also invited to an Industry Day for the U.S. Army at the Natick Soldier RD&E Center, the Army's key facility for gathering and producing technologies that benefit soldiers. They showed interest in halogen-free, ecologically friendly flame retardant solutions, and we are glad we could provide them with an option for effective FR performance that meets environmental standards.

I am impressed with how quickly the sales team has worked to integrate us in the market. They have brought in clients that are currently working with our chemistry and purchasing quantities to run production trials. The technical team has also responded quickly to any customer inquiry and has been busy tailoring our chemistries to the customers' specific needs. While the sales process has taken longer than expected due to the clients' requirements, I am confident that we will have larger revenues coming in soon, and I am pleased that the current potential is greater than we expected.



## Sales Corner

We are continuing to introduce Alexium’s products to the textile market, and we are working with the clients we have already acquired through previous marketing efforts. Regarding our ongoing activities, our sales/development pipeline, and market potential, we remain optimistic and confident that sales targets, whilst delayed, will be achieved.



Alexium is in the midst of over a dozen development/trial projects with potential customers across the product spectrum. Each project represents a significant (~\$500K) p.a. average revenue opportunity. We have booked small sales quantities on all products, primarily for production trials and market introductions. Our customers and partners are evaluating the performance, and we are refining the product to meet their requirements.

While we are continuing the work and progressing in market with longer sales cycles (i.e. workwear and military), we are emphasizing those opportunities with shorter sales cycles (i.e. soft furnishings).

The sales team is assisting the conversion of these trials/demonstration projects to products sales and are continually adding new sales leads and actively marketing and selling our products at the right market venues.

### Updated Exhibit & Tradeshow Calendar

#### Upcoming Tradeshow Exhibits:

October 14-16, 2014—IFAI Specialty Fabrics Expo and Advanced Textiles (Minneapolis, MN)

May 4-7, 2015—Techtextil (Frankfurt, Germany)

#### Upcoming Tradeshow Attendance :

August 14—NEWH Hospitality Industry Tradeshow (Denver, CO)

September 8-10—Specialty Chemicals Conference (Charleston, SC)

September 9-11—MOOD International Trade Fair (Brussels, Belgium)

September 15-16—Textile World Innovation Forum (Atlanta, GA)

October 29-30—NEO-CON Design Exposition and Conference (Baltimore, MD)

November 4-6—TexWorld Istanbul (Istanbul, Turkey)

November 9-10—BD NY (New York, New York)

## Product Commercialization Updates

Alexium's commercial transition team completed a very successful scale-up trial at Euroflam in England this month, treating over 40 fabric styles for evaluation by customers for purchase. Despite limited fabric for trial work, the majority of the styles showed exceptional FR performance due to the Alexiflam chemistry's design and its manufacturing flexibility. The transition team continues to work with Euroflam to process additional customer samples and to maximize customer satisfaction with the treated fabric.



Alexium continues to receive in sample requests from a wide range of customers, from automotive interiors and bedding components to office contract materials and industrial workwear. Alexium has, in turn, not only produced a steady stream of high-performance FR samples but also generated a number of improvements in the product to satisfy performance needs in the new market areas we are addressing, such as crocking, hand, and industrial launderability. Alexium continues to improve its products to position them for sale in an increasingly wide number of markets.

## Alexium's IP Strategy

As a developer of new FR chemistries and formulations, Alexium is managing multiple aspects of these technologies, such as manufacturing Alexium's products, providing production-level assistance to customers, and working with customers on new-product development. A critical part of this work is managing **Alexium's intellectual property (IP)**, which includes patents, trademarks, and trade secrets for Alexium technologies. This work is my responsibility, and I manage this work in conjunction with our patent attorneys and Alexium's leadership.



At the risk of over simplification, Alexium's IP strategy is guided by two key principles.

## Research and Development Updates Continued

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1. Innovative products/processes developed and commercialized by Alexium are patented. This gives Alexium the freedom to work openly with our customers while still retaining ownership of our technology; trade secrets simply do not provide the same level of opportunity and protection.
2. Collaborative efforts between Alexium and others (whether commercial, government, or academic) are only initiated when Alexium's intellectual property can be protected. Alexium strongly values these collaborations, but we know that with proper foresight in how the collaborative agreement is structured, the IP rights of both parties can be protected.

Because Alexium's focus is developing innovative FR products, this strategy is needed to protect the company.

With that said, Alexium is patenting and trademarking key aspects of its FR technologies. We have a patent pending on the core chemistries that are used for Nycolon™, Nuvalon™, Polytron™, and Omnitron™. This provides patent protection for our "Alexiflam™" brand of products. Additionally, patents are currently in process for commercial products based on the Alexiflam™ technology. To protect the Alexium brand, trademarks are also in place for these product lines. While putting these patents and trademarks in place requires significant work, Alexium know that this IP portfolio will serve as the foundation for the long-term success of our company.

### Corporate Headquarters

#### Alexium International Group Limited

Level 18, Central Park Building, 152-158 St. Georges Tce

Perth, WA 6000 Australia

PO Box 512 Cottesloe WA 6911 Australia

**Phone:** +61 (0) 8 9384 3160

**Fax:** +61 (0) 8 6314 1623

**Website:** [www.alexiuminternational.com](http://www.alexiuminternational.com)

### Operating Headquarters

#### Alexium Inc.

8 Distribution Court

Greer, South Carolina 29650 USA

**Phone:** +1 864 416 1060

**Fax:** +1 864 551 4555

