



ALEXIUM

# HALF-YEAR REPORT

For the Six Months Ended 31 December 2025



ABN 91 064 820 408

Presented in US Dollars

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ALEXIUM INTERNATIONAL GROUP LIMITED  
ABN 91 064 820 408

This information is provided to the Australian Securities Exchange under ASX Listing Rule 4.2A (3). This information should be read in conjunction with the most recent annual financial report.

Current reporting period: 01 July 2025 to 31 December 2025  
Previous reporting period: 01 July 2024 to 31 December 2024

Amounts in US\$			
Revenue from ordinary activities	down	(21.8%)	to 1,791,934
Loss from ordinary activities for the period after tax attributable to members	down	26.5%	to (2,093,929)
Net loss for the period attributable to members	down	26.5%	to (2,093,929)

	Amount per security	Franked amount per security
<b>Dividends</b>		
Interim dividend declared this period	Nil	Nil
Interim dividend declared and paid in previous corresponding period	Nil	Nil

*Commentary on Results for the Period*

Revenue from ordinary activities decreased over the prior year by 21.8% due to a continued softness in the US retail market conditions which negatively impacted bedding market sales. Total net loss for the period of \$2M was a 26.5% increase over the comparative period. This increase was primarily driven by a reduction in sales.

Net Tangible Assets	31-Dec-25	31-Dec-24
Net Tangible Asset backing per ordinary shares	US (0.15) cents	US 0.07 cents

Controlled entities acquired or disposed of:

There were no entities acquired or disposed of during the current reporting period.

Additional dividend/distributions information

Not applicable

Dividend/distribution reinvestment plans

None

Associates and Joint Venture entities

None

Your directors submit their report for the half year ended 31 December 2025.

The names of the Group's Directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Simon Moore  
Dr Paul Stenson  
James Wentworth  
Martyn Strickland  
Randall Lane  
Dr Bob Brookins (through 4 August 2025)  
William Blackburn

### RESULTS AND REVIEW OF OPERATIONS

#### PRINCIPAL ACTIVITIES

The Group's revenue is generated from the development and sale of innovative and proprietary high-performance materials to various partners in the textile industry. The Group's proprietary technologies, AlexiCool®, BioCool®, Eclipsys®, DelCool™, AlexiFlam®, AlexiGuard®, and AlexiShield, serve the phase change material (PCM) and flame retardant (FR) market opportunities where Alexium's product differentiation and technical service model creates distinction from others in the market.

#### OPERATING AND FINANCIAL REVIEW

In the first half of FY2026, the company has faced difficult market conditions as demand has suffered from economic factors such as interest rates, unemployment and inflation affecting consumer spending. The resulting volume reduction is evident throughout the financials. However, there has been a significant upswing in customer demand in 2026, and industry analysts are expecting 2026 to signal the start of recovery. The strategic acquisition of Microtek Laboratories in January 2026 gives the company a significant market advantage as both a formulator and manufacturer. In addition to the new customer base acquired from the purchase, the combined company is now aligned to attract previously unattainable business. Current forecasts are quite promising for the remainder of FY2026 and into FY2027.

Revenues were down 21.8% versus the comparative period due to continued softness in US retail market conditions negatively impacting bedding market sales as consumer confidence is weakened amid ongoing inflationary concerns. Gross margin decreased slightly from 42% to 41% over the same period.

Operating expenses, excluding the impairment on intangibles, increased from the prior year by 5.8%. The loss before finance costs of \$1.8M was an increase of \$0.2M or 15% versus the comparative period primarily due to the decrease in revenue. Total net loss for the period was \$2M which increased \$0.4M from a \$1.7M net loss in the comparative period. This increase was primarily driven by a reduction in sales of \$0.5M. The interest expense increased \$0.2M due to additional shareholder loans obtained during the period.

During the period, the Company entered into seven additional unsecured loans with Colinton Capital Partners Pty Limited to provide working capital funding. The carrying face value of these loans total \$1,407,294. The loans have an interest rate of 15% and mature on 1 September 2026.

As of 31 December 2025, the cash position was \$397,773 (30 June 2025: \$662,450) and the Group had 1,638,392,913 ordinary shares on issue (30 June 2025: 1,586,428,671).

### **SUBSEQUENT EVENTS**

On 7 January 2026, the Company entered into a tenth unsecured loan with CCP in the amount of \$201,030. The loan carries an interest rate of 15% and matures on 1 September 2026.

Subsequent to 31 December 2025, the Company completed the acquisition of Microtek Laboratories in Dayton, Ohio from the CAVU Group in exchange for shares in the Company. Microtek Laboratories is a pioneer in the development and production of microencapsulated phase-change materials, offering award-winning PCM technologies and encapsulation science for thermal-management applications across multiple industries. The acquisition expands Alexium's thermal-management platform and includes Microtek's full microencapsulation and PCM manufacturing business, including the associated intellectual property. The total consideration transferred is 361,717,485 shares of the Company. The acquisition was completed on 28 January 2026, therefore the results and financial position of the Company are not included in the Group's half-year financial statements.

In association with the acquisition, and to secure additional working capital funds, the company undertook an entitlement offer in December 2025. The offer closed on 16 January 2026, generating \$1.4M in additional funds for the company and extinguishing \$3M of shareholder loans.

Other than as noted above, there has not arisen any item, transaction, or event of a material and unusual nature, which in the opinion of the Directors of the Company, is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration is included on the following page dated this 26th day of February 2026 and was signed in accordance with a resolution of the Directors.

*W.T. Blackburn*

William Blackburn  
Chief Executive Officer  
26 February 2026



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## Auditor's Independence Declaration

### To the Directors of Alexium International Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Alexium International Group Limited for the half-year ended 31 December 2025. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink that reads "Grant Thornton".

Grant Thornton Audit Pty Ltd  
Chartered Accountants

A handwritten signature in black ink, appearing to be "N P Smetana".

N P Smetana  
Partner – Audit & Assurance  
Sydney, 26 February 2026

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2025**

	Note	31-Dec-25 US\$	31-Dec-24 US\$
Revenue		1,791,934	2,290,345
Cost of sales		(1,060,238)	(1,325,068)
<b>Gross Profit</b>		<b>731,696</b>	<b>965,277</b>
Administrative expenses		(1,984,310)	(1,765,177)
Sales and marketing expenses		(212,958)	(241,110)
Research and development costs		(306,204)	(376,811)
Impairment of Intangibles	3	-	(129,857)
Other expenses		(109,582)	(87,585)
<b>Operating expenses</b>		<b>(2,613,054)</b>	<b>(2,600,540)</b>
<b>Loss before finance costs</b>		<b>(1,881,358)</b>	<b>(1,635,263)</b>
Interest expense		(216,809)	(44,388)
Interest earned		4,238	24,526
<b>Total finance costs</b>		<b>(212,571)</b>	<b>(19,862)</b>
<b>Loss before tax</b>		<b>(2,093,929)</b>	<b>(1,655,125)</b>
<b>Loss from continuing operations</b>		<b>(2,093,929)</b>	<b>(1,655,125)</b>
Other comprehensive income - Exchange differences on translation of foreign operations which may subsequently be reclassified to profit or loss		(76,179)	(37,606)
<b>Total comprehensive loss for the period</b>		<b>(2,170,108)</b>	<b>(1,692,731)</b>
Loss for the year attributable to members of the group		(2,093,929)	(1,655,125)
Total comprehensive loss for the year attributable to members of the group		(2,170,108)	(1,692,731)
Basic and diluted loss per share (cents)		(0.13)	(0.11)

This consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

	Note	31-Dec-25 US\$	30-Jun-25 US\$
<b>Current Assets</b>			
Cash and cash equivalents		397,773	662,450
Trade and other receivables		403,204	411,114
Inventories		1,306,177	1,051,825
Other current assets		44,993	55,343
<b>Total Current Assets</b>		<b>2,152,147</b>	<b>2,180,732</b>
<b>Non-Current Assets</b>			
Other financial assets		16,571	16,570
Property, plant and equipment		286,850	356,826
Intangible assets	3	81,666	76,337
Right of use asset		191,535	246,260
<b>Total Non-Current Assets</b>		<b>576,622</b>	<b>695,993</b>
<b>Total Assets</b>		<b>2,728,769</b>	<b>2,876,725</b>
<b>Current Liabilities</b>			
Trade and other payables		1,105,951	733,389
Lease liabilities		193,509	180,293
Borrowings	4	3,652,537	483,206
<b>Total Current Liabilities</b>		<b>4,951,997</b>	<b>1,396,888</b>
<b>Non-Current Liabilities</b>			
Borrowings	4	-	1,618,516
Lease liabilities		162,883	263,399
<b>Total Non-Current Liabilities</b>		<b>162,883</b>	<b>1,881,915</b>
<b>Total Liabilities</b>		<b>5,114,880</b>	<b>3,278,803</b>
<b>Net Assets</b>		<b>(2,386,111)</b>	<b>(402,078)</b>
<b>Equity</b>			
Contributed equity	5	74,029,440	73,775,898
Reserves		(1,667,302)	(1,412,800)
Accumulated losses		(74,748,249)	(72,765,176)
<b>Total Equity</b>		<b>(2,386,111)</b>	<b>(402,078)</b>

This consolidated statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

	Contributed Equity US\$	Shares to be Issued Reserve US\$	Options & Warrants Reserve US\$	Share Appreciation Rights Reserve US\$	Foreign Currency Translation Reserve US\$	Consolidated Accumulated Losses US\$	Total US\$
<b>Balance at 1 July 2025</b>	<b>73,775,898</b>	<b>141,362</b>	-	<b>139,143</b>	<b>(1,693,305)</b>	<b>(72,765,176)</b>	<b>(402,078)</b>
Loss for the period	-	-	-	-	-	<b>(2,093,929)</b>	<b>(2,093,929)</b>
Foreign currency translation	-	-	-	-	<b>(76,179)</b>	-	<b>(76,179)</b>
Total comprehensive income / (loss)	-	-	-	-	<b>(76,179)</b>	<b>(2,093,929)</b>	<b>(2,170,108)</b>
Transactions with owners in their capacity as owners:							
Expiration of outstanding SARs	-	-	-	<b>(110,856)</b>	-	<b>110,856</b>	-
Share appreciation rights expense	-	-	-	<b>37,325</b>	-	-	<b>37,325</b>
Share-based payments earned	-	<b>148,750</b>	-	-	-	-	<b>148,750</b>
Share issues for share-based payments	<b>253,542</b>	<b>(253,542)</b>	-	-	-	-	-
<b>Balance at 31 December 2025</b>	<b>74,029,440</b>	<b>36,570</b>	-	<b>65,612</b>	<b>(1,769,484)</b>	<b>(74,748,249)</b>	<b>(2,386,111)</b>
<b>Balance at 1 July 2024</b>	<b>73,594,023</b>	<b>113,237</b>	-	<b>298,612</b>	<b>(1,617,150)</b>	<b>(69,086,500)</b>	<b>3,302,222</b>
Loss for the period	-	-	-	-	-	<b>(1,655,125)</b>	<b>(1,655,125)</b>
Foreign currency translation	-	-	-	-	<b>(37,606)</b>	-	<b>(37,606)</b>
Total comprehensive income / (loss)	-	-	-	-	<b>(37,606)</b>	<b>(1,655,125)</b>	<b>(1,692,731)</b>
Expiration of outstanding options	-	-	-	<b>(247,613)</b>	-	<b>247,613</b>	-
Share appreciation rights expense	-	-	-	<b>53,978</b>	-	-	<b>53,978</b>
Share-based payments earned	-	<b>69,583</b>	-	-	-	-	<b>69,583</b>
Share issues for share-based payments	<b>115,000</b>	<b>(115,000)</b>	-	-	-	-	-
<b>Balance at 31 December 2024</b>	<b>73,709,023</b>	<b>67,820</b>	-	<b>104,977</b>	<b>(1,654,756)</b>	<b>(70,494,012)</b>	<b>1,733,052</b>

This consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS  
ENDED 31 DECEMBER 2025**

	Note	31-Dec-25 US\$	31-Dec-24 US\$
<b>Cash flow from operating activities</b>			
Receipts from customers and other income		1,874,946	2,646,408
Payments to suppliers and employees		(3,334,102)	(3,637,071)
Interest received		3,971	24,526
Interest and other costs of finance paid		(37,483)	(58,851)
Goods & services tax received		26,704	34,189
<b>Net cash flows (used in) operating activities</b>		<b>(1,465,964)</b>	<b>(990,799)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant, and equipment		(2,263)	(1,907)
Payments for development costs		(17,690)	(99,939)
<b>Net cash flows (used in) investing activities</b>		<b>(19,953)</b>	<b>(101,846)</b>
<b>Cash flows provided by financing activities</b>			
Proceeds/Repayment of borrowings – line of credit		(207,945)	125,074
Proceeds from borrowings – shareholder loans	4	1,511,946	932,550
Transaction costs related to issues of shares		-	(5,228)
Repayment of lease liabilities		(87,300)	(75,707)
<b>Net cash flows from financing activities</b>		<b>1,216,701</b>	<b>976,689</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(269,216)</b>	<b>(115,956)</b>
Cash and cash equivalents at beginning of year		662,450	2,053,000
Effect of exchange rate changes on cash and cash equivalents		4,539	(51,126)
Cash and cash equivalents at end of year		397,773	1,885,918

This consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

## 1. CORPORATE INFORMATION

The consolidated financial statements of Alexium International Group Limited and its subsidiaries (collectively, the Group) for the six-months ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 26 February 2026. Alexium International Group Limited is incorporated and domiciled in Australia and is publicly traded on the Australian Securities Exchange under the trading symbol AJX. These financial statements include the consolidated financial statements and notes of Alexium International Group Limited and its controlled entities ('Group' or 'Company').

These financial statements are presented in US Dollars which align with the Company's financial reporting and with the nature of the business operations which primarily occur in the United States as described in the Directors' Report.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The consolidated half-year financial statements for the six-months ended 31 December 2025 are general-purpose financial reports, which have been prepared in accordance with the requirement of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. The consolidated half-year financial statements have been prepared on a historical cost basis, except where stated. For the purpose of preparing the consolidated half-year financial statements, the half year has been treated as a discrete reporting period.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2025 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. The presentation is in United States dollars to correspond with the primary currency that influences sales price of goods, labour, materials, and costs of providing goods for sale.

### (b) New and amended standards adopted by the Group in this financial report

On 1 July 2023, the Group adopted amendments to the Disclosure of Accounting Policies AASB 101 which require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed to align with the amendments but there was not a significant impact on the Company's financial statements.

### (c) Impact of standards issued but not yet applied by the Company

On 14 June 2024, the AASB released AASB 18 Presentation and Disclosure in Financial Statements. AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information. AASB 18 applies to annual reporting periods beginning on or after 1 January 2027. Management is currently assessing the impact of AASB 18 on presentation and disclosures in the Group's Financial Statements.

Several other new standards are effective for annual periods beginning on or after 1 July 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements. While these new or amended standards remain subject to ongoing assessment, no significant impacts to future reporting periods have been identified to date.

### (d) Significant accounting judgements, estimates and assumptions

#### Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) and Monte Carlo option valuation model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions in relation to these factors could affect the reported fair value of financial instruments.

### Intangible Assets

The Company assesses at initial recognition whether an internally developed asset has met the recognition requirements established in AASB 138 and measures the direct and indirect costs of development using several estimates and assumptions. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. For assets not yet ready for use, management estimates the fair value less costs of disposal (FVLCD). To estimate the FVLCD, management applies the cost replacement model whereby an estimate is made of all costs required in current market conditions to produce a similar product. With respect to ready-for-use assets, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results, the determination of a suitable discount rate, and the appropriate classification of cash generating units. See Note 3 for further disclosures.

### (e) Going Concern

These financial statements have been prepared on going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Group incurred a loss after tax attributable to members of \$2,093,929 (2024: \$1,655,125). The Group incurred negative cash flows from operations and investing activities of \$1,485,917 or the period ended 31 December 2025 (2024: negative 1,092,645).

The Group has current assets of \$2,152,148 (30 June 2025: \$2,180,732) and current liabilities of \$4,951,997 (30 June 2025: \$1,396,888) as of the report date.

Subsequent to the report date and in conjunction with the acquisition described in note 7, the Group undertook an entitlement offer that resulted in extinguishment of shareholder loans amounting to \$3,049,137 and generated new cash proceeds of \$1,400,000 for working capital purposes.

The Group has performed a cash flow forecast and determined that it has or will have access to adequate cash resources to fund its operations for at least 12 months from the date of approval of these financial statements. The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and be able to pay its debts as and when they fall due after consideration of the following matters:

- the Group expects to have continued access to adequate working capital to support cash needs and expected growth in revenues;
- the Group can raise funds on a timely basis pursuant to the Corporations Act 2001 and ASX Listing Rules or through shareholder loans;
- the Group is able to extend its line of credit facility which is due to auto renew on 28 February 2026;
- the Group is able to extend its remaining shareholder loans of \$529,061 falling due on 1 September 2026 or renegotiate with conversion terms; and
- the Group expects to successfully convert current commercialisation efforts to future revenue and cash receipts to support the fixed base of expenditures.

Should one or more of the above matters not occur as anticipated, or should funding not be available on acceptable terms, a material uncertainty may arise that could cast significant doubt on the Group's ability to continue as a going concern and therefore to realise its assets and discharge its liabilities in the normal course of business.

Therefore, the Company is evaluating strategies to obtain the required additional funding for future operations. These strategies may include, but are not limited to, obtaining equity financing, issuing debt or entering into other financing arrangements, and restructuring of operations to grow revenues and decrease expenses. If the Group is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business at amounts different from those stated in the financial report. These financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classifications of liabilities that might be necessary should the Group not continue as a going concern.

### 3. INTANGIBLE ASSETS

#### Cost

<b>Balance at 30 Jun 2025</b>	4,671,866
Additions	5,329
Impairment	-
Disposals	-
<b>Balance at 31 Dec 2025</b>	<b>4,677,195</b>

#### Amortisation and impairment

<b>Balance at 30 Jun 2025</b>	4,595,529
Amortisation	-
<b>Balance at 31 Dec 2025</b>	<b>4,595,529</b>

#### Net book value

Balance at 30 Jun 2025	76,337
<b>Balance at 31 Dec 2025</b>	<b>81,666</b>

Intangible assets represent costs incurred and capitalised during the development of new high-performance materials and technologies. Intangible assets are then monitored and assessed annually for whether there are any indicators that capitalised costs may be impaired (see Note 2 (d) for additional information). Only intangible assets that are not yet ready for use have been capitalized, hence no amortization to date.

#### 4. BORROWINGS

	31-Dec-25	30-Jun-25
Current Borrowings:		
Line of credit	275,381	483,206
Shareholder Loan	3,116,151	-
Accrued Interest	261,005	-
<b>Total</b>	<b>3,652,537</b>	<b>483,206</b>
Non-current borrowings:		
Shareholder Loan	-	1,539,250
Accrued interest	-	79,266
<b>Total</b>	<b>-</b>	<b>1,618,516</b>

##### (a) Line of credit

The Company entered into a three-year line of credit agreement on 05 April 2022 with Alterna Capital Solutions to provide working capital funding. The facility is a three-year \$3.0M asset-based facility which can be increased to \$5.0M with the approval of the lender. The borrowing base of the line of credit consists of 90% of eligible accounts receivable. The terms of the agreement extends through 28 February 2026, and a one-year renewal through 28 February 2027 has already been secured.

The funds usage interest rate at execution of the agreement was 8.25% and adjusts with changes in the Wall Street Journal Prime Rate. The applicable interest rate on 31 December 2025 was 9.75% (30 June 2025: 10.5%).

Costs incurred to obtain financing are deferred and amortised on a straight-line basis over the term of the financing facility. The unamortised deferred financing costs are shown as a reduction of the carrying value of the related debt. The amortisation expense was nil for the period ended 31 December 2025 (2024: \$9,628) and is included in interest expense.

##### (b) Shareholder Loan

On 23 December 2024, the Company entered into an unsecured loan with its two largest shareholders, Colinton Capital Partners Pty LTD (“CCP”) and Wentworth Williamson Management Pty Limited (“WW”) to provide working capital funding. The facility carries a face value of \$1,005,210. The loan carries an interest rate of 15%. On 30 June 2025, the Company signed an amendment to the loan extending its maturity to 1 September 2026.

On 30 June 2025, the Company entered into a second unsecured loan with CCP and WW. The facility carries a face value of \$703,647. The loan carries an interest rate of 15% and matures on 1 September 2026.

During the six months ended 31 December, 2025, the Company entered into seven additional unsecured loans with CCP to provide working capital funding. The carrying face value of these loans total \$1,407,294. The loans have an interest rate of 15% and mature on 1 September 2026. See note 7 below for subsequent events affecting shareholder loans.

#### 5. CONTRIBUTED EQUITY

	31-Dec-25 Shares	31-Dec-24 Shares	31-Dec-25 \$	31-Dec-24 \$
<b>(a) Issued capital</b>				
Ordinary shares fully paid	1,638,392,913	1,576,511,416	74,029,439	73,709,023
<b>(b) Movement in share capital</b>				
Balance at 01 July	1,586,428,671	1,562,058,469	73,775,898	73,594,023
Share in lieu of director's fees issued	51,964,242	14,452,947	253,542	115,000
<b>Balance at 31 December</b>	<b>1,638,392,913</b>	<b>1,576,511,416</b>	<b>74,029,440</b>	<b>73,709,023</b>

(c) Share appreciation rights

	Grant Date	Vesting Date	Opening Price (AUD)	Full Vesting Target Price (AUD)	FV at Grant (AUD)	Open Balance 01-Jul-25	Granted	Expired	Forfeited	Outstanding
FY26 SARS - Tranche 1 (all EEs)	24-Nov-25	30-Sep-28	0.007	0.025	0.001		34,977,999	-	-	34,977,999
FY26 SARS - Tranche 2 (Sr Lead A)	24-Nov-25	30-Sep-28	0.007	N/A	0.003		34,268,741	-	-	34,268,741
FY26 SARS - Tranche 2 (Sr Lead B)	24-Nov-25	30-Sep-28	0.007	0.016	0.002		33,260,834	-	-	33,260,834
FY26 SARS - Tranche 2 (Sr Lead C)	24-Nov-25	30-Sep-28	0.007	0.025	0.001		33,260,834	-	-	33,260,834
FY 25-Tranche 1	21-Nov-24	30-Sep-27	0.010	0.044	0.002	51,915,379	-	-	(2,720,769)	49,194,610
FY 25-Tranche 2	21-Nov-24	30-Sep-27	0.010	0.070	0.002	22,214,659	-	-	(1,164,220)	21,050,439
FY 24	15-Nov-23	30-Sep-26	0.015	0.105	0.002	18,188,850	-	-	(422,572)	17,766,278
FY 23	23-Sep-22	23-Sep-25	0.020	0.171	0.005	3,217,042	-	(3,126,668)	(90,374)	-
FY 23-ELT	16-Nov-22	23-Sep-25	0.030	0.171	0.005	13,217,936	-	(13,217,936)	-	-
CEO Award	16-Nov-22	Various	0.030	0.150	0.006	16,131,415	-	(16,131,415)	-	-
<b>Total</b>						<b>124,885,281</b>	<b>135,768,408</b>	<b>(32,476,019)</b>	<b>(4,397,935)</b>	<b>223,779,735</b>

At the discretion of the Board, the Company may make offers and issue share appreciation rights (SARs) to eligible individuals under the Plan. Unless the Board determines otherwise, the award is calculated by multiplying a defined percentage by the fixed component of compensation.

The objective of the plan is to:

- (a) provide an incentive and to reward, retain and motivate participants.
- (b) recognise the abilities, efforts, and contributions of participants to the performance and success of the Group; and
- (c) provide participants with the opportunity to acquire or increase their ownership interest in the Group.

Vested Rights:

- a) Participants are entitled to the amount by which the closing share price exceeds the opening share price. Shares will be issued in the amount equal to the closing share price less opening share price divided by closing share price then multiplied by the vested and exercised SARs. Closing price is defined as the 20-day volume weighted average price ("VWAP") as at the vesting date of the relevant SAR.

Vesting Conditions:

The Board sets the vesting conditions for each SAR plan year using the following as general guidelines.

- (a) The Board sets the Fully Vested Target Price by applying a compounded annual growth rate ("CAGR") on the opening share price for the term of the relevant SAR. The opening price is the 20-day VWAP from the issuance date of the annual report or as set by the Board. Partial vesting will begin at the approved minimum share price at an approved percentage of the total SAR grants. Vesting from the minimum share price to the fully vested share price will occur on a linear scale between the minimum percentage of the total SAR grants and 100% of the total SAR grants.
- (b) Continued employment through the vesting date.

**(d) Terms and conditions of contributed equity**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the case of a liquidation of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

**(e) Capital management**

The Company's objectives in managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for the stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

**6. COMMITMENTS AND CONTINGENCIES**

**(a) Commitments**

There have been no material changes to the commitments as disclosed in the annual report to 30 June 2025.

**(b) Contingencies**

There have been no material changes to the contingencies as disclosed in the annual report to 30 June 2025.

**7. SUBSEQUENT EVENTS**

On 7 January 2026, the Company entered into a tenth unsecured loan with CCP in the amount of \$201,030. The loan carries an interest rate of 15% and matures on 1 September 2026.

On 28 January 2026, the Company completed the acquisition of Microtek Laboratories in Dayton, Ohio from the CAVU Group in exchange for

361,717,485 shares or approximately 11.5% ownership in the Company. Microtek Laboratories is a pioneer in the development and production of microencapsulated phase-change materials, offering award-winning PCM technologies and encapsulation science for thermal-management applications across multiple industries. The acquisition expands Alexium's thermal-management platform and includes Microtek's full microencapsulation and PCM manufacturing business, including the associated intellectual property. The results and financial position of the Microtek Laboratories are not included in the Group's half-year financial statements. The accounting impact relating to the acquisition is still being determined.

In association with the acquisition, and to secure additional working capital funds, the company undertook an entitlement offer in December 2025. The offer closed on 16 January 2026, generating \$1.4M in additional funds for the company and extinguishing \$3M of shareholder loans.

Other than as noted above, there has not arisen any item, transaction, or event of a material and unusual nature, which in the opinion of the Directors of the Company, is likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
  - a. comply with Accounting Standards and the Corporations Regulations 2001, other mandatory professional reporting requirements; and
  - b. give a true and fair view of the Group's financial position as of 31 December 2025 and of its performance for the half year ended on that date; and
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



[Simon Moore \(Feb 25, 2026 11:10:59 GMT+11\)](#)

*Simon Moore*

Interim Chair

Dated 26 February 2026



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## Independent Auditor's Review Report

To the Members of Alexium International Group Limited

### Report on the half-year financial report

#### Conclusion

We have reviewed the accompanying half-year financial report of Alexium International Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Alexium International Group Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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**Material uncertainty related to going concern**

We draw attention to Note 2(e) in the half-year financial report, which indicates that the Group incurred a net loss of US\$2,093,929 and negative cash flows from operating and investing activities of \$1,485,917 during the half-year ended 31 December 2025 and, as of that date, the Group's current liabilities exceeded its current assets by \$2,799,849. As stated in Note 2(e), these events or conditions, along with other matters as set forth in Note 2(e), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

**Directors' responsibility for the half-year financial report**

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



N P Smetana  
Partner – Audit & Assurance

Sydney, 26 February 2026

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Grant Thornton Audit Pty Ltd