



FY 2024 Full Year Results Announcement

Sydney (Australia), Greer (South Carolina, US) – FY24 marked another year of significant transition for Alexium International Group Limited (“Alexium” or the “Company”). The Company concluded the fiscal year with a recapitalised balance sheet, a restructured Board of Directors commencing duty on 1 July 2024, a new sales organisation, a robust sales and product development pipeline, and a refined strategy. It continued efforts to build upon its foundational sales of microencapsulated PCM in the North American bedding market despite the North American bedding market experiencing another twelve-month period of lower sales volumes. To outperform this difficult core North American bedding market backdrop, the Company has pushed additional technologies into the bedding market, sought to attract new interest from large bedding brands abroad, and increased our development efforts in adjacent non-bedding markets such as Flame Retardant military apparel, Flame Retardant workwear, and thermal regulation for athletic products.

Financial Results Overview

Revenues from ordinary operating activities decreased 18.3% from the prior year at \$5,892,824 (2023: \$7,210,574). Revenue continues to be impacted by a decline in the US retail market conditions which have negatively impacted the bedding market sales as consumer confidence remains weak amid ongoing cost-of-living concerns.

The Company experienced a net loss for the financial year of \$2.8 million, which represents a 6.4% decrease in net loss from the prior period. Gross profit in FY24 was \$2.6 million, a \$183 thousand or a 6.5% decrease from FY23 due to the lower sales volumes. However, the gross margin percentage increased 5.6 percentage points to 44.8% from the prior year, offsetting some of the financial impact from the lower sales.

The Company ended the year with a cash position of \$2.1 million, up from \$513 thousand at FY23. The increase is due to Alexium undergoing a capital raise in May 2024, raising \$3 million in additional funding. As part of the transaction, the Company’s existing convertible note with Colinton Capital Partners (CCP) with a face value of \$4.8 million was converted to shares along with the accrued interest thereon. This transaction has allowed the company to better position itself towards focused growth in the coming fiscal year.

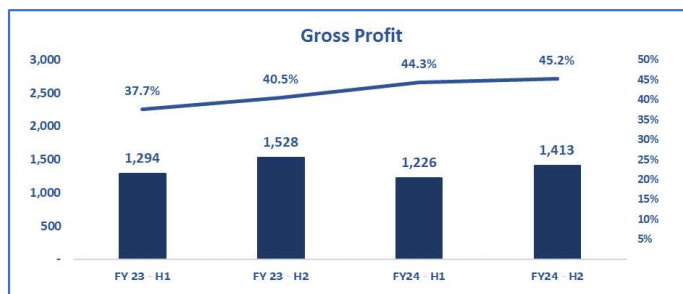
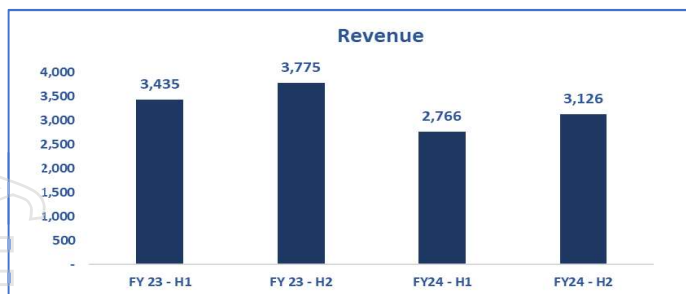
Subsequent to year end, Alexium renegotiated and extended the terms of its outstanding asset-based line of credit with Alterna Capital Solutions, effective 1 August 2024. This was executed with more favorable terms, reducing monthly and annual fixed fees, lowering the interest rate spread by 2 percentage points (above the variable base of the US Prime lending rate), and extending the initial term of the agreement to 28 February 2026 (from the original term which was due to expire 4 April 2025).

Alexium’s CEO William Blackburn stated, “FY24 was a disappointing year, reflecting difficult North American bedding market conditions. However, the business made significant progress during the year with the successful recapitalization of the balance sheet, addition of key new commercial team members and continued technological innovation in product design. We stand ready to deliver stronger FY25 results with an improved financial position and a robust sales opportunity pipeline.”

Key Milestones During the Year

- Recapitalised the Company raising \$3.0 million via a capital raise and refinancing transaction. This allowed the Company to extinguish its existing long-term debt, thus improving the Company’s financial position. Management will use these funds strategically to target additional revenue growth.
- Made significant strides within its strategic growth plan through the addition of new sales executives.
- Strengthened relationships with existing customers and made notable progress in developing relationships with prospective customers.
- Opened new opportunities for sales of the Company’s existing technologies in international bedding markets.
- Made significant improvements to its production processes and supplier base to improve its manufacturing capabilities, and in the process opened new sales opportunities to formulators of mPCM products. These initiatives have created significant near-term revenue growth opportunities.
- Achieved several promising advances in its FR and PCM technologies. There have also been new regulations instituted in the bedding market that have created new opportunities for the Company’s FR product lines.

Key Metrics



Conclusions and Outlook

The foundations laid in FY24 has positioned the Company to focus its efforts on successful execution of the FY25 Strategic Plan, the core tenets of which are as follows:

- Maintain existing direct sales within the North American bedding market.
- Further saturate the North American bedding market through product diversification (FR) or new customers.
- Seek incremental sales by branching into new markets including Australasia, Asia-Pacific, Latin America and Europe.
- Diversify revenue growth from new sales of existing technologies into adjacent markets.
- Implement adapted mPCM strategy to the bedding market.

Additional information can be found in the Company's FY24 Annual Report and Appendix 4E lodged with the ASX on 29 August 2024.

FY 2025 Financial Calendar Key Dates

2025 Annual General Meeting	20 November 2024
FY24 Results Investor Presentation	4 October 2024

Supporting Resources

- Company website: <https://www.alexiuminternational.com/>
- Corporate Governance Statement: [Alexium International - Shareholder information](#)

ENDS

Authorised for release by the Board of Directors of Alexium International Group Limited.

About Alexium International Group Limited

Alexium International Group Limited (ASX: AJX) is a performance chemicals provider for advanced materials applications with a focus on flame retardancy and thermal management. The Company is driven by an innovation model for addressing market gaps with patent-protected technologies. These high-performance products have applications for several industries and can be customized to meet customer needs. Key markets for Alexium are bedding, body armour, military uniforms and workwear. Alexium brands include Alexicool®, Alexiflam®, Eclipsys®, DelCool™ and Alexiguard®. For additional information about Alexium, please visit www.alexiuminternational.com.

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