

# NEXT SCIENCE<sup>®</sup>

## Quarter ended 31 March 2022 Investor Presentation

28 April 2022

Approved by the Board of Next Science

\*This presentation contains graphical images

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## Q1 2022 Highlights – accelerating market awareness and adoption

- Product sales growth in Q1 2022, 31% increase on pcp
- Resolution of Zimmer dispute. Zimmer sales management engaged and focused on XPERIENCE™ launch in H2 2022 in the US
- TELA Bio Inc launch of Site Guard™ (White label - XPERIENCE™) in US in Q1 2022 with their sales force driving early wins
- Contracted dedicated distributor for XPERIENCE™ for New Zealand. Product sales commencing in Q2 2022

**31% growth on pcp product sales**

**Increased US XPERIENCE™ customer base to 119 Hospitals (+42% on Q4) and 210 Surgeons (+31% on Q4)**

**Next Science to train Zimmer sales representatives for the H2 2022 Zimmer XPERIENCE™ launch**

**First clinical XPERIENCE™ case study results to be published June/July. Results show over 900 hip & knee replacements with zero infection.**

# Next Science's Xbio product platform – US\$22B total addressable market

## Treating chronic wounds:

8.2 million patients in the US<sup>1</sup>  
Total addressable market \$11B

Chronic wounds can be a cause of death in 27.7% of patients within a 2 year period.<sup>2</sup>

Cost to US healthcare system to treat >\$50B pa<sup>2</sup>

Approved products are reimbursed by CMS (Medicare/Medicaid) and main insurers

NXS 2022 focus:

- Veterans Affairs' hospitals (171 medical centres and 1,121 outpatient clinics)
- Chronic wound clinics in commercial hospitals
- (>1000 Centres)
- Private Podiatry offices (DFUs) (>10,382 offices)

## Preventing surgical site infection (SSI):

Total market 110 million surgical procedures pa<sup>1</sup>  
2 million SSIs occurring per year in the US<sup>1</sup>  
SSI causes 90,000 deaths pa

Total addressable market \$11B

Cost to US healthcare system to treat \$25-40B pa<sup>1</sup>, increased 36% in the past decade<sup>1</sup>

Preventative technologies covered in 'Episode of Care' costs paid by insurance companies or by CMS (Medicare/Medicaid)

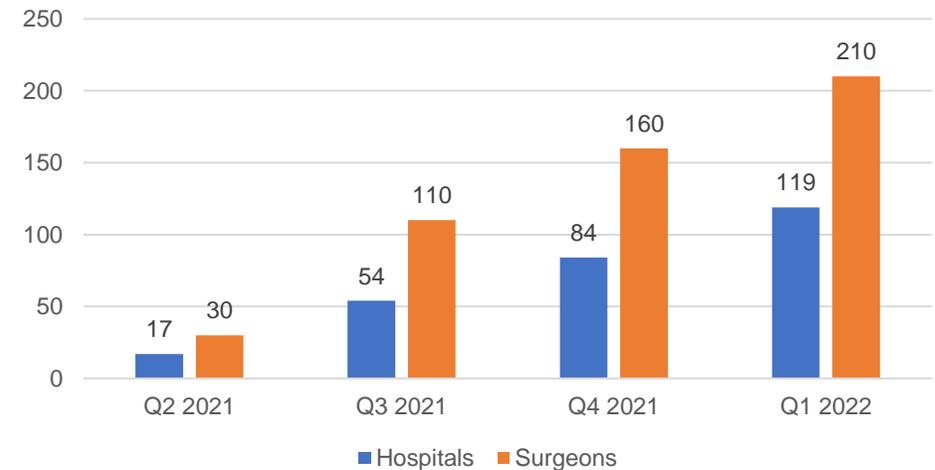
NXS current focus:

- >7M orthopaedic procedures pa
- >1.2M plastic surgeries pa

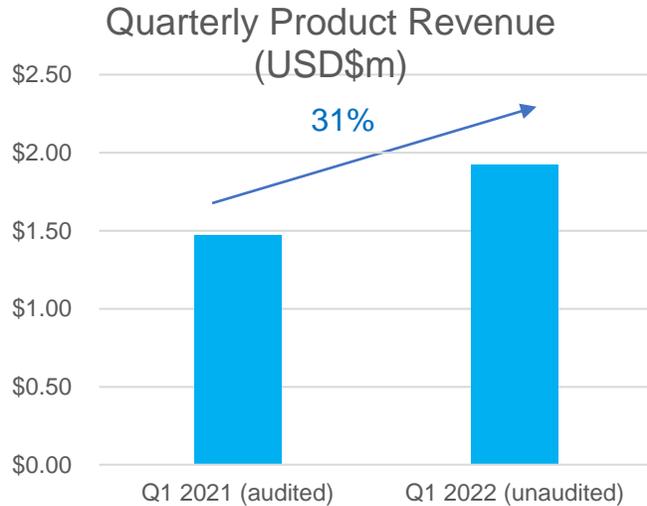
# FY22 growth continuing

- YTD 2022 XPERIENCE™ adoption has increased to 210 surgeons (~1% of US orthopaedic surgeons\*) in 119 US hospitals
- Additional system accounts include Advent Health (34 hospitals predominantly based in Florida) UNC Health (7 hospitals based in Carolinas). These are outcomes of the commercial strategy focus on “land and expand” – add new hospitals and grow pull-through of new surgeons
- Distribution through Zimmer’s exclusive hip & knee field force of sales agents to provide increased access to the US orthopaedic markets

XP US Hospitals and Surgeons



# Product sales Q1 2022 +31% vs pcp



	Q1 2021 (audited)	Q1 2022 (unaudited)
Product Revenue	\$1.5	\$1.9
Other Revenue *	\$0.8	\$0.1
<b>Total Revenue</b>	<b>\$2.2</b>	<b>\$2.02</b>

- Product sales (new disclosure) increased 31% on pcp, showing underlying market adoption – excludes other revenue\*
- Product sales contributions in Q1 2022 from Bactisure™, XPERIENCE™, BLAST X™ and SURGX™
- The majority of sales in Q1 2022 generated from US. Additional sales from New Zealand to start to contribute from Q2 2022, with Australia from 2H 2022

\* Other revenue includes release of milestone payments, royalties & license fees

# XPERIENCE™ – executing growth strategy to accelerate adoption

## XPERIENCE™

**2021**

### Create awareness and key opinion leader base

- ✓ Set up reference sites with key opinion leaders
- ✓ Build on Area sales managers with Account managers
- ✓ Establish key studies
- ✓ Create awareness through marketing campaigns

**2022-2023**

### Drive adoption and grow evidence

- ✓ Increase penetration across accounts growing the account manager teams
- ✓ Increase market coverage with white label products for designated market segments – Zimmer in orthopaedics & TELA Bio in plastic reconstructives
- ✓ Support investigator studies in all key product applications
- Complete and publish inflammation in joint study, impact on bone cement adhesion study ('pull out study'), bioburden studies and retrospective hip & knee case series

**2023 onwards**

### Mass market adoption – becoming the standard of care

- Strategy to become standard of care:
- Complete and publish key primary joint study – Total addressable market US\$0.6B in USA
  - Complete and publish key colorectal study, broadening product indications & expanding addressable market to US\$11B in USA
  - Continued growth of market coverage through direct and indirect representation

# BlastX™ growth strategy– establishing the gold standard for wound care in the USA

## BlastX™

**2021**

### Re- establish existing customer base

- ✓ Get Veterans Affairs and Department of Defence hospitals back to ordering from coast to coast
- ✓ Establish deeper utilisation within VA and DoD accounts
- ✓ Utilise direct representation in Kaiser network to become standard of care

**2022-2023**

### Open new segments and grow evidence

- Establish working protocol for home health networks using BlastX™
- Pull Xbio through hospital systems including wound clinics
- Lean into health economics study to support wide utilisation

**2023 onwards**

### Expand utilization

- Combination application with other wound products
- Seek to improve reimbursement and/or DME market
- Publish data

# Blast X™ difference – improved healing, lower cost to treat

## CASE



Healing from 16 July to 7 August 2018

This wound involved a loop graft and several rounds of antibiotics and surgical interventions but had not closed over the 8 months of treatment. 3 weeks of treatment with **BLAST X™** (starting on 16 July 2018) closed the wound.

# Investigator research table – first case study reports due June/July 2022

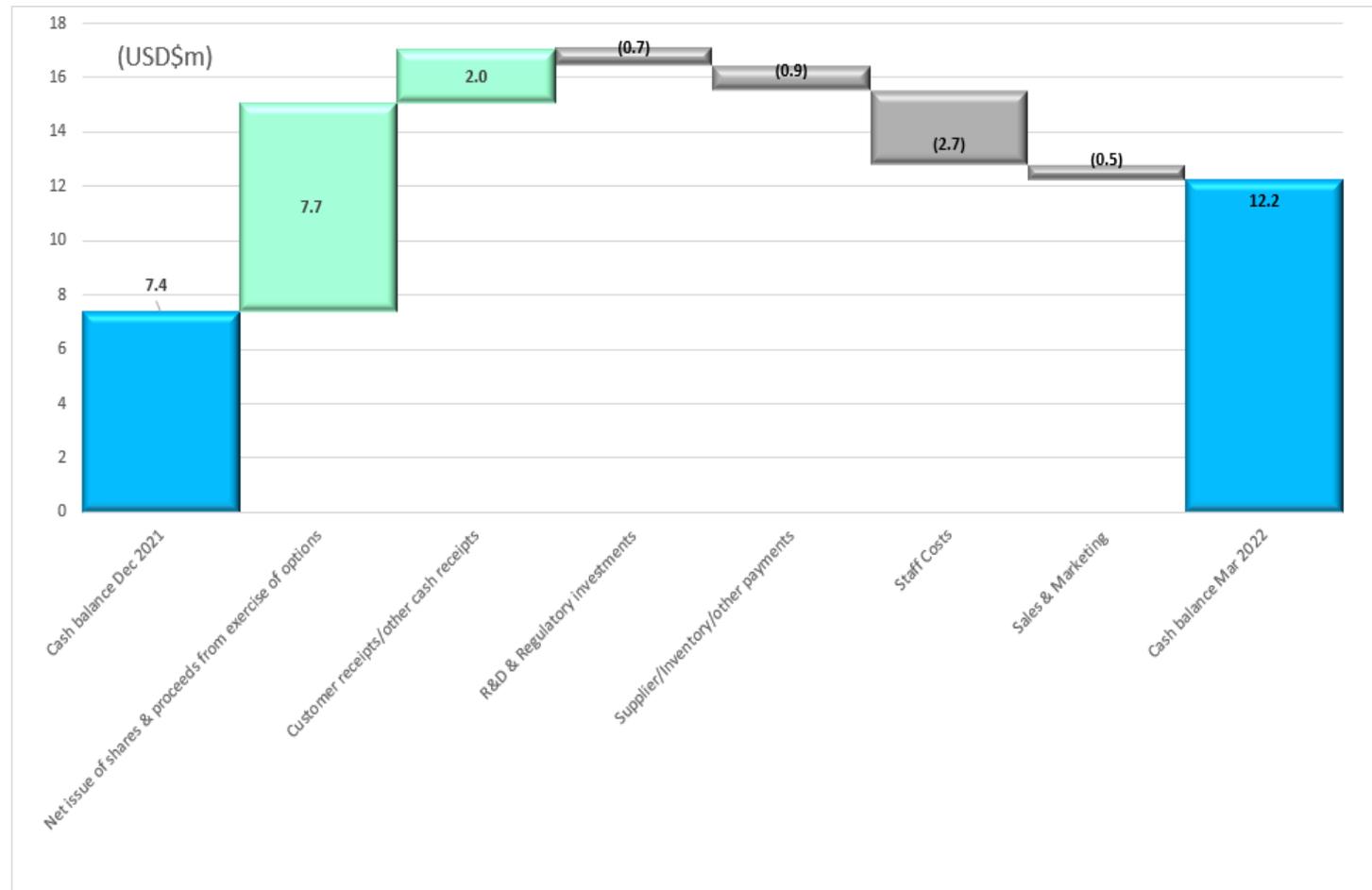
Indication	Product	Study Size	Structure	Status	Sites
Impact on Bone Cement Adhesion	XPERIENCE™	Invitro & Animal study	Fee for Service	Study commence, report due <b>1 June 2022</b>	Contracting with UNSW Surgical and Orthopaedic Research Lab (Dr B Walsh)
Post Operative Inflammation in joints	XPERIENCE™	30	Investigator sponsored research. Imaging Technology provided by Next Science	Patients being Recruited <b>Expected report out July 2022</b>	Dr A Wickline Utica (New York)
Post Operative Infection	XPERIENCE™	400	Investigator Case Series	Retrospective of first 500 completed XPERIENCE joint surgeries ( <b>report out July 2022</b> )	MUSC, South Carolina
Post Operative Infection	XPERIENCE™	500	Investigator Case Series	Retrospective of first 400 completed XPERIENCE joint surgeries ( <b>report out July 2022</b> )	Jack Hughston Memorial Hospital Columbus, Georgia
Surgical Site Infection in Primary Joint Replacement in complex patients	XPERIENCE™	1,200	Investigator Research Study (Product Donated)	Patients being recruited Expected completion 2023	Dr Scuderi Northwell Group Lennox Hill + 6 Northwell sites
DAIR Study on acutely infected joints	XPERIENCE™ BACTISURE™	192	NXS sponsored study, product donated,	Protocol finalised. Contracts under development for each site	Dr Jon Minter Northside Hospital Atlanta, UAB Alabama, NE Baptist, Northwell Group New York and Delaware, FOI Tampa, Hope Orthopaedics Salem, Scripps, 21 Surgeon Participants

# Larger clinical studies to establish standard of care

Indication	Product	Study Size	Structure	Status	Expected Reporting date	Sites
Compound Tibial Fracture Infection (Pilot Study)	XPERIENCE™	30	Investigator Research Study (Product Donated)	Patients being recruited	December 2022	Hughston Memorial Clinic, University of Alabama
BioBurden In Vivo Study	XPERIENCE™	30	Investigator sponsored research	IRB under review,	Q4 2022	Dr Bashyal (Chicago)
Surgical Site infection in Primary Joints	XPERIENCE™	7600	Investigator Research Study, Product donated	Randomised Controlled study over 5 sites in Canada PI Dr Beale, Dr Garceau University of Ottawa	Q4 2024	Site applying to the Canadian government for approval to commence the clinical trial
BioBurden In Vivo Study	XPERIENCE™	172	Investigator sponsored research	Contracts in development	Q4 2023	Mayo Clinic
Surgical Site Infection in Colorectal surgery	XPERIENCE™	560	Investigational Device Exemption (IDE) for expanded indications	Randomised Control study 3 sites. Houston VA, Memorial Herman Hospital,	2025	Pre-clinical animal study required by the FDA
Animal Study on effectiveness	XPERIENCE™	Animal Study	Investigator Sponsored Research	Contracts under review	Q1 2023	Cleveland Clinic

# Cash waterfall – well funded to execute growth strategy

- Net Cash Burn for the quarter US\$2.9M
- Investing in clinical studies and supporting sales growth
- Payments to Directors US\$175K
- A\$4M proceeds from second tranche of March placement to be received in May 2022 subject to shareholder approval at the 27 May 2022 AGM.



## 2022 Launch calendar – more products, more markets, accelerating sales

- ✓ Q2 TridentX™ (TorrentX) – US
- H2 XPERIENCE™ with Zimmer in the US



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- ✓ Q2 XPERIENCE™ in New Zealand
  - 2H XPERIENCE™ in Australia
  - 2H BlastX™ Australia & New Zealand



# Conclusions

## **Executing strategy to accelerate market awareness and adoption of Next Science's Xbio platform – market leading infection prevention and treatment technologies**

- Q1 2022 product sales growth, +31% on pcp. Contributions from 5 products in US market, 11 regulatory approvals, 42 patents
- Goal for XPERIENCE™ to become the standard of care in hip and knee surgery – currently adopted by 210 surgeons & 119 hospitals in the US
- Significant commercial launches and case study results in 2H 2022 underpin positive outlook
  - Zimmer launch of XPERIENCE™ in the US in H2 2022 giving increased access to the orthopaedic market
  - New Zealand launch of XPERIENCE™ in Q2 2022, Australia in 2H 2022.
  - BlastX™ launch in Australia & New Zealand in 2H 2022
  - First 2 XPERIENCE™ case studies due to report in June & July – providing further evidence to support sales growth
- Scope for significant long term growth in \$22B US addressable market

# NEXT SCIENCE<sup>®</sup>

## Appendix

# Next Science purpose – healing people – saving lives

Platform technologies that protect from biofilms and chronic infections

Next Science offers unique and significant benefits to health systems and patients

Reduce hospital  
acquired  
infections and  
improved surgery  
success rates



Better patient  
outcomes – lower  
surgical site  
infection rate



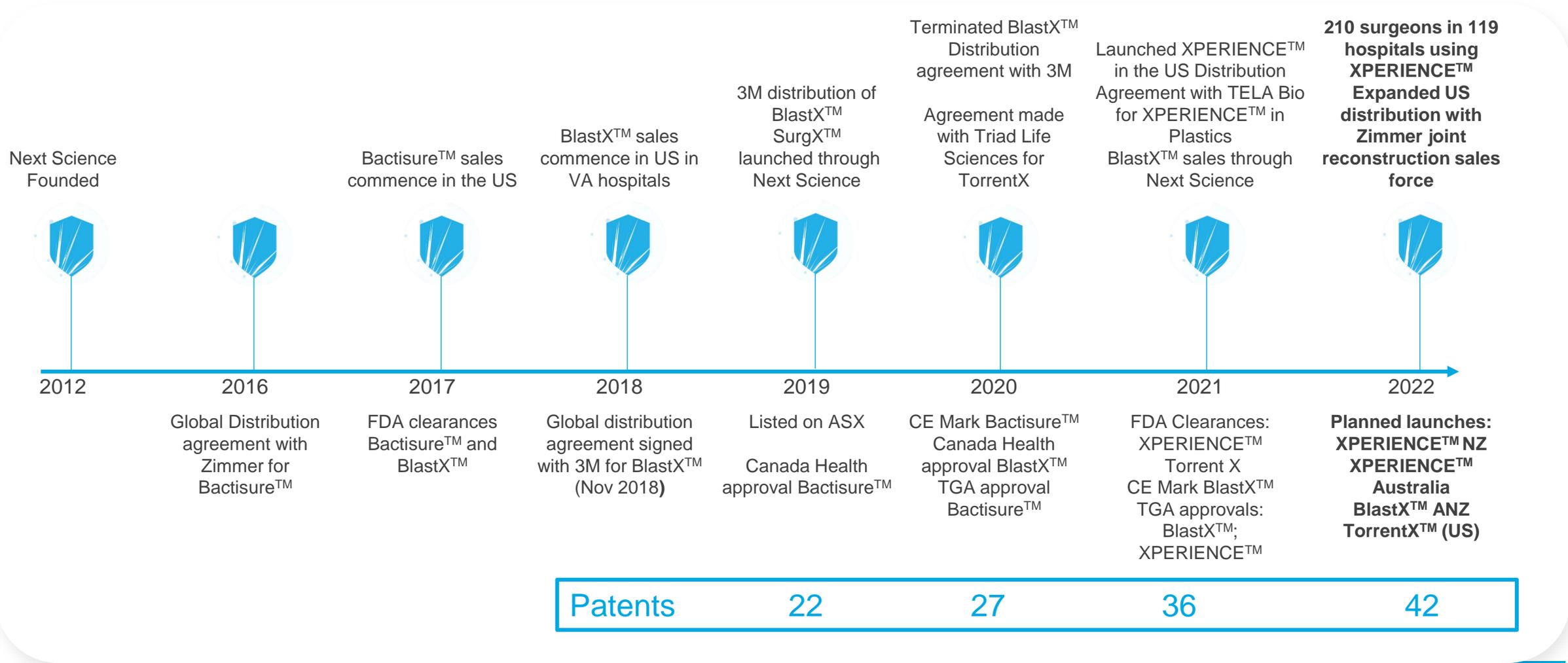
Treatments that  
don't increase  
antibiotic  
resistance



Allows hospitals  
to reduce overall  
cost of  
complications  
and readmissions

Next Science technologies meet the triple aim: better patient outcomes, improving patient health, and reducing cost of healthcare

# Executing our growth strategy: building market acceptance and growing revenues while creating new standards of care



# Prevention products portfolio to serve the US Market

## XPERIENCE™

**Indication:** Prevention of surgical site infection

**Cost:** Surgical site infection in the US >\$3.6B



**US Market:** 45 million patients p.a.

## SurgX™

**Indication:** Prevention of infection on a surgical closure

**Cost:** Surgical site infection in the US >\$3.6B



**US Market:** 45 million patients p.a.

## TridentX™

**Indication:** Site preparation for tissue graft in Chronic wounds

**Cost:** Treatment of chronic wounds in the US estimated at \$28-\$96B



**US Market:** 8 million patients p.a.

# Dispersing biofilms, reducing infection, promoting healing

## Bactisure™ Surgical Lavage

**Indication:** Elimination of surgical site infection



**US Market:** 250,000 patients p.a.

## BlastX™ Antimicrobial Wound Gel

**Indication:** Treatment of chronic wounds, foot & leg ulcers, bedsores, pressure ulcers



**US Market:** Cost of \$28-\$31B and 8 million patients p.a.

## Acne Treatments

**Indication:** Treatment of acne and breakouts



**Market:** Currently offered in Australia

# References

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2. [https://www.researchgate.net/publication/51199135\\_High\\_mortality\\_in\\_patients\\_with\\_chronic\\_wounds](https://www.researchgate.net/publication/51199135_High_mortality_in_patients_with_chronic_wounds)
3. <https://www.definitivehc.com/blog/how-many-orthopedic-surgeons-in-us#:~:text=According%20to%20Definitive%20Healthcare's%20PhysicianView,hand%20surgery%2C%20and%20joint%20replacement>