



FOR IMMEDIATE RELEASE

FRX Board of Directors Announces Exploration of Strategic Alternatives

Boston, MA, **September 27, 2023** – FRX Innovations Inc. (TSXV:FRXI) (FSE:W2A) (OTC BB: FRXI) (“FRX” or the “Company”), a leader in eco-friendly flame retardant solutions, announces that the Company's Board of Directors has formed a Special Committee to explore strategic alternatives to enhance value and to accelerate the utilization of FRX’s Nofia® brand of fire retardants. These alternatives could include, among others, possible joint ventures, strategic partnerships, licenses or alliances, a sale of the Company in whole or in part or other possible transactions.

The Special Committee of the Board is comprised of Jim Cassina, Marc Lebel, Mark Lotz, Patrick Muezzers and Ekaterina Terskin.

CEO Marc Lebel, added, "We continue to see compelling long-term opportunities for FRX, as the Special Committee focuses on exploring alternatives, we will continue with our strategy of promptly servicing our customer base from our state-of-the-art production facility in Antwerp, Belgium while expanding our applications, and driving implementation of Nofia throughout the industry.”

The Company believes that market conditions will drive strong demand for NOFIA that currently exceeds the Company’s ability to capture its market share on its own resources. The Special Committee is open to evaluating proposals from key industry participants that can accelerate the adoption of NOFIA in a timelier manner than FRX can achieve with its current availability of capital with the expectation that a strategic alternative would result in an ultimate enhancement of shareholder value rather than shareholder dilutive alternatives that may become available.

"During the past year, the Company has been focused on expanding FRX’s Nofia brand of fire retardants by establishing a strong footprint with global OEMs, expanding Nofia applications and evaluating the best approach to delivering long-term value for our customers and shareholders alike," said Marc Lebel, CEO of FRX. “Given the importance and viability of our technology, as an environmentally and commercially proven sustainable solution and new regulatory landscape, we believe that now is the right time to

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explore strategic alternatives in order to increase scale, accelerate the adoption of Nofia® and efficiently meet expected demand.

There can be no assurance that this exploration process will result in any transaction. The Company will disclose further developments with respect to this process if material, or concludes the review of strategic alternatives.

The Nofia® product line is PFAS and Halogen free, polymeric, eco-friendly, non-leaching and manufactured based on green chemistry principles.

Legislative and Litigation Driven Tail Winds

The past two years have seen some of the most significant changes in flame retardant (FR) regulations. Additionally, the last 12 months has seen increasingly rapid action against per- and poly-fluoro chemical substances known as PFAS, and commonly called “Forever Chemicals”. The common PC flame retardant KPFBS (potassium perfluorobutanesulfonate), known as Rimar Salt, was issued with a Final Health Advisory in June 2022 and is already designated an SVHC in Europe.

In the meantime, there have been multi-billion-dollar¹ settlements between PFAS producers and different bodies affected by pollution with 3M announcing its exit from the PFAS products business by the end of 2025. OEMs and brand owners are moving more quickly, and some are also requesting the removal of polytetrafluoroethylene (PTFE)², which many Green NGO’s and some regulatory authorities also consider to be a PFAS.

PFAS-Free Patent Application & Sales Pipeline Growth

In April 2023, FRX announced that it has filed a new patent for what the Company believes and customer feedback supports is a breakthrough in key application areas specifically meeting or exceeding the rigid fire retardant requirements for polycarbonate (PC) plastics and its alloys. This invention is free of the increasingly banned “forever” PFAS chemicals and allows for completely PFAS-free formulations in polycarbonate, including elimination of the well-known anti-drip agent, PTFE.

The PFAS replacement opportunity has brought 77 new programs in the last 12 months alone in FRX’s sales pipeline.

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Nofia® New Uses

Over the last 18 months, Nofia® achieved several significant breakthroughs. Major ABS plastics producers² have confirmed that Nofia® is the only halogen-free flame retardant that delivers a good quality product meeting the UL 94 V0 fire standard. The \$225M³ FR ABS market has historically been exclusively flame retarded with brominated FRs. Nofia® flame retardants have been recognized by major consumer electronics producers² as delivering the best balance of properties for PFAS replacement in the Polycarbonate sheet market valued at US \$320M.³

Nofia® is being used in the back panel of televisions of a major brand owner. Small monthly orders have commenced and are expected to grow.

FRX has been steadily making progress in the EV market. Nofia flame retardant has been specified as the flame retardant in Polyamide 12 used in high voltage EV applications and is also on test in high voltage FR coatings in the same applications. Nofia has also been specified in a 3rd high voltage EV application.

An article co-written by Dr. Xiudong Sun, and Dr. Mike Goode, FRX Chief Scientific Officer and Chief Commercial Officer respectively, describes how Nofia flame retardants provide unique benefits when used in PFAS free flame-retardant formulations, was recently published in the Sept/Oct 2023 edition of Special Chemicals Magazine.



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click PDF icon at left or see link: <https://www.frx-innovations.com/polyphosphonatefrs>

Nofia FRs have exceptionally favorable Green credentials including achieving the coveted GreenScreen® Benchmark 3 rating as well as an equally favorable B designation in the ChemFORWARD SAFER® program, are included on the TCO-Certified Accepted Substance list, and are approved Active Chemicals according to the Oeko-Tex Standard 100.

¹ <https://www.reuters.com/legal/government/us-states-withdraw-objections-3ms-103-billion-pfas-settlement-2023-08-29/>

² Company visit reports.

³ Company estimate based on industry knowledge.

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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 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 retardant chemicals.

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

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