

NEXT SCIENCE®

NEXT SCIENCE LIMITED (ASX: NXS)

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1 September 2023

Dear Shareholder

As announced on 31 August 2023, Next Science Limited (ACN 622 382 549) (**Company** or **NXS**) has received firm commitments of ~A\$12 million under a first tranche placement at the price of A\$0.42 per share, due to settle on 5 September 2023 (**Placement**). The Company also announced that it would conduct further placements at the same price to raise up to a further ~A\$1.9 million and its plans to undertake an offer under a Share Purchase Plan (**SPP**) to raise up to an additional A\$5 million.

On behalf of the Board, I am pleased to offer you the opportunity to subscribe for fully paid ordinary shares under the SPP.

The Company is offering eligible shareholders the opportunity to apply under the SPP for up to a maximum of A\$30,000 worth of fully paid ordinary shares in the Company (**New Shares**). Shareholders will be eligible to participate in the SPP if they have a registered address in Australia or New Zealand as at 7.00pm (AEST) on Wednesday, 30 August 2023 (**Eligible Shareholders**). Residents of New Zealand will also need to comply with certain requirements set out in the SPP Offer Booklet.

The SPP Issue Price is the same as the price of Shares offered under the Placement, being A\$0.42 per New Share. This represents a discount of 35.4% to the last closing price of Shares on the ASX on 28 August 2023 (being \$0.65 per Share) and a 33.2% discount to the volume weighted average price of Shares traded during the five ASX trading days prior to 28 August 2023.

ASX Listing Rule 7.2, Exception 5 permits the offer of shares under an SPP without shareholder approval (and without utilising the Company's 15% placement capacity) subject to certain conditions, including that the issue price under the SPP must be at least 80% of the volume-weighted average market price (VWAP) of the Company's shares over the last five days either before the day on which the issue was announced or before the day on which the issue was made.

The Company has applied to ASX for a waiver of ASX Listing Rule 7.1 to permit the Company to issue New Shares under the SPP at the SPP Issue Price, without shareholder approval, on the basis that the pricing has been set at a discount which may exceed the discount otherwise permitted by ASX Listing Rule 7.2, Exception 5. In the event that the ASX Waiver is required and is not granted, the Company intends to seek Shareholder approval to issue New Shares under the SPP at the SPP Issue Price, with such issue to be conditional on receipt of the shareholder approval.

SPP Offer Booklet

An offer document with the terms and conditions for the SPP offer was lodged with the ASX today (**SPP Offer Booklet**). A copy of the SPP Offer Booklet which contains information about how to apply under the SPP Offer is available online at: <https://spp.nextscience.com/> and on the ASX Market Announcements Platform at: <https://www.asx.com.au/markets/company/nxs>.

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You should carefully read the SPP Offer Booklet in full before making your investment decision, noting that you will be bound by the terms and conditions in the booklet if you choose to participate.

The Company intends to raise up to A\$5 million under the SPP (before costs and subject to the Company's discretion to announce changes to this discretionary limit). Please refer to the SPP Offer Booklet for details as to the application of this discretionary cap and potential scale-back under the SPP. The SPP Offer is not underwritten.

The offer of New Shares under the SPP is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (ASIC Instrument)*. The ASIC Instrument grants relief from the requirement for the Company to provide a prospectus in relation to the SPP. The ASIC Instrument limits the maximum amount that a shareholder is able to subscribe for to A\$30,000 under the SPP or any similar arrangement in any consecutive 12-month period.

Important Information

The Board urges you to read these terms and conditions carefully and in their entirety before deciding whether to participate in the SPP.

If you are uncertain whether Shares are a suitable investment for you, you should consult your financial or other professional adviser. The Board recommends that you obtain your own financial advice in relation to the SPP and consider price movements of Shares in the Company prior to electing to participate in the SPP.

This letter is to notify you that the SPP Offer is now open and to provide you with instructions as to how to obtain a copy of the SPP Offer Booklet which contains the Terms and Conditions of the SPP and your personalised Application Form

How to apply

Information with respect to applying for Shares under the SPP is outlined on your personalised Share Purchase Plan Application Form which you can download from the Company's offer website at: <https://spp.nextscience.com/>. If you need to, you can also download a replacement personalised Application Form from the Company's offer website.

Once you have your personalised Application Form, you can make a payment by BPAY®. To do this, you must use the unique identifier shown on the Application Form as the customer reference number when making payment. If you make your payment with BPAY® you do not need to return your Application Form.

You will not be able to withdraw or revoke your application or BPAY® payment once you have submitted it or made it or change the amount (in dollar terms) applied for.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution.

For New Zealand shareholders only, that are unable to pay by BPAY®, please contact the Share Registry on +61 1300 554 474 at any time from 8.30am to 5.00pm (AEST time) Monday to Friday during the Offer period for alternative electronic funds transfer payment arrangements.

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You must ensure that your application and payment is received by 5.00pm (AEST) on Monday, 18 September 2023 (Closing Date). Application monies must be paid in Australian currency.

Participation in the SPP

The SPP is available to all Eligible Shareholders to apply for a minimum of A\$2,000 and a maximum of A\$30,000 worth of Shares, in increments of \$1,000 at the Issue Price.

Applications for SPP Shares can only be made by Eligible Shareholders and your right to participate in the SPP is not transferable. Participation is optional and Eligible Shareholders may elect to do nothing. If you choose to do nothing, you will continue to hold the same number of Shares, however, your interest in the Company will be diluted.

Key Dates - 2023

Event	Timing (Sydney time)
Record Date for the SPP	7.00pm Wednesday, 30 August
Capital raising announced	Thursday, 31 August
SPP Offer opens	Friday, 1 September
Settlement of the Placement	Tuesday, 5 September
Allotment of New Shares under the Placement	Wednesday, 6 September
Commencement of trading of New Shares under the Placement	By Thursday, 7 September 2023
SPP Offer closes	Monday, 18 September 2023
Announcement of results of SPP	By noon, Monday, 25 September
Allotment of New Shares under the SPP	By Monday, 25 September
Commencement of trading of New Shares under the SPP	Tuesday, 26 September

This timetable is indicative only and subject to change. The Company reserves the right to alter the above dates at any time, including amending the period for the SPP offer or accepting late applications, either generally or in particular cases, at its discretion and without notice to you, subject to the ASX Listing Rules, the Corporations Act 2001 (Cth) and any other applicable rules. The commencement of trading and quotation of new shares under the Placement and SPP offer is subject to ASX confirmation.

Enquiries

For further information about the SPP or how to apply, please call Martyn Jacobs (Head of Investor Relations) on +61 412 785 180 between 8:30am to 5:30pm (AEST), Monday to Friday.

For further information regarding your current shareholding please call, Link Market Services Limited on 1300 554 4748 (within Australia) or +61 1300 554 474 (outside Australia) between 8:30am to 5:30pm (AEST), Monday to Friday.

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Yours faithfully

I.V. Hall
Chief Executive Office
Next Science Limited

Disclaimer

The information in this letter does not constitute investment or financial product advice (nor tax, accounting or legal advice) nor any recommendation to acquire new shares in NXS. It does not take into account any individual's investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal, accounting and taxation advice appropriate to their jurisdiction. NXS is not licensed to provide financial product advice in respect of the new shares.