

ALEXIUM INTERNATIONAL GROUP LIMITED

3Q26 Results Presentation

30th April 2026



ABN 91 064 820 408

PRESENTED IN US DOLLARS

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3Q26 Results Summary

Consolidated Statement of Profit & Loss

US\$	3Q26	1H26
Revenue	1,286,431	1,791,934
Cost of sales	(736,868)	(1,060,238)
Gross Profit	549,563	731,696
Other Income	(403)	-
Administrative expenses	(1,230,967)	(1,984,310)
Sales and marketing expenses	(125,591)	(212,958)
Research and development costs	(122,681)	(306,204)
Impairment of Intangibles	-	-
Other expenses	(124,339)	(109,582)
Operating expenses	(1,603,578)	(2,613,054)
Loss before finance costs	(1,054,418)	(1,881,358)
Interest expense	4,329	(216,809)
Loss on embedded derivative	-	-
Gain/ (Loss) on debt extinguishment	-	-
Interest earned	5,163	4,238
Total finance costs	9,492	(212,571)
Loss before tax	(1,044,926)	(2,093,929)
Tax expense	-	-
Loss from continuing operations	(1,044,926)	(2,093,929)

Financial Review

- Revenue has increased significantly, as expected, with Q3 revenue 44% higher than the average of Q1 & Q2.
- Revenue remains steady with consistent orders from key customers.
- Margin has increased 2% over the first half due to efficiencies gained by in-house manufacturing as well as strategic purchasing.
- Interest expense has decreased drastically as the majority of shareholder loans were settled with the entitlement offer. Additionally, timing differences relating to accrued interest on the shareholder loans caused some fluctuation between Q2 and Q3.
- Cash flow is essentially neutral as the company has begun to generate enough cash from operations to fund itself most weeks. Cash flow will continue to improve as sales increase and more efficiencies are implemented over the coming months.

Trading Update – Microtek Acquisition Integration

During the quarter, Alexium successfully completed the acquisition of Microtek's PCM business. Integration is progressing according to plan, with both strategic and financial benefits beginning to materialise.

Customers

- Nearly three months into integration, Alexium has retained the majority of Microtek's active customers.
- One customer initially viewed Alexium as a competitor due to its role as a formulation supplier to major bedding brands. However, this customer has since re-engaged and is currently in discussions to negotiate new pricing and terms.
- The largest-volume customer at the Dayton plant is increasing purchase volumes and has requested a doubling of legacy supply levels.

Operations

- Although integration is still in its early stages, current capacity and capability assessments confirm that the acquired assets and products align with expectations and strengthen Alexium's position in the microencapsulated phase change material (mPCM) market.
- A new operating plan was implemented in late January, outlining a phased approach to increasing capacity, improving efficiency, and enhancing quality. Execution at the Dayton facility is progressing well, with all key milestones on track.
- The primary microencapsulation processes of Alexium and Microtek have been successfully consolidated into a single, more robust process. Pilot production of Alexium-formulated mPCM coatings at the Dayton plant is now underway.

People

- All employees at the time of acquisition have been retained.
- Three new roles have been added at the Dayton facility: a plant operator, a supply chain coordinator, and a logistics manager.
- The Company is currently recruiting for a QC chemist, and additional plant operators to support a fractional second shift to meet the increased customer demand and larger volumes of the merged businesses.

Trading Update – Existing Customers and New Business Pipeline

Throughout the quarter, the business balanced its focus on the Microtek acquisition with maintaining its legacy customer base and new business development activities.

Existing Customers

- Uptick in order volumes from legacy customers in Q3, driven by increased bedding product orders paired with pent-up demand turning to action after a sluggish end of 2025 during the holidays.
- Several new projects started in the quarter and will continue to ramp up in Q4 and throughout H1 of FY27.
- Growing volumes with legacy customers by taking volume from competitors and through bringing new product opportunities to these customers to create pull-through opportunities for Alexium products.

New Business Development

- The Company had two new mPCM foam coating placements start in Q3, both ramping throughout the balance of CY26. There are two additional placements for foam bedding products approved in Q3, with initial orders anticipated in Q4.
- Alexium was awarded a placement for BioCool® applied to a non-woven material for incorporation into quilted mattress ticking. Orders to commence in Q1 FY27, then ramp thereafter.
- AlexiFlam® for FR NYCO – limited user evaluations underway with the US Army with results expected in H1 FY27.
- After successful prototype testing, an international furniture producer is reviewing DelCool™ for a large volume placement to commence in earnest in H1 FY27, then ramp throughout CY27.
- AlexiCool is being tested for a high-volume upholstery placement with a large international furniture producer.
- Testing is commencing in Q4 for AlexiShield FR coatings on transportation foam utilised in air and rail transportation seating.
- The Company has a large-volume opportunity for Nextek mPCM in a building construction application. The application is designed to limit thermal impacts causing energy demand spikes.

Trading Update – Results & Macro

Summary

- At the 1H26 results we set a revenue target of \$500k for the month of March 2026, which the business subsequently achieved at \$553k.
- We also guided the market to a June 2026 revenue figure of \$750k – since then, performance has continued to build, and we remain on track to deliver against this guidance.

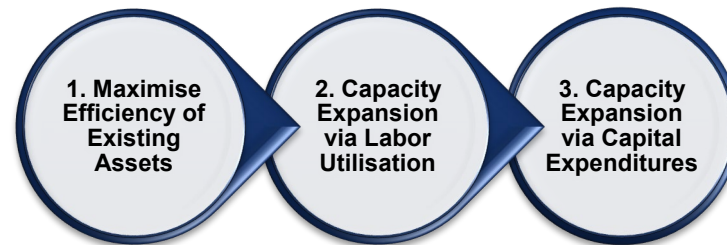
How we achieved these results:

- We had two new mPCM placements commence in Q3, both contributing to increased revenue.
- The Dayton facility has stabilised production of Nextek 28i (cake), which led to an uptick in sales to a key legacy customer. This production will ramp further in Q4, further supporting the near-term forecast. The customer has requested we reach month-over-month shipments that could increase revenue by as much as 40% over the recent run rate.
- Margin gains were driven by reduced raw material costs from leveraged volume purchase from the merged business, by process improvements that reduced operating costs, and by increased volumes driving higher fixed cost absorption.

Macroeconomic Environment

- Broader macro conditions have softened over the quarter, with the ongoing conflict in the Middle East placing upward pressure on energy prices and, in turn, cost-of-living pressures that flow through to our end markets.
- Despite this backdrop, the business is tracking well, and we anticipate a strong fourth quarter into 30 June.

Operations Plan – Updates



In the H1 FY26 update, Alexium reported the strategy for transitioning from an outsourced production model to a manufacturing-centric model. The intent is to improve margins, control, scalability, and long-term competitiveness from disciplined asset utilisation, phased capacity expansion, and selective use of contract manufacturing partners.

- Alexium has developed a microencapsulation process improvement that allows for meaningful efficiency gains, which delivers an immediate boost to the existing capacity. It has been through successful lab validation, pilot production and full-scale production. The production mix between the Dayton plant and contract manufacturing partners is being repositioned to optimise output, quality, and scalability to support the growing and forecasted demand of our customers.
- Recruiting and hiring underway to transition to a second shift for increased production output to support increased mPCM demand.
- We are expediting the addition of a reactor to double the output of the mPCM process. During our due diligence capacity studies, we identified this bottleneck. We have identified potential vessels to purchase and are negotiating now. The added vessel would allow for twice the output of Nextek mPCM, or the option to run other mPCM variants (BioPCM, Ecotek) in parallel with Nextek.

Operations Plan – In Practice

Dayton Facility:

- **Goal:** 80% of Alexium's mPCM, mPCM formulating, and FR formulating running in-house in Dayton by 31/12/2026
 - ✓ **Status:** On schedule. AlexiPCM and Nextek mPCM have now been successfully merged into a single manufacturing process and microcapsule. We can now offer a more efficient, higher quality mPCM as a slurry, cake, and dry powder, all of which can be formulated into coatings. We are now running pilot tests to move certain formulated mPCM coatings and Aquasorb (formulated coating in DelCool™) to the Dayton plant.

Contract Manufacturing:

- **Goal:** Balance production between the Dayton facility and existing contract manufacturing partners to reduce single-point failure risk, and to gain efficiencies and capacities from repositioning specific processes to leverage the immediately available strengths of each.
 - ✓ **Status:** On schedule. The company has reduced inventories at contract manufacturing sites to position them to run larger, simpler production batches at greater efficiency. The higher value, smaller batch processes are being relocated to Dayton where we enjoy more control, lower operating expense, and greater flexibility to offer unique solutions to customers.

Cost Savings:

- **Goal:** Optimise the supply chain of legacy Microtek and Alexium to select the best cost raw materials for maximised savings.
 - ✓ **Status:** On schedule. The company has successfully selected the best priced suppliers and negotiated improved pricing based on increased volumes to lower costs and improve gross margins. These gains will be evidenced in improved earnings as the volumes ramp over Q4 FY26.

Summary

Trading update:

- At the 1H26 results we set a revenue target of \$500k for the month of March 2026, which the business subsequently achieved at \$553k
- We also guided the market to a June 2026 revenue figure of \$750k – since then, performance has continued to build, and we remain on track to deliver against this guidance

Results & macro:

- New mPCM placements, stabilised Nextek production at Dayton, and margin gains from volume leverage and process improvements are driving strong momentum, with a key customer requesting up to 40% higher shipments
- Despite softer macro conditions from Middle East conflict and energy cost pressures, the business is tracking well and anticipates a strong Q4 into 30 June

Operations plan:

- Microencapsulation process improvements and repositioning of production between Dayton and contract manufacturers are delivering meaningful capacity and efficiency gains
- A second reactor is being expedited to double mPCM output, with recruiting underway for a second shift to support increased demand

We will be hosting a webinar to discuss these results at 9:00am (Sydney) Friday, May 8th. Link below:

- https://us02web.zoom.us/webinar/register/WN_1ZBTaPjSfCkpnVlDwh_9gand