

NEXT SCIENCE®

Quarterly Activity Report Quarter ending 30 September 2022

Sydney Australia, Friday, 28 October 2022: Next Science Limited (ASX:NXS) (**Next Science / Company**) today announces its Quarterly Activity Report and Appendix 4C Quarterly Cash Flow Report for the period 1 July 2022 to 30 September 2022 (Q3).

In accordance with ASX Listing Rule 4.7C, set out below is Next Science's activity report for Q3 based on unaudited accounts.

Summary

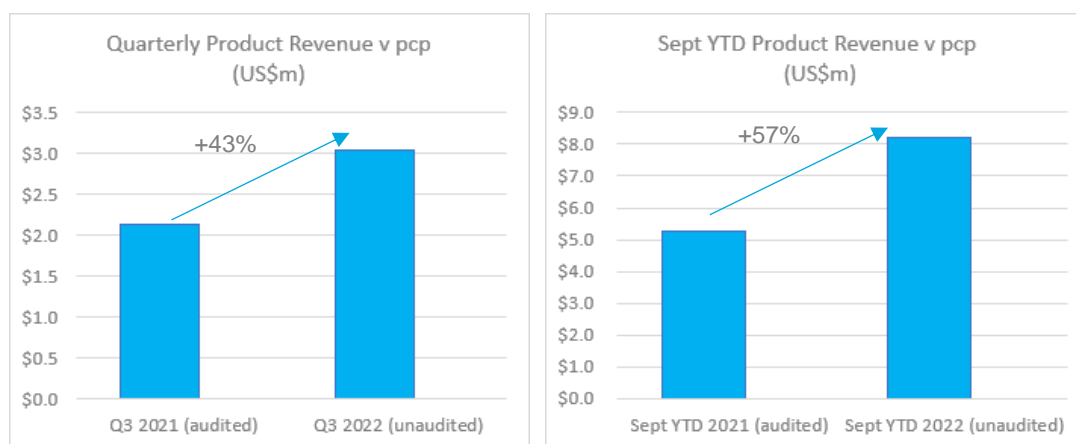
- Q3 product sales of US\$3.0m +43% on pcp
- YTD product sales of US\$8.2m +57% on pcp
- Record customer cash receipts in Q3 of US\$3.6m +85% on pcp
- Accreditation as a DME supplier in Wound Care provides access to a new >US\$1.2B market with reimbursement
- XPERIENCE™ research results demonstrate advantages in new applications - inflammation reduction, interdigitation improvement and osteogenesis
- XPERIENCE launched by Zimmer Biomet in the US and approved by Canada Health for sale in Canada
- XPERIENCE and BlastX™ launched in Australia and New Zealand with distribution partners
- Cash on hand US\$8M, payments to directors US\$164k
- Positive Q4 outlook with accelerating sales and marketing activities across multiple product and sales channels

Q3 2022 Sales

Next Science is pleased to report strong revenue growth in the quarter driven by ongoing market adoption of its wound care and surgical infection control products.

Cash receipts from customers increased 60% on the previous quarter to US\$3.6m. Product sales in the quarter were US\$3.0m, up 43% on Q3 2021. September year to date product sales were up 57% to US\$8.2m compared to the corresponding period in 2021.

The majority of sales in Q3 2022 were generated from the US with first initial sales of BlastX to Oraderm in Australia and XPERIENCE to Novus Surgical in Australia.



US\$m	Q3 2021	Q3 2022	Sept YTD 2021	Sept YTD 2022
Product Revenue	\$2.1	\$3.0	\$5.2	\$8.2
Other Revenue¹	\$0.04	\$0.1	\$0.8	\$0.3
Total Revenue	\$2.2	\$3.14	\$6.1	\$8.6

1. Other revenue includes the release of milestone payments, royalties, and licence fees.

US Medicare – Durable Medical Equipment (DME) supplier licence

On 19 October 2022, Next Science announced its accreditation as a licensed DME supplier giving the Company the ability to seek reimbursement directly from US Centers for Medicare and Medicaid (CMS) for Surgical Dressings (including Collagen products) supplied to patients, initially in 40 US States.

Sales commenced through the DME structure of a range of topical Collagen products to patients who have been prescribed Collagen treatment as a wound dressing. Collagen is used as part of standard of care in over 10,000 podiatry offices and 1,800 commercial wound care clinics in the US.

Next Science is undertaking a user study on the combination of BlastX with Collagen. Collagen patients who enrol in the user study will be supplied with BlastX as a complementary product. Next Science expects the study to provide strong clinical evidence for the combined use of the two wound care technologies. Short case studies to date have shown that augmenting Collagen treatment with BlastX can reduce the time for closure of a stalled surgical wound or unhealed pressure ulcer from 12 to 16 weeks to as little as 2 to 4 weeks.

The DME licence brings significant benefits to Next Science. Under the DME model, Next Science can fulfill prescriptions from health care practitioners directly to patients. Next Science will bill CMS directly at rates varying between US\$600 and US\$1,100 per patient per 30 day supply depending on the product supplied, with an average treatment time of 1 to 2 months and expected gross margin of over 50%.

The new DME business segment drives the estimated total addressable market of the Next Science wound care business in the US from US\$150M to over US\$1.4B and enhances the economic value proposition for accelerating the development of the direct sales force in wound care.

Development of BlastX/Collagen product

Next Science is developing a unique integrated BlastX/Collagen product which it expects to be ready for a pre-submission meeting with the US FDA in Q4 2022, prior to a submission for an FDA 510(k) product clearance. The integrated BlastX/Collagen product is expected to become a flagship product through Next Science's DME channel.

Other Wound Care activities

Next Science continued to build market awareness in Q3 2022 for its BlastX and TorrentX™ wound care products and in launching new products to drive sales.

In September, Oraderm and Douglas Pharma launched BlastX in Australia and New Zealand at the Wounds Australia conference and commenced distribution in the retail pharmacy segment with TerryWhite Chemmart both in store and online.

BlastX has also received product approval for use in the largest hospital network in Australia and New Zealand.

Surgical Products

Next Science continued to grow its direct surgical business with XPERIENCE, the company's surgical wash.

Sales of XPERIENCE have commenced through Zimmer Biomet which has completed Phase I of its launch including training of its orthopaedic surgery sales representatives. We continue to work collaboratively with our other US distributor, TELA Bio, to refine the use of XPERIENCE across its customer base in the plastic and reconstructive surgery market.

XPERIENCE was launched during the quarter in Australia, through Novus Surgical and in New Zealand, by Next Med in tandem with SurgX™.

Positive Q4 Outlook

Next Science expects to accelerate sales and marketing activities in the current quarter.

Positive study results on the effectiveness of XPERIENCE will be showcased in key upcoming orthopaedic meetings. At the Orthopaedic Trauma Association (OTA), the American Association of Hip & Knee Surgeons (AAHKS) and the Current Concept in Joint Reconstruction (CCJR) Next Science will feature XPERIENCE including public presentations of:

- Retrospective patient outcome data showing zero infection rates
- The impact of XPERIENCE on the key patient clinical issues of inflammation, interdigitation (bonding of the bone, the bone cement and the implant), and osteogenesis (bone building)

This new evidence will help all sales efforts both in gaining Value Assessment Committee (VAC) approvals and increasing customer adoption.

CEO Judith Mitchell commented "After 18 months of research, data analysis and detailed planning, over the next 8 weeks we will be showcasing our XBIO technology to over 5,000

orthopaedic surgeons in the US. Next Science's XBIO platform products protect against biofilm formation and eradicate existing biofilms that drive chronic infection and delay healing."

"This step up in profile is driving market awareness of the patient benefits our technology is delivering. We are excited about the launch of our complementary DME business which provides access to a greatly expanded market opportunity in wound care. We are making good progress in building market awareness which is driving sales growth and delivering on our mission to heal people and save lives."

Further information:

Judith Mitchell

Managing Director, Next Science Limited

Phone: +61 2 8607 5124

Email: investorqueries@nextscience.com

Michael Brown

Pegasus Advisory

Phone: +61 400 248 080

Email: mbrown@pegasusadvisory.com.au

About Next Science

Next Science is a medical technology company headquartered in Sydney, Australia, with a research and development centre in Florida, USA. Established in 2012, the Company's primary focus is on the development and commercialisation of its proprietary XBIO™ technology to reduce the impact of biofilm based infections in human health. XBIO is a unique, non-toxic technology with proven efficacy in eradicating both biofilm based and free-floating bacteria. Next Science owns 100% of the patent protected intellectual property relating to its XBIO technology. Website: www.nextscience.com.

Forward looking statements

This announcement may contain forward looking statements which may be identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may" and other similar words that involve risks and uncertainties. Such statements are not guarantees of future performance and involved known and unknown risks uncertainties, assumptions and other important factors, many of which are beyond the control of Next Science or its Directors and management, and could cause Next Science's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.