

Capital raising presentation

24 February 2022

Approved by the Board of Next Science

NEXT SCIENCE[®]

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Capital raising overview: A\$15.0m raise to support commercial rollout and further clinical program development

Offer structure and size	<ul style="list-style-type: none"> Two tranche institutional placement to sophisticated and professional investors to raise approximately A\$10 million (the “Placement”) Issue of approximately 11.1 million shares (“New Shares”), equivalent to 5.6% of Next Science’s total current shares outstanding <ul style="list-style-type: none"> A\$6.0 million to be raised within Next Science’s placement capacity under ASX Listing Rule 7.1 (Tranche 1) A\$4.0 million commitment from major shareholder Mr. Lang Walker, with completion conditional upon shareholder approval (Tranche 2) The Placement is not underwritten
Offer Price	<ul style="list-style-type: none"> Placement priced at A\$0.90 per New Share (“Offer Price”), representing a: <ul style="list-style-type: none"> 12.6% discount to the last traded price of A\$1.03 on Tuesday, 22 February 2022; 15.5% discount to the 5-day Volume Weighted Average Price (“VWAP”) of A\$1.07 up to and including Tuesday, 22 February 2022
Use of proceeds	<ul style="list-style-type: none"> See page 5 for further detail
Share Purchase Plan	<ul style="list-style-type: none"> Next Science will offer eligible Australian and New Zealand shareholders the opportunity to acquire up to A\$30,000 of New Shares via a share purchase plan (“SPP”) The issue price for New Shares issued under the SPP will be the lower of: <ul style="list-style-type: none"> the Offer Price under the Placement (A\$0.90) the price that is a 2% discount to the VWAP of Next Science shares on the ASX over the five trading days up to, and including, the closing date of the SPP (rounded down to the nearest cent) The SPP will be capped at A\$5.0 million and is not underwritten An SPP booklet including further details of the SPP offer will be sent to eligible shareholders in due course
Ranking	<ul style="list-style-type: none"> New Shares issued under the Placement and SPP will rank equally with all existing Next Science shares
Joint Lead Managers	<ul style="list-style-type: none"> Wilsons Corporate Finance and Canaccord Genuity (Australia) are acting as Joint Lead Managers to the Placement

Source and use of funds

- A\$10.0 million Placement, and concurrent SPP raising up to A\$5.0 million (~US\$10.8 million total proceeds)
- Proceeds to be used to:
 - Accelerate the growth profile of the business and invest in sales and marketing;
 - Invest in clinical trials to provide further evidence of the efficacy of XPERIENCE™; and
 - Strengthen balance sheet and provide working capital flexibility
- Pro forma net cash of US\$17.8 million post offer leaves Next Science well-capitalised and with sufficient funding to deliver on its commercial and clinical programs

Sources & Uses ¹		
Source of funds	(US\$m)	% OF TOTAL
Placement – Tranche 1	4.3	40%
Placement – Tranche 2	2.9	27%
Share Purchase Plan (SPP)	3.6	33%
Total source of funds	10.8	100%
Expected use of funds	(US\$m)	% OF TOTAL
Sales & Marketing (including salaries)	3.7	34%
Clinical Studies	2.7	25%
Inventory	1.2	11%
Medical device product development & regulatory	1.0	9%
Working capital and other	1.7	16%
Offer related costs	0.5	5%
Total use of funds	10.8	100%

Notes: 1. Assumes USD / AUD exchange rate of 0.7187. Total raise size of A\$15m assumed in sources and uses table

Indicative offer timetable

Event	Date
Trading Halt	Wednesday, 23 February 2022
Bookbuild completed	Wednesday, 23 February 2022
SPP record date	7:00pm, Wednesday, 23 February 2022
Announce outcome of Placement (pre-open) and recommence trading / Announce SPP	Thursday, 24 February 2022
Placement settlement via DvP (Tranche 1)	Wednesday, 2 March 2022
Issue of Placement shares (Tranche 1)	Thursday, 3 March 2022
SPP offer opens, Offer Booklet mailed to shareholders	On or about Friday, 4 March 2022
SPP offer closes	Wednesday, 23 March 2022 unless extended
Announce SPP results	Monday, 28 March 2022
Issue of new shares issued under the SPP	Tuesday, 29 March 2022
Trading of SPP shares commences	Tuesday, 29 March 2022
Shareholder meeting to approve issue of shares to NXS substantial holder, Mr. Lang Walker	Friday, 27 May 2022

These dates are indicative only and subject to change: Next Science reserves the right, subject to the Corporations Act 2001 (Cth) and the ASX Listing rules, to amend this indicative timetable without notice. In particular, Next Science reserves the right to extend the SPP offer closing date, accept late applications under the SPP offer (either generally or in particular cases) and to withdraw or vary the Placement or SPP offer without prior notice. Any extension of the closing date will have a consequential effect on the date for the allotment and issue of new shares. The timetable in respect of the Placement can only be amended by Next Science with the agreement of the lead managers.

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Key risks

- **Regulatory approvals:** Next Science's distribution partners and customers rely on having regulatory approved products. Next Science's business is governed by various regulations in the jurisdictions in which it operates and proposes to operate. There is no assurance that delays will not occur in connection with obtaining the necessary approvals for products. Any delay in the receipt of regulatory clearance may result in a delay to the intended launch date of certain products, which will delay revenue and adversely affect Next Science's financial performance. In the event that any relevant licenses or approvals were not granted, not renewed, withdrawn, or made subject to conditions that were onerous or unacceptable to Next Science, Next Science and its business could be materially adversely affected.
- **Reliance on distribution partners:** The key distribution channels for Next Science's products are through distribution partners. The success of Next Science's business relies on its ability to attract and retain distribution partners, as well as the success of its distribution partners' sales and marketing teams to adequately promote Next Science's products. The loss of, or a significant decrease in, the business from a distribution partner could adversely impact the Company's revenues. If distribution partners do not continue to purchase Next Science's products, terminate the existing contracts or do not increase their usage over time, Next Science's operating and financial performance may be adversely affected.
- **Intellectual property:** The value of Next Science's products is dependent on Next Science's ability to protect its intellectual property, including by trademarks, copyright, patent and moral rights. Any failure to adequately protect its intellectual property rights could have an adverse impact on Next Science's operating and financial performance.
- **Ability to attract and retain key personnel:** The success of Next Science's business is dependent on retaining key members of senior management. There is a risk that the departure of such personnel, or any delay in their replacement, could have a significant negative impact on management's ability to operate the business and achieve financial performance targets, in addition to harming Next Science's research and development programs.
- **Competitive industry:** Next Science competes against a wide range of other health care companies that treat human infections, some of which have significantly more resources than Next Science. The Company's failure to compete effectively against existing competitors and potential new entrants could have a material adverse effect on the business.
- **Product acceptance:** Next Science's success depends on market acceptance and adoption of Next Science's products. This will depend on many factors, including clinical evidence demonstrating the positive clinical and cost benefit outcomes and Next Science's ability to develop and market products. If sufficient market acceptance is not achieved, the growth in Next Science's revenue may slow or decline which will have an adverse impact on Next Science's operating and financial performance.
- **Development of products:** Next Science's business is dependent on the continued improvement of existing products and development of new products utilising current or other potential future technology. The Company cannot guarantee that any products under development will result in the launch of a commercially viable product. If Next Science does not develop new products and product enhancements on a timely basis, the products may become obsolete over time and revenues, cash flow, profitability and competitive position will suffer. Difficulties or delays in research, development or production of new products and services or failure to gain market acceptance of new products and technologies may reduce future revenues and adversely affect Next Science's competitive position.

Key risks (continued)

- **Product defects and recalls:** Next Science's products may contain undetected defects when first introduced or new products are released. Disruptions affecting the introduction, release or performance of Next Science's products may damage customers' businesses and could harm their and Next Science's reputation as well as the health of patients. If that occurs, Next Science may incur significant costs, the attention of key personnel could be diverted, or other significant customer relations problems may arise. Next Science may also be subject to warranty and liability claims for damages related to defects in the products. In addition, if Next Science does not meet industry or quality standards, if applicable, the products may be subject to recall. A material liability claim, recall or other occurrence that harms Next Science's reputation or decreases market acceptance of the products could adversely impact the Company's operating results.
- **Reliance on third party manufacturers:** Next Science engages contract manufacturers for the production of its products. Due to the speciality of the products which Next Science distributes there is a limited pool of qualified suppliers. There is a risk the disruption to any key supplier could have an adverse impact on the availability of Next Science's products to distribution partners and end users.
- **Failure to manage growth:** Next Science's future success depends on its ability to effectively manage growth in revenue, employee numbers and customer base. Failure to appropriately manage growth could result in failure to retain existing distribution partners and customers and a failure to attract new distribution partners or customers which could adversely affect Next Science's operating and financial performance.
- **Impact of COVID-19:** Events relating to COVID-19 have resulted in significant investment market falls and volatility, including in the prices of securities trading on the Australian Securities Exchange (ASX) and on other foreign securities exchanges. There is continuing uncertainty as to the ongoing impact of COVID-19. Next Science's share price may be adversely affected in the short to medium term by economic uncertainty caused by COVID-19.
- **Investment risks:** There are risks associates with any stock market investment, including the demand for Next Science securities, which may increase or decrease and Next Science securities may trade above or below the issue price on the ASX. If Next Science issues new securities, an existing securityholder's proportional interest in Next Science may be reduced. The market price of Next Science securities may be affected by factors unrelated to the operating performance of Next Science such as stock market fluctuations and volatility and other factors that affect the market as a whole.
- **Macro-economic risks:** Changes to economic conditions in Australia and internationally, investor sentiment and international and local stock market conditions, changes in fiscal, monetary and regulatory policies which may impact economics conditions such as interest rates and inflation and consequently the performance of Next Science.
- **Taxation changes:** An investment in securities involves tax considerations which differ for each securityholder depending on their individual financial affairs. Changes in tax law or changes in the way taxation laws are interpreted, may impact Next Science's tax liabilities or the tax treatment of a securityholder's investment.
- **Litigation risk:** In the ordinary course of business, Next Science may be involved in litigation disputes from time to time. Litigation disputes with third parties may adversely impact the financial performance and industry standing of the business.
- **Other risks:** This list of risk factors above is not an exhaustive list of the risks faced by the Company or by investors in the Company. The risk factors described in this section as well as risk factors not specifically referred to above may in the future materially affect the financial performance of the Company and the value of its securities.

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- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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Offer jurisdictions and disclaimers (continued)

Singapore (continued)

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