

## CHEMICAL INNOVATIONS

ALEXIUM INTERNATIONAL GROUP LIMITED

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### Quarterly Activities Report for the period to 30 September 2015 Alexium shows 217% increase in cash from customers and grantors

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#### REVENUE GROWTH SUMMARY

- During the quarter and leading up to the Appendix 4C, the Company received a combined **\$1,275,000** consisting of cash and commitments from commercial customers and grantors. This includes **\$649,000** in purchase orders and outstanding invoices for FR chemistry.
- This marks the fourth consecutive quarter of period-over-period growth, following three previous quarters of **\$100,000**, **\$111,000** and **\$139,000**.
- During the Quarter, Alexium achieved key commercial and defense sector accounts:
  - Two major bedding brand accounts representing combined revenue potential in excess of **\$400,000** per month (\$4.8m pa)
  - Murdock Webbing, a major supplier of flexible and rigid webbing in a wide range of markets including military, first responders, healthcare and auto racing to commence this new quarter.

Post the Quarter Alexium was selected by the US Department of Defense as a key environmentally friendly fire retardant (FR) partner for US Army 50/50 Nylon Cotton fabrics with additional next stage funding and planned large scale full uniform wear trials. In addition, Alexium announced that work with a second Prime Contractor for the FRACU program had its Alexiflam™ treated uniform fabrics pass the stringent Pyroman FR tests.

- **Commenting on Alexium's 4Q performance, Alexium CEO Nicholas Clark said:**  
"This quarter's performance shows that the potential and progress demonstrated in our recent announcements is being translated into cash for the company and value for our shareholders. The growth we have seen this quarter is expected to continue to gain momentum quarter on quarter."

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ASX: AJX

## ABOUT ALEXIUM

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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 treatments are currently marketed for different fabric markets under the Ascalon™, Nuvalon™, and Polytron™, Omnitron™, Bactron™ and Alexiflam™ trademarks.



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# 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")

30 September 2015

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	\$A'000	(3 months) \$A'000
1.1 Receipts from customers	369	369
Other Income/Grants	72	72
1.2 Payments for (a) staff costs	(740)	(740)
(b) advertising & marketing	(99)	(99)
(c) research & development	(373)	(373)
(d) leased assets	(17)	(17)
(e) other working capital	(1,862)	(1,862)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (GST)	6	6
<b>Net operating cash flows</b>	<b>(2,631)</b>	<b>(2,631)</b>

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Net operating cash flows (carried forward)	(2,631)	(2,631)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	(28)	(28)
(d) physical non-current assets	(65)	(65)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(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>	<b>(93)</b>	<b>(93)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(2,724)</b>	<b>(2,724)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	1,586	1,586
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)	-	-
<b>Net financing cash flows</b>	<b>1,586</b>	<b>1,586</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,138)</b>	<b>(1,138)</b>
1.21 Cash at beginning of quarter/year to date	11,621	11,621
1.22 Effects of exchange rate changes on cash	1,044	1,044
1.23 <b>Cash at end of quarter</b>	<b>11,527</b>	<b>11,527</b>

**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	(269)
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

N/A

**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

N/A

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	-	-

## 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	939	2,476
4.2 Deposits at call	10,588	9,145
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>11,527</b>	<b>11,621</b>

## 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*

28 October 2015

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

Nicholas Clark

Print name: .....

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## 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.