



AGREEMENT WITH PEGASUS HOME FASHIONS, MAJOR PILLOW PRODUCER FOR SIX US TOP TIER RETAILERS

Initial Agreement Representing US\$10M+ in Ongoing Annual Revenue to Alexium will Enable Pegasus' New Cool-Touch Pillow Sales to Mass Brand Retailers across United States.

Highlights

- Pegasus Cool-Touch Pillows with Alexium Alexicool™ Chemistry to be stocked in up to 6,500 Retailers by the end of 2017
- Initial Alexicool™ orders for Pegasus' Cool-Touch line have already been fulfilled and headed for store shelves
- Alexium in collaboration with Pegasus Home Fashions to supply upwards of 2,000,000 pounds annually of chemistry for regional & national retailers in the USA
- Significant potential for scale up of Pegasus Cool-Touch line with rapid traction from major retailers

Perth, Australia and Greer, South Carolina: Alexium International Group Limited ("Alexium," "the Company") (ASX:AJX, OTC QX:AXXIY) has signed an initial agreement with New York-based Pegasus Home Fashions Inc. for Alexium to supply Alexicool™ chemistry to Pegasus Home Fashions for the Bedding Pillows Market across the USA. The parties intend to formalize an exclusive arrangement and to collaboratively expand the agreement beyond pillows as well as add additional geographic markets where mutually beneficial. This initial agreement is a precursor to a more formal contract containing expanded terms.

Pegasus Home Fashions is a New York based top-tier supplier of pillows to many different retail channels of distribution including big box retailers. The initial agreement represents ongoing annual Alexicool™ chemical sales of upwards of \$10M US. Initial chemical formulations of Alexicool™ to Pegasus Home Fashions have already been shipped and applied to pillows for consumer use. Over the first half of 2017, Alexium will ramp up its sales to Pegasus Home Fashions as additional components of the supply chain are put into place. In addition, Pegasus Home Fashions is working to finalize agreements to sell its Cool Touch pillows to three of the largest commercial retailers in the USA, which would place Alexicool™-treated Pegasus branded pillows on the shelves of over 6,500 locations.

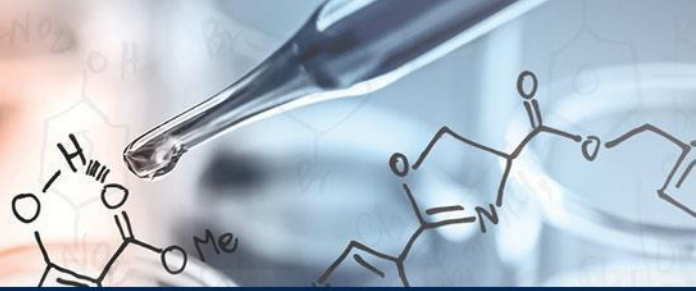
Lou Casali, Head of Sales for Pegasus Home Fashions, says "this Agreement, and the exclusivity terms for the Alexicool™ technology which will follow, allows Pegasus to negotiate with our customers from a position of strength. The Alexicool™ technology has proven to be the most efficient cooling technology on the market and gives us the ability to supply the mass market at price points anyone can afford."

In addition to pillows, Pegasus Home Fashions is a supplier of furniture protectors, pet beds, mattress pads, toppers and other protectors. Pegasus Home Fashions also has a licensing agreement for several product lines with the NFL and NBA. Alexium and Pegasus Home Fashions have agreed to immediately begin adapting the Alexicool™ formulations to supply Cool Touch versions of those other products for the retail market.



ALEXIUM

SPECIALTY CHEMICALS AND SOLUTIONS



“The speed at which this agreement progressed from initial discussions on potential product lines is a clear testament to the vision and drive of Pegasus Home Furnishings owner, Carmine Spinella, the strength of our Alexicool™ product, and of Alexium’s exquisite knowledge of phase change material formulations. Alexium looks forward to continuing deliveries of chemistry on this major account and working with Carmine, Lou and the Pegasus team to bring more Cool-Touch products to market.” said Alexium President, Dirk Van Hying.

This strong start in 2017, with a US national brand name that has extensive reach into multiple conglomerate retailers sets Alexium up to be a significant supplier in the specialty chemicals market.

U.S. Contacts

Dirk Van Hying
President
DVanhying@alexiuminternational.com

Dian Griesle International (DGI)
Media Relations
US: +1 .212.825.3210

U.S. Corporate Offices:

350 West Phillips Road
Greer, SC 29650, USA
US: +1.864.254.9923

1100 New York Avenue NW
Suite 710W
Washington, DC 20005

Corporate Headquarters:

Level 11, 125 St Georges Terrace
Perth, WA 6000, Australia

ABN: 91 064 820 408
ASX: AJX

About Alexium:

Alexium International Group Limited (ASX: AJX, AJX: AX, OTC QX: AXXIY) holds proprietary patent applications for novel technologies developed to provide flame retardancy for a wide range of materials. These environmentally friendly flame retardants have applications for a number of industries and can be customized. Further, Alexium has developed products for a range of other applications including phase-change materials, water repellents, antimicrobials, and combinations thereof. Alexium also holds patents 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, packaging, electronics, and building materials. Alexium’s chemical treatments are currently marketed under the Alexiflam™, Alexiflam FR™, Alexiflam SYN™, Alexiflam NF™, Alexiflam AD™, Alexiflam PB™, and Alexicool™ brand names. For additional information about Alexium, please visit www.alexiuminternational.com.

About Pegasus:

Pegasus Home Fashions is a family owned business based in Elizabeth, NJ with a rich 25 year history. Pegasus is a leading US manufacturer which supplies a range of products to the home goods markets which include: pillows, mattress pads, pillow protectors, sheets, quilts, furniture protectors, towels and decorative pillows. Showroom is located at 230 Fifth Ave, Suite 1503 in NYC. See the range of products/offerings at the New York Spring and Fall Home textile market weeks and at the Las Vegas Winter and Summer Shows. Pegasus Home Fashions sells under several in-house brands, national brands, and retailer private label programs. USA manufacturing and Distribution from 3 FOB points. Information about Pegasus, please contact info@pegasushomefashions.com