ALEXIUM INTERNATIONAL GROUP LIMITED

FY26 Results Presentation

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PRESENTED IN US DOLLARS

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FY26 Results Summary

US$	FY26	FY25
Revenue	4,232,446	3,921,730
Cost of sales	(3,007,621)	(2,231,759)
Gross Profit	**1,224,825**	**1,689,971**
Administrative expenses	(4,389,754)	(3,445,655)
Sales and marketing expenses	(467,162)	(454,574)
Research and development costs	(538,035)	(728,711)
Impairment of intangibles	(1,029,762)	(625,870)
Impairment of ROU assets & PP&E	(486,341)	-
Other expenses	(346,019)	(219,786)
Operating expenses	**(7,257,073)**	**(5,474,596)**
Loss before finance costs	**(6,032,248)**	**(3,784,625)**
Interest expense	(262,054)	(182,406)
Interest earned	11,730	40,742
Total finance costs	**(250,324)**	**(141,664)**
Loss before tax	**(6,282,572)**	**(3,926,289)**
Tax expense	-	-
Loss from continuing operations	**(6,282,572)**	**(3,926,289)**

- Revenue growth from the Microtek acquisition was partly offset by soft US retail bedding demand and a production disruption in Q4.
- Gross margin contracted, driven by the Q4 production issue, which caused sales returns and inventory write-offs on unsaleable product.
- Operating expenses increased with the addition of Microtek's cost base, together with impairment charges recognised during the year – primarily goodwill arising from the Microtek acquisition, plus a partial write-down of right-of-use assets and property, plant and equipment.
- Interest expense increased due to additional unsecured shareholder loans taken on to fund working capital ahead of the January entitlement offer.

Trading Update

With production restored at Dayton and a strengthened leadership team, Alexium's ramping mPCM and FR placements are forecast to drive revenue growth through FY27.

Microtek Acquisition

- Despite the early setbacks encountered in taking control of the facility and ramping production volumes, the plant and operations team remain the cornerstone of the Company's growth strategy for mPCM and formulated coatings. The Company estimates it lost three to four months of time in the progression of the manufacturing and sales goals.
- Normal operations have been restored at the plant, and operations are now ramping production volumes again. The Company is tracking to have 80% of Alexium's formulated products ready for full-scale production in Ohio by the new year.
- New quality control standards have been implemented at the Ohio plant, with lower raw material costs and a higher-efficiency batch process. These improvements strengthen the Company's competitive position.
- Alexium's technical team has vetted the new technologies that were part of the acquisition, with three new mPCM technologies being readied for full production and market launches.

People

- To assist the management team to execute on its strategy, the Company appointed Randy Lane as its Chief Operating Officer in early July. Randy has been an active non-executive director for two years, having joined the Board five years after retiring from his former role as Chief Executive Officer of Microtek Laboratories.
- The Board is excited to have two executives of the quality of Billy Blackburn and Randy Lane leading the organisation and feels that this combination, along with Finance Vice-President Heather McClain and Technology Lead Nick Leitner, is the leadership team which will deliver for both customers and shareholders in the coming years.
- The Company has hired a new plant manager who will start in mid-September. This individual has the experience and skill to expedite the improvements to the manufacturing operations, and to give the hands-on leadership required to significantly increase production volumes. The new hire also brings significant experience in safety, compliance, preventative maintenance, and continuous improvement.

Trading Update (cont.)

Sales & Technology

- The new mPCM coatings placements announced in late FY26 are now ramping and will be major drivers of the revenue growth forecast for FY27. Volumes are ramping for a PCM-coated non-woven for a new placement with a major international brand. New placements in foam bedding have created significant new growth opportunities for the business. These foam market opportunities are bolstered by the manufacturing assets and mPCM technology acquired from Microtek paired with Alexium's formulating expertise. This was primarily driven by product infused into foam and applied via durable top coatings. Foam remains the largest growth area for the Company in the bedding space. These placements have volumes forecast that could more than double the Company's FY26 revenue.

- Alexium has secured its first commercial placement of its FR technology, AlexiShield, in foam for furniture. Shipments commence in Q2 FY27 and will reach full rates by the new year. This placement proves the effectiveness of the product in replacing deficient older technologies and materials that have been banned in furniture (and bedding) products. It also opens up greater potential in a new market space in which the Company has not historically been active.

- The Company is now active on several customer projects for mPCM placements into non-bedding markets. These opportunities are in the construction materials and energy conservation markets for mPCM, and the transportation market for FR. These opportunities were catalysed by the Microtek acquisition, which opened new adjacent market potential via the acquired mPCM technologies.

- Alexium is working to ramp up a large placement with an international textile producer for mPCM coatings in the furniture upholstery market. It is slated to commence in late 2026, with volumes anticipated to ramp throughout 2027. This project creates a synergy between the two companies that provides best-in-class aesthetic and cooling combinations for the furniture market.

Commercial Update

Q4 brought progress across all three commercial platforms – mPCM, AlexiShield FR and AlexiFlam® – alongside new customer requests for mPCM in furniture, building materials, energy conservation, and apparel.

Nextek mPCM, AlexiCool®, and BioCool®

After the legacy Microtek and Alexium mPCM products and production were merged in late FY26, efforts were turned to optimisation for cost efficiency and enhanced quality. Many of the branded AlexiCool® and BioCool® coatings were moved to the Ohio facility as well.

- Alexium's legacy textile mPCM coatings were validated for co-production in Ohio. Production started on several high-solids mPCM coatings for foam in Ohio as well.
- New international mPCM business continued to grow in Q4 and will ramp up throughout FY27, with new starts for specialty foam in the EU commencing in late H1 FY27.
- Efforts progressed with legacy Microtek customers in adjacent, non-bedding markets. The Company's core encapsulation technologies have opened new large market opportunities.
- New requests for mPCM in large new industrial segments have increased in Q4 with lab trials underway on novel applications at customer request.

AlexiShield – FR Technology

The Company continued its efforts to expand its FR opportunities. This is aided by Alexium's FR products being free of all current and proposed banned substances. It is also aided by Alexium's vertically integrated manufacturing and short supply chain unencumbered by geopolitical trade pressures.

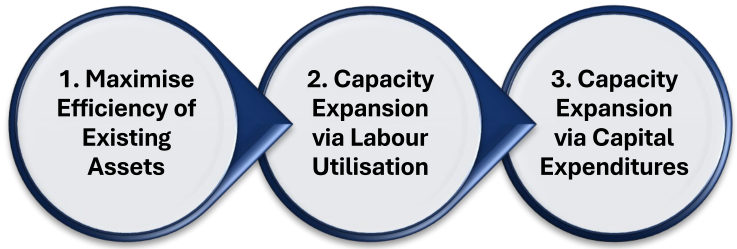
- The FR market is a much larger space for the Company, ultimately presenting greater sales growth potential than mPCM.
- Current FR market trends and regulatory developments remain favourable for Alexium.
- AlexiShield and AlexiGuard formulated FR coatings are now manufactured in-house at the Ohio facility. This has improved cost and quality and readied the business to scale quickly.
- New opportunities in furniture and transportation offer market diversification over the historical concentration in bedding.

AlexiFlam®

Increased emphasis on rebuilding the US Military supply chain has created urgency to drive lingering projects involving low-cost, warm-weather, flame-resistant textiles for military uniforms to a near-term timeline and conclusion.

- In Q4, the penultimate phase of testing for AlexiFlam®-treated fabric that was cut and sewn into uniforms for enlisted personnel field trials at a US Military base in 2026 continued and we now expect test results in Q2 FY27. Upon completion of successful limited-user evaluations ("LUEs"), the Military will issue Requests for Proposals to preferred qualified parties, leading to adoption and material contracts.
- Technology development has allowed promising engagements with fabric providers to the technical workwear market, although the investment of time and resources in this area remained paused to allot our limited resources to our core focus areas of the military uniform and bedding markets.

Operations Plan – Update Overview



Transition to a Manufacturing-Centred Operating Model: The Microtek Laboratories acquisition was completed in Q3, thus accelerating the Company's transition from a primarily outsourced production model to a manufacturing-centred business model.

This evolution should lead to improved margins, control, scalability, and long-term competitiveness; however, in Q4 FY26, the potential risks of this model for a rapidly growing nascent manufacturer were highlighted when manufacturing issues impacted the Company's ability to meet customer orders on a timely basis. The manufacturing issues experienced in the quarter have been addressed and customer orders are now successfully being completed in full and on time.

Despite these setbacks, Alexium will continue to execute its manufacturing strategy to prioritise disciplined asset utilisation, phased capacity expansion, and selective use of contract manufacturing partners to balance risk, capital efficiency, and operational focus.

Operations Plan – Q4 Updates (Phase 1)

Phase 1: Maximise Efficiency of Existing Assets

The priority is to achieve maximum operational efficiency from the existing manufacturing assets at the Dayton facility in their current configuration.

Key Updates:

- **Process stabilisation and standardisation:** The Nextek and AlexiPCM mPCM processes were successfully merged in Q3. This product rationalisation created an optimised platform for drying mPCM, high-quality and superior performance mPCM for formulated coatings, improved quality, and lower costs.
- **Yield, throughput, and uptime optimisation:** Major improvements in yield and throughput were proven at pilot-scale in Q3. The planned implementation in Q4 was set back by the manufacturing issues. Production uptime and quality became the major issue in Q4 and were ultimately addressed with an entire production process reset to address historical lapses in preventative maintenance programs. The production performance since these initiatives were undertaken has reaffirmed the Company's initial views of the financial opportunity associated with the manufacturing business model strategy.
- **Workforce training and operational discipline:** A number of the issues experienced in Q4 were rooted in poor processes which were inherited at the time of the acquisition and were yet to be addressed by the new plant-level management. Under the operational leadership of Randy Lane, the Company is confident that these shortcomings will be successfully addressed and a strong operating culture built. Delayed maintenance improvement projects under former management were performed with preventative maintenance brought current.
- **Elimination of bottlenecks and non-value-added activities:** The initial gains associated with the merger of the mPCM products and their manufacturing processes revealed several opportunities for gains in efficiency and quality. The realisation of these opportunities has been delayed by the production issues but will be realised across H1 FY27.

In Q3, we estimated that no major capital investments would be made during this phase; the theory behind that objective was to fully realise the inherent capability of the assets already in place. With the benefit of another three months of ownership, it is likely we will execute a few minor capital projects in H1 FY27 to align production line equipment capacity with growing customer demand. This will involve increased tank and reactor capacity at the front end of the process to harmonise daily capacity with that of the available workforce.

Operations Plan – Q4 Updates (Phases 2 & 3)

Phase 2: Capacity Expansion via Labour Utilisation

The initial strategy to increase capacity through incremental manpower additions, rather than capital expenditures, has been amended due to evident bottlenecks that will see greater efficiencies realised if production line equipment capacity is optimised to production scale and labour availability.

Key Updates:

- **Transitioning from current operations to a 24 x 5 operating model:** Recruiting will commence in H1 FY27 for additional operators and a Quality Control chemist to support a fractional second shift to maximise output from batches started and concluded during the first shift. This increase in shift-based capacity will be driven primarily by new mPCM demand, and the consolidation of the AlexiCool®, BioCool®, and AlexiShield formulated coatings to the Ohio plant.
- **Subsequently expand to a 24 x 7 operating model as demand grows:** Depends upon the successful ramp to a second shift in H1 FY27 and continued customer demand growth. There are a number of new mPCM placements that could expedite this transition in H2 FY27.

This approach enables higher asset utilisation, improved fixed-cost absorption, and faster response to customer demand while deferring significant capital spend until customer demand levels are clearly established.

Phase 3: Capacity Expansion via Capital Expenditures

Only after labour-based utilisation rates are maximised will Alexium pursue capacity growth through significant capital equipment additions. CAPEX decisions will be driven by:

- Sustained demand that exceeds labour-expanded capacity.
- Clear economic justification and return on investment.
- Strategic alignment with core production capabilities.

This sequencing ensures capital is efficiently deployed and only when operational leverage from existing assets has been fully captured.

Customer & Project Updates

Alexium's Business Development and Product Development pipelines are the healthiest in the Company's history, with new cooling, energy conservation, and FR projects all commencing in Q4 FY26.

Q4 FY26 marked the start of several new customer projects:

- Two new cooling pillow projects (one AlexiCool® and one with Eclipsys®).
- We are active in a multi-melting-point coating for energy conservation applications with the product reaching pilot-scale production in September 2026.
- We signed two new NDAs in August, both requests for developmental work on additional thermal management applications for energy conservation.
- The Company took its first order for an FR coating (AlexiShield) for furniture foam in September. The Company will now seek to further penetrate this market for near-term growth opportunities.

FR NyCo (AlexiFlam®):

- Limited-user evaluations with US Army personnel are scheduled to conclude in September 2026. Based on that user feedback, Alexium anticipates making final enhancements to meet the comfort and performance requirements. The formal bidding process timeline has yet to be announced by the Federal Government.

Pipeline:

- The Company's Business Development and Product Development pipelines are healthier than at any time in its history.
- The Company continues to prioritise its limited resources on opportunities that drive near-term topline revenue growth and that are well aligned with our mPCM and FR product strategies and that maximise capacity utilisation of the Ohio manufacturing facility.

Summary

FY27 Outlook:

- Alexium has overcome the post-closing challenges it experienced after the Microtek acquisition.
- The Company has recommenced ramping production and new sales to the bedding market, despite continued soft market conditions. Many new non-bedding placements are commencing in Q2 and throughout H2 FY27.
- The team at Alexium is hyper-focused on an H1 FY27 plan aimed at reaching cash-positive results by the new year.

Overview:

- Q4 FY26 was disrupted by a production issue at the Dayton facility, which cost three to four months of manufacturing and sales progress. The issue has been resolved and the plant is producing at pre-issue volume levels.
- Commercial momentum has been retained: mPCM placements announced in late FY26 are ramping through FY27, the first AlexiShield FR order for furniture foam was taken in September, and the business development pipeline is the strongest in the Company’s history.
- Leadership and operations have been strengthened with a COO appointed in July, a new plant manager starting in September, and new quality, maintenance, and capacity plans in place, with the team focused on reaching cash-positive results in H1 FY27.