



FOR IMMEDIATE RELEASE

FRX Innovations Reports Q2 2023 Financial Results: More than Doubles Sales Compared to Q1 2023

- Revenue in fiscal Q2 2023 of US\$1.48M, 2.4 x greater than Q1 2023 as recovery in flame retardant textiles continued¹.
- 9 new customer-starts recorded.
- 41 new customer projects started as a direct consequence of new regulations banning toxic flame retardants.
- Revenue in Q2 2023 increased by 13% versus Q2 2022.
- Gross margin improved during the 2nd quarter to US\$0.47M compared to a loss of -US\$0.493M in Q2 2022, a gain of nearly US \$ 1M.
- Gross margin in Q2 2023 was 32% compared to 27% for Q1 2023 as raw material prices continued their decline to historical levels.

CHELMSFORD, Mass., August 30, 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 2nd Quarter of 2023.

The Company’s revenues of US\$1.48M for calendar Q2 2023 met with previously announced expectations of growth over prior quarters. The more than doubling of sales in Q2 2023 over Q1 2023 reflects a continued recovery in 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 declining sales.

An important indicator for forward quarters, FRX received first orders related to nine new project starts through the end of July.

FRX is now strategically positioned to take advantage of several important market factors driving change in the flame-retardant industry globally. The most important one being increased regulatory actions restricting the use of PFAS and bromine-containing flame retardant products, making FRX’s Nofia® family environmentally sustainable flame-retardant additives a favorable alternative.

FRX Nofia: Ideal Alternative to Forever Chemical Flame Retardants

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.

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

FRX Polymers, Inc.

200 Turnpike Road
Chelmsford, MA 01824

Tel: +1 (978) 250-4200 • Fax: +1 (978) 250-4533

www.frxpolymers.com

An ISO 9001:2015 Certified Company



Regulations banning the use of brominated flame retardants in plastics in certain consumer products such as on the outside of many televisions and monitors will become effective on January 1, 2025, in the US. Due to the May 30, 2023 announcement from the State of Washington, these bans will extend to home appliances in the US thereafter. These same bans are also taking place in the EU as part of the EU's recently passed ECO-Design legislation. 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 the previously announced 30 new sales projects has now increased to 41 since July 12, 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.

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.



**Green Certified with
Many International
Organizations**

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

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

Contact Information:

FRX Innovations

Mark Lotz CFO
+1 604-880-6546
mlotz@frxpolymers.com
Mike Goode CCO
+1 765-838-9018
mgoode@frxpolymers.com

FRX Innovations Investor Relations and Media Inquiries

Investor Relations

Carl Desjardins
+1 514-818-0447

Jean-Francois Meilleur
+1 514-951-2730

Erik Danielson
+41 76 335 4402

Diane Wilson
+1 978-505-1275

FRX Polymers, Inc.

200 Turnpike Road
Chelmsford, MA 01824
Tel: +1 (978) 250-4200 • **Fax:** +1 (978) 250-4533
www.frxpolymers.com



ir@frx-innovations.com

Media Inquiries

Joseph Grande

+1 413-684-2463

joe@jgrandecomunications.com

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200 Turnpike Road

Chelmsford, MA 01824

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