

NEXT SCIENCE®

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Next Science announces capital raising to support launch of XPerience

Key points

- Next Science is to undertake a capital raising of up to A\$15M comprising:
 - A placement of A\$8M underwritten by Canaccord Genuity at A\$1.20 per share;
 - A firm commitment of A\$2M at A\$1.20 per share from Next Science's largest shareholder, Mr. Lang Walker. The allocation of shares to Mr. Walker will be subject to shareholder approval; and
 - Next Science will offer existing eligible shareholders the opportunity to participate in a share purchase plan (**SPP**) to raise up to A\$5M at the lower of A\$1.20 per share or 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.
- Next Science intends to use the proceeds from the capital raise to provide working capital to support the commercial launch of its XPerience Surgical Rinse in the US market, subject to FDA clearance, and related purposes.

Sydney, Australia Wednesday, 16 September 2020, Next Science Limited (ASX:NXS) (**Next Science** or the **Company**) announces the launch today of a capital raising comprising a placement to raise A\$10M (**Placement**) and a SPP to raise up to A\$5M (together, the **Capital Raise**).

Rationale and use of proceeds

Proceeds from the Capital Raise will be used to provide working capital to support the commercial launch of XPerience, Next Science's proprietary surgical rinse, in the US market in the first half of 2021, and related purposes. The commercial launch is conditional on clearance by the Food and Drug Administration of the USA (**FDA**).

Next Science's Managing Director, Judith Mitchell said, "I am delighted to have received firm support for the placement from shareholders including Mr. Lang Walker who is a long term supporter of Next Science. I see their commitment as a strong endorsement of XPerience's potential as a game changing opportunity for Next Science. We are also very pleased that this Capital Raise has provided the opportunity to welcome new shareholders to the Register. With the proceeds of this raise we will be well placed to fund our growth and capitalise on the substantial market opportunity in infection prevention and control.

In our half year results briefing, I spoke about our prioritisation and focus on the preventative surgical site infection market. With around 110 million surgeries in the world per annum, this is a US\$15bn per annum uncontested market space that is expected to double in size by 2030.

Surgical site infections are the leading cause of readmissions to hospitals and are a major cost and burden in health care. XPerience has proven superior performance against MSRA (Golden Staph) and other known pathogens. It is the only antimicrobial product that will be available to surgeons which can be left behind in the surgical site after a surgical close to help prevent infection occurring for over five hours after the surgery.

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As previously announced, we are on track to re-lodge our FDA 510(k) submission before the end of the calendar year and are ready to move quickly with an experienced and motivated sales and marketing distribution force once FDA approval is granted.

Put simply, XPerience offers us an enormous market opportunity to support the development of a direct commercial business and provide the foundation for building a world class medical device company.”

Placement

Next Science is seeking to raise A\$10M from the Placement comprising:

- A placement of A\$8M underwritten by Canaccord Genuity. These shares will be issued without shareholder approval in accordance with Next Science’s existing placement capacity under ASX Listing Rule 7.1; and
- A firm commitment of A\$2M from Next Science’s largest shareholder, Mr. Lang Walker. The allocation of shares to Mr. Walker is conditional on shareholder approval which will be sought at an extraordinary general meeting expected to be held in mid to late November 2020.

ASX Listing Rule 10.11 requires Next Science to obtain shareholder approval for the allotment of shares to Mr. Walker, as the beneficial owner of around 41% of Next Science’s issued capital.

The Placement will be conducted at A\$1.20 per share, which represents:

- a 9% discount to the last closing price of Next Science shares on the ASX on 15 September 2020, being A\$1.32 per share; and
- a 6.25% discount to the five-day VWAP as at the same date.

On successful completion of the Placement, subject to shareholder approval of the allotment of shares to Mr. Walker, the Company will issue approximately 8.3 million new fully paid ordinary shares (**New Shares**), representing approximately 4.6% of Next Science’s existing issued capital.

The New Shares issued will rank equally with existing Next Science fully paid ordinary shares on issue. It is intended that eligible institutional shareholders who bid for an amount less than or equal to their ‘pro rata’ share of New Shares under the Placement will be allocated their full bid on a best endeavours basis.

Settlement of New Shares issued under the underwritten component of the Placement is expected to occur on 23 September 2020, with the issue of these New Shares scheduled for 24 September 2020.

The settlement and issue of New Shares to Mr. Walker is subject to shareholder approval and if approved, will occur after the shareholder meeting.

Share Purchase Plan

Following completion of the Placement, Next Science will offer existing eligible shareholders the opportunity to participate in a SPP to raise up to A\$5M. The SPP will not be underwritten.

Existing shareholders of the Company who:

- (i) have a registered address in Australia and New Zealand as at 7.00pm (Sydney time) on Tuesday, 15 September 2020; and
- (ii) are not in the United States or acting for the account or benefit of a person in the United States,

will be eligible to participate in the SPP.

The SPP will provide each eligible shareholder with the opportunity to apply for up to A\$30,000 worth of New Shares at the lower of:

- (i) the issue price under the Placement (being A\$1.20); and
- (ii) 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).

Next Science is aiming to raise up to A\$5M million under the SPP. The SPP will be subject to a scale back of applications in the event of oversubscriptions at the absolute discretion of the Company.

New Shares issued under the SPP will rank equally with existing Next Science fully paid ordinary shares on issue.

The SPP offer document (**Offer Booklet**) containing further details of the SPP will be released on the ASX separately and is expected to be dispatched to all eligible shareholders in Australia and New Zealand on or about Friday, 25 September 2020, being the date on which the SPP will open.

Capital Raising Indicative Timetable**

Event	Date 2020
Record date for eligible shareholders to subscribe for New Shares via the SPP Offer	7.00pm (Sydney time) Tuesday 15 September
Announcement of the Capital Raising	Wednesday, 16 September
Conduct of Placement	Wednesday, 16 September
Announcement of results of Placement	Before market opens on Thursday, 17 September
Settlement of underwritten component of the Placement	Wednesday, 23 September
Issue of New Shares under the underwritten component of the Placement	Thursday, 24 September
Trading of New Shares issued under the underwritten component of the Placement commences on ASX	Friday, 25 September
SPP Offer Booklet dispatched to shareholders	on or about Friday, 25 September
SPP Offer opens	Friday, 25 September
SPP Offer closes	Friday, 9 October unless extended

Announcement of results of SPP Offer	Wednesday, 14 October
Issue of New Shares under the SPP Offer	Monday, 19 October
Dispatch of holding statements and normal trading of New Shares issued under the SPP Offer	Tuesday, 20 October
EGM to approve issue of shares to Next Science substantial holder, Mr. Lang Walker	Mid/late November

*** These dates are indicative only and are 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. In particular, Next Science reserves the right to extend the 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 underwritten component of the Placement can only be amended by Next Science with the agreement of the underwriter.*

Further information:

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Approved and authorised for release by Next Science’s Board of Directors.

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.

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 involve 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.

Not an offer in the United States

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