

FRX Innovations Announces Q2 2022 Financials



NEWS RELEASE BY FRX INNOVATIONS INC

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FRX Innovations (TSXV:FRXI) (“FRX,” or the “Company”), a leader in eco-friendly flame retardant solutions, today announced the filing of the Company’s financial results for the three and six month period ended June 30th, 2022. Highlights from the quarter are summarized below, while full financial statements and other supporting documents have been filed on SEDAR (www.sedar.com).

Chief Executive Officer Marc Lebel commented, “We are pleased to announce our first quarterly results as a public company and are extremely excited for what lies ahead for FRX and its shareholders. A major disruption in the multi-billion dollar flame retardant industry is under way as law makers continue to phase out the usage of harmful chemicals from everyday products. FRX is positioned as one of the very few solutions to help OEMs address this seismic shift in demand.”

Highlights

- FRX’s common shares began trading on the TMX Venture Exchange under the ticker symbol FRXI.
- Concurrent with the public listing, the Company closed a brokered private placement with Echelon Wealth Partners for gross proceeds of approximately CAD \$7 million.
- FRX received TCO Certification, a major industry endorsement for the Company’s Nofia[®] branded line of flame-retardant products.
- ChemFORWARD classified Nofia[®] as a verified SAFER[®] flame-retardant solution.
- Following legislation enacted into law by both the EU and the State of New York during Q1 2022, Washington State moved to ban the use of brominated flame retardants as a class of materials in all plastic casings across a wide range of electronics and appliances used indoors. The most aggressive legislation to date affecting the industry.
- Other legislative moves away from halogenated flame retardants are expected in the coming quarters, all of which creates strong tail winds for recognized sustainable flame-retardant solutions like Nofia[®].
- Sales for the 1st half of 2022 was USD \$2.4M, despite both strict Covid 19 related lock downs in China that severely affected the Chinese economy and global supply chains; and the

uncertainty created by the Russia/Ukraine conflict as electricity prices in EU more than tripled in cost. FRX did put in a price increase in Q3 to normalize its margins.

- Nofia® was selected for its high performance and sustainability attributes in lithium-ion battery casings. The lithium-ion batteries are used in a wide range of mobility applications like RVs, Yachts, Golf carts and in power tool applications. Nofia was adopted for its green credentials as well as providing improved high temperature and impact resistance while delivering outstanding flame retardancy.
- FRX expanded its relationship with a major supplier to a German luxury automotive brand as the flame-retardant technology in the large trim and headliner foam application found in the passenger cabin. This represented the second successful car model for this OEM to adopt Nofia®. Nofia® was adopted for its green credentials as well as its ability to meet very demanding anti fogging specifications while delivering outstanding flame retardancy.

For more information about FRX Innovations, please visit www.frx-innovations.com.

About FRX Innovations

FRX Innovations is a global manufacturing company, producing a family of environmentally sustainable flame-retardant products that serve several large markets spanning 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 growing flame-retardant plastics and additives market. 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. FRX's portfolio includes an extensive patent estate. FRX 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 STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward looking terminology such as "plans", "expects" or "does not expect", "expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain acts, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information in this press release may include, without limitation, statements with respect to, the positioning of the Company within the industry, future prospect of the Company, major disruption of an industry, additional legislative actions, and strong tailwinds for Nofia®. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company, as the case may be, to be materially different from those expressed or implied by such forward-looking information. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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