

# NEXT SCIENCE®

ASX ANNOUNCEMENT / MEDIA RELEASE  
ASX: (NXS)

## General Meeting – CEO 90 Day Update

**Sydney, Australia Wednesday, 25 October 2023**, Next Science Limited (ASX: NXS) (**Next Science** or the **Company**), a medical technology company focused on commercialising its proprietary X BIO™ suite of products to reduce the impact of biofilm-based infections in human health, confirms that a General Meeting will be held today Wednesday, 25 October 2023 at 9:00am (Sydney time) (**Meeting**).

Attached is a copy of a CEO 90 Day Update to be delivered at the Meeting by Next Science's Managing Director and Chief Executive Officer, I.V. Hall.

The update is provided in accordance with ASX Listing Rule 3.13.3.

### Further Information:

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Approved and authorised for release by the Managing Director and CEO.

### Next Science Investor Hub

Next Science welcomes direct engagement and encourages shareholders and interested parties to visit the Next Science Investor Hub which provides additional background information, videos and a forum for stakeholders to communicate with each other and with the Company. Stakeholders can access the Investor Hub through the following link: <https://investorhub.nextscience.com/announcements>

### 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.

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## 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 continued 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. For further information visit: [www.nextscience.com](http://www.nextscience.com)

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## Next Science Limited

### General Meeting - 25 October 2023

#### CEO first 90-day update

##### Introduction

I recently passed a short-term milestone, being my first 90 days since commencing as CEO of Next Science in July. As you would expect, during that initial period I conducted a review of the Company's strategy with the Board and the senior management team.

In my first 6 weeks, I was able to lead the capital raise and meet a vast majority of our institutional investors. Following the close of the raise, I spent a few weeks in the field with a variety of our sales teams and meeting customers. Most recently, we have conducted detailed reviews of our operating processes and the DME segment of our Company.

These reviews and real time learnings confirmed that we have excellent proprietary products based on a foundational medical technology (IP). In our two main healthcare focus areas, this technology is improving practices in the very large markets for the treatment and prevention of surgical site infections and chronic wounds, particularly in correlation to biofilm-based infections.

##### Surgical

In the surgical sector, we continued to drive strong growth in sales of XPERIENCE™. This has been through our direct channel customer relationships aided in part by our contract with the large Health Trust GPO network that commenced on 1 August 2023.

Continuing to build our clinical evidence base is a key priority for Next Science and sales of XPERIENCE™ have been supported by positive preliminary clinical study results, with further support expected from multiple additional studies to be published in the next 12 months.

##### Wound Care

During my first 90 days, it became clear that Next Science needs to improve and expand our customer engagement and sales strategies specific to our DME business. To be successful, we needed to refocus our sales teams to target larger volume and more profitable segments of the wound care market. The changes we have identified and are putting in place to drive this shift include:

- reducing, and in many cases ceasing, sales coverage of individual surgeons and smaller centres that had lower margins;
- refocussing our sales team on the larger Wound Care Centres, which have longer lead times to fully bring onboard and train, but have potential for more substantial sales growth;
- expanding our sales team to 47 across direct channels, including replacing our sales team in a key region where sales productivity was not meeting our targets; and
- expanding our payor matrix beyond Medicare to include the private payor sector to enable access to more patients that are being treated in the Wound Care Centres.

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We expected that it would take time to drive adoption in the larger Wound Care Centres, and while this has been the case, we are now seeing the first positive signs in the sales volumes coming through. This refinement in execution of the strategy also requires the establishment of payor (health insurer reimbursement) arrangements with a much larger number of payors, which is progressing, but also takes time. We were disappointed in the rate of recovery in sales as we shifted our sales focus away from lower margin individual surgeons in the last quarter, however, it is a short-term impact, and this decline is being replaced by higher quality sales to larger centres at improved margins.

## Summary

Despite the dip in 3<sup>rd</sup> quarter wound care sales, we are confident in the direction of our strategic decisions to focus our efforts on growth in larger accounts with higher margins. The deficit in sales in the last quarter is being recovered, and we believe the changes made will drive acceleration in sales trajectory in wound care in the coming quarters.

The XPERIENCE™ product platform continues to drive strong growth in our surgical business.

The Company's performance to date in the 4th quarter is encouraging, with strong early cash receipts, and we are on track to achieve the revised revenue guidance of US\$12m to US\$14m in the current half year.

With the full support of the Board, the senior management team and I are focussed on driving sales and managing costs to achieve positive operating cash flows at the earliest opportunity, while continuing to position Next Science for strong growth in profitability in the medium term.

We continue to expect that the Company will achieve positive EBITDA and cashflow during 2HFY24.