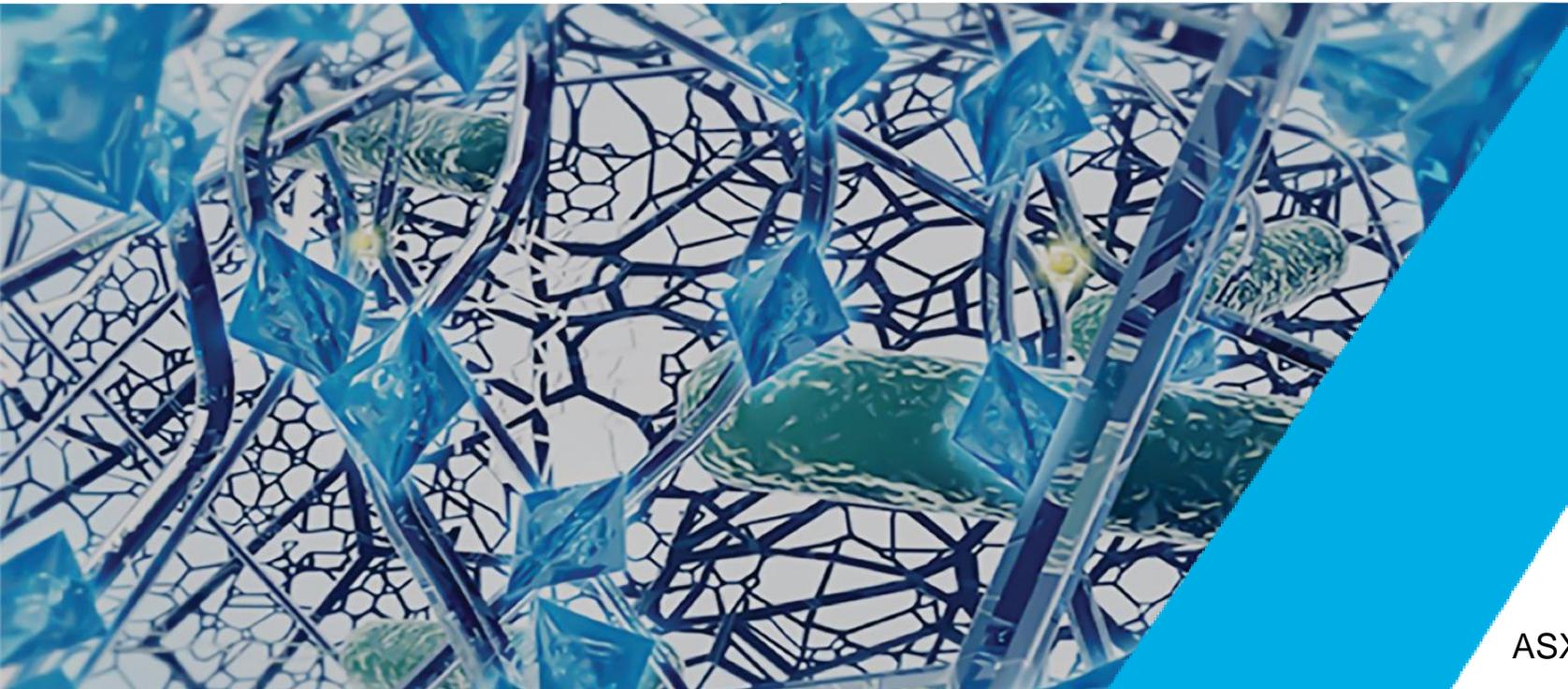


Innovations powered by X<sup>BIO</sup>™ technology

# Next Science Limited Investor Presentation

May 2019



**NEXT SCIENCE®**

ASX: NXS

# DISCLAIMER

This presentation has been prepared by Next Science Limited ACN 622 382 549 (**Next Science**), based on information available as at the date of this presentation, and is provided for general information purposes only. No party other than Next Science has authorised or caused the issue of this document, or takes responsibility for, or makes any statements, representations or undertakings in this presentation.

This presentation is provided in summary form and is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. To the maximum extent permitted by law, each member of Next Science and each of their shareholders, directors, officers, agents, employees or advisers, and any of their respective affiliates or related bodies corporate, make no warranty or representation (express or implied) as to the accuracy, reliability, timeliness or completeness of the information contained in this presentation. Specifically, several matters referred to in the presentation remain under investigation and are subject to change or even elimination, depending on further research and investigation. Further, any opinions (including any forward looking statements) expressed in this presentation are subject to change without notice.

This presentation is not a prospectus, product disclosure statement, pathfinder document or any other type of public offer disclosure document for the purposes of the *Corporations Act 2001 (Cth)* (**Corporations Act**) and has not been, and is not required to be, lodged with the Australian Securities and Investments Commission. This presentation is only for persons who are Sophisticated Investors or Professional Investors for the purposes of section 708(8) or section 708(11) of the *Corporations Act* and is not for distribution to any other person.

This presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in Next Science, nor does it constitute financial product advice or a recommendation to acquire any

securities in Next Science. It is not intended to constitute legal, tax, accounting or other advice and does not take into account any individual's investment objectives, taxation situation, financial situation or needs.

This presentation may include forward-looking statements. Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "likely", "expect", "intend", "should", "could", "may", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Actual values, results or events may be materially different to those expressed or implied in this presentation depending on a range of factors. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements. No representation or warranty (express or implied) is made by Next Science or any of its directors, officers, employees, advisers or agents that any forecasts, projections, intentions, expectations or plans set out in this presentation will be achieved. Investors should form their own views as to these matters and any assumptions on which any of the forward looking statements are based and not place reliance on such statements.

An investment in the securities in Next Science is subject to known and unknown risks, many of which are beyond the control of Next Science, including factors and risks specific to the industry in which Next Science operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Next Science does not guarantee any particular rate of return or the performance of Next Science, nor does it guarantee any particular tax treatment. Before making an investment decision, investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances. Next Science is not licensed to provide financial product advice in respect of Next Science securities or any other

financial products.

To the maximum extent permitted by law, neither Next Science, nor any of its officers, directors, employees, agents and advisers, nor any other person, accepts any responsibility or liability for the content of this presentation including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of or reliance on any of the information contained in this presentation or otherwise arising in connection with it. This disclaimer also extends to all and any information and opinions contained in, and any omissions from, any other written or oral communications transmitted or otherwise made available to the Recipient in connection with this presentation.

The recipient agrees to keep permanently confidential all information contained in this presentation. This presentation may only be made available to those members of the recipient's staff who require to be directly involved in the appraisal of the opportunity and the recipient's bankers and professional advisors. It should not be made available to any other third party without the prior written approval of Next Science.

The distribution of this presentation to persons or in jurisdictions outside Australia may be restricted by law and any person into whose possession this document comes should seek advice on and observe those restrictions. Any failure to comply with such restrictions may violate applicable securities law.

To the full extent permitted by law, Next Science and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

# NEXT SCIENCE<sup>®</sup>

An established R&D company commercialising anti-biofilm solutions

Biofilms represent 90% of all bacteria and pose a threat to humans, animals and the environment

XBIO is the only non-toxic solution to deconstruct Biofilm and destroy the bacteria

**Founded 2012**  
Listed on ASX  
April 2019  
Market cap ~\$498m

**80,000**  
Patients treated  
with XBIO technology

**Multiple FDA clearances**  
with multiple international regulatory approvals pending

**Strong Revenue Growth**  
Established global distribution agreements

**Extensive pipeline**  
across Medical Devices, OTC Drugs and Pharmaceuticals

**17 Patents**  
49 Patent applications

# Corporate Overview

## Stock Overview

ASX code	NXS
Share Price (24 May 2019)	\$2.78
Market capitalisation @ \$2.78	\$498M
Total Shares on Issue	179.2m
Listed Shares (tradable)	65.7m
Escrowed Shares	113.4m
Options	10.7m
Shareholders (1,555 at listing)	3,265
Trading range (since listing)	\$1.24 to \$2.78
Average daily volume (since listing)	1.4m Shares

## Substantial Shareholders

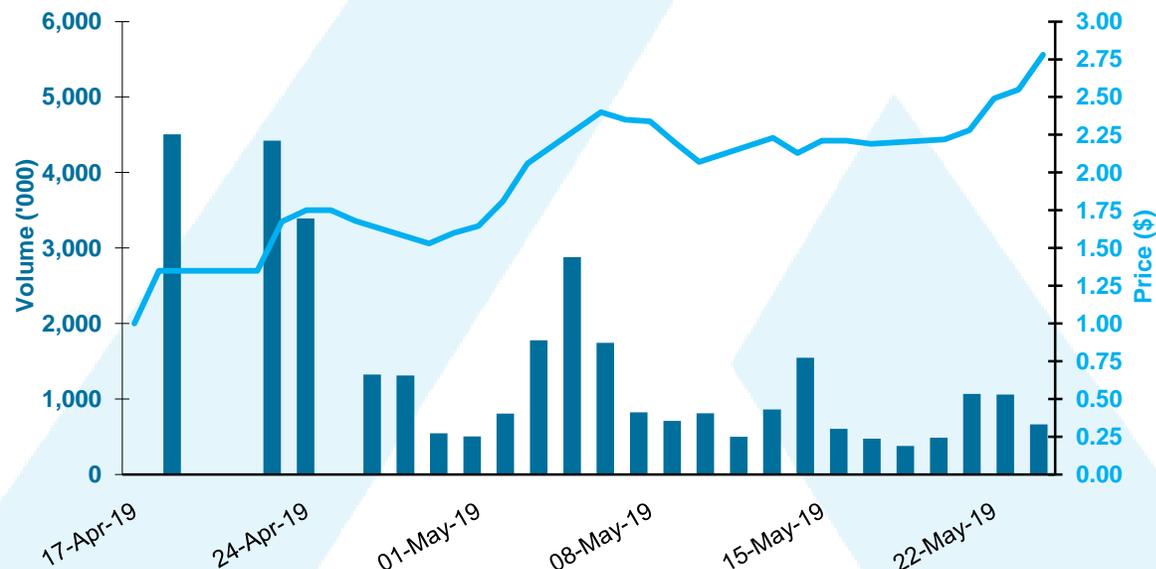
Auckland Trust Company Ltd*	25.96%
Walker Group Holdings Pty Ltd*	16.46%
Matthew Myntti (Founder & CTO)	11.53%
Judith Mitchell (Managing Director)	2.64%
Total Board & Management Shareholdings	15.4%

\* Entities related to Lang Walker

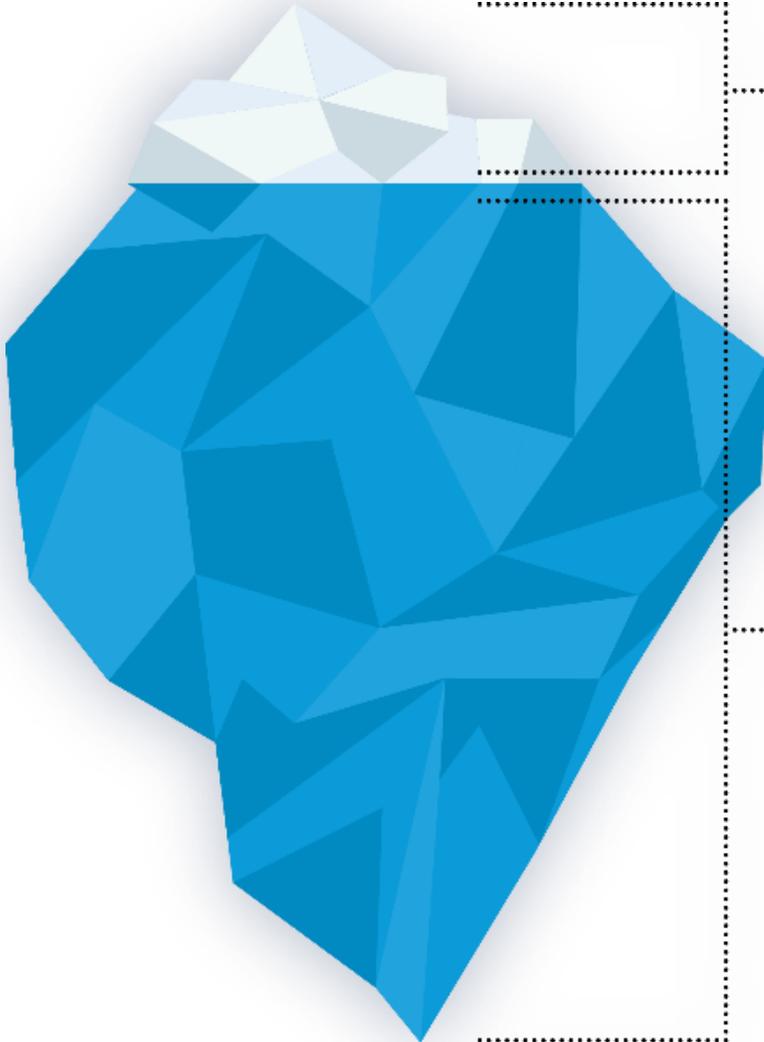
## Escrowed Securities

Shares escrowed until 26 June 2019	0.71m
Shares escrowed until 25 September 2019	0.07m
Shares escrowed until 18 April 2020	39.17m
Partly Paid Shares escrowed until 18 April 2020	0.65m
Shares escrowed until 18 April 2021	72.85m
Total Shares Escrowed	113.4m
Options escrowed until 18 April 2021	5.85m

## Share Price Performance and Volume



# Biofilm is a global healthcare problem



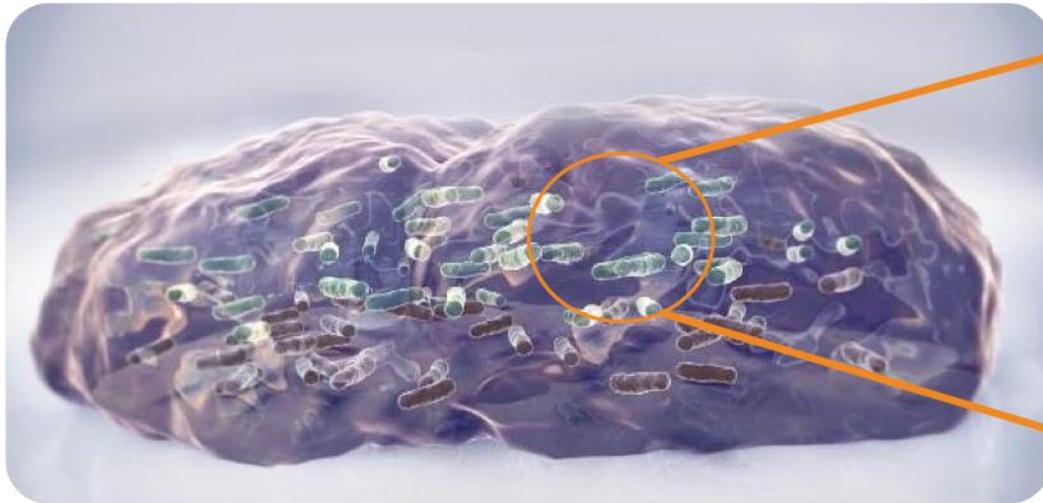
**10%**  
**OF BACTERIA ARE  
PLANKTONIC/  
FREE-FLOATING**

**90%**  
**OF BACTERIA  
EXISTS IN BIOFILMS  
STRUCTURE**

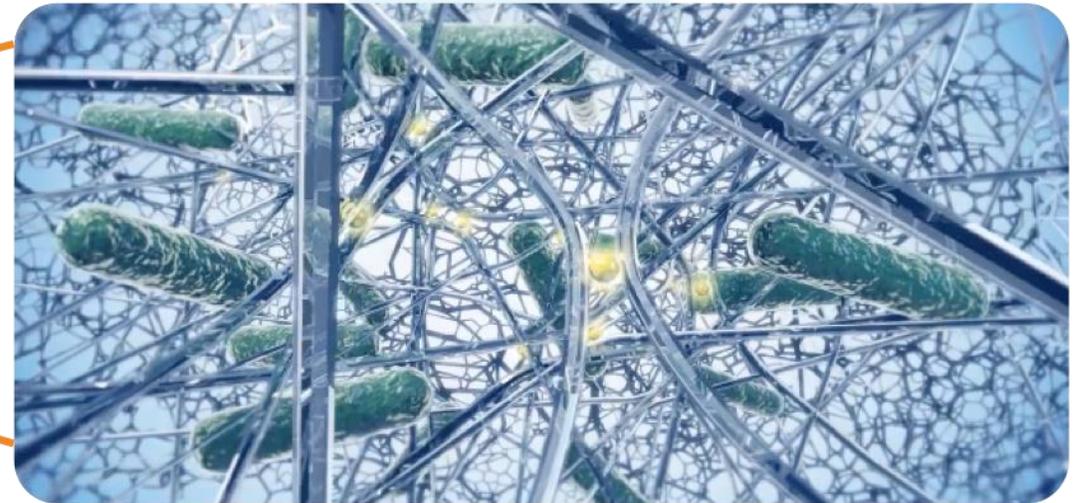
**Bacteria in BIOFILMS  
can become up to  
1000-fold more  
resistant to antibiotics  
and biocides when  
compared to  
planktonic  
counterparts.**

# Biofilm is a three-dimensional problem

- 1) PLANKTONIC PATHOGENS
- 2) BIOFILM-ENCASED PATHOGENS
- 3) ENCASING STRUCTURE



Polymicrobial community of organisms



Slimy tangles of protective polymer fibers linked with metallic bonds

# The problem with Biofilm and encased pathogens

## BIOFILM

---

### **BLOCKING EFFECTIVE TREATMENT**

- » Large molecules such as large-molecule antimicrobials, antibodies, and inflammatory cells
- » Biofilm matrixes act as diffusion barrier to small molecules like antibiotics

### **HYBERNATION** (quiescent bacteria)

- » Biofilm matrixes have developed a mechanism for a subpopulation to become metabolically quiescent (i.e., to hibernate)

## ENCASED PATHOGENS

---

### **MUTUAL PROTECTION**

- » Exhibit cooperative protective effects through RNA and DNA transfer
- » Some species can assist other species to attach and incorporate into the biofilm (quorum sensing)

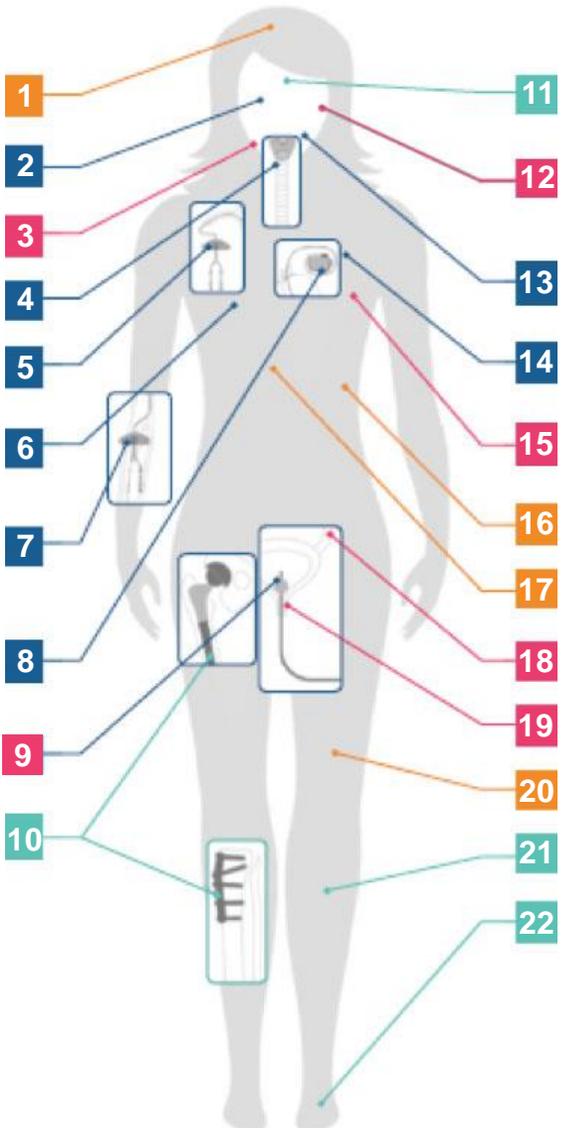
### **SEEDING**

- » Biofilm colonies can detach from the main colony and recolonize individually or in clumps

# Biofilms pose a far-reaching threat to humans, animals and the environment

## DEVICE-RELATED INFECTIONS

- 1) Ventricular derivations
- 2) Contact lens
- 3) Mouthwash
- 4) Endotracheal tubes
- 5) Vascular central catheters
- 6) Tissue fillers, breast implants
- 7) Peripheral vascular catheters
- 8) Prosthetic cardiac valves, pacemakers and vascular grafts
- 9) Urinary catheters
- 10) Orthopedic implants and prosthetic joints



## TISSUE INFECTIONS

- 11) Acne
- 12) Chronic otitis media, chronic sinusitis
- 13) Chronic tonsillitis, dental plaque, chronic laryngitis
- 14) Endocarditis
- 15) Lung infection in cystic fibrosis
- 16) Kidney stones
- 17) Biliary tract infection
- 18) Urinary tract infection
- 19) Vaginosis
- 20) Osteomyelitis
- 21) Surgical site infections
- 22) Chronic wounds

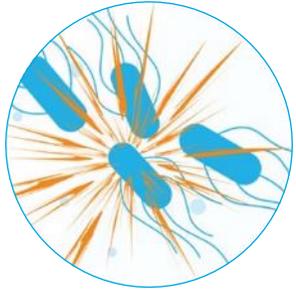
- Products developed and/or available
- In development
- Areas for research
- No research at this time

# Xbio™ - The Solution to Biofilm

---

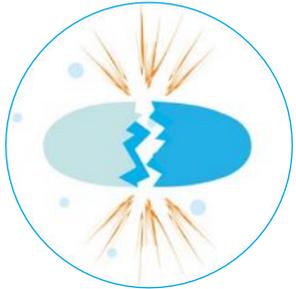
Xbio™ formulations leverage a patented composition-of-matter and method of action which encompass the non-toxic technology designed to physically break down the biofilm's protective structures. This exposes and eradicates bacteria that are enveloped within the technology and provides targeted therapy with no known antimicrobial resistance.

# The Solution – Xbio™ TECHNOLOGY



## DECONSTRUCT THE BACTERIAL BIOFILM BARRIER

Next Science's Xbio breaks the ionic bonds that hold the biofilm together. The polymers are then pulled into solution, effectively dissolving the biofilm barrier.



## DESTROY BACTERIA WITHIN THROUGH CELL LYSIS<sup>1</sup>

With the barrier dissolved, bacteria are exposed and more vulnerable to attack. Bacteria enveloped by Xbio technology experience cell lysis and are destroyed. Cell lysis is non-discriminatory destroying gram-positive and gram-negative bacteria, persister cells, and spores. There is no known resistance mechanism to cell lysis.



## DEFEND FROM RECOLONISATION

The periodic release of bacteria from biofilms has been linked to chronic relapsing infections.<sup>2</sup> Disrupting and destroying the biofilm barrier can reduce the rate of biofilm recurrence by up to 1,000 times, effectively defending against recolonization.<sup>3</sup> Unlike other agents that claim to destroy biofilms, there is no known evidence of bacterial resistance to the Xbio technology.

Xbio™ is the only non-toxic solution to deconstruct the bacteria's protective barrier. We've applied material science innovation to physically deconstruct the bacteria's protective structures, exposing and then eradicating bacteria through cell lysis<sup>1</sup>, rather than using toxic or resistance building ingredients.

# Xbio™ Family – Current Products

4 FDA CLEARED PRODUCTS CURRENTLY IN THE US MARKET, WITH SALES OF ACNE GEL TO COMMENCE IN AUSTRALIA IN 2019.

## Bactisure™

STERILE LAVAGE (WASH) TO REMOVE BIOFILM & BACTERIA FROM ANY OPEN SURGERY



FDA 510(k) clearance  
CE Mark and TGA approval  
expected in 2019

Sold in the USA through  
Zimmer Biomet, a world  
leader in orthopaedic  
implants

## SurgX™

STERILE WOUND GEL TO HELP REDUCE SURGICAL SITE INFECTIONS



FDA 510(k) clearance  
CE Mark and TGA  
approval expected in 2019

Sold in the USA by a Next  
Science sales team since  
October 2018

## BlastX™

ANTIMICROBIAL WOUND GEL FOR CHRONIC WOUNDS



FDA 510(k) clearance  
CE Mark and TGA  
approval expected in 2019

Sold in the USA through  
3M Company's Health  
Care Business

## TorrentX™

ANTIMICROBIAL WOUND WASH FOR USE BY NURSES, ACCIDENT & EMERGENCY AND HOME CARE



FDA OTC Listed  
(Monograph product)

Sold in the USA by a  
Next Science sales team  
since December 2018

## Acne Gel

NEXT SCIENCE ACNE GEL FOR THE TREATMENT OF CHRONIC ACNE



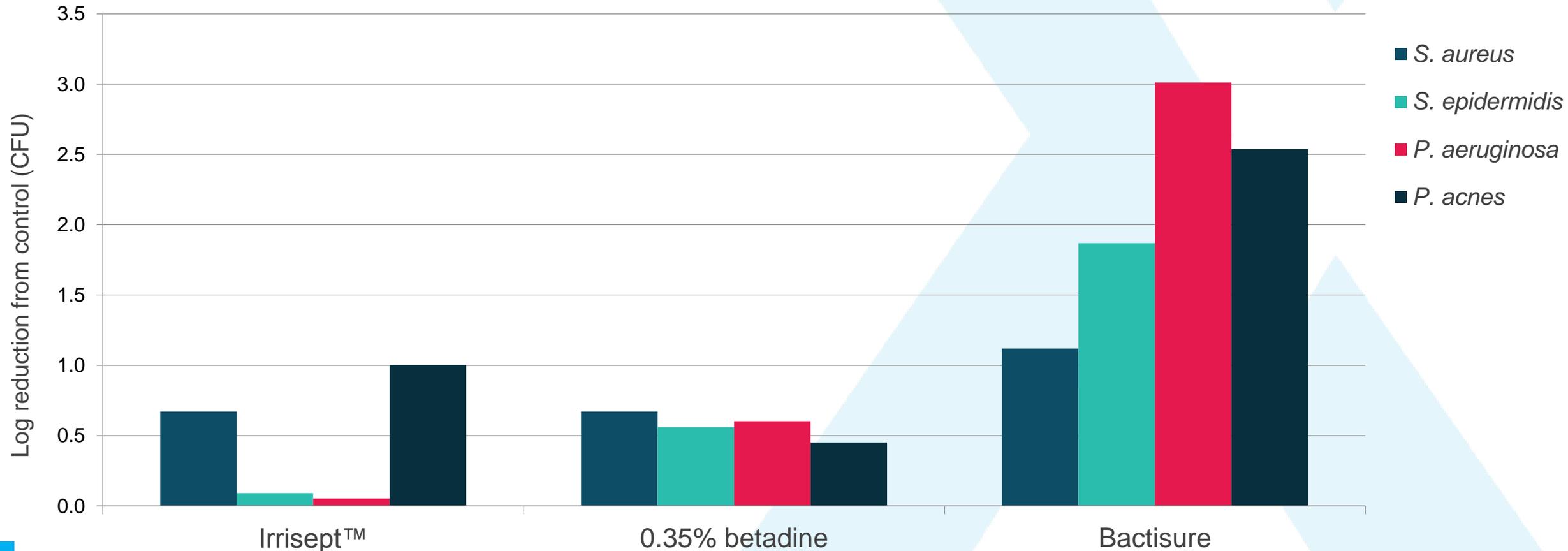
OTC Cosmeceutical  
Product

Distribution to commence  
in Australia in 2019 through  
the AST company, through  
their clinic network and  
online sales

# Xbio™ Bactisure Surgical Lavage

## Biofilm efficacy versus current technologies

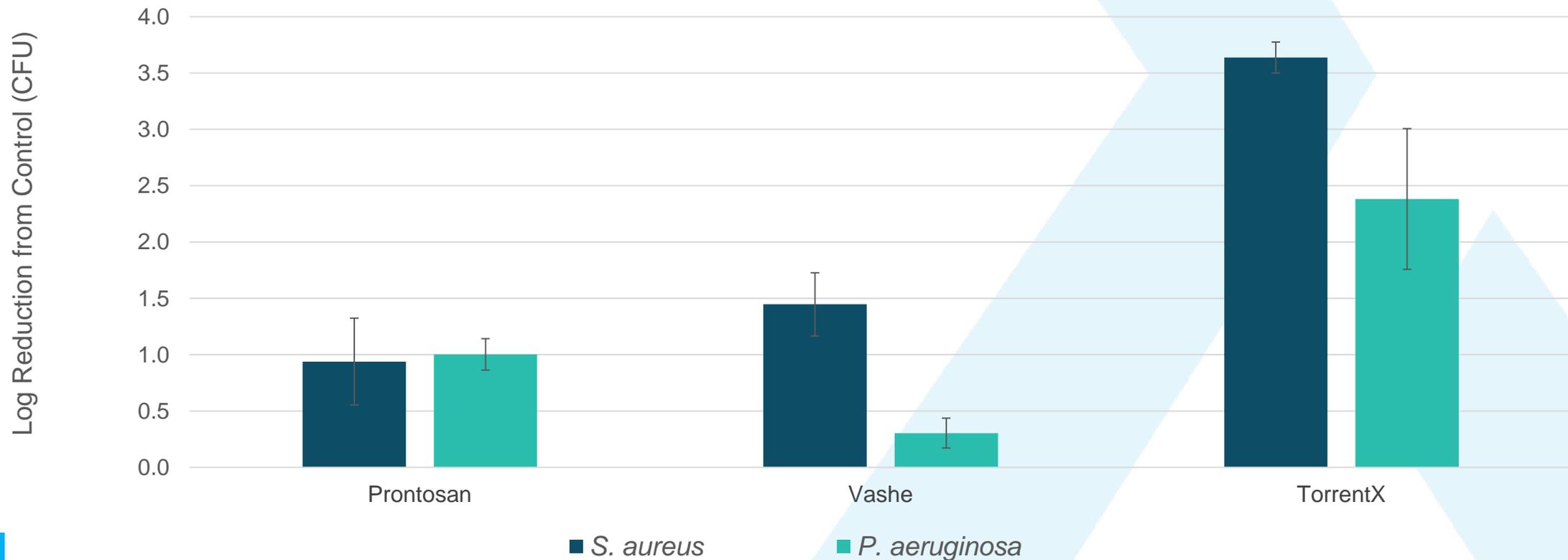
Montana State University (MSU) BIOFILM EFFICACIES OF SURGICAL LAVAGES— 1 MINUTE STATIC 72 HOUR BIOFILM, DRIP FLOW REACTOR MODEL



# Xbio™ Wound Wash (TorrentX) Biofilm efficacy MSU drip flow reactor model (3 day Biofilm)

MSU 20-SECOND FLOW + 1 MINUTE SOAK BIOFILM TESTING RESULTS SHOW TORRENTX EXHIBITS UP TO 8 TIMES MORE BACTERIAL BIOFILM LOG REDUCTION COMPARED TO COMPETITORS

MSU BIOFILM TESTING - 20 SECOND SPRAY + 1 MINUTE SOAK

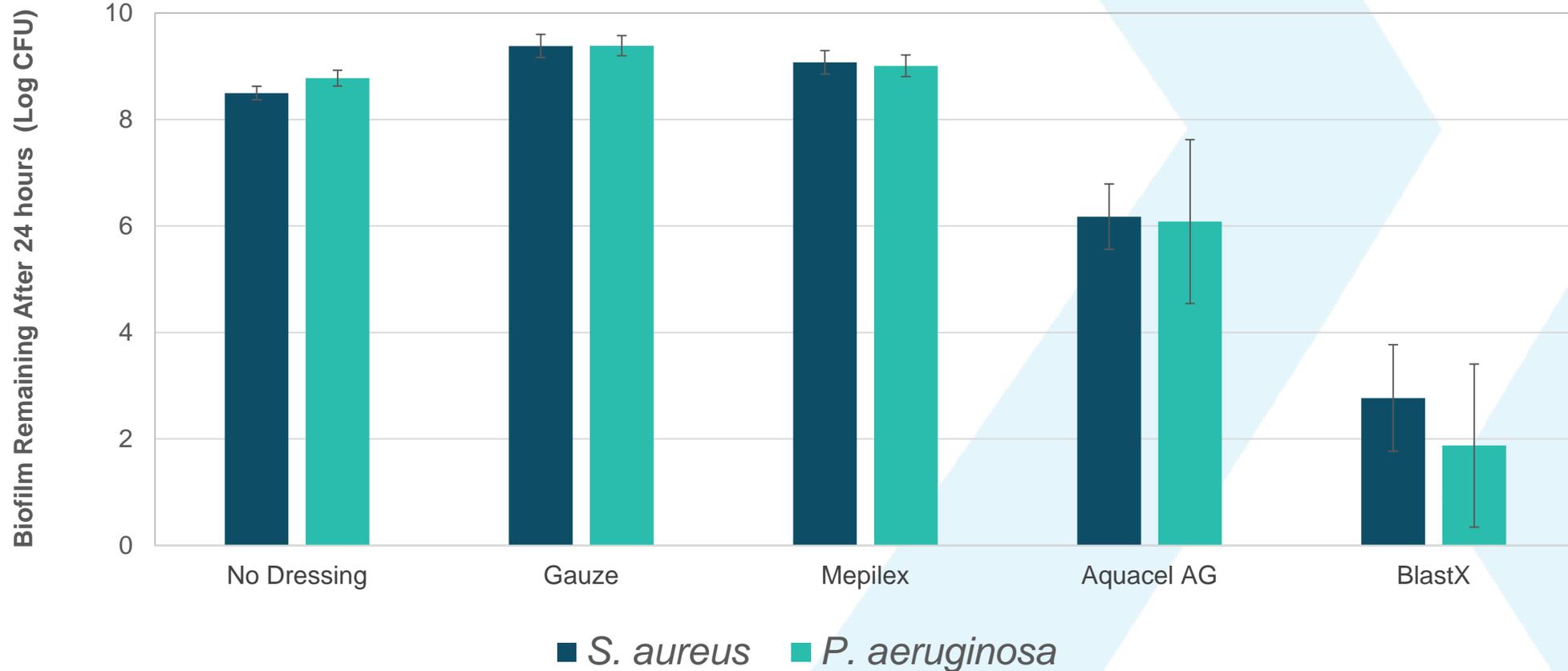


# Xbio™ Gel Products

## Biofilm efficacy versus current technologies

MONTANA STATE UNIVERSITY - CENTER FOR BIOFILM ENGINEERING RESULTS  
72 HOUR BIOFILM, DRIP FLOW REACTOR, 24 HOUR TREATMENT, ~8 LOG CONTROL

BLASTX COMPARISON TO SILVER DRESSINGS



# BLASTX Chronic Wound Care – Case Studies

## 67 YEAR OLD DIABETIC FEMALE WITH A HISTORY OF TRAUMA TO THE LOWER LEG



Recalcitrant chronic wound 3.5 cm wide



Total wound closure after 4 weeks treatment with BlastX

## 84 Y/O MALE, TYPE II DIABETES, KIDNEY FAILURE, HYPERTENSION, MULTIPLE CANCERS – RIGHT FOREARM LOOP GRAFT BECAME INFECTED



4.7 cm wound, unresponsive to standard care, surgery and antibiotics for >8 months



Patient's wife applied BlastX with dressing changes every 2 days. Bridged to 2 smaller wounds after 1 week



Continued therapy and returned 2 weeks later, wound healed

# Large Market Opportunity

## COST AND TREATMENT IN THE US

Next Science products touch a breadth of applications across many medical specialties as they address the issues of chronic infection.

### PROSTHETIC JOINT INFECTIONS

**200K** REVISIONS PER ANNUM

**\$4B** USD COST OF TREATMENT

### SURGICAL SITE INFECTIONS

**3 - 15%** INCIDENCE PER ANNUM

**\$3.5-10B** USD COST OF TREATMENT

### CHRONIC WOUNDS

**6M** PATIENTS PER ANNUM

**\$50B** USD COST OF TREATMENT

### CHRONIC SINUSITIS

**16-32M** WASHOUT PATIENTS PER ANNUM

**\$60-65B** USD COST OF TREATMENT

### FUNGAL NAIL TREATMENTS

**45M** PATIENTS PER ANNUM

**\$2.6B** USD COST OF TREATMENT

### CHRONIC OTITIS MEDIA (MIDDLE EAR INFECTIONS)

**3M** US SURGERIES PER ANNUM

**\$24B** USD COST OF TREATMENT

# Products Currently in Market

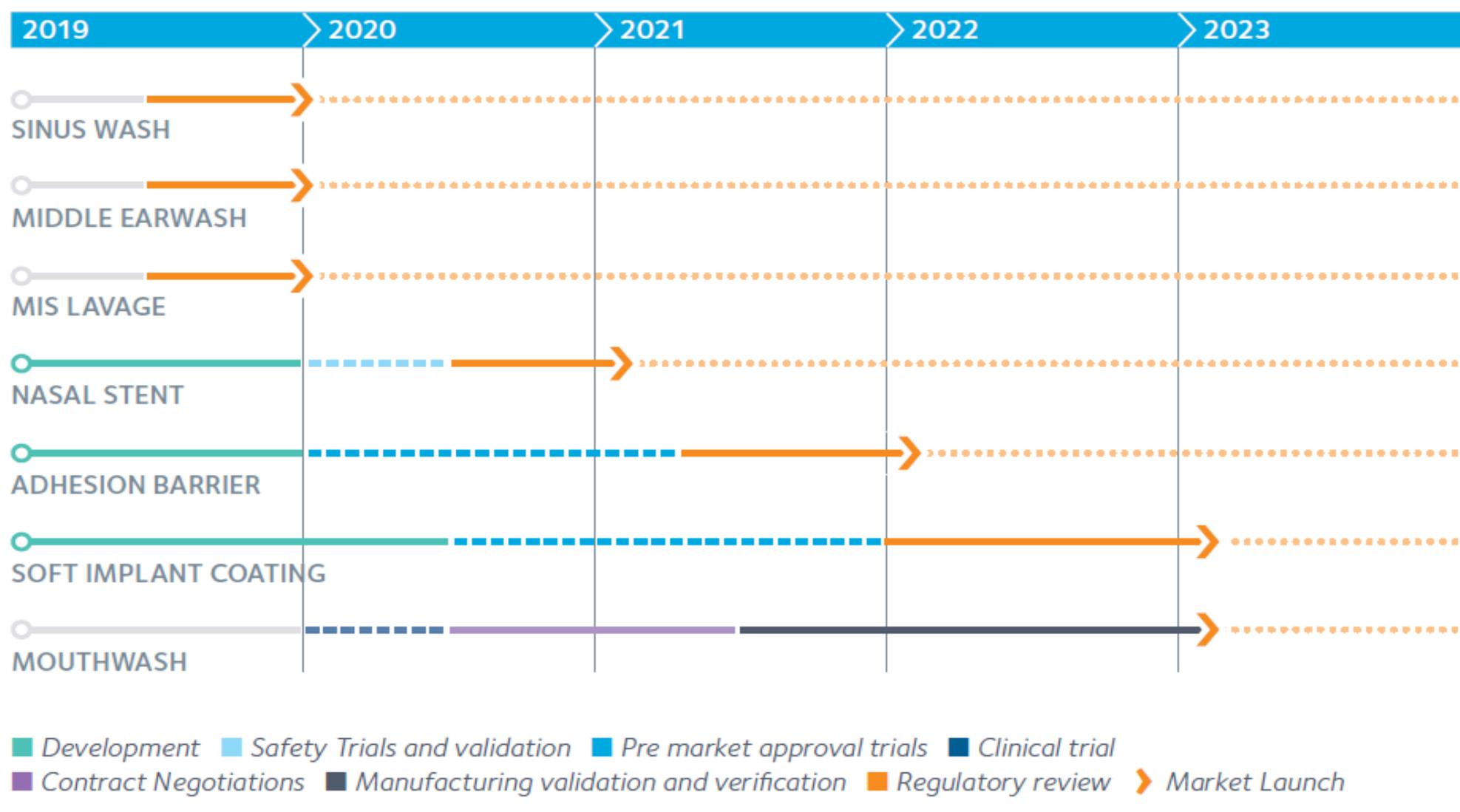
PRODUCT	INDICATIONS	MARKET SIZE	COMMERCIALISATION
<b>Bactisure Surgical Lavage</b>	Removes biofilm and bacteria from any open surgery Shown to be effective in treating Prosthetic Joint Infection (PJI) Other surgical fields to be explored in 2019	Overall market ~100M procedures a year ~Target 1M procedures p.a. 2019 Minimum 46,000 procedures	<b>Zimmer Biomet</b> – Global distribution agreement Market Leader in Joint Replacements (US\$7.8B Annual Revenue), with a global sales force Contract includes take or pay minimum purchases for 20 years April 2017, started marketing in Revision surgeries June 2018 - moved to Primary Joint Surgeries using the US Reconstruction sales network Expanding to all Open surgeries in US 2019, and to Europe Q4, 2019
<b>BlastX Antimicrobial Wound Gel</b>	Any topical wound, or 1st or 2nd degree burn Effective in the treatment of chronic wounds (Diabetic Foot Ulcers, Venous Leg Ulcers) and topical wounds	Global patient population 10M per annum US Expenditure \$50B	Global distribution with <b>3M</b> commenced in 2019 In 2018 BlastX was sold by a Next Science direct sales force Contract includes take or pay minimum purchases for 3 + 3 years
<b>ACNE Cream (OTC Product)</b>	Acne – Problem Skin OTC / Cosmeceutical Market	Globally \$5B market	Exclusive distribution through <b>Advanced Skin Technology's</b> 3,000+ clinic network, and non-exclusive online sales in Australia/NZ to start in H2 2019 Combination of other OEMs for distribution and royalty models under discussion
<b>TorrentX Wound Wash (OTC Product)</b>	Wound wash for all wounds/ non sterile environment	~10M Chronic Wounds ~Accident and Emergency	Distribution agreements in discussion Product released in USA in December 2018 via internal sales team
<b>SurgX – Antimicrobial Sterile Wound Gel (Medical Device)</b>	Added as a topical treatment when closing a surgical site to prevent surgical site infection (SSI)	~200M surgeries a year	Distribution agreements in discussion Product released in USA in October 2018 via internal sales team and commission based distributors

# 2019 Product Submissions

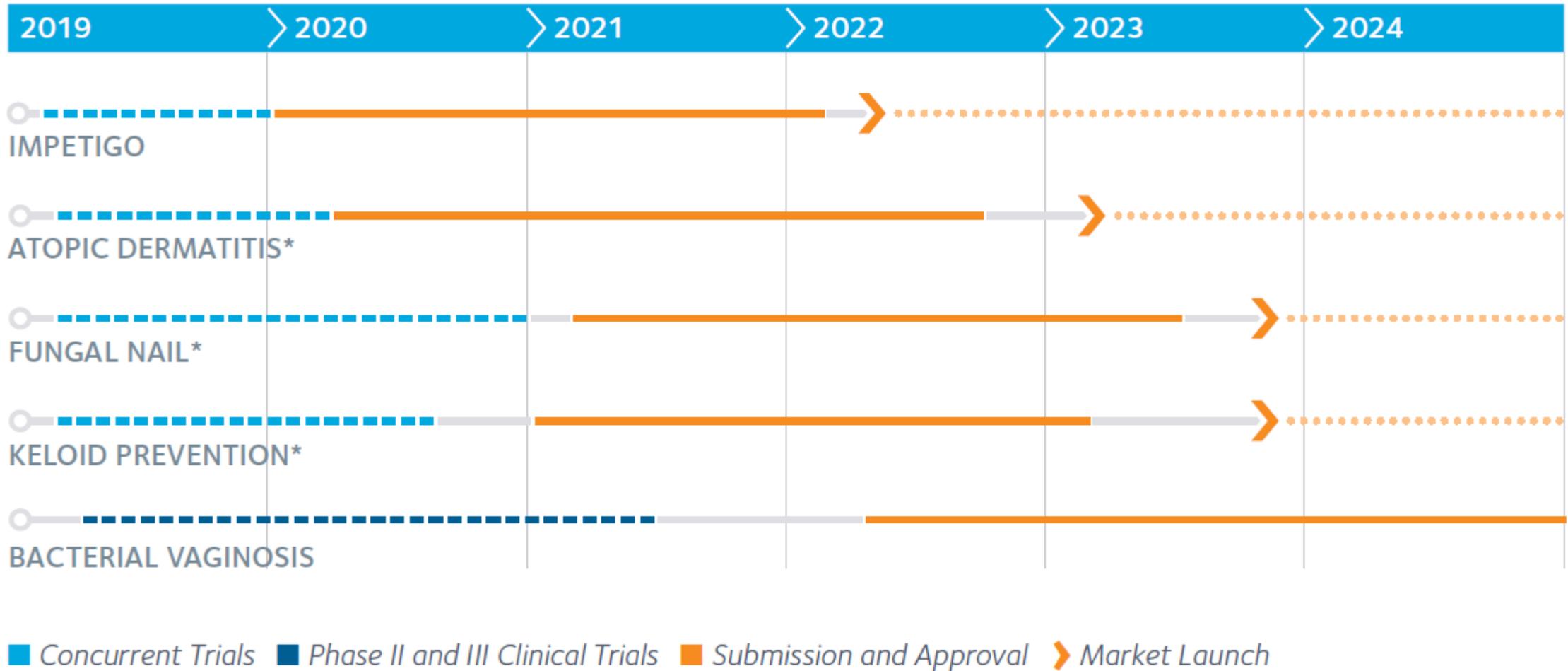
## Medical Devices

PRODUCT	INDICATIONS	MARKET SIZE	COMMERCIALISATION
<b>Sinus Wash</b>	Chronic Sinusitis treated with Functional Endoscopic Sinus Surgery (FESS) or Washouts	~1M FESS Surgeries a year	Distribution agreement with Grace Medical (slide 27) Being submitted for approvals: FDA CE, Canada & Australia
<b>MIS Lavage (Minimally Invasive Surgery)</b>	Antimicrobial wash out for minimally invasive surgical procedures, endoscopies, colonoscopies, arthroscopies	~100M Procedures/ Surgeries a year	Distribution agreements in discussion Being submitted for approvals: FDA & CE
<b>Middle Ear Wash</b>	A wash for the Middle Ear during a tympanoplasty procedure. For patients with chronic ear infections, that have chosen to have grommets and tubes inserted to try to resolve the infection	Chronic active or suppurative otitis media affects 65 to 330 million people worldwide	Distribution agreements in discussion Being submitted for approvals: FDA & CE

# Development Plan – Medical Device Products



# Pharmaceutical Developments – Pharmaceutical Products



\*These products will be submitted through the 505 2(b) Drug Approval Pathway.

# Board of Directors



**GEORGE SAVVIDES**  
INDEPENDENT  
CHAIRPERSON

George Savvides has 30 years of experience in the Australian & NZ healthcare sector, including sitting on a number of company Boards. He was CEO of two successful IPO listings on the ASX, Sigma in 1999 and Medibank Private in 2014. He served as Medibank CEO for 14 years.



**DAN SPIRA**  
NON-EXECUTIVE  
DIRECTOR

Dan Spira is the CEO of iNova Pharmaceuticals. Previously Vice President at Valeant Pharmaceuticals / Bausch + Lomb from 2011 to 2015. Prior to Valeant, Mr. Spira spent over 15 years at Johnson & Johnson progressing through a range of sales, marketing and general management roles.



**JUDITH MITCHELL**  
MANAGING  
DIRECTOR

Judith Mitchell joined Next Science as CEO in October 2017. Previously Ms. Mitchell was President, DePuy Synthes Asia Pacific, the Orthopaedics Division of Johnson and Johnson, holding the same role at Synthes GmbH prior to acquisition. Prior to that, Ms. Mitchell held various executive management roles at Cochlear and GE Medical Systems.



**AILEEN STOCKBURGER**  
NON EXECUTIVE  
DIRECTOR

Aileen Stockburger is a highly accomplished Strategic Planning and Corporate Transaction Executive with proven expertise backed by an extensive portfolio of successful business development deals. Ms. Stockburger currently sits on various corporate boards and advises companies in areas of business development and corporate transactions. Previous she had held multiple business development and finance roles within Johnson and Johnson where she was responsible for numerous M&A, licensing agreements and divestitures across the corporation.



**BRUCE HANCOX**  
NON-EXECUTIVE  
DIRECTOR

Bruce Hancox is currently a director of a number of listed and private Australian and New Zealand companies. He previously held a number of senior roles at Brierley Investments Ltd. in New Zealand as General Manager, Group CEO and Chairman, as well as serving on the board of a number of their subsidiaries.



**MARK COMPTON**  
NON EXECUTIVE  
DIRECTOR

Mark Compton is an experienced Non-Executive Director and CEO in healthcare and life sciences organisations including Australian Securities Exchange (ASX) listed companies. Mark is Chairman and Non-Executive Director of Sonic Healthcare Limited (ASX: SHL), a global medical diagnostics and healthcare organisation. Sonic is a Top 50 ASX listed company. Mr Compton was a non-executive director on the board of MQ Health and is Chairman of St Luke's Care and has held various Chief Executive Officer/Managing Director roles including of St Luke's Care, Immune System Therapeutics Limited, Royal Flying Doctor Service of Australia, SciGen Limited and Alpha Healthcare Ltd.

# Experienced Management team



**JUDITH MITCHELL**  
MANAGING  
DIRECTOR

Judith joined Next Science as CEO in October 2017. She is a seasoned executive in the Healthcare Sector with an enviable track record of success. Prior to joining Next Science, Judith was President DePuy Synthes, Asia Pacific and her executive experience further includes Senior roles with Cochlear and GE Medical Systems.



**DR. MATTHEW MYNTTI**  
CHIEF TECHNOLOGY  
OFFICER

Dr. Myntti is the founder and CTO of Next Science where he leads the product development, research and innovation activities for the company. Dr. Myntti received his Master's and Doctoral degrees in Materials Science and Engineering from the University of Dayton and has in excess of 25 granted US patents. Prior to founding Next Science, Dr. Myntti led the biomaterials group at Medtronic Surgical Technologies.



**JON SWANSON**  
CHIEF OPERATING  
OFFICER

Jon oversees the Quality, Operations and Regulatory teams to deliver on development timelines and meet the goals set with our commercial partners. Jon joined Next Science from McKinsey, where he worked with various Fortune 500 companies to improve their product development and operations capabilities. Prior to McKinsey Jon was with Medtronic in a variety of senior leadership roles.



**JACQUELINE BUTLER**  
CHIEF FINANCIAL  
OFFICER

Jacqueline is a qualified Chartered Accountant with broad European and Australian experience in a variety of financial roles. Prior to joining Next Science, Jacqueline worked as CFO and Company Secretary at Avira Resources Limited where she supported a successful ASX listing.



**BYRON DARROCH**  
PARTNERSHIPS

Byron leads the Partnership team for Next Science and is an accomplished business executive. He has a track record of delivering accelerated growth through implementation of innovative models and strategies. Prior to joining Next Science, Byron was General Manager at Atomo Diagnostics where he helped bring large-scale HIV self-testing to the global market.

# Business Update

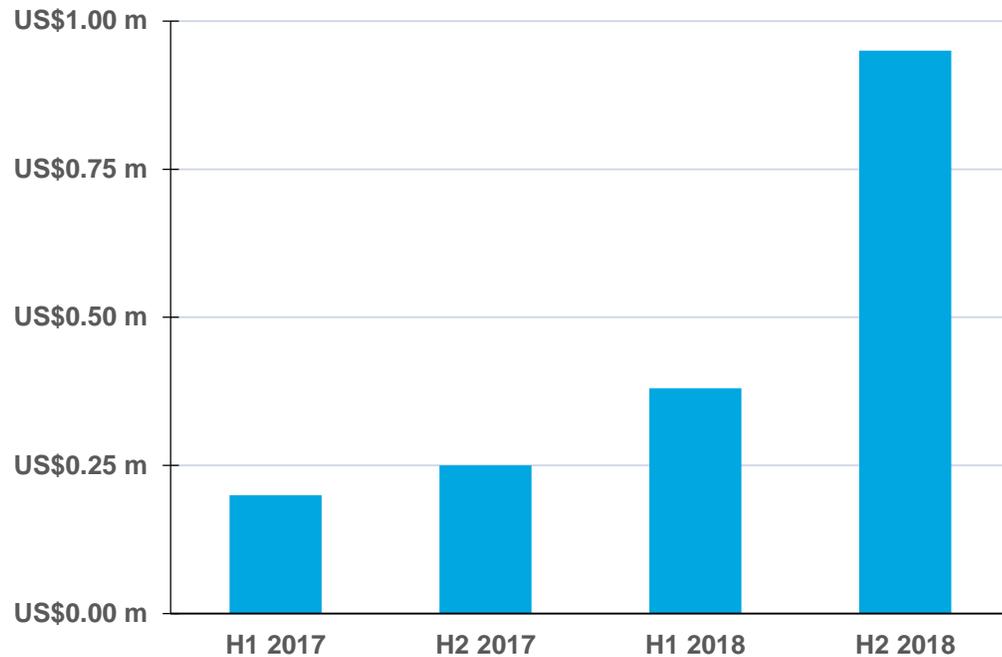
## FY 2019 Year to Date

- Q1 FY19 Sales
- New Scientific findings
- Regulatory update
- Commercial update
- Patents update
- Outlook

# Rapid Market Penetration

## SALES REVENUE SINCE PRODUCT LAUNCH

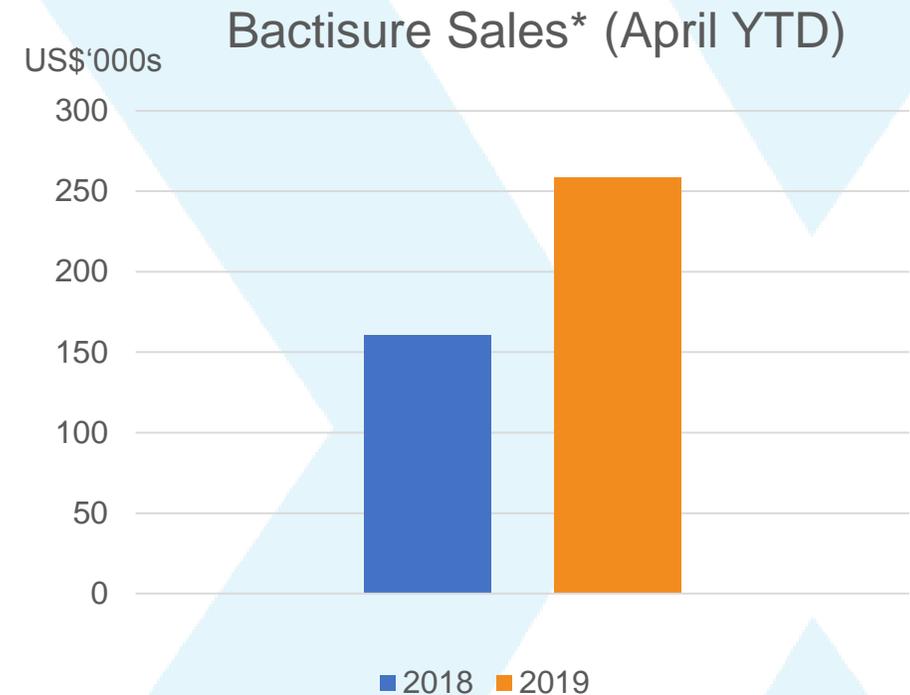
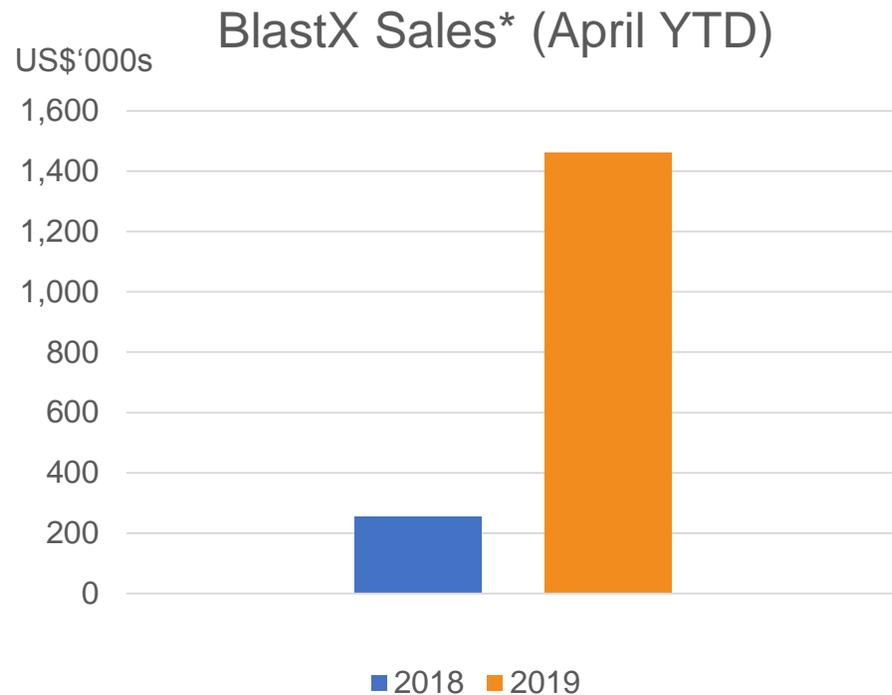
### BACTISURE SALES REVENUE



### BLASTX SALES REVENUE



# Strong Sales Growth continues in 2019



- BlastX distribution transitioned to 3M sales force in Q1 2019
- 3M sales training occurred in February
- Maintained top 24 BlastX customers and grew customer base
- 10 person partner support team to support the KCI Advanced Wound Care sales team, post the 3M acquisition of Acelyty (KCI wound care products)

- 61% sales growth vs prior YTD
- Growing use of Bactisure outside of orthopaedics eg Breast reconstruction

# Recent Scientific Presentations

## **In vitro Evaluation of Biofilm Disrupting Agents (BDA) against *Candida auris* and other *Candida* species**

Authors: Jose A Vazquez<sup>1</sup>, Sushama Wakade<sup>1</sup>, Matt Myntti<sup>2</sup>, Elias Manavathu<sup>1</sup>

Medical College of Georgia at Augusta University, Augusta, GA, 2.Next Science, Jacksonville, FL., USA

Products tested: BlastX, TorrentX and Next Science Surface Disinfectant

Presented ECCMID Meeting April 13-16, 2019 Amsterdam, Netherlands

### **Conclusion:**

The use of these novel BDAs with excellent antimicrobial and antifungal activity make them very valuable in eradicating surface and wound colonization of *Candida* sub species, including the MDR-*C. auris*, and thus possibly decrease the spread of this *Candida* sub species.

---

## **A novel disruptive agent influences the wound healing process (animal study)**

Author: Kayla Bounds

Texas Tech University Medical Health Centre, Lubbock TX, USA

Presented SAWC May 7 – 10, 2019 San Antonio TX

### **Conclusions:** (In mouse studies)

- » BlastX prevents overexuberant inflammation in a clean wound by reducing the level of pro-inflammatory cytokines while promoting the appropriate formation of blood vessels by increasing CXCL10 on Day 1
- » BlastX accelerates wound healing by enhancing the numbers of M2 macrophages on day 3
- » BlastX advances re-epithelialization on day 7 increasing levels of C/C involved in keratinocyte hyperplasia

# Commercial Development: Appointment of Sinus Partner



## Partner, Deal & Product

### Grace Medical (GM)

- » US-based Grace Medical, is a recognized global market leader in the ear, nose, throat (ENT) marketplace.
- » It offers an extensive range of products for use in ENT procedures.

### Deal

- » Grace Medical appointed as exclusive distributor of Next Science Sinus Lavage in USA, Europe, Australia & other key markets.
- » Grace Medical has committed to meeting stipulated performance criteria, NXS has maintained flexibility should Grace Medical not meet these measures.
- » The 5 year distribution agreement commences upon the date that NXS first obtains regulatory approval in any country within the territory granted to Grace Medical. It will automatically renew thereafter for successive 5 year periods subject to either party having a right to terminate on 6 months' written notice before the end of the initial or any subsequent terms and various other events which entitle a party to terminate.

### Product

- » NXS's Sinus Lavage, using Xbio™ Technology, is designed to be used as an adjunct to both FESS and balloon sinuplasty procedures to aid in the washing away and removal of debris, including microorganisms from the sinus cavities.
- » NXS expects regulatory submissions to be filed in the US and Europe Q3, 2019.

## Opportunity

### Opportunity

- » An estimated 40 million people in the USA and 35 million people in Western Europe have Chronic Rhinosinusitis (CRS).
- » In the US, ~1.3 Million people annually seek out an ENT specialist for treatment, with about 550,000 opting for Functional Endoscopic Sinus Surgery (FESS) typically once medical management of CRS has failed.
- » A relatively new procedure, balloon sinuplasty, which is a less invasive procedure, is also gaining in popularity.
- » These procedures, although effective, do not address the problem of biofilm in CRS. Microbial biofilms have been implicated as a cause of recalcitrant CRS.
- » In the case of CRS patients, biofilms may also be a significant factor to a stronger inflammatory response that perpetuates the sinusitis symptoms.
- » Independent research has shown that biofilms are one of the leading causes of antibiotic failure in CRS in patients.
- » In several studies, biofilms have been shown to be prevalent in anywhere from 45-100% of CRS patients.

# Product Regulatory Timelines

BlastX	<ul style="list-style-type: none"><li>• CE Mark Submitted, Canada Health – July, Australia Submission – H2 2019</li></ul>
Bactisure	<ul style="list-style-type: none"><li>• CE Mark under review, Canada Health – July, Australia Submission – H2 2019</li></ul>
TorrentX	<ul style="list-style-type: none"><li>• 510 (k) submitted expanding claims. As a 510 (k) device, TorrentX can be sold through the same channels into the hospital as existing Next Science products with expanded indications</li></ul>
Hard Surface Disinfectant	<ul style="list-style-type: none"><li>• Submitted to EPA with request for Biofilm effectiveness claim Q2 2019. Expected to be approved H1 2020</li></ul>
Sinus	<ul style="list-style-type: none"><li>• Submissions CE Mark, FDA 510 (k) – H2 2019, Canada and Australia – H2 2019</li></ul>
Middle Ear	<ul style="list-style-type: none"><li>• Submissions CE Mark, FDA 510 (k) – H2 2019</li></ul>
MIS Lavage	<ul style="list-style-type: none"><li>• Submissions CE Mark, FDA 510 (k) – H2 2019</li></ul>
Audit	<ul style="list-style-type: none"><li>• Qualified the business through the MDSAP audit, allowing the company to file previously FDA approved or CE Mark approved products in Canada, Australia, Japan and Brazil</li></ul>

# Expansion of Patent Portfolio

**17** PATENTS GRANTED    **49** APPLICATIONS PENDING TO DATE

Next Science Intellectual Property covers its Xbio™ platform technology and provides broad protection for the solution parameters of the given formulations. The patents cover the types of the ingredients (such as surfactants) not the specific ingredients.

Patents also cover the method of action as well as composition of matter. Specific patents cover claims in wound gel, acne treatment, oral rinse, post surgical disinfection and solid forms. Patent coverage now in China.



**PATENTS GRANTED: USA • EUROPE • JAPAN • AUSTRALIA**

**PATENTS PENDING: BRAZIL • CANADA • CHINA • INDIA**

# Outlook 2019 and beyond

- ▶ Sales growth expected to continue through compounding growth drivers
  - Increased market penetration of existing products in the US market
  - Further focus from 3M in wound care post acquisition of Acelity (global wound care products)
  - Geographic expansion of sales outside the US (Canada Q3, Australia Q4, Europe CE submitted)
  - Development and commercialisation of new products and applications in human health
  - Extension of technology into applications outside human health

---

- ▶ Acne product to launch in Australia in H2 2019
  - Additional products to enter the Australian market: BlastX, Bactisure – H2 2019

---

- ▶ TorrentX and SurgX distribution agreements under negotiation

---

- ▶ Strong R&D pipeline with new scientific findings continues to expand the applications for Xbio
  - Wider adoption of the technology by different medical specialties grows the clinical experience with the technology and expands the research base on the applications for the technology

---

- ▶ New Regulatory approvals expected in the US, Europe, Canada and Australia

# Investment Summary

- ▶ Unique, non-toxic technology with proven efficacy in eradicating both biofilm and bacteria
  - Solves a clear unmet medical need and avoids creating antibacterial resistance
  - Proven in over 80,000 patient treatments, multiple FDA Clearances with broad IP protection
- ▶ Proven commercial demand
  - Validated by global distribution agreements with industry leaders (Zimmer Biomet, 3M and Grace Medical)
- ▶ 5 products in market and 4 products submitted for clearance by end 2019 - targeting high value market segments with unmet needs
  - Extensive product pipeline across medical devices, OTC drugs and prescription pharmaceuticals
  - Key markets include Chronic Wounds US\$50b, Surgical Site infections US\$3.5-US\$10b, Prosthetic Joint infections US\$4b, Chronic Sinusitis US\$60b and many others
- ▶ Continuing sales growth outlook by leveraging distribution partners, new product and new market entry, and geographic expansion
- ▶ High margin (>80%) and highly scalable production via multiple contract manufacturers
- ▶ Strong management team and clear growth strategy
- ▶ Fully funded to accelerate commercialisation and product development

# NEXT SCIENCE<sup>®</sup>

Break through biofilm.

**JUDITH MITCHELL** MANAGING DIRECTOR

investorqueries@nextscience.com | +61 2 8607 5125 | NextScience.com

Additional biofilm education can be found at: [biofilm.healthcare](https://www.biofilm.healthcare)