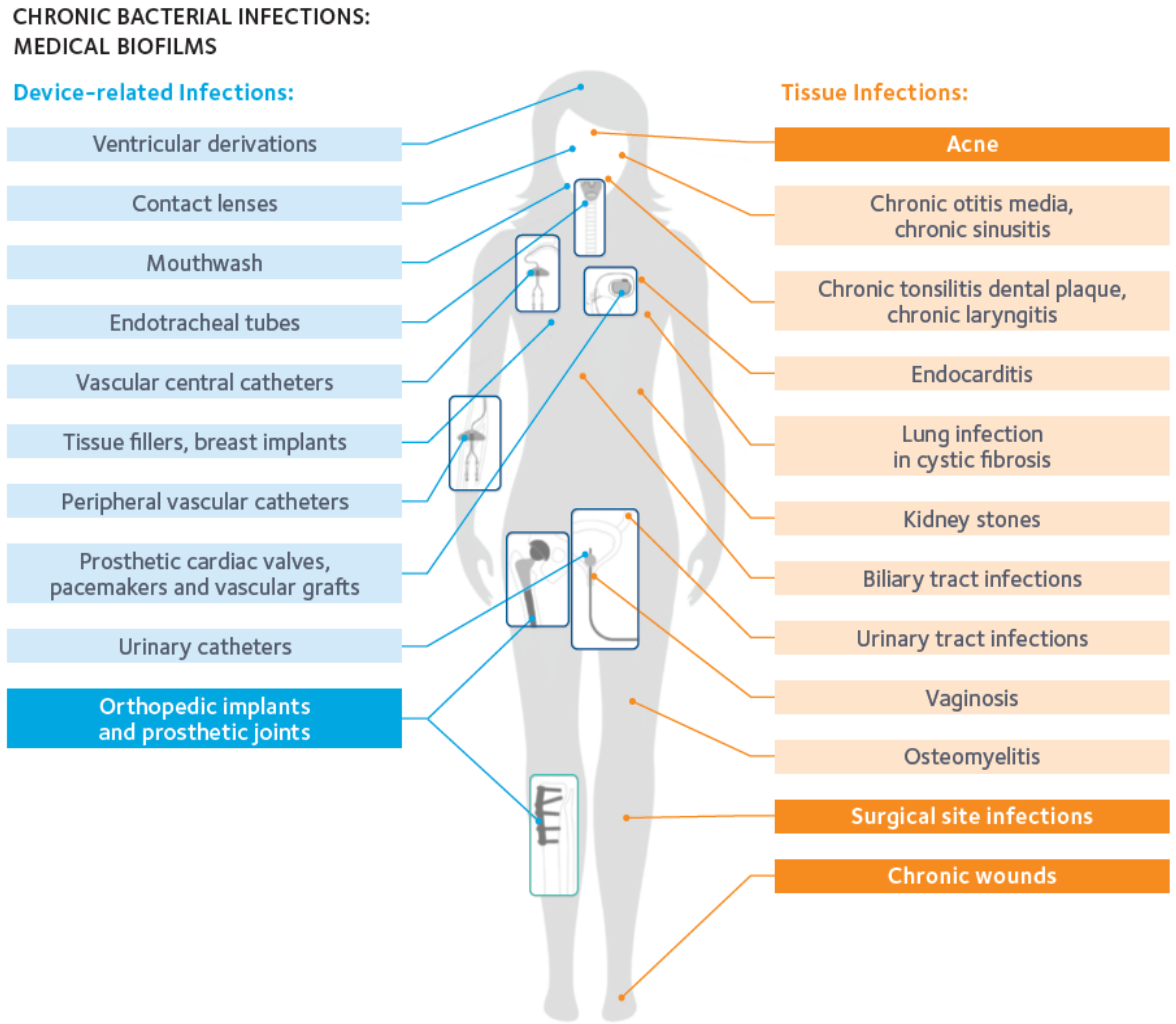
Quarterly Activity Report – Q2 2021

22 July 2021

Approved by the Board of Next Science

NEXT SCIENCE®

Next Science – Key Activities



Next Science researches, develops and commercialises products which are based on its proprietary Xbio™ technology to resolve the issues caused by biofilms and their incumbent bacteria, fungi and viruses and the infections they cause in relation to human health

The company currently has products in markets to address:

Surgical Site infection
Chronic Wounds
Prosthetic Joint Infection
Acne

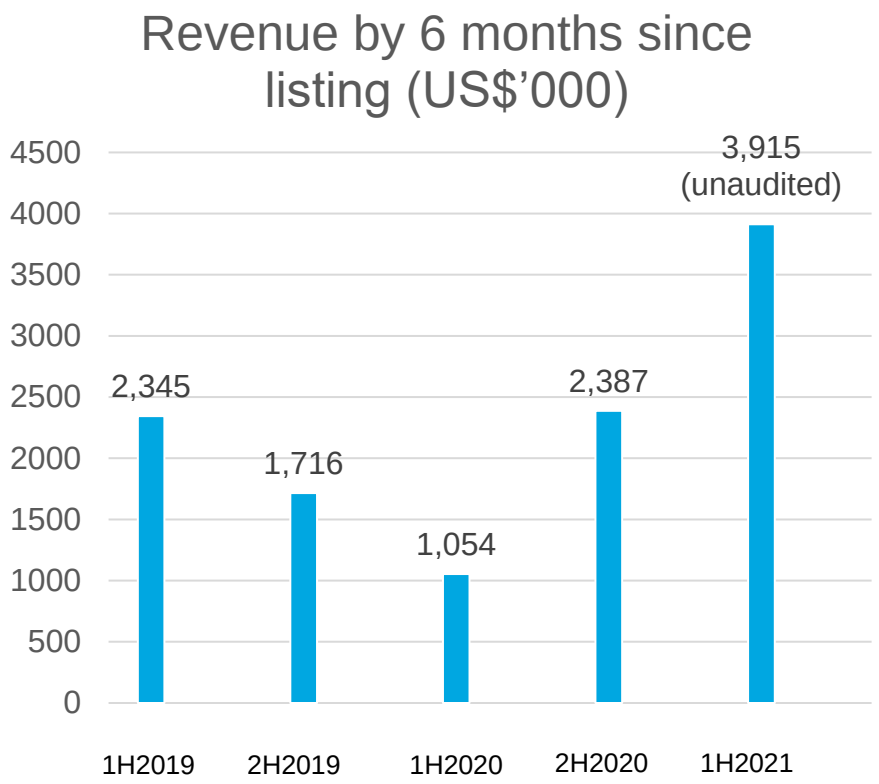
Best first half for NXS

Judith Mitchell, Managing Director said: *"In the first half of 2021, we delivered our **best single half result since IPO**. We reported **271% revenue growth (unaudited) on pcp** (which was heavily pandemic impacted) and 64% revenue growth (unaudited) on the prior half. This revenue performance was predominantly driven by sales from our existing products **Bactisure™, SurgX™** and **BlastX™**".*

*We also made good progress **expanding our addressable market opportunities** and taking direct control of distribution. We now have **four products in the US human healthcare market**. We launched Bactisure™ in Europe and the UK and BlastX™ was approved by the TGA for sale in Australia. BlastX™ transitioned back from 3M to Next Science in April, creating opportunities for us to sell to a wider customer set. Following the FDA approval of **XPerience™** on April 23, our initial focus has been to secure **VAC approvals** across US hospitals.*

*With our existing products, and **XPerience™**, our market leading "no rinse antimicrobial solution", we are building an **excellent platform** for future growth."*

Best first half for NXS



Other Financial Details:

Net cash burn 1H 2021 - US$ 1.9M

Cash on hand 30 June 2021 - US$ 13.2M

*Payments to Directors in the quarter – US$191k

*Payments to directors disclosure required by ASX Listing Rules

Q2 2021 Progress Report

- Q2 sales, minimal contribution from XPerience™. Sales predominantly SurgX ™, BlastX™ and Bactisure™, some timing impact from June orders
- XPerience™ US 510(k) Pre Market Clearance 23 April
- BlastX™ Antimicrobial Wound Gel TGA Clearance 27 May
- BlastX™ transitioned to direct sales in the US in Q2, with Cardinal and Owens and Minor channel partnerships in place by 1 July 2021 for distribution logistics.
- Patent library – 35 Patents (mid July)

BlastX™ Update

- BlastX™ now returned to NXS with full market access in the US
- Supply chain agreements executed with Cardinal Health and Owens and Minor
- Direct sales commenced with key VA customers and Kaiser ordering commenced
- Home health pilots in Q3 2021 with new product format (4 x 7.5ml box)

XPerience™ Update

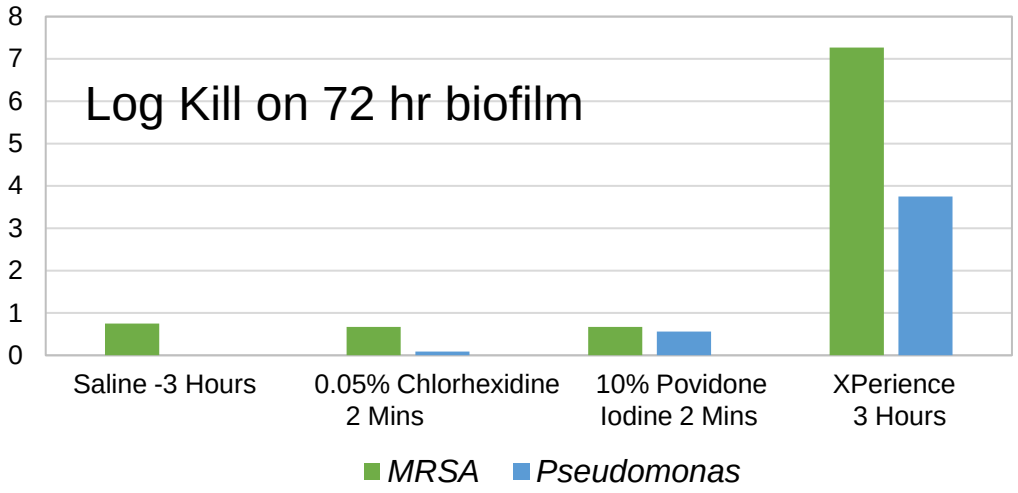
Value Proposition:

- ✓ No rinse out required
- ✓ Non toxic
- ✓ Broad spectrum efficacy against bacteria, viruses and fungi
- ✓ No change to current surgical protocols
- ✓ Easy to use and adopt
- ✓ 5+ hours of protection

Commercial Update:

- ✓ 510(k) Clearance 23 April 2021
- ✓ First surgeries 27 April 2021
- ✓ 123 Value assessment submissions made (for approval to use within the Hospitals)
- ✓ 20 approvals received
- ✓ First clinical study in recruitment

The No Rinse Advantage



XPerience™ Update - Value Assessment Committee (VAC) Hospital Approval Process and Progress at 15 July 2021

Surgeon Engagement
Develop a surgeon Champion who will submit the request for New Product to the hospital

178 Surgeons

Value Assessment Submissions
A packet of information submitted to the hospital to justify the request from the surgeon for the product to be available for them to use. VAC meetings occur monthly, but items can be pushed out to the next meeting

123 submissions– covering 211 hospitals

Process can take 14 – 180 days

Product is approved & set up for ordering across the hospital
The product is then “In Serviced” in the hospital to Nursing and Ancillary staff as well as presentations to other surgeons and revenue begins to grow.

20 Hospitals
35 Surgeons

XPerience™ Update - Pathway to Standard of Care in the US for Phase 1

Collaborators

Early Adopters
10% of the market

Randomised controlled clinical studies and publication

Phase 1: Surgery targets (US Market)

- Orthopaedics
- Plastic Surgery
- Colorectal
- Spine
- CMF
- Podiatry

Phase 1 is $1.5B of a global total addressable market of $15B

Main stream adoption
80% of the market

Laggards
Will move post litigation

Phase 1 Adoption Time Line

2020 | 2021-2022 | 2023 – 2028 | 2028+

Annual Surgery Volumes	Early Adopters 1M	Mainstream 9.2 million	Laggards 1M
Addressable Market	$150M pa	$1.5B pa	$150M pa

XPerience™ Update- Driving awareness in the market

Messaging Channels

Sales Materials

- Physician Pack
- Product Q&A videos
- Sales Brochure
- Tri-fold Brochure
- Training Materials
- Product FAQs
- Trade Shows

Digital & Print Media

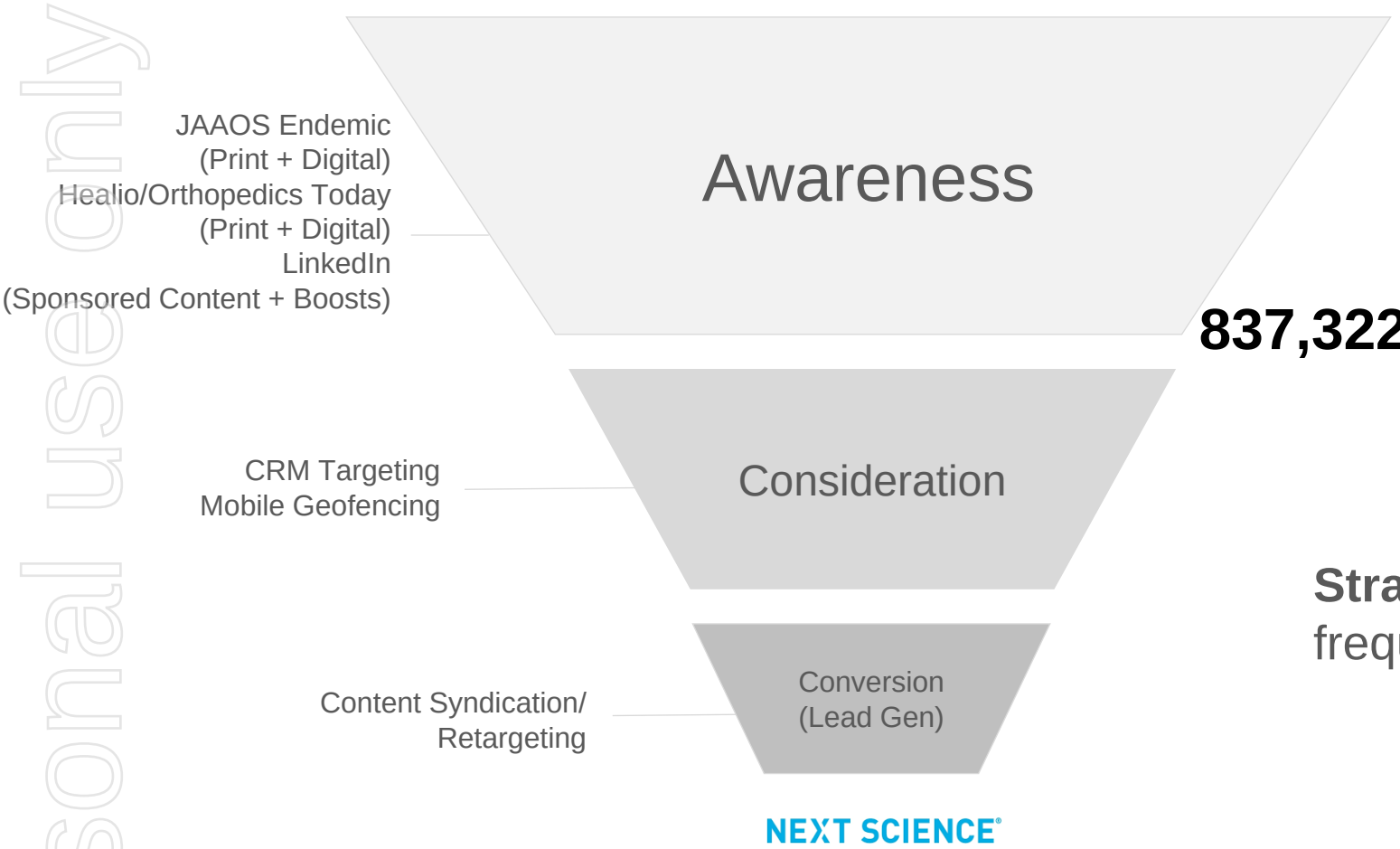
- Webinars
- Product Webpage
- Banner Advertising
- Medical publication
- Case studies*
- White Papers*
- Eblasts

Social Media

- LinkedIn
- Twitter
- Facebook

Goal: US Brand and Product Recognition within first 8 – 12 months

XPerience™ Update - Digital distribution channels driving market awareness



837,322 impressions as at 30 June, ahead of target

Strategy: right message, in the right frequency to the right customer

XPerience™ Update - First 90 day post approval summary – marketing ahead of plan

- ✓ Impressions ahead of plan validates the market's need for an answer to surgical site infections.
- ✓ Marketing campaign is reaching the intended audience
- ✓ Messaging is resonating with audience and performing above industry benchmarks
- ✓ Content renewal program every 90 days. New content planned for the American Association of Orthopaedic Surgeons (AAOS) Conference (7 September)

XPerience™ Clinical Studies to support breakthrough into mainstream adoption

Indication	Product	Size	Status	Comment
Compound Tibial Fracture Infection	XPERIENCE™	30	Patients being recruited	Sites – Dr C Harris Hughston Memorial Clinic Commenced Recruitment
Surgical Site Infection in Primary Joint Replacement in complex patients	XPERIENCE™	1,200	IRB Submission underway	Dr Mont Principle Investigator Northwell Group (NY, Long Island, Baltimore)
Surgical Site Infection in Colorectal surgery	XPERIENCE™	560	IRB Review underway	Randomised Control study 3 sites. Houston VA, Memorial Herman Hospital,
Surgical Site infection in Knees - PCR Study	XPERIENCE™	50	IRB Review Underway	Dr Jon Minter Northside Hospital Atlanta
Surgical Site infection in Primary Joints	XPERIENCE™	7600	Contract executed subject to IRB and product clearance by Canada Health	Randomised Controlled study over 5 sites in Canada PI Dr Beale, Dr Garceau University of Ottawa

These studies are funded by Next Science at an estimated cost over the next 24 months of US$4M - US$5M

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