

Q3 FY21 Business Update

October 31, 2021

Approved by the Board of Next Science

NEXT SCIENCE[®]

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Next Science – Applications across the whole body

CHRONIC BACTERIAL INFECTIONS: MEDICAL BIOFILMS

Device-related Infections:

- Ventricular derivations
- Contact lenses
- Mouthwash
- Endotracheal tubes
- Vascular central catheters
- Tissue fillers, breast implants
- Peripheral vascular catheters
- Prosthetic cardiac valves, pacemakers and vascular grafts
- Urinary catheters
- Orthopedic implants and prosthetic joints**

Tissue Infections:

- Acne**
- Chronic otitis media, chronic sinusitis
- Chronic tonsillitis dental plaque, chronic laryngitis
- Endocarditis
- Lung infection in cystic fibrosis
- Kidney stones
- Biliary tract infections
- Urinary tract infections
- Vaginosis
- Osteomyelitis
- Surgical site infections**
- Chronic wounds**



Next Science researches, develops and commercialises products which are based on its proprietary Xbio™ technology to resolve the issues caused by biofilms and their incumbent bacteria, fungi and viruses and the infections they cause in relation to human health

The company currently has products in markets to address:

- Surgical Site infection
- Chronic Wounds
- Prosthetic Joint Infection
- Acne

3Q 2021 – Record growth and delivery on key milestones

- ✓ Recovery well underway as US surgery volumes increase and new product sales contribute to revenues:
- ✓ Q3 Revenue (unaudited) \$USD 2.2M +29% on previous quarter.
- ✓ YTD Revenue (unaudited) \$USD 6M (2020 full year revenue \$3.4M audited)
- ✓ XPERIENCE™ gaining traction in US market – 110 Surgeons using product from 54 hospitals. 240 Vac submissions made (covering 624 Hospitals), with 58 approvals received.
- ✓ Executed Distribution agreement with TELA Bio for a wash for Plastics & Reconstruction in the US, first shipments in November.
- ✓ Distribution agreement signed for Taiwan for BlastX™ with options for Surgical products
- ✓ 510(K) approval TorrentX™ – 1Q 2022 launch with Triad Life Sciences launching as TridentX Wound wash
- ✓ Patent library extended to 38 Patents



- ✓ Recovery well underway as US surgery volumes increase and new product sales contribute to revenues:
- ✓ Q3 Revenue
- ✓ YTD Revenue
- ✓ XPERIENCE™
240 Vac
- ✓ Executed
- US, first
- ✓ Distribut
- ✓ 510(K) a
- Wound v
- ✓ Patent library extended to 301 patents

TGA approval received for the
XPERIENCE™
Surgical Solution
November 5

(ed)
uct from 54 hospitals.
received.
Reconstruction in the
rgical products
unching as TridentX

Trident X
Wound Wash

TELA Bio:

- NASDAQ listed company; serving the plastics and reconstruction market with biologic material repair solutions to improve patient outcomes. (NASDAQ:TELA)
- FDA approved product going to market with a biologic mesh for breast reconstructions
- Company established in 2012
- US wide coverage with a direct sales force of 45
- History of rapid sales growth
- 10 year agreement with option for 10 year extension
- Agreed annual minimum sales amounts



- High level strategy is to partner with successful, established country based distributors (low cost model). The first product placed will be BlastX™.
- First market contracted – Taiwan (Progressive Inc) now in regulatory submission. Given regulatory pathways, first sales expected 2023.
- Markets to follow:
 - Singapore
 - Malaysia
 - Thailand
 - Hong Kong
- Products to follow:
 - TorrentX™
 - XPERIENCE™
 - SurgX™

Prevention products portfolio to serve a US \$6B Market

XPERIENCE™

Indication:
Prevention of
surgical site
infection

Market:
US 45 million
patients pa

Market served
directly by Next
Science



SurgX™

Indication:
Prevention of
infection on a
surgical closure

Market:
US 45 million
patients pa

Market served
directly by Next
Science



TridentX™

Indication:
Site preparation for
tissue graft

Market:
US 8 million
patients pa

Distributed by Triad
Life Sciences



The case of investing in the prevention of surgical site infection

**US Total Surgical
Addressable Market
45M surgical
procedures³
\$6B USD**

**Cost
savings for
Hospitals
and Payers**
SSI on average
\$20K additional
cost per patient¹

**Life saving
for Patients**
Presence of an SSI
doubles the rate of
mortality of
surgeries²

First wave of go to market plan:

- Orthopaedics
- Breast Surgery (Plastics) with TELA Bio
- Colorectal Surgery
- C-Section births



*References in appendix

Driving product adoption

Value Assessment Process

Surgeon Adoption

Total US Surgical Market
~6000 Hospitals, ~9000
ASCs
45M surgical procedures

After FDA clearance products need to be individually approved by Hospitals or Hospital systems

VAC approval

Further Hospital Processes

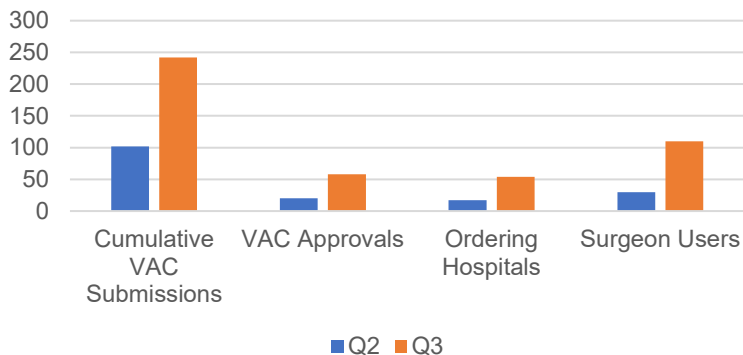
Surgeons commence use, orders begin

A packet of information submitted to the hospital to justify the request from the surgeon for the product to be available for them to use. VAC meetings occur monthly, but items can be pushed out to the next meeting

Other hospital approval processes eg purchasing/insurance/pricing, finance

If approved the product is then "In Serviced" in the hospital to Nursing and Ancillary staff as well as presentations to other surgeons and revenue begins to grow.

Cumulative VAC Submissions, Ordering Hospitals & Surgeon Users



Process can take up to six months
Current Scoreboard 29 October 2021

Cumulative VAC Submissions

240

VAC Approvals

58

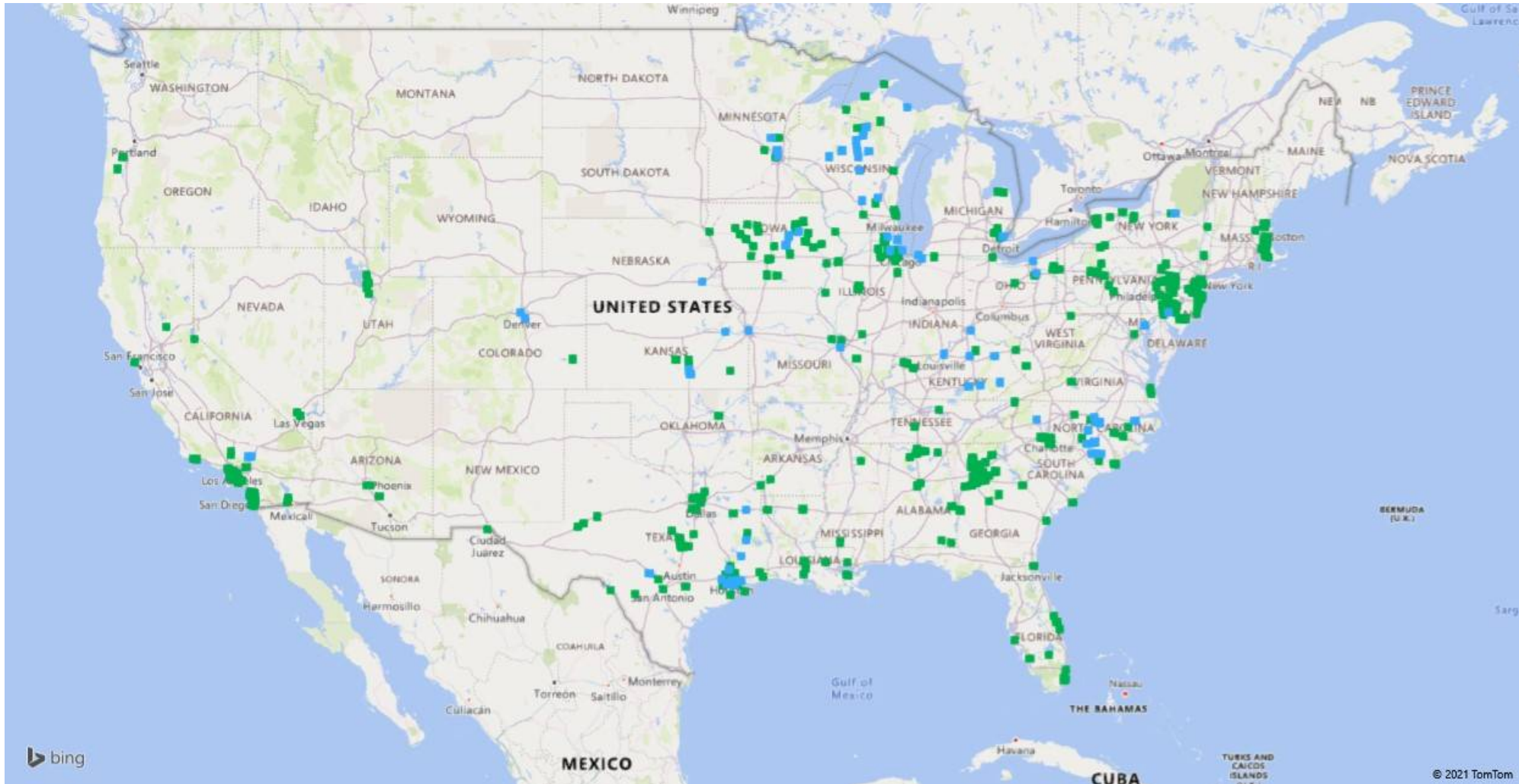
Hospitals Ordering

54

Surgeon Users

110

VAC Submissions (240 covering 624 hospitals as at 29 October, 2021)



Q2 - Blue
Q3 - Green

3 stage long term growth strategy for XPERIENCE™ – become the standard of care

2021

Create awareness and key opinion leader base

- Set up reference sites with key opinion leaders
- Build on Area sales managers with Account managers
- Establish key studies
- Create awareness through marketing campaigns

2022 - 2023

Drive adoption and grow evidence

- Increase penetration across accounts growing the Account manager teams
- Increase market coverage with White Label products for designated market segments
- Support Investigator studies in all key product applications
- Complete and publish primary joint study and colorectal study
- Drive publications
- Launch in Australia, New Zealand and Canada

2023 onwards

Mass market adoption

- Publication of key studies
- Continued growth of market coverage through direct and indirect representation
- Evolution to standard of care
- Launch in EU & UK

Bactisure™ Surgical Lavage

Indication:
Treatment of
infected surgical
cavities &
implants

Market:
US 250,000
patients pa

Globally distributed
by Zimmer Biomet



BlastX™ Antimicrobial Wound Gel

Indication:
Treatment of
chronic wounds,
foot & leg ulcers,
bedsores, pressure
ulcers

Market:
US 8 million
patients pa

Market served
directly by Next
Science



Acne Treatments

Indication:
Treatment of
acne and
breakouts

Market:
Currently
offered in
Australia

Clinic sales through
AST
Online sales through
tbh skin care



Growth Strategy BlastX™ – Establishing a gold standard for Wound Care in the US

2023 - 2025

Expand utilization

- Combination application with other wound products
- Seek to improve reimbursement and/or DME market
- Publish data

2022 - 2023

Open new segments and grow evidence

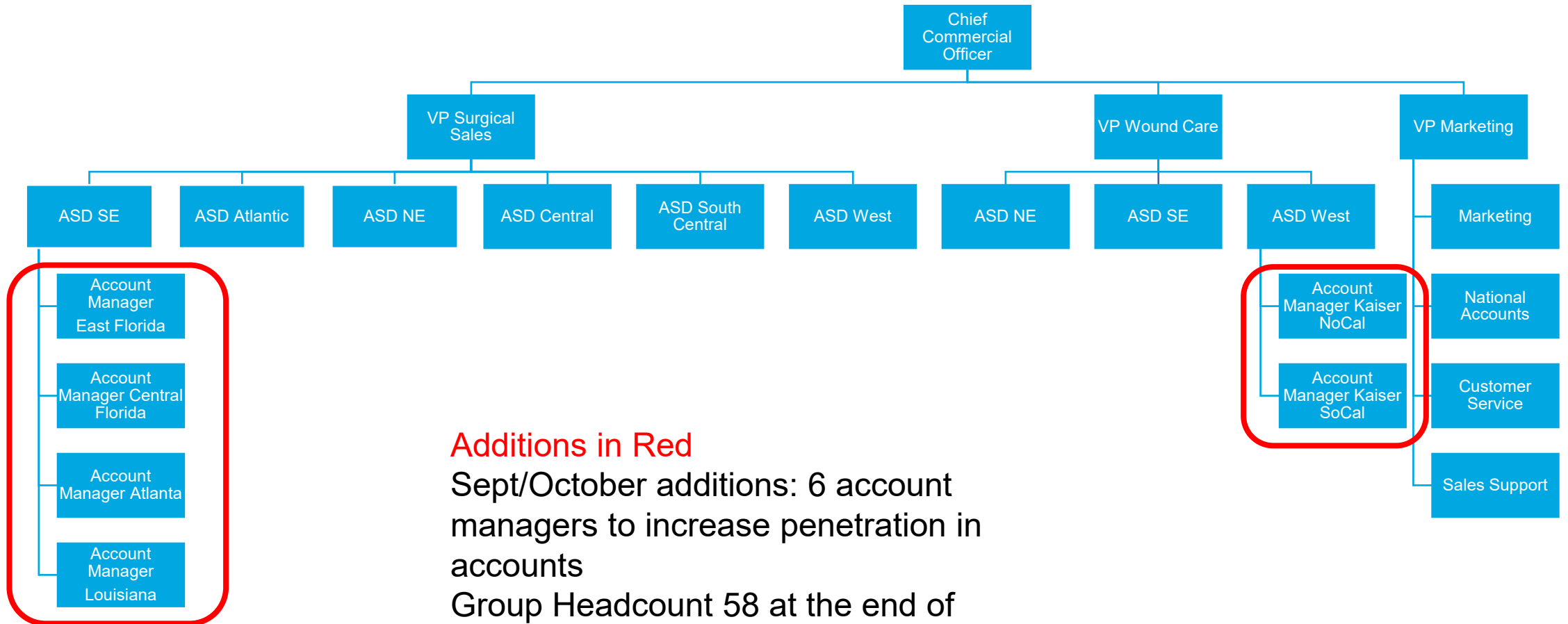
- Establish working protocol for Home health networks using BlastX
- Pull Xbio through hospital systems including wound clinics
- Lean into health economics study to support wide utilization

2021-2022

Re- establish existing customer base

- Get VA and DoD hospitals back to ordering from coast to coast
- Establish deeper utilization within VA and DoD accounts
- Utilise direct representation in Kaiser network to become standard of care

US Field Organisation – Strategically adding account managers to increase penetration

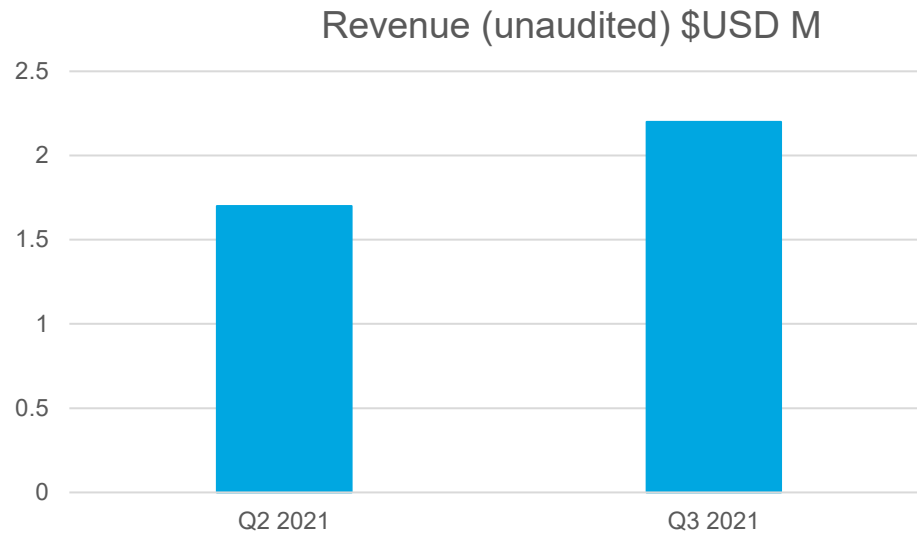


Additions in Red

Sept/October additions: 6 account managers to increase penetration in accounts

Group Headcount 58 at the end of October

29% Revenue (unaudited) growth Q3 V Q2



Contributions from all products

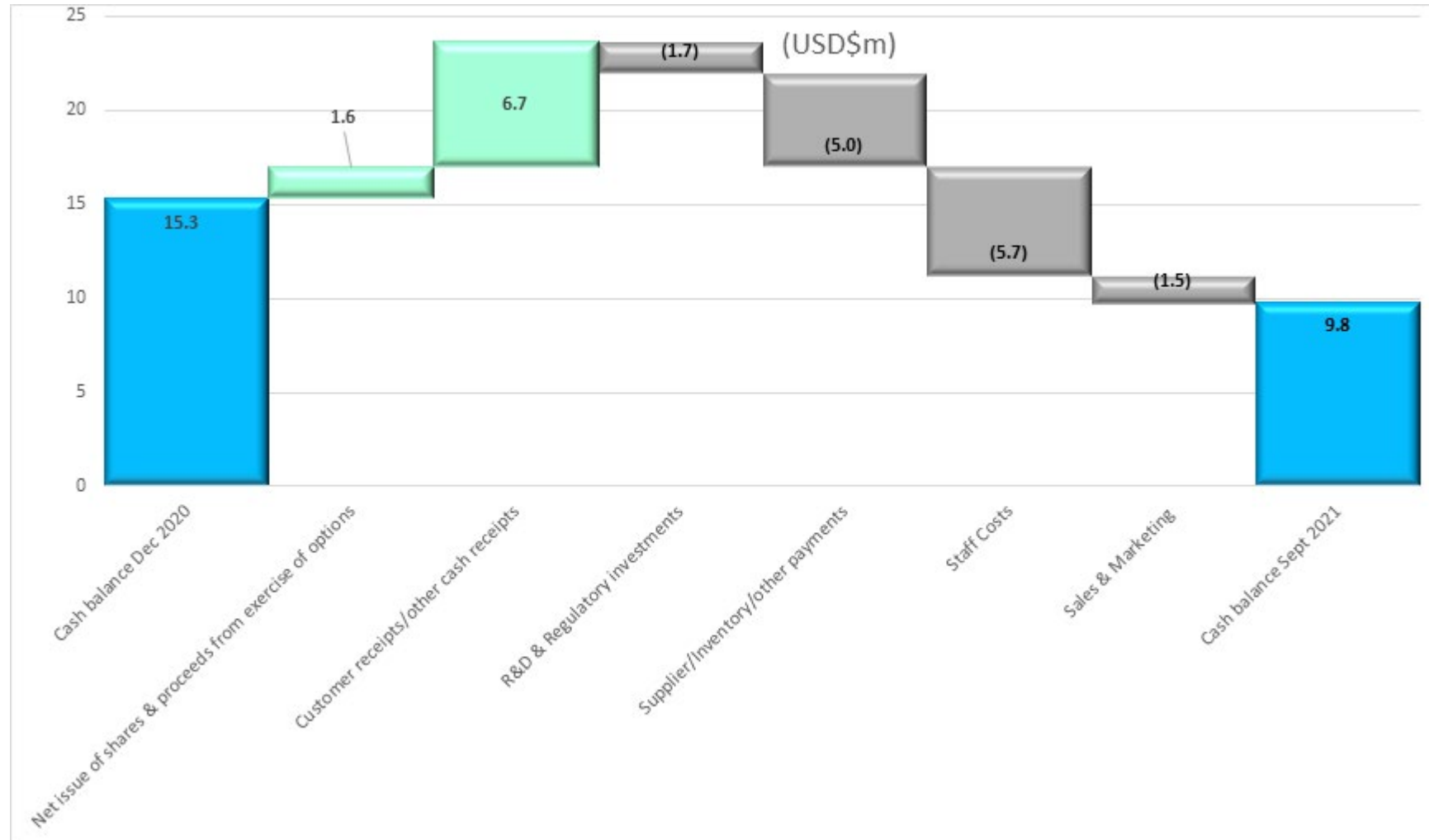
Good growth in BlastX™ under direct sales model

XPERIENCE™ modest contribution in Q3 as VAC approvals build

Additional VAC approvals since quarter end provide opportunity for growth in surgeon users (currently 110 as at 29 October) with new surgeons mobilised through new direct sales personnel

Bactisure™ continued strong sales as normal surgery activity levels return

Snapshot first 3 quarters of cash movements



- Cash at bank USD \$9.8M
- Staff costs of \$5.7M reflect hiring of additional sales staff mid Q2
- Marketing expenses increased in Q3 to support XPERIENCE™ and external conferences

- ✓ Executing on XPERIENCE™ and expanding and converting VAC Submissions to active accounts
- ✓ Commence sales with TELA Bio
- ✓ Piloting direct sales representation in certain locations
- ✓ Building on BlastX™ momentum with successful pilots in Home Health
- ✓ Leaning into XPERIENCE™ clinical studies in Orthopaedics

**Our goal is to become standard of care
in prevention of surgical site infection**

NEXT SCIENCE[®]

ABN: 47 622 382 549

Suite 1902, 821 Pacific Highway Chatswood NSW
2067