NEXT SCIENCE®

Next Science Limited
2020 Annual General Meeting
Wednesday, 6 May 2020
Chairman and Managing Director's Addresses

Chairman's Address

I am pleased on behalf of the Board to provide the Chairman's report on the performance of the Company in 2019 and the subsequent activities now underway in 2020.

As I mentioned in the Annual Report, it is hard to believe it was only in April 2019, that Next Science commenced trading its shares on the ASX after a successful capital raising. At the time we laid out in the Prospectus the planned use of funds over multiple years. I am pleased to report that we have adhered to that plan which was primarily focused on unlocking our patented XBIO technology across a wide product application.

Since the last AGM, we have seen a very fruitful year of R&D, product development and testing work led by our CTO Dr Matthew Myntti plus an equally productive year of regulatory submissions and approvals in several countries along with commissioning of production for new products led by our COO Jon Swanson.

At this time last year, we had just two products in market, both in the US. Now a year later, we have five products in market plus an additional four scheduled to be market ready between May and December of this year, taking our tally to nine products.

The point made of our expanded geographic presence is an important element of our strategy. In this last year, Next Science secured regulatory approvals to market our surgical lavage Bactisure in Europe, Canada, New Zealand and South Africa. In addition, Australian TGA regulatory submissions are planned for this year. A similar path is in progress for our wound gel BlastX.

We at Next Science are passionate about healing patients and saving lives by addressing the health impact of biofilm embedded bacterial and viral infection. Our intellectual property portfolio continues to grow with another ten patents added in the past year, demonstrating the depth of our XBIO platform technology, and enabling Next Science to make leading claims against the safe removal of biofilms that attack human health.

It will not be a surprise to shareholders to learn that the Board and management have been working through the challenges presented by the COVID19 pandemic that has gripped the world since February this year. As I mentioned earlier, our primary use of capital for 2019 and 2020 has been to rapidly expand the product application of our XBIO platform technology. Our expectations and reliance on revenue through this period have been modest given where we are in our commercial cycle. That said, we have developed a series of stress tested scenarios to ensure we are ready to respond to the uncertainties that flow from the suppressed economic environment in the US and our other target markets.

Whilst revenue impact has been small to date, we do expect revenue to be constrained in this second quarter, but from the second half of FY20 we expect to see a progressive return towards normal sales processes and for us, this will be supplemented by our new product launches scheduled to release through the second half of the year. The Board will be monitoring our FY20 H2 revenue to assess the need for any deployment of our

contingency plan if FY20 H2 revenue was to not exceed minimum thresholds. That said, our capital position remains sound.

While restrictions on travel and meetings in the US are impacting sales in the short term, we continue to service existing accounts and key partners. Our R&D, Lab and commissioning work continues through the pandemic restrictions with appropriate safeguards.

Prior to the emergence of the pandemic, the Board had approved the recruitment of a Chief Commercial Officer to lead our Sales, Marketing and partner businesses in North America. The strong product funnel for H2 FY20 called for this increase in bench strength for our growing North American business. That individual will start on June 1st based at our centre in Jacksonville. He comes to us with an extensive background in health sector sales and marketing, originally from GSK in the US followed by leadership roles in Europe and Japan. Given the travel restrictions for our MD due to COVID19 this has been a timely appointment and we expect our commercial performance will lift as the health system begins the road back to normal workflow through the second half of 2020. Whilst we have increased our management bench strength in the US, we have decided against the placement of an executive in Europe at this time due to the heightened nature of the COVID19 crisis in Europe, instead opting to work with partners established in those markets.

If the COVID19 pandemic has a silver lining, we expect it will be the heightened awareness of viruses and superbug infections in surgery, wound care, day to day living and the critical importance of clinical surface disinfection in the health system and broader community which is likely to drive increased long term demand for our products.

Let me now begin to conclude my address. When investors ask me about how the organisation had progressed over this last year, I find it best to summarise our progress across our six main areas of organisational focus. They comprise

1. XBIO application research.

2. Product development,

3. Product testing of our XBIO products in lab and clinical environments,

4. Regulatory submissions and approvals

5. Commissioning new product manufacturing

6. Sales, marketing and key partner performance

As the Board assessed the progress made by our MD, Judith Mitchell, and her executive team across these six focus areas, we concluded that five of the six areas of organisational performance have delivered strongly.

In the year since the IPO, we have a significantly larger product application pipeline, with good regulatory progress and commissioned production in place. The novel Pharmaceutical applications for XBIO discovered along the way were outside of plan expectations, offering a bonus for future value creation. Our MD will share more about this in her presentation.

Only the sales and marketing stream fell short of our expectations despite the 43% year on year revenue growth. The combination of a delayed market push for BlastX due to 3M’s acquisition of wound care specialty company KCI shifted the momentum of the

expanded sales force into January this year, and despite a very successful training program run by the Next Science team, the COVID19 lockdown prevented our partner 3M from any meaningful market access in the first quarter so the impact of the larger sales force for BlastX may not be felt until the second half of FY20.

In addition, our major new product launch of our surgical wash, XPerience, is scheduled to launch in the second half as soon as it receives FDA approval. That, along with our investment in a larger direct sales force to support the launch, has us looking forward to increased market presence and penetration with an expanded product portfolio going into 2021.

The Board and management have a strong sense of confidence that 2019 and the first half of 2020 has set up Next Science for success, with a product portfolio that is both relevant for the needs of today's health systems and distinctive through our patented XBIO platform technology.

I wish to take the opportunity to thank Judith Mitchell for her professional leadership of the organisation and her tireless investment in travel and engagement with our various partners and work teams, as well as thak our CFO Jacqueline Butler and Company Secretary Gillian Nairn for their professional contributions. I also wish to convey our appreciation to the hard working team at our research centre in Jacksonville Florida. They have had a big year advancing our product pipeline as well as supporting team members make many presentations to medical groups, demonstrating the power of our XBIO platform technology.

Finally, I would like to thank my fellow board members who bring with them a wide range of skills and experience, which they have applied enthusiastically to the governance of Next Science.

Managing Director's Address

Mr Chairman, Ladies and Gentlemen, may I extend my thanks to you for joining us today.

Firstly, I would like to spend a little time taking a look at our progress over the last 12 months. As the Chairman said, Next Science has made considerable progress and has achieved a number of advancements since its listing on the ASX in April 2019. I will also provide you with a summary of our plans for the remainder of CY2020 and brief you on the foundations we are laying for our future growth.

SLIDE 4
As you are aware Next Science has a novel technology platform that disrupts biofilm and is extremely effective at removing "bugs" – and when I say "bugs" – we remove the biofilm and kill off the bacteria, viruses and fungus that may be present. Our technology is, still, the only technology in the market that can disrupt the biofilms in a non-toxic way, such that our products can be safely used inside the human body.

SLIDE 5
What does that mean? Over 80% of infections in humans are biofilm related – that is the view of the US National Institute of Health. For Next Science, that means we believe there are many opportunities to develop and commercialise products to reduce the impacts of biofilm related infections on patients in a range of clinical settings; potentially have a positive impact on antimicrobial resistance through reducing use of classical antibiotics; and we can also develop new applications for our technology in areas outside of infectious disease such

as skin cancer and as a consequence drive good long term returns for shareholders in the process.

SLIDE 6
Next Science started in 2012, and really began its commercialisation journey in 2018. In 2019, we started the year with two large multinational partners: Zimmer Biomet a world leader in orthopaedic implants and our global distribution partner for Bactisure, a surgical lavage to help eliminate Prosthetic Joint Infection; and 3M+KCI, now the world leader in Chronic Wound Care, and our partner to distribute the anti-microbial wound gel BlastX, which is used to treat chronic wounds.

Total patient treatments exceeded 130,000 by 2019 year end and our products are now used in over 1,500 hospitals and clinics in the US.

SLIDE 7
Our revenue for the year grew by 43%. Gross margins were steady at 86%, with underlying EBITA an improvement on 2018. Expenses were well controlled with the key area of expenditure being Research and Development (including regulatory expenses) to drive the broadening of our pipeline.

Last year, we extended our distribution base with some specialised partners – Grace Medical in ENT products and AST in clinic-based skin care in Australia.

We also continue to expand our patent portfolio and at the end of April, held 25 patents across a range of technologies.

Over the last 12 months we have also added new technologies to our portfolio giving us a wider dermatology treatment pathway and solutions for treating inflammation as well as infections in the lung. I would really like to thank all of the health care professionals and scientists who work with us around the world. They constantly show us new ways our technologies can potentially make a difference in treating patients, and we find as we bring our technology to new medical specialties, we in turn benefit greatly as they bring us new opportunities and new challenges.

SLIDE 8
The products on the next slide, represent the product contributing revenue to 2019.

SLIDE 9
As we move to the 2020 plan, you can see the R & D investment coming to fruition. So far this year:

- We have launched a novel acne cream and cleanser that does not use salicylic acid. The product revolutionises the treatment of acne and doesn't create dryness or flaking.
- Then, the US Environmental Protection Agency approved Hospital Surface Disinfectant, which eliminates biofilms and bacteria, fungus, and viruses on dry surfaces.
- We received the CE Mark for Bactisure which will allow Zimmer Biomet to sell Bactisure in Europe.
- We received notification that Kaiser Permanente Healthcare, after extensive trials, has approved the use of BlastX throughout their health system which includes 39 hospitals and over 700 physicians' offices. Kaiser is one of the largest not-for-profit health systems in the US managing 12.2 million lives. We worked on this program for two years. It's an important endorsement of our products, our people and our Company.

- We are also having our products tested to show their efficacy against COVID19. This testing is occurring at the Georgia State University and is taking place in June.

SLIDE 10 XPerience
In the second half of 2020, we will launch the XPerience Surgical Rinse, an antimicrobial rinse for all surgical procedures, targeted to replace some of the saline used in the procedure. This is a very large market opportunity and the most important product to be launched this year.

As you can see from the graph, our initial laboratory testing shows that XPerience could be literally 3 million1 times more effective than agents that are in common use now - saline, betadine or Irrisept - in removing golden staph (or MRSA), a key pathogen in hospital acquired infection. As we introduce XPerience, post FDA clearance, we are starting several key randomised controlled studies. The studies will cover more than 8,000 patients and give us the level 1 evidence necessary to accelerate widespread market adoption. With over 5,000 hospitals and 10,000 ambulatory surgery centres in the US, serving that market becomes a main focus for the Company. To be able to get access to the surgeons and drive market adoption, we are harnessing a different go-to-market strategy. This product will be sold directly from Next Science making use of a network of independent sales representatives (known as 1099s). We currently have contracted 51 entities creating a sales force of 194 people, who are all eagerly awaiting the product's clearance for sale. In the shadow of the COVID crisis, we have decided to focus our own commercial resources in the US. We have brought in a team of experienced surgical sales managers to manage the independent distributors, and as George mentioned, we are bringing on board a very experienced senior commercial leader to help drive all of our commercial initiatives.

SLIDE 11
Pages 11 & 12 show our pipeline of new products for launch this year as we have discussed.

I won't repeat what's written on page 11, but moving to page 12, I would like to highlight Torrent X

SLIDE 12
This product will be released in the second half of the year as a wound bed preparation. Negotiations are ongoing for the distribution of the disinfectant product, and the launch of our skin recovery cream will be delayed until we see a resumption of suitable market conditions post the COVID19 crisis.

Additionally, we have completed the middle ear wash product but the COVID 19 crisis has meant we have delays in our animal testing and we are not sure if will see this product cleared for sale before 2021.

SLIDE 13,
So, as we look at our 2020 deliverables:
- We will expand our product range to 9 products, the most important being the launch of the XPerience surgical rinse;
- We continue our growth strategy of market expansion and in the second half of this year, Zimmer Biomet will broaden the market coverage of Bactisure by launching in Europe and Australia. Bactisure is currently sold in the US, Canada, South Africa and New Zealand;
- We also expect to receive the CE Mark for BlastX which will give 3M+KCI access to the European market;
- We will continue to develop the 3rd party network of independent surgical sales representatives with a goal to be at 250 representatives by 2021; and

- We will also advance our pharma programs in the next 6 months of the year.

SLIDE 14
As I mentioned in my opening, we continue to make new technology discoveries – many of these newly discovered applications will require development as pharmaceutical products to get market access. At our last AGM, we advised shareholders that we were exploring options to topically treat skin cancer. I can now further advise that we are taking a product through the FDA 505(b)(2) drug pathway and it is expected to be in Phase 2 human trials by Q1 2021.

Since 2018, we have been collaborating with the Woolcock Institute of Medical Research (affiliated with the University of Sydney) researching treatments for biofilm-related lung infections. At the onset of the COVID crisis, we widened that work to include lung and airway inflammation. We have selected two formulations of our products that have promising in vitro results for both infection and inflammation. Following the promising in vitro results, we are now accelerating the animal testing of a nebulized treatment for the lungs. This testing is scheduled to start in Sydney next month. Our plan is for the product to be for the treatment of acute respiratory inflammation and infection in the lungs. Subject to the results of the testing, the product will be submitted for approval under the FDA Coronavirus Treatment Acceleration Program (CTAP). We are aiming to submit a pre-IND by year end.

SLIDE 15
In conclusion, we will continue to drive our science and grow our clinical evidence while:

- Launching XPerience in the US Surgical market;
- Expanding our market access through additional regulatory approvals;
- Supporting our partners to increase their penetration in existing markets and launch in markets beyond the US;
- Progressing our three key pharma developments through the approval pathways; and
- Continuing to innovate novel solutions that improve people's lives and in the process drive revenue growth and long term returns for shareholders.

While we don't give financial guidance, which is appropriate given our early stage of development, all signs point to Next Science being a significantly more advanced company in twelve months' time.

Before I close, I would like to take this opportunity to thank all of our employees and in particular the senior leadership team - Dr Matt Myntti our CTO, Jon Swanson our COO and Jacqueline Butler our CFO. We benefit greatly from their commitment, energy and intellect.

I would also like to thank our Chairman, George Savvides, and the Board of Directors for their support and guidance.