

**Next Science Limited
Wednesday, 26 August 2020
Managing Director's Address to Investors**

Good morning, thank you for joining us for the Next Science half year results call.

[Slide 2]

If you are on the call, I am guessing that you know Next Science is the company with the answers for biofilms in humans and the method for safely removing the biofilm and the bacteria, viruses and fungus or protecting patients from biofilms and their associated infections.

We currently have 3 products active in the US Market and will launch into the surgical infection prevention market with our new product, XPerience, a no rinse surgical wash, as soon as it is cleared through the FDA.

In fact, overnight, we have received additional technical questions from the FDA, very similar to the questions our novel technologies have received in the past, and we are working through those with the FDA to see what impact they have on the launch time line. In our last update, we thought we would be receiving approval in H2 2020. This may move into 2021, however, at this stage we cannot be more specific.

We will keep the market updated as we progress with the authorities. We are continuing our initial pre-launch efforts and Key Opinion Leader (**KOL**) consultation where we have found significant excitement for this unique technology

Despite the issues caused by COVID 19, we have continued to progress the company

We have expanded our patent base to 27 and our technologies already in market have helped over 130,000 patients. It should be noted that these technologies have focused on existing infections.

[Slide 3]

If you move to slide 3. This is just a simple reminder of how our technology works:

- First we break down the backbone of the biofilm by a process of chelation – which literally breaks the ionic bonds that hold the biofilm structure together;
- Then the low ph and high osmolarity environment created by our ingredients, result in the pathogens going into cell lysis (or cell death); and
- Then we are able to leave behind a smooth surfactant discouraging further colonization.

[Slide 4]

When you look at slide 4 you can see that the opportunities for product development across the Company are plentiful. As we mentioned previously, we believe the biggest market opportunities for the Company are in the prevention of infection and we are currently concentrating the majority of our resources on the developments for the prevention of surgical site infection.

In tackling surgical site infection – this is the opportunity to provide a difference in surgical outcomes to millions of people, by preventing infection and even morbidity. It is a space where currently nothing antimicrobial is offered to the surgeons to be left behind in the patient to help prevent infection. This is truly a Blue Ocean market opportunity.

Our XPerience product is expected to be the first to market in this space, and the product will be the cornerstone on which to build the rest of the direct to market infection prevention products for the Company.

[Slide 5]

Although COVID has impacted the Company, we have worked on keeping our priorities and R & D on track and have been able to:

- Launch a new acne treatment formula in March with tbh
- Obtain both the CE Mark and the TGA Clearance for Bactisure

In the 2H of 2020 we will be:

- Working with 3M+KCI to build out the BlastX business particularly through the Kaiser network where the approval was received just as the pandemic hit.
- Supporting Zimmer Biomet to launch Bactisure in Australia in September and Europe in Q4.
- Expecting to receive our CE Mark for BlastX
- Continuing to work with the FDA to get the first to market leave behind surgical rinse cleared for sale.

[Slide 6]

To be clear, the products that contributed to our 1H revenues were:

- Bactisure Surgical Lavage for the treatment of Prosthetic Joint Infection = sold globally through Zimmer Biomet
- BlastX Antimicrobial Wound Gel for the treatment of chronic wounds = Distributed through 3M+KCI
- Acne Cream and Gel for the treatment of acne sold in clinics and online through AST & tbh
- SurgX – sterile antimicrobial wound gel to protect the surgical skin level incision from infection which is sold through the Next Science sales network in the US.

You will note that this is a diversified distribution strategy that combines partnership, licensing, distribution agreements and direct sales. The diversification has been driven by the ambition to optimise the opportunity for each of the products in their specific target market. We note that it is the Company's plan to commercialise our preventative products through our own sales network and at this time, we have a network of over 200 agents, through 71 entities covering the US.

[Slide 7]

As we move into the second half of the year we expect that additional revenues will

come from the sale of:

- Outlicensing of our disinfectant technology;
- Sales of TorrentX through Triad Life Sciences as they launch their new tissue product expected in Q4; and
- XPerience as soon as it is cleared by the FDA recognising that the launch could move to 2021.

[Slide 8]

If we move to Slide 8, the purpose of the slide is to give investors context around “why” we are moving our development focus to infection prevention.

- The prevention of surgical site infection is a global multi-billion dollar market with over 100 million surgeries a year and a matching number of sterile field procedures. Just in Australia there are 2.2 million surgeries every year.
- In the US alone, surgical site infections cost the health care system up to 10B dollars as they drive complications, extend length of stay and decrease life expectancy. Surgical site infection, matches and exceeds many cancers in terms of morbidity, something that is not well known
- With a global total addressable market of more than \$15B, just a 5% penetration in the US market alone would result in \$350M in revenue for Next Science.

[Slide 9]

Moving to slide 9, these are the details around our XPerience product:

- As a no rinse surgical wash, this is the first antimicrobial product in the market that can be left in the surgical cavity post the surgical close – and the product will continue its antimicrobial action for several hours. The current alternative treatments available : Betadine and Hyperchlorous acids, must all be washed out of the cavity prior to closure.
- XPerience has several key advantages: It is more effective, in fact 10 million times more effective, at removing MRSA (or golden staph) than the current competitors, and it can be left behind, an advantage that is exciting the leading surgeons we have been talking to. Also, our product has the additional competitive advantages of being non toxic, tissue friendly, broad spectrum (kills all types of bacteria, viruses and fungus) and does not increase antibiotic resistance.

[Slide 10] – On slide 10 you can see we are well advanced on the marketing and positioning of the product and we have made sure that it is easy to use within the current surgical protocols – so no change to current procedural steps – and XPerience will simply replace some of the saline that would have been used in the surgery.

All the KOLs we have discussed the product with during our pre-release road shows have been extremely positive about the opportunity to use the product and willingness to be involved with the Company as we drive changes to standard of care.

[Slide 11]

If you turn to slide 11 we can take a look at the financials and you can see Revenue was adversely impacted by COVID 19, with a decline of 55%

- This result is a combination of closure of wound clinics – which were not considered an essential service in the US when the shut down happened in mid March, and a reduction in elective surgeries.
- We are seeing elective surgeries coming back, but not yet at normal levels and wound clinics are reopening, but access for sales people is limited.
- And during this time, our expenses remained well controlled

[Slide 12]

Moving to slide 12, you can see we have \$11.9M USD in the bank at the end of June and we are debt free.

[Slide 14]

Our second half activities are about driving sales and market access.

- Firstly, finalising our disrupted chronic wound studies with Dr Serena and Dr Regulski, and then leveraging that work with 3M+KCI as the wound clinics re-open to reignite the clinic activity in BlastX;
- We are supporting the Zimmer Biomet launches in Australia in September and in Europe in Q4; and
- Continuing our prelaunch education for XPerience while promoting SurgX through our NXS sales agent network in the US.

[Slide 15]

In summary, clearly COVID has created challenges, but it has also driven a step change in awareness around infection control, the issues it causes and the unique capabilities of our products to eliminate the pathogens.

Our gross margins continue to be strong and we continue to build out our patent assets as well as our regulatory approvals, as we increase market awareness and clinical support for our technologies.

We believe that pivoting our product development focus to prevention products gives the Company a robust product pipeline and enormous market opportunity to support the development of a direct commercial business as the underpinning foundation of building a world class medical device company.