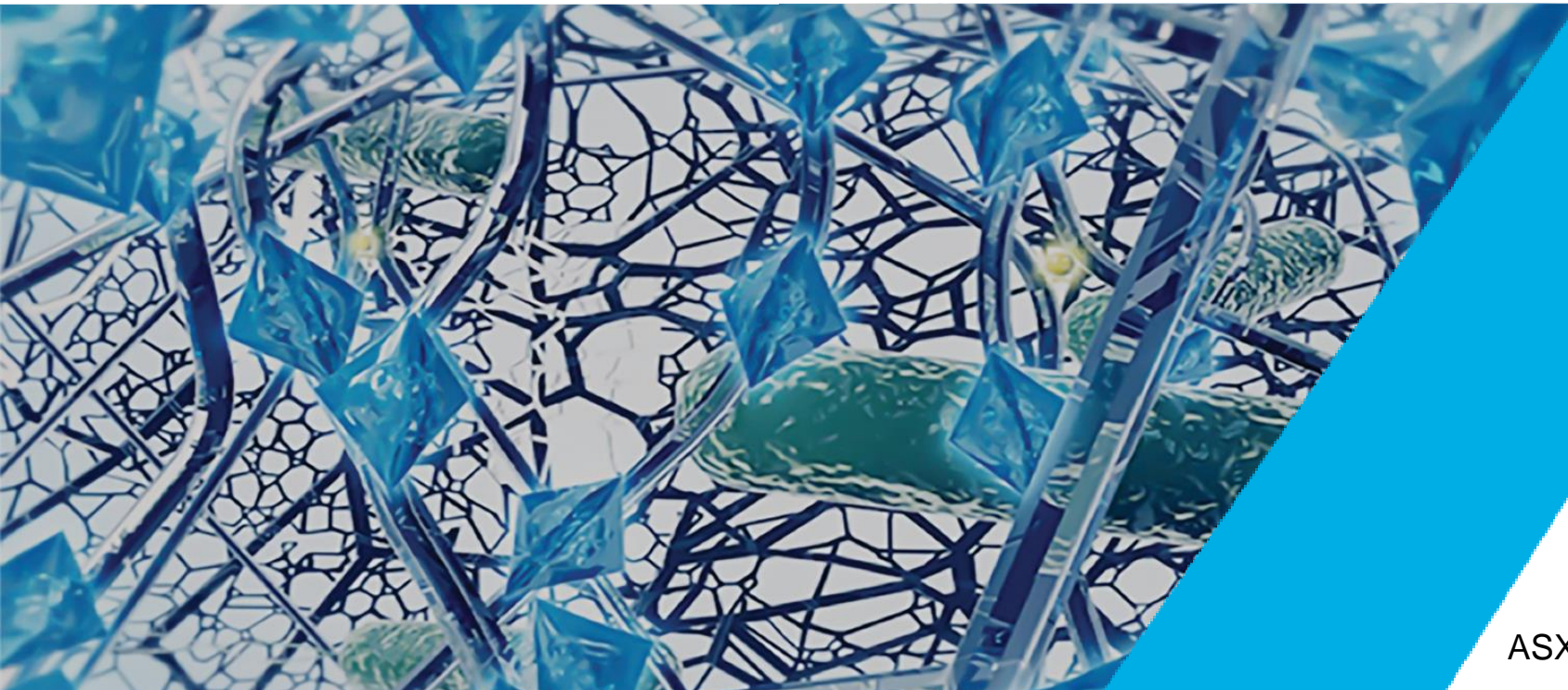


Innovations powered by X<sup>BIO</sup>™ technology

# Next Science Limited Annual General Meeting 25 September 2019



**NEXT SCIENCE®**

ASX: NXS

# Next Science Limited 2019 AGM Agenda

1. Chair Address – George Savvides
2. MD Address – Judith Mitchell
3. Formal Business
  - Election of Bruce Hancox
  - Appointment of Auditor
4. Questions

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# NEXT SCIENCE<sup>®</sup>

An established research and development company specializing in and commercializing biofilm solutions

80% of Bacteria exist in biofilm structures posing a threat to human health and the environment

XBIO is the only non-toxic solution: It deconstructs the Biofilm and destroys the bacteria and reduces the opportunity for the biofilm to form again

**Founded 2012**  
Listed on ASX  
April 2019  
Market cap ~\$500m

**90,000**  
Patients treated  
with XBIO technology

**Multiple FDA clearances**  
with multiple international regulatory approvals pending

**YoY Revenue growth**  
Established global distribution agreements

**Extensive pipeline**  
across Medical Devices, OTC Drugs and emerging Pharma opportunities

**19 Patents**  
>50 Patent applications

# The problem with Biofilm and encased pathogens



## THE PROBLEM OF BIOFILM

Nearly 80% of all bacterial infections are associated with biofilm bacteria.

In contrast to planktonic bacteria, biofilm is a complex, organized bacterial community possessing a sophisticated protective armour, in the form of the extracellular polymeric substance (EPS) which prevents the bacteria from being exposed to the bodies own defences and antibiotics.



## THE CLINICAL CHALLENGE

Chronic infections affect 17 million people annually in the US, and approximately 550,000 people die as a result of their chronic infections.

The challenge with biofilm related infections is that they cannot be adequately confirmed via diagnostic tests in the clinical setting, and more importantly, they are intrinsically resistant to host immunity, antibiotics, and biocides.

This renders conventional therapeutic options increasingly inadequate to successfully eradicate the infection.



## THE X<sup>BIO</sup> SOLUTION

Next Science has applied novel material science technologies to combat biofilm.

Xbio™ non-toxic formulations leverage a patented composition-of-matter and method of action designed to physically break down the biofilm's protective structures.

Xbio™ technology exposes and eradicates antimicrobial pathogens and prevents reformation of the biofilm, providing targeted therapy with no known antimicrobial resistance.

# Problems we are solving with regulated medical devices

DISEASE/ CONDITION	PRODUCT	MARKET LAUNCH	INDICATIONS	COMMERCIALISATION
<b>Infected surgical field, or implanted prosthetic</b>	<b>Bactisure</b> Surgical Lavage	April 2017	Removes biofilm and bacteria from any open surgery. Used to wash out a confirmed infection. Shown to be effective in treating Prosthetic Joint Infection (PJI)	Global distribution through Zimmer Biomet
<b>Chronic and Acute Wounds</b>	<b>BlastX</b> Antimicrobial Wound Gel	January 2018	Effective in the treatment of chronic wounds (Diabetic Foot Ulcers, Venous Leg Ulcers) and topical wounds.	Global distribution with 3M
<b>Chronic and Acute Wounds</b>	<b>TorrentX</b> Wound Wash	January 2019	Wound wash for all wounds/ non sterile environment	Distribution agreements in discussion, currently sold by Next Science
<b>Chronic Sinusitis</b>	<b>Sinus Wash out</b>	2H 2020	Chronic sinusitis being treated with FESS surgery or Sinus Balloonplasty	Global Distribution through Grace Medical. Regulatory submission moved to 1H 2020
<b>Chronic Middle Ear Infection</b>	<b>Middle Ear Wash</b>	2H 2020	Chronic middle ear infections being surgically treated with grommets and tubes	Global Distribution under discussion. Regulatory Submission 2H 2019

## Liquids and Gels as Treatments

# Problems we are preventing with regulated medical devices and disinfectants

DISEASE/ CONDITION	PRODUCT	MARKET LAUNCH	INDICATIONS	COMMERCIALISATION
<b>Surgical Site Infection</b>	<b>SurgX Sterile Antimicrobial Wound Gel</b>	November 2018	Effective preventing the infection of the incision site	Sales currently through Next Science. Distribution moving to a 3 <sup>rd</sup> party distribution network in Q4 2019
<b>Hospital Acquired Infection</b>	<b>NS Disinfectant</b>	1H 2020	Removes biofilm from any hard surface. Shown to be effective against MRSA (Golden Staph) and Candida Auris	Distribution agreements under discussion. Waiting EPA approval
<b>Post Operative Surgical Infection</b>	<b>Surgical Rinse</b>	Mid 2020	Final rinse for any surgical procedure (open or minimally invasive). Eliminates all bacteria, fungi and spores in the surgical field and is active for 5 hours post surgical close.	Broad distribution through a 3 <sup>rd</sup> party distribution network in the US and dedicated in country distribution specialists outside the US. Regulatory submission 2H 2019

## Liquids and Gels as Preventative Measures

# Current Products Based on X<sub>BIO</sub><sup>TM</sup> Technology

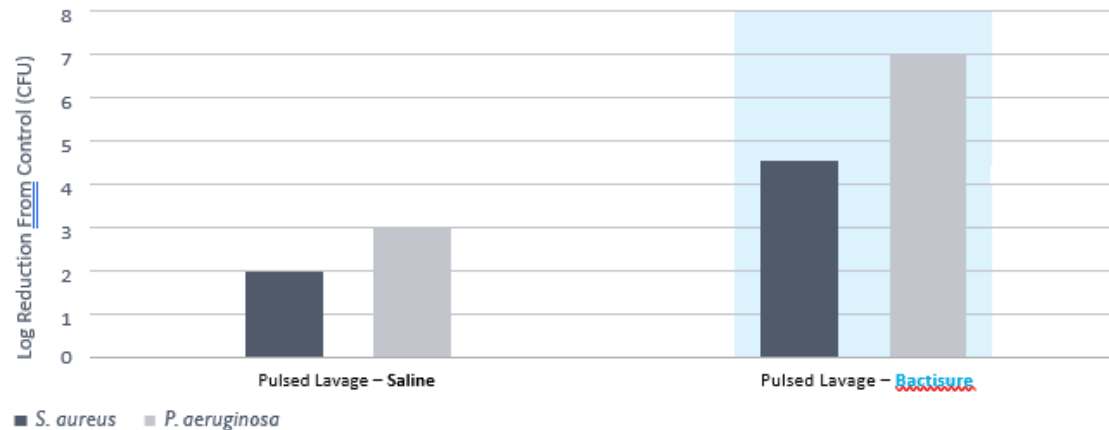
## Bactisure<sup>TM</sup>

STERILE LAVAGE (WASH) TO REMOVE BIOFILM & BACTERIA FROM ANY OPEN SURGERY

(BACTISURE is a trademark of Zimmer Biomet)



- Currently sold in the USA, South Africa and New Zealand through Zimmer Biomet, a world leader in orthopaedic implants, with market approval achieved in Canada in August 2019
- Now used in 1180 hospitals in the US (growing by 100 hospital sites per quarter)
- First clinical study published with only 12% of patients needing further treatment, against current standard of care where 45% of patients require further treatment<sup>1</sup>
- Submitted for CE Mark awaiting clearance
- High majority of uses have been for Prosthetic Joint Infection cases



1. <https://www.zimmerbiomet.com/content/dam/zimmer-biomet/medical-professionals/surgical-and-cement/bactisure-wound-lavage/2656.1%20US-en%20Bactisure%20White%20Paper.pdf>



# Current Products Based on X<sup>BIO</sup>™ Technology

## BlastX™

ANTIMICROBIAL WOUND GEL  
FOR CHRONIC WOUNDS

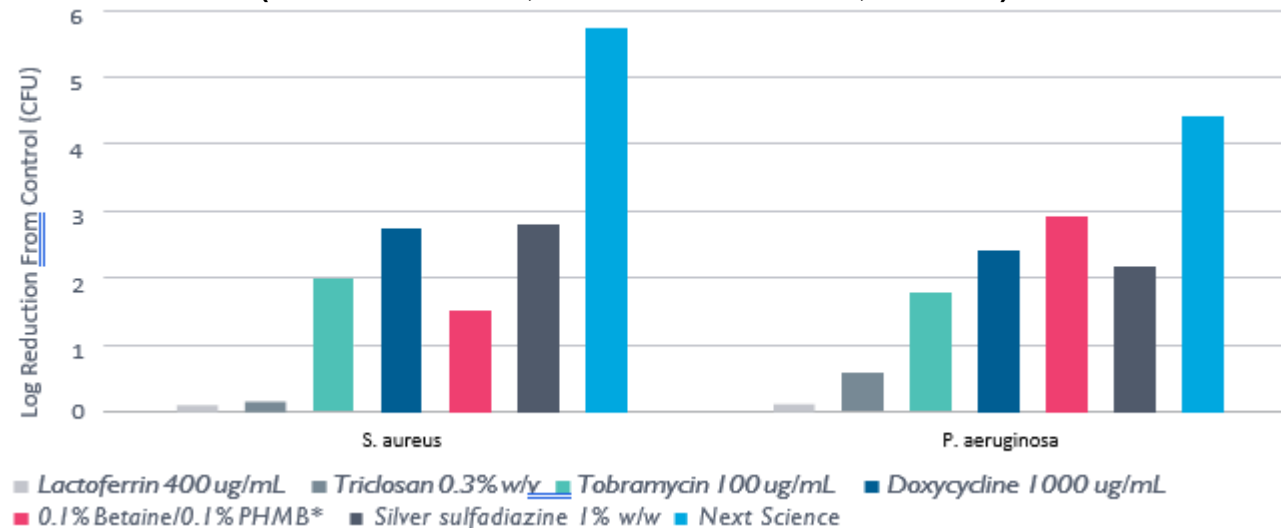


Sold in the USA through 3M  
Company's Health Care  
Business



- Will be sold by the integrated 3M/KCI team post the close of the 3M transaction to acquire KCI. Transaction will complete in Q4 2019
- Preparing for team transition including the clinical trial showing efficacy of BlastX with the existing KCI wound vac products
- 2 clinical studies and 1 health economics study published
- Submitted for CE Mark awaiting clearance
- UK, Germany, Canada, Australia launching 2020 through the integrated 3M/KCI entities

**BLASTX IS BETTER THAN SIX OTHER TREATMENTS IN ELIMINATING TWO COMMON BIOFILM BACTERIA IN CHRONIC WOUNDS (72-HOUR BIOFILM, DRIP FLOW REACTOR, 24HR RX)**



# Current Products Based on XBIO™ Technology

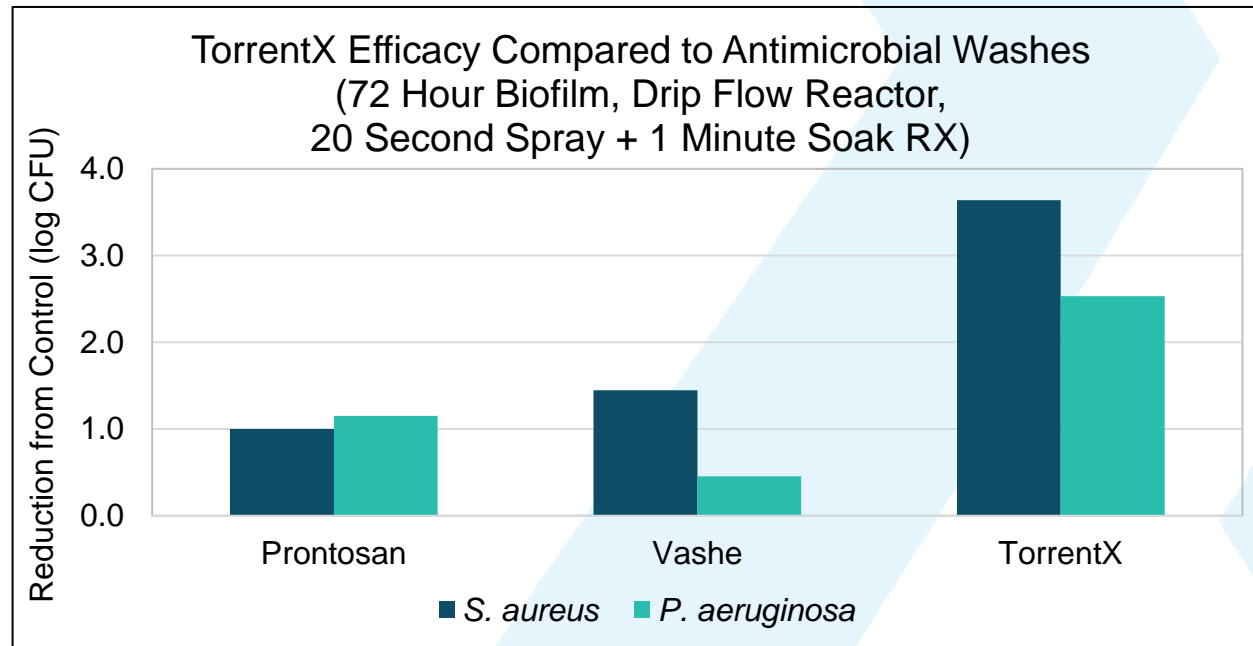
## TorrentX™

ANTIMICROBIAL WOUND WASH FOR USE BY NURSES, ACCIDENT & EMERGENCY AND HOME CARE



Listed as OTC, and submitted for 510(k) clearance

- Currently sold in the USA, by Next Science with broader distribution agreements under discussion
- Used in Department of Defence and Veterans Affairs Health facilities
- Submitted for 510(k) clearance as a medical device so it can be distributed by partners with wider clinical claims (for treatment of DFUs, Pressure Sores and Venous Leg Ulcers)



(PRONTOSAN and VASHE are marks of their respective owners)

# Current Products Based on XBIO™ Technology

## SurgX™

STERILE WOUND GEL TO  
HELP REDUCE SURGICAL  
SITE INFECTIONS



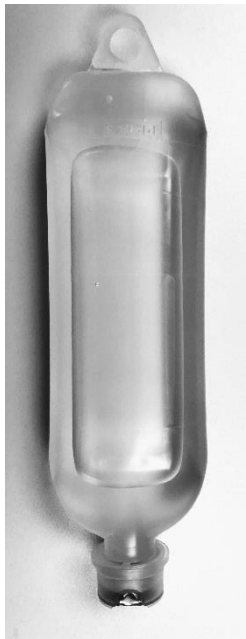
FDA 510(k) cleared product

- Currently sold in the US by Next Science, moving into the 3<sup>rd</sup> party distribution network from October, 2019
- 1<sup>st</sup> Next Science prophylactic product in market
- To ensure the widest distribution of the product, it will be promoted through a number of 3<sup>rd</sup> party distributors networked across the US. This allows us to get past the “brand” barriers where existing users of other technologies can have strong brand loyalties.
- The business model will have Next Science billing the hospitals and paying a commission to the distributors, allowing maintenance of high gross margins.
- The 3<sup>rd</sup> party distribution network will be supported through a dedicated team of Key Account Managers, and Sales leadership

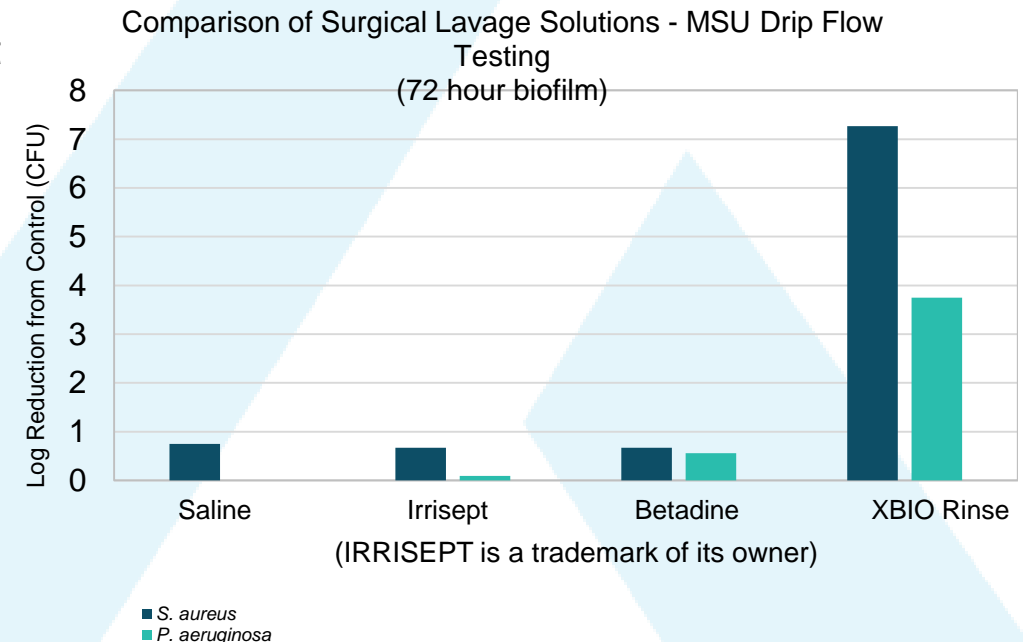
# New product pipeline for X<sup>B</sup>IO™ Technology – 2020 Launches

## Surgical Rinse

STERILE WASH TO BE USED AS THE LAST RINSE IN ANY SURGICAL PROCEDURE, STAYS ACTIVE FOR UP TO 5 HOURS



- Suitable for all surgical procedures, minimally invasive surgeries, arthroscopes, colonoscopies, endoscopic procedures and open surgeries as a last rinse
- Market opportunity > 100M procedures per annum
- Effectively eliminates all bacteria and fungi up to 5 hours post surgical close
- Will be distributed through the same 3<sup>rd</sup> party distribution network as SurgX™ gel in the US and dedicated country level surgical distributors EU, ANZ, and Latin America.
- 2<sup>nd</sup> Next Science prophylactic product
- Launch mid 2020



# New product pipeline for **XBIO™** Technology – 2020 Launches

## Surface Disinfectant

A DISINFECTANT TO ELIMINATE BIOFILMS AND THEIR ENCUMBENT BACTERIA (MRSA – “Golden Staph” AND FUNGI, for example: CANDIDA AURIS INCLUDED)

- Meets the requirements of the EPA Single Tube Biofilm Model for Biofilm Disinfection
  - 6 log reduction in 10 minutes
- Meets the requirements of the EPA/FDA for Hard Surface Disinfection
- Is effective against MRSA (Golden Staph) and Candida Auris
- Is non toxic to human operators and only requires safety glasses for personal protective equipment (PPE)
- EPA approval expected for the US in H1 2020
- Distribution agreements under discussion

# New product pipeline for **X|BIO™** Technology – 2020 Launches

## Sinus Wash

500ml STERILE WASH AND  
APPLICATOR  
WILL BE DISTRIBUTED  
THROUGH GRACE MEDICAL

- A wash to be used to treat Chronic Sinusitis during Functional Endoscopic Sinus Surgery (FESS) or Washouts occurring during balloon sinuplasty procedures
- Used as an adjunct to existing reimbursed procedures
- Will be a lower cost option than alternative technologies that are available that do not eliminate the biofilm
- Expected Launch H2 2020

# New product pipeline for **XBIO™** Technology – 2020 Launches

## Middle Ear Otovage

STERILE 10ML INJECTION  
USED MID SURGERY IN  
TYMPANOPLASTY TO REMOVE  
THE BIOFILM FROM THE  
MIDDLE EAR THAT IS CAUSING  
THE CHRONIC MIDDLE EAR  
INFECTION.

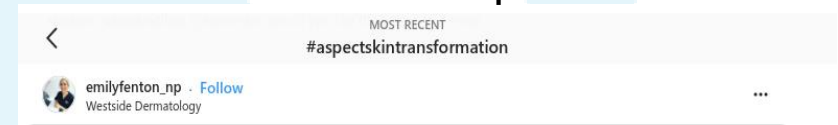


- A wash for the Middle Ear during a tympanoplasty procedure. For patients with chronic ear infections, that have chosen to have grommets and tubes inserted to try to resolve the infection
- Packaged as 10ml syringe with the grommet and tube kit
- Contract negotiations awaiting regulatory approval
- Expected launch H2 2020

# Developments with other technologies

- ▶ Acne treatments – first partnership launched in Australia in September 2019 with Advanced Skin Technology (AST). AST’s primary promotion is through their 3000 skin clinic partners. An example of AST’s Instagram marketing campaign is shown opposite
- ▶ Skin Care – online direct marketing will commence in Q4 for “proof of concept” to support licensing discussions for the first product; a skin repair cream
- ▶ Animal Health – in trials with commercialization partner
- ▶ Food preparation – in trials with major industrial partner
- ▶ Medical Device coatings – in development trials for different implantable medical devices
- ▶ Agriculture – ongoing research discussions in relation to used of the technology as a fungicide

## AST’s Product Launch - Instagram Promotion Competition





# First Pharma Development – Topical treatment of early stage skin cancers (actinic keratoses and superficial basal cell carcinomas)

- ❖ Existing treatments in the market are shown to be up to 80% effective, but also have high incidence of patient side effects including
  - ❖ Redness
  - ❖ Skin irritation
  - ❖ Pain and itching
  - ❖ Photosensitivity
- ❖ Next Science technology has been shown to be effective in the removal of early state skin cancers, without the side effects of the existing treatments.
- ❖ The decision has been made that Next Science first Pharma product development will be for the topical treatment of early skin cancers
- ❖ The product development program from Phase I through to the end of Phase 2 will take 2 years and the product will be submitted through the 505(b) (2) pathway in the US
- ❖ Options for Commercialisation for Phase 3 and market entry will be determined post Phase 2

# Key Financials H1 2019

UNDERLYING PROFIT & LOSS <sup>1</sup> Half Year ended 30 June	USD\$('000)	H1 2018	H1 2019
<b>Revenue</b>		<b>728</b>	<b>2,345</b>
Cost of Sales		(105)	(379)
<b>Gross Profit</b>		<b>622</b>	<b>1,966</b>
Other Income		-	33
Research & Development		(697)	(1,036)
Employee Expenses		(3,844)	(3,940)
Sales & Marketing		(189)	(314)
Consultancy & Regulatory		(658)	(766)
General and Administration		(1,213)	(1,360)
<b>Operating Expenses</b>		<b>(6,601)</b>	<b>(7,384)</b>
<b>EBITDA</b>		<b>(5,979)</b>	<b>(5,417)</b>
<b>Gross Margin</b>		<b>86%</b>	<b>84%</b>

- ▶ Sales increased by 222% in H1 2019 compared to H1 2018, driven by strong growth in sales of Bactisure and BlastX.
- ▶ The growth trajectory of BlastX sales under the distribution agreement with 3M was constrained in Q2 2019 by delays associated with 3M's acquisition of Acelity Inc., a global advanced wound care specialist.
- ▶ First sales of Acne product in Australia in June 2019 via distribution partner AST. AST is launching the product in clinics in September 2019 and further orders have been placed by AST.
- ▶ The 12% increase in Operating Costs compared to the prior corresponding half reflects increased R&D on new and existing products and increased Sales & Marketing costs to cover a strengthened focus on customer education and training programs for existing and newly release products (Acne), including market education relating to wound care and biofilms.

# Outlook

- Continued revenue growth, with a lumpy revenue trajectory as 3M execute the KCI integration and new markets are entered for the BlastX and Bactisure products
- Direct to consumer marketing of Skin Care products to commence in Q4 2019
- Phase 1 trial for early stage skin cancers to commence in Q4 2019
- Next Science Surface Disinfectant to launch in H1 2020, distribution arrangements under discussion
- Surgical Rinse to launch in mid 2020 via 3<sup>rd</sup> party distribution networks in the US
- Middle Ear Wash to launch in H2 2020 with global distribution arrangements under discussion
- Sinus Wash Out for chronic sinusitis to launch in H2 2020 under a global distribution agreement with Grace Medical
- Ongoing developments in animal health, food preparation, medical device coatings and agriculture applications

# NEXT SCIENCE<sup>®</sup>

Break through biofilm.

**JUDITH MITCHELL** MANAGING DIRECTOR

investorqueries@nextscience.com | +61 2 8607 5125 | NextScience.com

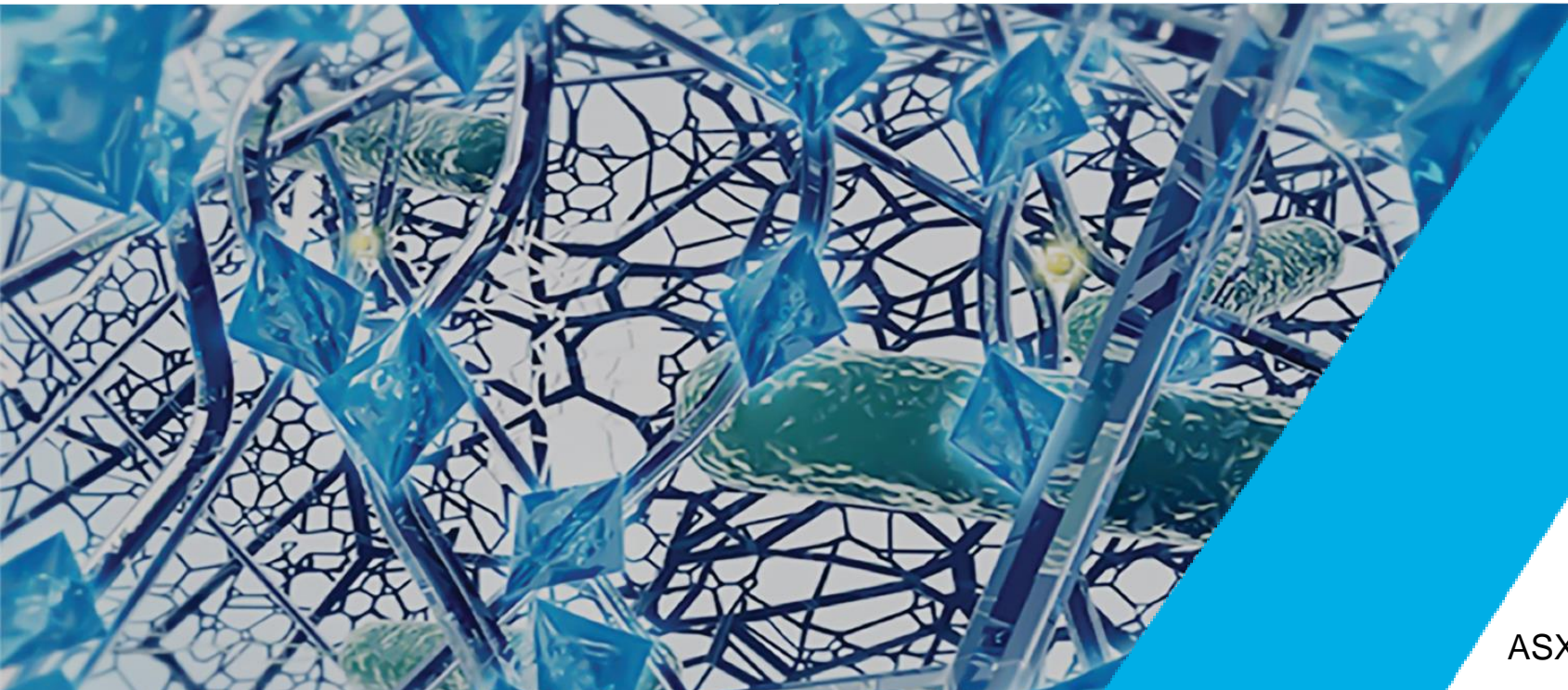
Additional biofilm education can be found at: [www.biofilm.healthcare.com](http://www.biofilm.healthcare.com)

Innovations powered by X<sup>BIO</sup>™ technology

# Next Science Limited

## 2019 AGM

### Formal Business



**NEXT SCIENCE®**

ASX: NXS

# Next Science AGM – Formal Business

## Resolution 1 – Election of Bruce Hancox

*“That Bruce Hancox, who was appointed by the Board in accordance with clause 61.3 of the Company’s former Constitution which was replaced on 24 January 2019 pursuant to the shareholders’ approval given at the general meeting held on 14 December 2018, and being eligible for election, is elected as a Director of the Company.”*

# Next Science AGM – Formal Business

## Resolution 1 – Election of Bruce Hancox

	<b>Holder</b> s	<b>Vote</b> s
For	136	115,319,274 (99.84%)
Open	21	183,544 (0.16%)
Against	0	0 (0%)
Abstained / Excluded	3	4,685

# Next Science AGM – Formal Business

## Resolution 2 – Appointment of Auditor

*“That, in accordance with section 327B(1)(a) of the Corporations Act 2001 (Cth) and for all other purposes, KPMG having been nominated by a shareholder and consented in writing to act in the capacity of Auditor, be appointed as the Auditor of Next Science Limited.”*



# Next Science AGM – Formal Business

## Resolution 2 – Appointment of Auditor

	<b>Holder</b> s	<b>Votes</b>
For	136	115,321,206 (99.84%)
Open	21	184,999 (0.16%)
Against	2	998 (0.00%)
Abstained / Excluded	1	300

# Next Science AGM

## Questions