



# ALEXIUM

## Chemical Innovations

### ALEXIUM INTERNATIONAL GROUP LIMITED

ASX/Media Release

23 March 2015

#### **ALEXIUM NEGOTIATES EXCLUSIVE AGREEMENT WITH LEADING US OUTDOOR FABRIC MANUFACTURER FOR PROVIDING “ALEXIFLAM-SYN” AS A FIRE RETARDANT (FR) SOLUTION FOR OUTDOOR TENTING FABRIC**

**Perth, WA and Greer, South Carolina: Alexium International Group Limited (Alexium) (ASX:AJX, AX:AJX, OTC QX:AXXIY)** is pleased to announce an exclusive sales contract with a prominent U.S. based outdoor product manufacturing company, which includes royalty payments on sales of finished products as well as chemistry sales. Alexium will be supplying Alexiflam-SYN flame retardant (FR) chemistry to treat this customer's outdoor fabric.

#### Key Points:

1. Alexium's award winning environmentally friendly, durable and performance enhancing FR chemistry, as an Alexiflam-SYN formulation, has been delivered to the Customers' fabric finishing facility for scale up and production;
2. Initial revenues to Alexium will commence in the 2<sup>nd</sup> quarter CY2015;
3. Alexium is negotiating a joint pricing and marketing strategy with this customer on the customer's finished consumer goods. The marketing strategy would include a co-branding campaign which would increase Alexium's brand awareness in the mind of the consumer as well as increase exposure and product validation across multiple future markets;
4. Further details on the Customer and the Alexiflam co-branding strategy will be provided following completion of initial production;
5. The U.S. tenting market alone is estimated to reach \$250M in 2015 with a growth rate of 3% through 2019;
6. Virtually all tents sold in the US are required to pass NFPA 701 flammability standards. In addition, several states have recently mandated a flammability requirement on outdoor tents and included a requirement that the FR treatment be environmentally-friendly;
7. A key requirement in the outdoor market is the need for high-performance water repellency treatments, which can withstand the physical and environmental rigors of nature. These water repellants traditionally made the fabrics they are applied to harder to pass flammability standards. Effective, durable, eco-friendly FR solutions have not been previously available;

8. Alexium's brand new chemistry designed for synthetic fabrics, Alexiflam SYN, provides a durable, eco-friendly solution that importantly is also compatible with ultra-high-performance water repellency treatments;
9. This combination of ultra-high-performance water repellency and NFPA 701 flame retardancy is not something currently offered in the market and it will be the first product of its kind;
10. This new product solution can be extended to other products in the outdoor textiles market such as marine fabrics, awnings, signs and outdoor upholstery, which rely heavily on acrylic fabrics that until now have been notoriously difficult to make flame retardant;
11. Like the tent market, environmental impact and durability are paramount in the acrylic outdoor products market, but to date the industry stance has been to use product durability as the most environmentally responsible solution. Alexium's proven combination of durability, performance and environmental friendliness are a perfect fit in the acrylic outdoor markets, and Alexium is actively engaged with suppliers in those markets.

Alexium's General Manager of Operations Dirk Van Hyning said that "the recreational outdoor market is one of the most performance-critical consumer product sectors and also one of the most environmentally conscious. Every major U.S. and European outdoor manufacturer actively promotes the environmental stewardship of their company and their efforts to minimize the environmental footprint of their products. Fifteen years ago, the recreational outdoor fabrics market was forced to change their existing practices due to the environmental impact and hazards associated with the water repellent treatments then available due to their bioaccumulation and environmental persistence. As a result, the entire market then changed to meet new environmental standards. We expect the same to occur now, given Alexium's new eco-friendly, durable FR solutions are compatible with water and other repellency treatments."

Mr. Van Hyning added, "The same issues observed 15 years ago with water repellants are the exact same issues with current brominated flame retardants the industry relies on today – they bio accumulate and they are environmentally persistent – and the industry desperately needs durable environmentally-friendly solutions. Alexium is now providing those solutions exclusively in the outdoor tented sector, to this new customer."

Mark Valdario, Alexium's Technical Sales Specialist, stated, "We are thrilled to be working in an exclusive position with this new customer to create an industry changing product which sets new standards in the outdoor market where the highest levels of performance and environmental awareness are demanded by customers and end users."

In summary, Alexium will continue to work closely with this leading outdoor fabric supplier through all the critical steps necessary (production, supply chain, marketing) to bring this exciting new product to market. This unique combination of durable, environmentally-friendly flame retardancy and water repellency is expected to springboard Alexium into adjacent outdoor fabrics markets. Alexium will keep the market updated as the agreement and co-branding and marketing campaign are finalized.

"The validation by this new customer of not only the performance of our chemistry but the fact that it has an entirely new level of compatibility with critical adjacent textile chemistries," said Alexium CEO Nicholas Clark, "sends a powerful message that Alexium's chemistries are not only completely unique, but also a powerful enabler of entirely new spaces of textile performance."

For more information, visit Alexium's website at [www.alexiuminternational.com](http://www.alexiuminternational.com).

**U.S. Contacts:**

Nick Clark  
Chief Executive Officer  
[nclark@alexiuminternational.com](mailto:nclark@alexiuminternational.com)  
U.S.: +1 864.991.6687

Julie Patrick  
Marketing & PR Specialist  
[jpatrick@alexiuminternational.com](mailto:jpatrick@alexiuminternational.com)  
U.S.: +1 864.908.6793

**U.S. R&D Center:**

8 Distribution Court  
Greer, SC 29650  
T: +1 864.416.1060  
F: +1 864.752.6465

**U.S. Corporate Office:**

148 Milestone Way  
Greenville, SC 29615  
T: +1 864.603.1165  
F: +1 864.752.6465

**Europe/Australia:**

Gavin Rezos  
Executive Chairman  
[grezos@alexiuminternational.com](mailto:grezos@alexiuminternational.com)  
UK: +44 7447.560.303  
AUS: +61 412.898.235

ABN: 91 064 820 408  
ASX: AJX

**About Alexium**

Alexium International Group Limited (ASX: AJX, AX:AJX OTC QX: AXXIY) holds proprietary patent applications 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, paints, and packaging, glass and building materials. Alexium's fire retardant chemical treatment are currently marketed for different fabric markets under the Ascalon™, Nycolon™, Nuvalon™, and Polytron™, Omnitron™ and Bactron™ trademarks.

