

FOR IMMEDIATE RELEASE

FRX Innovations Reports Q1 2023 Financial Results: Improving Results Despite Challenging Year in Chemical Sector

- Revenue in fiscal Q1 2023 of \$0.628M, 2x greater than Q4 2022 as recovery in flame retardant textiles commenced¹.
- Positive sales trend continued in Q2 2023 indicating 2.4X increase over Q1 2023 and about 5X increase over Q4, 2022.
- Gross margin improvement for the 1st quarter to \$0.168M compared to a loss of -\$0.497M in Q1 2022 a gain of \$0.665M as commodity prices returned to historical levels.
- Under IFRS guidance the Company's long-term debt was classified as current at the end of the reporting period due to a breached covenant which was officially waived by its lender on July 4, 2023, which will allow the Company to reclassify it back to a long-term debt in its 3rd Quarter reporting period.

"Increasingly OEMs and brand-owners are responding to the need to move formulations to more sustainable technology in time to meet new regulatory and disclosure requirements, and we expect this to support sales growth in 2023 and beyond."

Marc Lebel, FRX Innovations CEO

CHELMSFORD, Mass., July 13, 2023 - FRX Innovations (TSXV:FRXI) (FSE:W2A.F) (OTC QB: FRXIF) ("FRX" or the "Company"), a developer and manufacturer of environmentally sustainable flame-retardant additives, reports its financial results for its calendar 1st Quarter of 2023.

The Company's revenues of \$0.628M for calendar Q1 2023 are meeting expectations. The improvement in sales versus Q4 2022 is attributed to a recovery in the flame-retardant hospitality textiles as COVID driven lock downs subsided and travel conditions improved. The improvement in FRX's results is counter to the overall Chemical Industry where many majors have announced profit warnings.

The positive trend at FRX continued in Q2 with indications of a 2.4X increase in revenue compared to Q1 2023 and 5X increase in revenue compared to Q4, 2022. This is attributed to continued recovery of the



¹ Please refer to FRXI press release dated January 25, 2023, "[Flame retardant textiles rebounding from Covid 19; FRX Q1 sales recovering](#)"

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flame-retardant textile sector. To a lesser extent, but important for forward quarters, FRX received first orders related to new project starts which includes an initial launch order in electronic display applications in a new polycarbonate formulation. FRX also received the first order for a specialty textile application and received repeat orders in a new bromine-free replacement project in the industrial sector.

After managing through a challenging market in 2022, FRX is strategically positioned to take advantage of several important market factors driving change in the flame-retardant industry globally, including increasing regulatory actions towards PFAS-free and bromine-free products such as Nofia. Many key industry players view FRX's patented Nofia flame retardants as a cornerstone solution for a polymer system that was previously exclusively flame retarded with brominated flame retardants. Regulations banning the use of brominated flame retardants in plastics on the outside of many televisions and monitors will be effective as of January 1, 2025. These bans will extend to home appliances thereafter. Separately, there are already requirements to disclose the use of intentionally added PFAS chemicals in goods sold, as this trend in regulatory restrictions spreads.

Marc Lebel, CEO of FRX, noted "Increasingly OEMs and brand-owners are responding to the need to move formulations to more sustainable technology in time to meet recent regulatory and disclosure requirements, and we expect this to support continued sales growth in 2023 and beyond. Customers will be required to find alternatives, with Nofia expected to be a clear winner across many industries, including consumer electronics, textiles, medical and others." Lebel added, "This is demonstrated by the fact that FRX received 17 new customer technical approvals in 2022 and initiated more than 30 new sales projects with major customers since the start of 2023. These programs are expected to lead to adoption and sales growth in 2023 and beyond".

FRX is in commercial production at its fully permitted facility in Antwerp, Belgium, where it currently supplies Nofia Flame Retardant Polymers to a growing number of multinational OEMs around the world.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

#PFAS, #PFSfree, #ForeverChemical, #SustainableFR
For more information, visit www.frx-innovations.com.

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About FRX Innovations (www.frx-innovations.com)

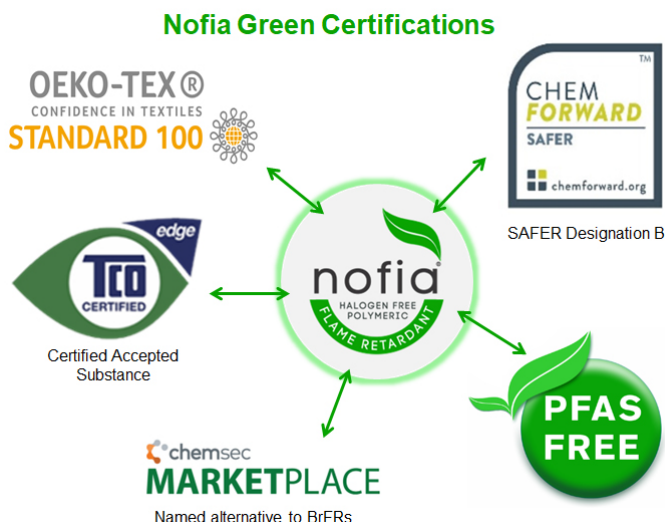
FRX Innovations is a global manufacturing company, producing a family of sustainable flame-retardant products that serve several large markets spanning textiles, electronics, automotive, electric vehicles (EV) and medical devices. FRX is led by a team of highly experienced business and technical professionals and is positioned to be a leader in the rapidly changing flame-retardant plastics and additives market in response to new legislation prohibiting Brominated and Perfluoro flame retardants found in a wide range of electronics and electrical products and restricting the use of melamine flame retardant chemicals found in furniture and mattress foam products.

Nofia® is a registered trademark of FRX. Nofia® products are manufactured at its manufacturing facility on the Port of Antwerp in Belgium, one of the world's largest chemical producing clusters. Nofia Polyphosphonates are produced using sustainable green chemistry principles such as a solvent-free production process, no waste by-products, and near 100% atom efficiency, and are halogen, PFAS and melamine free. FRX's portfolio includes an extensive patent estate. FRX, at the forefront of the ESG movement to a greener future, has been the recipient of numerous awards, including the EPA's Environmental Merit Award, the Belgium Business Award for the Environment, and the Flanders Investment of the Year Award. FRX has also been recognized six times on the Global Cleantech 100 list.

Cautionary Note Regarding Forward-Looking Statements and Reader Advisory

Certain statements contained in this news release, including, but not limited to, statements with respect to the Offering, the completion of the Offering, the size, amount and type of securities issued under the Offering, participation in the Offering by related parties and the amount of such participation, among other things, and statements which may contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or similar expressions, and statements related to matters which are not historical facts, may constitute forward-looking information within the meaning of applicable securities laws. Such forward-looking statements, which reflect management’s expectations regarding the Company’s future growth, results of operations, performance, business prospects and opportunities, are based on certain factors and assumptions and involve known and unknown risks and uncertainties which may cause the actual results, performance, or achievements to be materially different from future results, performance, or achievements expressed or implied by such forward-looking statements.

These factors should be considered carefully, and readers should not place undue reliance on the Company’s forward- looking statements. The Company believes that the expectations reflected in the forward-looking statements contained in this news release and the documents incorporated by reference herein are reasonable



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based on information available to it, but no assurance can be given that these expectations will prove to be correct.

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