

FRX Polymers

Symbol: Private

Pre Valuation: 77.5M

Sector: Materials

Purpose: Pre RTO Raise

Transaction Overview:

Echelon is taking FRX Polymers public via an RTO with Good2GoRTO Corp. (TSXV:GRTO.P). Echelon is raising a minimum of CAD\$13M in a private placement of subscription receipts. Each subscription receipt will be priced at CAD\$1.00, and will include a half-warrant for one year at an exercise price of CAD\$1.30. The pre-money valuation on the business is US\$77.5M, or 5.5x 2022E EV/revenue, in an industry where some comparables are trading above 10x 2022E EV/revenue.

FRX Polymers is a disruptive growth company utilizing its patented green technology to manufacture flame retardant solutions that back a deep commitment to sustainability and the environment. Their products, sold under the brand name *Nofia*, are unique among flame retardant additives in that they are halogen-free, non-toxic, and non-leaching (permanent). Note that the global supply chain for most goods is moving away from toxic products that contain halogen/bromine/chlorine, which has created a \$30 billion industry. FRX is in a unique position providing a green product where most of their competitors do not have a competing material, and their IP is protected by a portfolio of 200 patents worldwide.

Investor Bullet Points:

- **Unique & Disruptive Green Technology:** FRX has the potential to win a dominant share of the US\$30 billion/year flame retardant polymer additive market. Their *Nofia* product is the only commercial flame retardant that is non-toxic and non-leaching, which are key differentiators in the industry and difficult to replicate.
- **Strong Patent Portfolio:** Over 200 patents filed, 45 granted across 35 patent families. Their comprehensive patent estate extends across the entire supply chain, from the raw material, through to the composition materials and the applications of those compositions.
- **Favourable Regulatory Environment:** Flame retardants are required by law, but more jurisdictions worldwide are banning the use of flame retardants that use toxic chemicals such as halogen/chlorine/bromine everyday, and are searching for a green alternative, creating a huge opportunity for *Nofia*.
- **Client Adoption:** FRX has partnered with key players in chemical industry and OEMs, such as Dupont and Evonik, giving them access to a growing list of commercial clients in textiles, building and construction, electronics, printed circuit boards, and automotive industries.
- **Strong Visibility with Existing Customers:** Current pipeline with existing clients represents over US\$150 million of annual recurring revenue to onboard over the next 3-5 years

- **Untapped Industries:** Commercially proven, but very early in the adoption cycle for most end markets, with massive opportunities opening in key markets such as printed circuit boards and electric vehicle batteries and components.
- **Fully Commercialized Facility:** fully built-out facility with the ability to produce 3,500 tons per annum of product, the equivalent of US\$35 million in revenue per year.

[Presentation Link](#)

Management:

Marc Lebel is the founding Chief Executive Officer of FRX Polymers. He brings 25 years of product and business development, operations, and sales and marketing experience to FRX Polymers. Previously, he held senior executive positions at Triton Systems and Aspen Aerogels as Executive VP and VP of Sales and Marketing respectively. He was the Global Business Group Director for Cabot Corp. and was the founding CEO of DSM Thermoplastic Elastomers, a company he grew for the \$8B Dutch parent company, DSM.