



POWERED BY XBIO™ TECHNOLOGY

# Investor Presentation

8 August 2023

ASX - NXS

Approved by the Board

Next Science Limited ABN 47 622 382 549

Level 14, Australia Square

264-278 George Street , Sydney NSW 2000



**NEXT SCIENCE®**

# Disclaimer

This presentation has been prepared by Next Science Limited (**Company**) and is provided for general information purposes only. It is not a product disclosure statement, pathfinder document or any other disclosure document for the purposes of the *Corporations Act 2001* (Cth) and has not been, and is not required to be, lodged with the Australian Securities and Investments Commission (**ASIC**). It should not be relied upon by the recipient in considering the merits of the Company or the acquisition of shares in the Company. This presentation should not be considered an offer or an invitation to acquire or sell, or a solicitation to invest in or refrain from investing in, new shares in the Company or any other financial products.

This document has been prepared based on information available as at the date of this presentation. It contains selected summary information and does not purport to be all-inclusive, comprehensive or to contain all of the information that may be relevant or which a prospective investor may require in evaluations for a possible investment in the Company. It should be read in conjunction with the Company's periodic and continuous disclosure announcements which are available at [www.nextscience.com](http://www.nextscience.com) and [www.asx.com.au](http://www.asx.com.au). The recipient acknowledges that circumstances may change and that this presentation may become outdated as a result. This presentation and the information in it are subject to change without notice. The Company is not obliged to update this presentation.

The information contained in this presentation does not constitute investment, legal, tax, accounting or financial product advice nor any recommendation to acquire securities in the Company. This presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, the recipient should consider its own financial situation, objectives and needs, and conduct its own independent investigation and assessment of the contents of this presentation, including obtaining investment, legal, tax, accounting and such other advice as it considers necessary or appropriate. Any references to or explanations of legislation, regulatory issues, benefits or any other legal commentary (if any) are indicative only, do not summarise all relevant issues and are not intended to be a full explanation of a particular matter. The information in this presentation has been obtained from and based on sources believed by the Company to be reliable. Past performance is not an indication of future performance.

This presentation may contain forward-looking statements, guidance, forecasts, estimates, prospects, projections or statements in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate (**Forward Statements**). Forward Statements can generally be identified by the use of forward looking words such as "anticipate", "estimates", "will", "should", "could", "may", "expects", "plans", "forecast", "target" or similar expressions. Forward Statements including indications, guidance or outlook on future revenues, distributions or financial position and performance or return or growth in underlying investments are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No independent third party has reviewed the reasonableness of any such statements or assumptions. None of the Company, its related bodies corporate and their respective officers, directors, employees, advisers, partners, affiliates and agents (together, the **Next Science Parties**) represent or warrant that such Forward Statements will be achieved or will prove to be correct or gives any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any Forward Statement contained in this presentation. Except as required by law or regulation, the Company assumes no obligation to release updates or revisions to Forward Statements to reflect any changes. Recipients should form their own views as to these matters and any assumptions on which any of the Forward Statements are based and not place reliance on such statements.

All dollar values are in \$USD unless stated otherwise.

An investment in Company shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, 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. The Company does not guarantee any particular rate of return on its performance nor does it guarantee any particular tax treatment. Prospective investors should make their own enquiries and investigations regarding all information in this presentation, including the assumptions, uncertainties and contingencies which may affect future operations of the Company and the impact that different future outcomes may have on the Company.

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.

No party other than the Company has authorised, permitted or caused the issue, submission, dispatch or provision of this presentation, or takes any responsibility for, or makes or purports to make any statement, representation or undertaking in this presentation and there is no statement in this presentation that is based on any statement by any other party. No person, either as a director or partner of, or in the employment of, the Company has any authority to make, imply, or give any representation or warranty whatsoever in relation to the information contained in this presentation. None of the Next Science Parties take any responsibility for any information in this presentation or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Next Science Parties: exclude and disclaim all liability, including (without limitation) any liability for fraud or negligence, for any expenses, losses, damages or costs incurred either as a result of the information in this presentation being inaccurate or incomplete in any way for any reason, or otherwise arising in connection with this presentation; and make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation.

# New Leadership Team For A New And Exciting Growth Phase



**Harry Thomas Hall IV**  
(commonly known as I.V.)  
Chief Executive Officer

- ❑ 28-year career in global medical device industry encompassing diversity of management roles across product development, global strategic marketing, commercial operations and sales leadership
- ❑ Led global portfolio and execution strategy for a US\$3.2bn platform for the Global Orthopaedic Unit of DePuy Synthes
- ❑ Led team of over 1,100 professionals across sales, marketing, and R&D, establishing strong relationships with numerous key opinion leaders worldwide
- ❑ Inspirational leader with rare blend of scientific, clinical and commercial experience to drive NXS through next phase of growth



**Marc Zimmerman**  
Chief Financial Officer

- ❑ 29-year career holding CEO and CFO roles in businesses ranging from Fortune 15 to Not-For-Profit and Start-up operations. Diverse industry experience
- ❑ Various finance roles at Verizon over 15 years at Vice President and Director level
- ❑ Excellent pedigree in process improvement, Six Sigma and Lean methodologies
- ❑ Qualifications include Bachelor of Science in Business Administration and MBA-level certification in Measuring and Improving Business Performance

# Next Science Investment Highlights



## 7 Product Families

Across wound and surgical applications



## X BIO™ Platform

Deconstructs biofilm, destroys pathogens, & defends recolonisation



## Rapid Growth

92% growth in 1H FY23  
Product Sales yoy to US\$10.0m (unaudited)



## TAM >US\$12.5bn

Across existing products<sup>1</sup>



## Distribution

Direct and partner channels with increasing focus on direct channel



## Employee Headcount

104 – 59 Sales / 22 R&D (Jun.)



## IP

47 patents and 18 publications



## DME est. Oct. 22

Drives penetration into advanced wound care market

**Mission – The development and commercialisation of our proprietary unique non-toxic X BIO™ technology to reduce the impact of biofilm-based infections in human health**

1. TAM based on National Health Statistics Report, February 2017, SmartTRAK, NXS

# Company Overview



# How Does X BIO™ Work?



Deconstructs the biofilm

Removes metal ions of the EPS<sup>1</sup>, exposing pathogens within the biofilm



Destroys pathogens enveloped within the X BIO™ Technology

High osmolarity environment + cell membrane disaggregation induces lysis of bacteria within the product



Defends against recolonisation

Biofilm matrix cannot reform within the presence of X BIO™

**Unique mechanism of action, with no known resistance from bacteria to X BIO™ technology**

1. Extracellular polymeric substances

# Next Science's Unique Technology Driving Growth In Market Share

## Post Operative Surgical Complications

- Preventing surgical site infection (“SSI”)
  - 48 million hospital surgical procedures p.a.<sup>1</sup>
  - c.2 million SSIs occurring per year in the US
  - Fatalities in 3% of patients that contract SSI<sup>2</sup>
- Cost to US healthcare system of US\$25 – 40 billion p.a. which has increased 36% in past decade<sup>3</sup>
- Preventative technologies included in ‘Episode of Care’ costs paid by insurance companies or by CMS (Medicare / Medicaid)

**58% yoy growth in direct product sales of XPERIENCE™**  
**43% qoq growth in XPERIENCE™ hospital accounts to 203**

## Chronic Wound Care

- 8.2 million patients in the US<sup>3</sup>
- Causes deaths in 27.7% of patients within a 2-year period from first presentation<sup>4</sup>
- Cost to US healthcare system > US\$50 billion p.a.<sup>5</sup>
- Segmented market – federal market is deficit funded, so products purchased based on efficacy
- The commercial hospital market & private podiatry offices require products that are reimbursed by Medicare, Medicaid & Insurers

**99% qoq growth in DME Wound Care sales in Q2 FY23**  
**85% qoq growth in Wound Care prescribers**

1. National Health Statistics Report February 2017, NXS estimates
2. <https://psnet.ahrq.gov/primer/surgical-site-infections>
3. K Sen: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6389759/>
4. [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)
5. [Wound care by the numbers: Medicare cost and utilization of patients with chronic wounds \(beckershospitalreview.com\)](https://www.beckershospitalreview.com/wound-care-by-the-numbers-medicare-cost-and-utilization-of-patients-with-chronic-wounds)

# Surgical Products



# Infection Prevention Products Serve a US\$10bn Market

## XPERIENCE™

**Indication:** Prevention of surgical site infection

**TAM:** Surgical site infection in the c.US >\$7bn



**US Market:** 48 million patients p.a.

**Distribution Channel:** Direct + Zimmer

## SURGX™

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

**TAM:** Surgical site infection in the c.US >\$3bn



**US Market:** 48 million patients p.a.

**Distribution Channel:** Direct

## BACTISURE™ Surgical Lavage

**Indication:** Elimination of surgical site infection. Distributed globally through Zimmer Biomet



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

**Distribution Channel:** Zimmer

# XPERIENCE™ – Overview

XPERIENCE™ is positioned to become the Standard of Care in surgeries

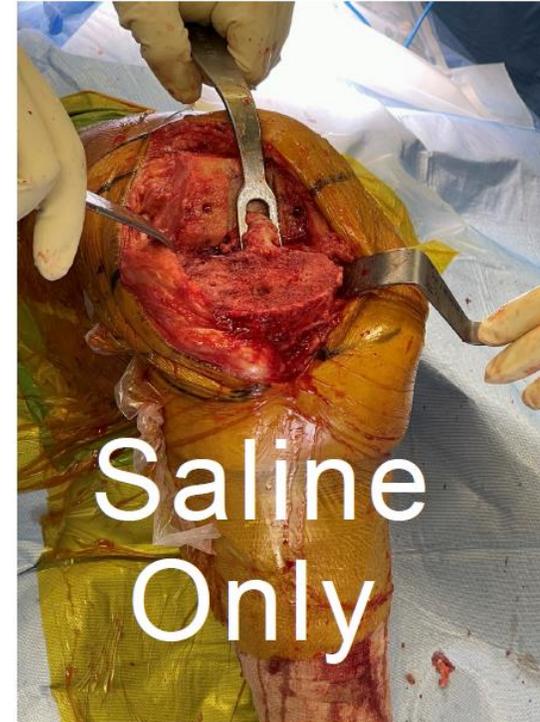
*First no-rinse anti-microbial solution for surgical procedures*

**Key characteristics include:**

- ✓ No rinse out required
- ✓ Non-toxic
- ✓ Broad efficacy against viruses, fungi, and bacteria
- ✓ No change to surgical protocol
- ✓ Easy to use & adopt
- ✓ Up to 5 hours residual protection

**Key benefits**

- **Patients:** Lower risk of surgical site infection and reduced inflammation leads to less pain and reduced opioid use
- **Surgeons:** Better patient experience, reduce re-admissions
- **Hospitals:** Cost savings through lower re-admission rates



A knee washed out with Saline prior to implant placement



A knee at the same time in surgery washed out with XPERIENCE™

# XPERIENCE™ – Distribution & Research

## Distribution strategy

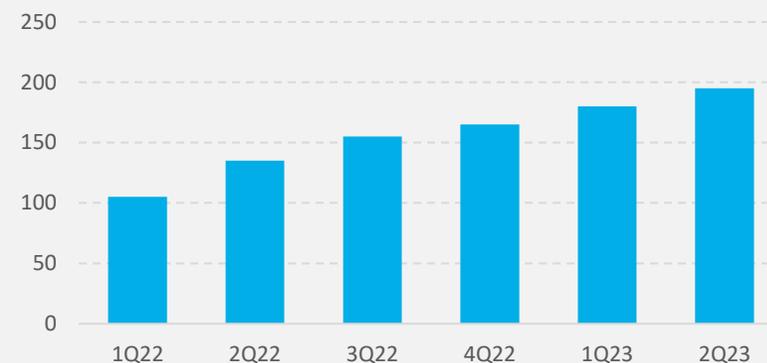
- Current market focus hip and knee replacement surgeries (2.8m+ p.a. by 2030<sup>1</sup>)
- Direct to market sales to 200+ hospitals, via contract sales distributors (over 200 sales reps), managed by 9 direct staff from Next Science
- Health Trust GPO agreement commenced 1 August 2023 (170,000 joint surgeries in their hospitals annually)

## Upcoming clinical research

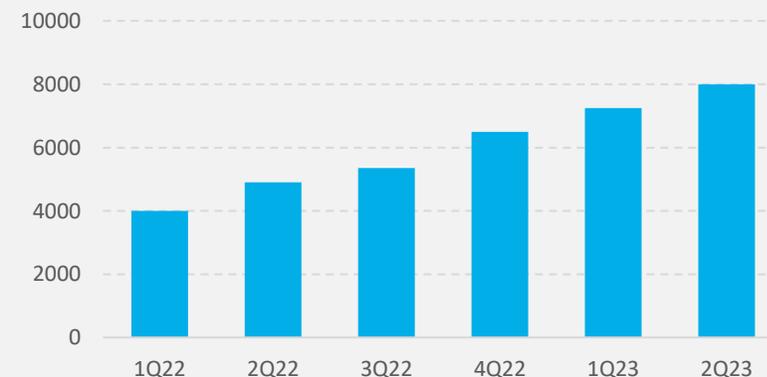
- Three retrospective studies to be released in 2H 2023, showcasing effectiveness of the product in preventing infection
- Major prospective study in infection prevention commenced in Canada (7,600 patients)

1. SmartTRAK

## XPERIENCE™ Hospital Customers



## Quarterly XPERIENCE™ Bottle Volume



# Wound Care Products



# Dispersing Biofilms, Reducing Infection, Promoting Healing

## BLASTX™ Antimicrobial Wound Gel

**Indication:** Treatment of chronic wounds, foot & leg ulcers, bedsores, pressure ulcers. US Direct distribution. ANZ through Oraderm



**US Market:** Cost >US\$50bn and 4m chronic wound patients p.a.

**Distribution Channel:** Direct

## Collagen

**Indication:** Treatment of chronic wounds, complementary to BLASTX™. US Direct distribution



**US Market:** >US\$3.0bn p.a.

**Distribution Channel:** Direct

## Acne Treatments

**Indication:** Treatment of acne and breakouts. Online and retail (Priceline) in ANZ with York St Brands



**Market:** Currently offered in Australia

**Distribution Channel:** Sold under license with royalties

1. American Professional Wound Care Association, SmartTRAK, NXS estimate  
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)

# BLASTX™ – Overview

## BLASTX™ Antimicrobial Wound Gel improves wound management

### Key characteristics include:

- ✓ Broad spectrum of efficacy
- ✓ Biocompatible and prevents bacterial growth within gel
- ✓ Provides a moist wound environment conducive to healing

### Indications include

- ✓ Stage I – IV pressure ulcers
- ✓ Partial and full-thickness wounds
- ✓ Diabetic foot and leg ulcers
- ✓ Post-surgical wounds
- ✓ First and second-degree burns
- ✓ Grafted and donor sites

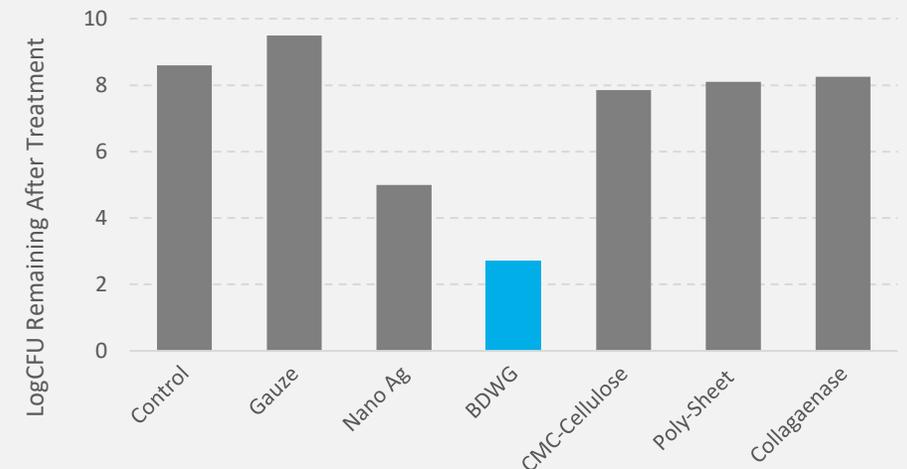
**Distribution:** Directly via Durable Medical Equipment segment and via third parties to federally funded Veterans Affairs sites

1. <https://www.mdpi.com/2079-6382/12/3/536>

## Clinical evidence

- Studies show BLASTX™ provides broad-spectrum efficacy and multi-log reduction in micro-organisms
- Next Science is conducting a user study on the combination of BLASTX™ with Collagen

## Anti-Biofilm Efficacy of Common Wound Care Products<sup>1</sup>



BDWG was the only product that achieved greater than 2-log growth reduction of a mature biofilm.

# Durable Medical Equipment (DME) Segment

## BLASTX™ is the competitive advantage for the DME Business

- Commenced in October 2022, DME is accredited across 40 US states for chronic wound treatments
- Medicare, Medicaid & major insurance reimbursable
- BLASTX™ is exclusive to Next Science and is the only product in the market shown to move a stalled wound to healing
- Collagen with BLASTX™ is currently offered to patients with chronic wounds as two distinct products in a box

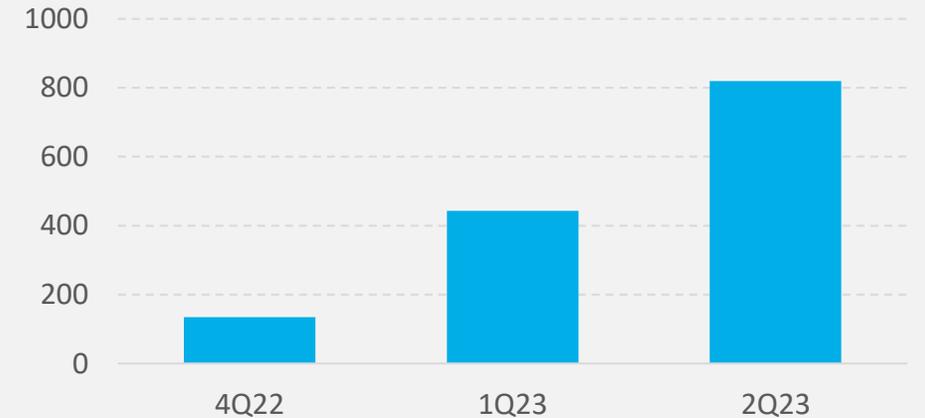
## DME Sales Force

- **Highly productive sales force** – 50% US\$500k+ p.a. and expect that team can all build to a US\$1m run rate through 2024
- 37-person sales force expected to expand to over 50 in 2024

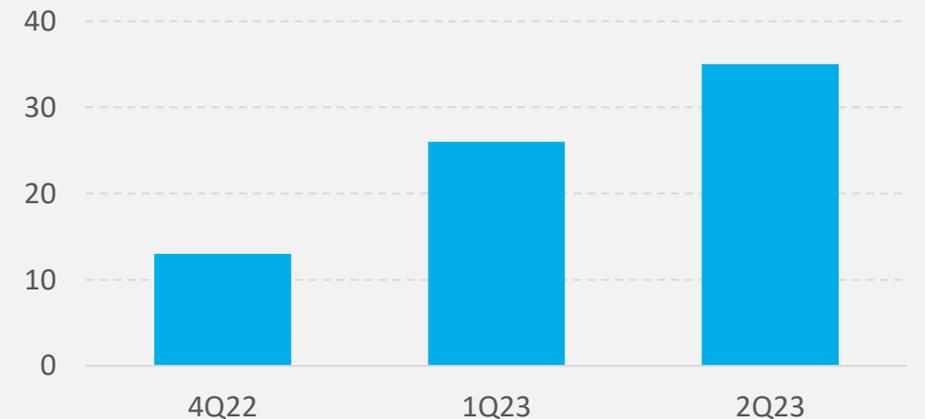
## New Product Development

- Plans to integrate BLASTX™ and Collagen into one product, with aim of submitting a 510k application to the FDA for integrated product

## Total Prescribers



## DME Sales Headcount



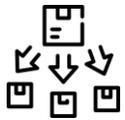
# Financial Overview



# Strong Financial Drivers



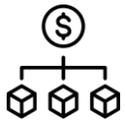
1 Strong revenue growth, with 1HFY23 Product Sales (unaudited) of US\$10.0m, up 92% yoy



2 Direct distribution channel emerging as clear avenue for growth in Next Science business



3 Gross margins in 1HFY23 65% – 70%, with upside as scale efficiencies are generated



4 Strong unit economics on sales force investments across DME and surgical business lines



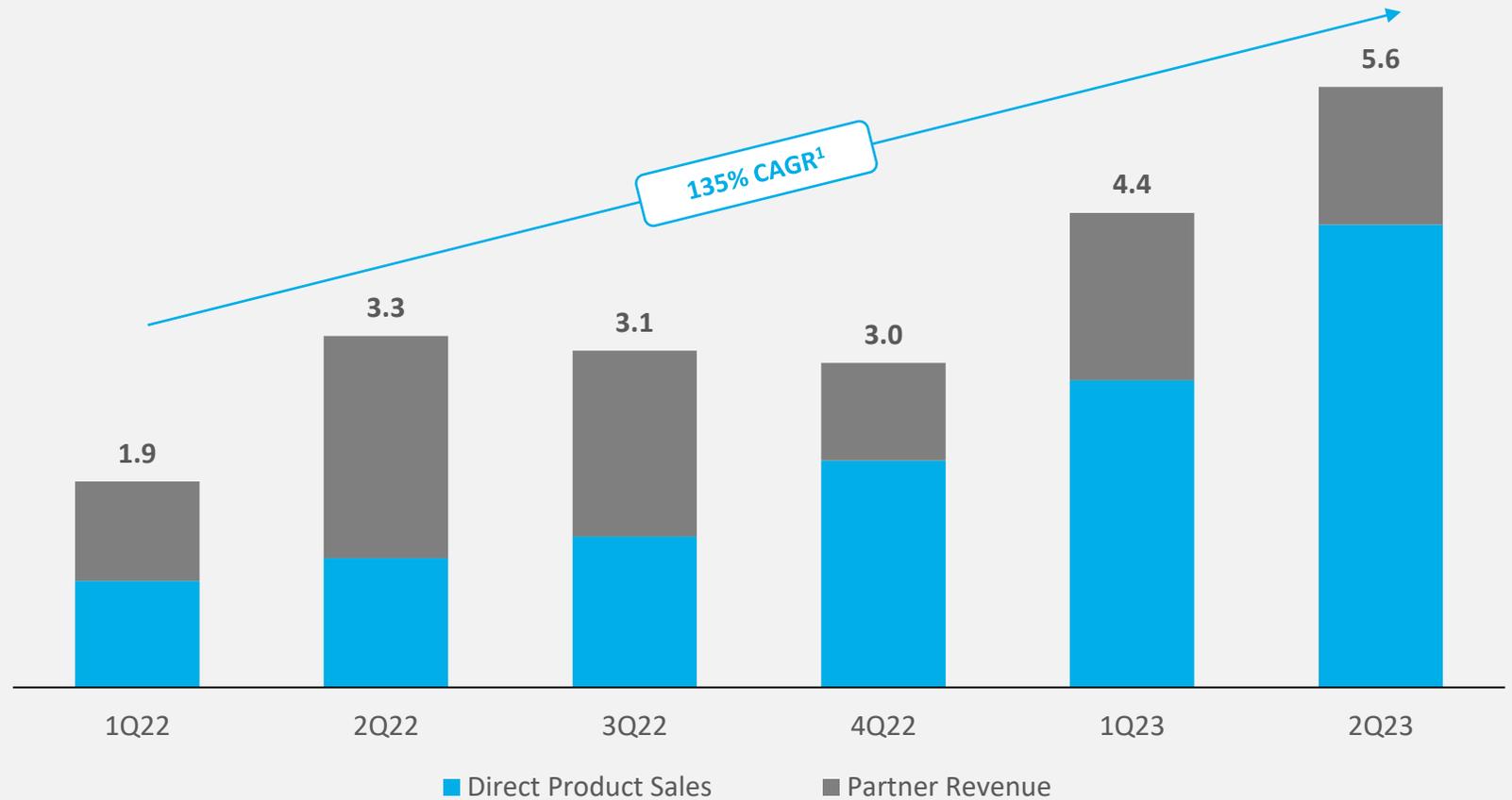
5 Pathway to positive EBITDA in 2024

# Financial Performance – 2QFY23

## Key highlights

- 92% yoy growth in 1HFY23 product sales to US\$10.0m
- 2QFY23 product sales (unaudited) of US\$5.6m
- 2QFY23 product sales up 27% qoq and 71% yoy
- Direct sales grew 50% qoq to US\$4.3m in 2QFY23
- Direct Sales increased to 77% in 2QFY23 sales, from 65% in 1QFY23

## Product Sales (US\$m)



Notes: 1. Compound Annual Growth Rate ("CAGR")

# Growth Strategy, Outlook and Upcoming Milestones





# Corporate Strategy

---

## 1. Drive XPERIENCE™ penetration

- **Distribution:** Utilise Health Trust Agreement to open new accounts, and expand field representation
- **Research:** Leverage research findings in existing accounts as well as new accounts to increase usage
- **Product:** Widen the XPERIENCE™ formats to support a wider customer base

## 2. Continued expansion of the Durable Medical Equipment Segment

- **Distribution:** Drive growth into Wound Care Centres, Long Term Acute Care, and Skilled Nursing Facility
  - Implement second site for fulfilment of DME orders
- **Product:** 510k application to the FDA for integrated BLASTX™ and Collagen product

## 3. Determine pathways for patented developments of other applications of XBIO™ technology

## 4. Accelerate the product pipeline for increased sales value on existing distribution networks

# Key Milestones

2023

2024+

## 2023 Milestones

- ✓ New Leadership Team appointed
- ✓ Development of DME segment
- ✓ Reached 200 hospitals in Surgical
- ✓ Health Trust GPO contract released
- Release of prospective randomised XPERIENCE™ study data
- Release of retrospective studies in XPERIENCE™
- Continue to build license agreements with strategic partners for geographic expansion

## 2024 Milestones

- Launch new distribution centre for DME segment
- Pathway to positive EBITDA in 2024
- Finalise product development of integrated BLASTX™ & Collagen product, and submit 510k FDA application
- Pursue additional GPO contracts

## 2025+ Milestones

- Major Canadian prospective study in infection prevention completed (7,600 patients)

# Investments Highlights



**XBIO™ platform** Deconstructs biofilm, destroys pathogens & defends recolonisation



**Positioning XPERIENCE™** to become the Standard of Care in surgical procedures



**Strong distribution network** in place with growing focus on direct channel



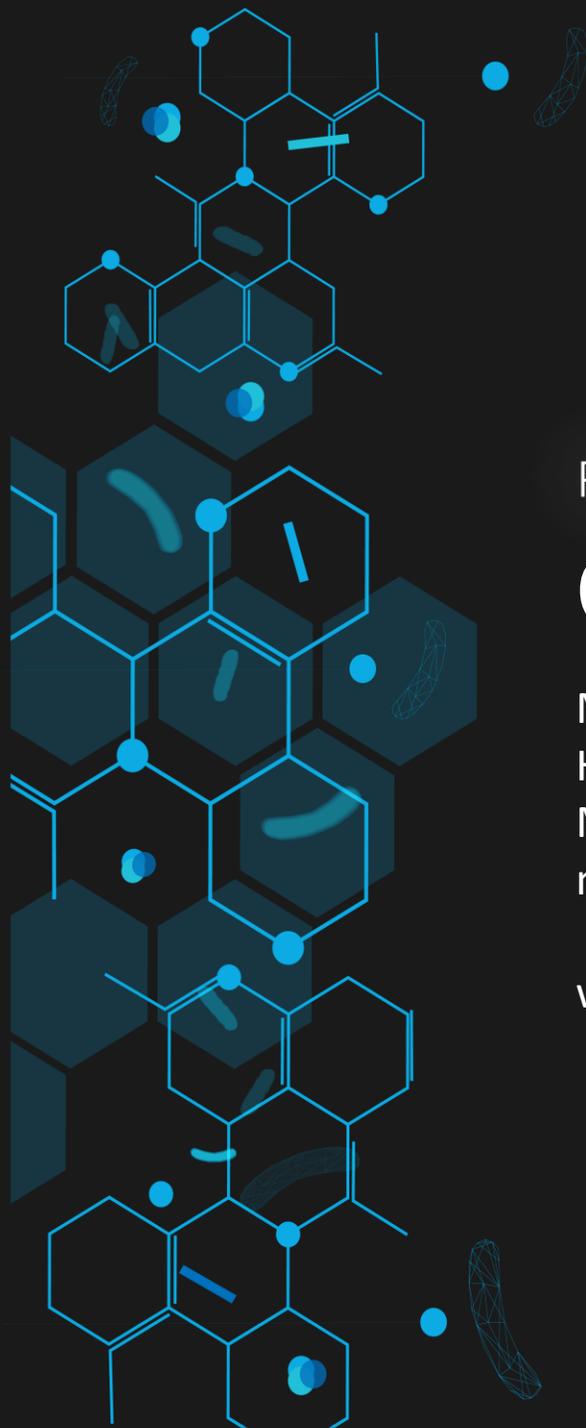
**Intellectual Property** portfolio consisting of 47 patents and 18 publications



**Rapid growth** with 1H FY23 Product Sales up 92% yoy to US\$10m



**Strong tailwinds** with a significant TAM of over US\$12.5bn



POWERED BY **X**BIO™ TECHNOLOGY

# Contact

Martyn Jacobs  
Head of Investor Relations  
M +61 412 785 180  
[mjacobs@nextscience.com](mailto:mjacobs@nextscience.com)

[www.nextscience.com](http://www.nextscience.com)



**NEXT SCIENCE®**