

NEXT SCIENCE®

Quarterly Activity Report Quarter ended 31 March 2022

Sydney Australia, Thursday, 28 April 2022 Next Science Limited (ASX:NXS) (**Next Science**) today announces its Quarterly Activity Report and Appendix 4C Quarterly Cash Flow Report for the period 1 January 2022 to 31 March 2022 (**Q1**)

In accordance with ASX Listing Rule 4.7C, set out below is Next Science's activity report for Q1.

Summary

- Next Science continues to make good progress in accelerating market awareness and adoption of its market leading products to treat and prevent infection
- Q1 product revenue (unaudited) US\$1.9M, 31% increase on pcp
- XPERIENCE™ used by 210 surgeons at 119 hospitals since launch - 31% & 42% increase on Q4 2021 respectively
- Distribution partner Zimmer Biomet is launching "Zimmer Biomet XPERIENCE™" in H2 2022
- Further expansion of Next Science direct sales force as well as distribution network for both Surgical and Wound Care
- New Zealand distributor appointed for XPERIENCE™
- Cash in the Bank US\$12.2M
- Payments to directors US\$175K

Activity Report – building market awareness and adoption

XPERIENCE™ & SurgX™

Next Science continued its focus on driving sales through direct representation and partnerships to provide surgeons with the technological advantages of Next Science's products to help prevent surgical site infections, reduce surgical complications and treat patients with chronic wounds and prosthetic joint infections.

Over 200 surgeons in the United States have now used XPERIENCE™, Next Science's proprietary surgical wash. The addressable market in the USA for XPERIENCE™ and Blast X™ is estimated at US\$22B per annum.

January was heavily hit with elective surgery cancellations in the US as a result of COVID19 admittances and staffing shortages. Surgery activity levels are recovering with scope for further growth to meet pre-Covid levels.

To support Next Science's commercial strategy, we will be reporting the first sets of retrospective patient case series in joint replacement (400 & 500 patients respectively) at the end of Q2. Encouragingly, early indications suggest there are zero infections amongst the nine hundred patients.

NEXT SCIENCE®

TELA Bio Inc launched Site Guard (XPERIENCE™ white label) across the US during March.

Preparations are well underway for the US launch of XPERIENCE™ by distribution partner, Zimmer Biomet, in H2 2022. The two companies are working together on the launch and the education of the joint reconstruction field force. Zimmer Biomet will distribute a white label version of XPERIENCE™ via its exclusive hip and knee field force of sales agents. This will provide XPERIENCE™ with increased access to the US orthopaedic market.

BLASTX™

To support the expansion of the installed base, where BlastX is established for use, additional direct sales headcount has been added. This extra sales and support capacity will focus on driving pull through of additional departments in Veteran Affairs' hospitals where BlastX has become treatment of choice in at least one department. Distribution is also being organised for Australia, New Zealand and Canada.

Cash receipts and expenditures

The first two tranches of a capital raise were completed during the quarter and cash at the bank as at 31 March 2022 was US\$12.2M.

Proceeds from the 3rd tranche of the capital raise (A\$4M), being subscribed for by Walker Group Holdings Pty Limited, is subject to receipt of shareholder approval at the Annual General Meeting on 27 May 2022.

Cash burn for the quarter was US\$2.85M.

Outlook

Further sales growth driven by:

- Continued growth of XPERIENCE™ hospital and surgeon users supported by early clinical evidence and the sales forces of TELA Bio and Zimmer Biomet
- Expansion of the BLASTX™ installed base with increase in dedicated sales head count
- Business expansion through distributors in Australia, New Zealand and Canada
- Launch of TridentX™ by Convatec (Convatec recently purchased Triad Life Sciences) in the US wound care market in Q2