

24 April 2025

Appendix 4C & Quarterly Activity Report for the period ended 31 March 2025¹

- 1Q FY25 Product Sales of US\$5.3m, down 3% on the prior corresponding period (pcp) as stronger XPERIENCE, BLASTX and Partner sales were offset by the decline in DME sales.²
- 1Q FY25 Direct Product Sales of US\$3.7m, down 14% on pcp as growth in direct sales of XPERIENCE (+84%) and BLASTX (+23%) partly offset a decline in DME sales. Direct sales represented 70% of product sales.
- 1Q FY25 Gross Margin of 84% reflects shift in product mix due to higher proportion of XPERIENCE sales (4Q FY24 Gross Margin: 83%; 1Q FY24: 79%).
- Cash receipts for the quarter of US\$4.7m were down 13% vs pcp (1Q FY24: US\$5.4m).
- Closing cash balance of US\$1.3m (31 Dec 2024: US\$1.7m) and debt of US\$3.0m.³
- Next Science has responded to the FDA⁴ Warning Letter received in February 2025. Throughout the FDA process, the Company has continued to manufacture, ship and sell its products which are safe and effective for their cleared intended uses.

Next Science Limited (ASX:NXS) (“Next Science” or “the Company”) today provides a business update and quarterly cashflow report for the quarter ended 31 March 2025.

Next Science is a medical technology company focused on commercialising its proprietary XBIO suite of products to reduce the impact of biofilm-based infections in human health.

Next Science’s CEO and Managing Director I.V. Hall said: “Strong direct sales of XPERIENCE, which were up 84% on pcp were the highlight of the March quarter. This reflects the publication of further clinical studies over the past 12 months, increased prophylactic use and the opportunities created by the saline shortage in the US in 4Q FY24. Although XPERIENCE sales were lower in 1Q FY25 on the record prior quarter, sales were significantly

¹ Unaudited financial information

² In October 2022, Next Science established itself as a Durable Medical Equipment (DME) provider to sell BLASTX in combination with topical collagen products. Refer to ASX announcement on 19 October 2022.

³ In July 2024, Next Science entered into a US\$5.0m unsecured loan facility with Thorney Investment Group. Refer to the ASX announcement on 17 July 2024 for further information.

⁴ The US Food and Drug Administration (FDA) regulates the manufacture, marketing and distribution of the Company’s products in the US market. Refer to ASX announcement on 25 February 2025 for further information.

higher compared to the first three quarters of FY24 demonstrating that Next Science was able to leverage the shortage to expand its customer footprint. Overall product sales were slightly lower on pcp in 1Q FY25 as we continued to transition our DME business and BLASTX commercial sales.

“During the quarter, we continued to progress towards our goal of achieving a consistent adjusted EBITDA and cashflow positive position. Over the past 12 months, we have reduced our cash burn and transformed our cost base as illustrated by the 35% or US\$3.2m reduction in our total cash payments in 1Q FY25 on pcp.

“Next Science has undertaken a series of corrective actions following receipt of an FDA Warning Letter in February and a Form FDA-483⁵ late last year. We continue to work closely with the FDA, and it is important to note that these measures do not affect our ability to sell our products which are considered safe and effective when used according to the indications and claims for which they are approved.”

1Q FY25 Financial Summary

1Q FY25 Product Sales of US\$5.3m were down 3% on 1Q FY24 as higher direct sales of XPERIENCE (up 84%) and Partner Sales (up 37%) partly offset a decline in the DME channel due to the transition to a predominantly agency salesforce.

1Q FY25 Product Sales were down 23% on 4Q FY24 largely due to a decline in direct sales of XPERIENCE from the peak achieved in the December quarter which was partly due to the saline shortage in the US.

During this period, the hospital approval process was fast tracked in some cases, introducing new customers to the product. The shortage also led some customers to place larger than “normal” orders.

Direct Product Sales of US\$3.7m in 1Q FY25 were down 14% on pcp as the decline in DME sales was offset to an extent by the strong growth in XPERIENCE (up 84%) and BLASTX sales (up 23%).

1Q FY25 Direct Product Sales were down 28% on 4Q FY24 largely due to the decline in XPERIENCE sales from the record December quarter. DME sales stabilised in the March quarter recording month on month growth for the first time since the restructure. Direct Product Sales represented 70% of total product sales in 1Q FY25.

Next Science’s Gross Margin of 84% was significantly higher than the 79% achieved in 1Q FY24 due to product mix shift with XPERIENCE™ representing a higher proportion of sales.

⁵ Both FDA 483s and FDA Warning Letters are tools the U.S. Food and Drug Administration (FDA) uses to enforce compliance with regulatory requirements, especially during inspections.

Chart 1: Strong XPERIENCE™ sales partly offset DME decline in 1Q FY25 on pcp (US\$m)

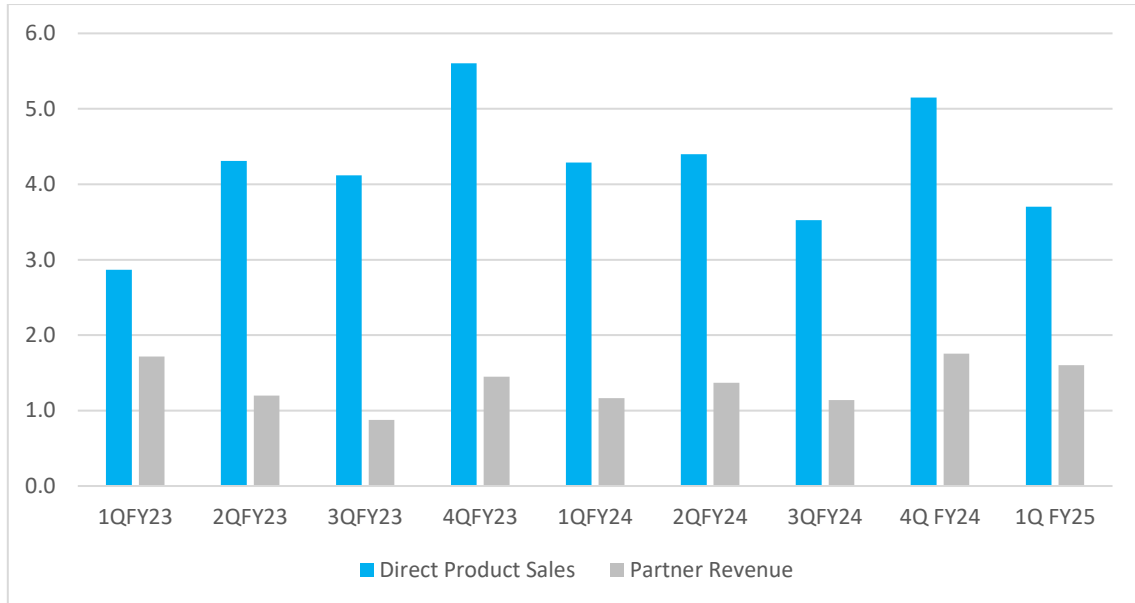


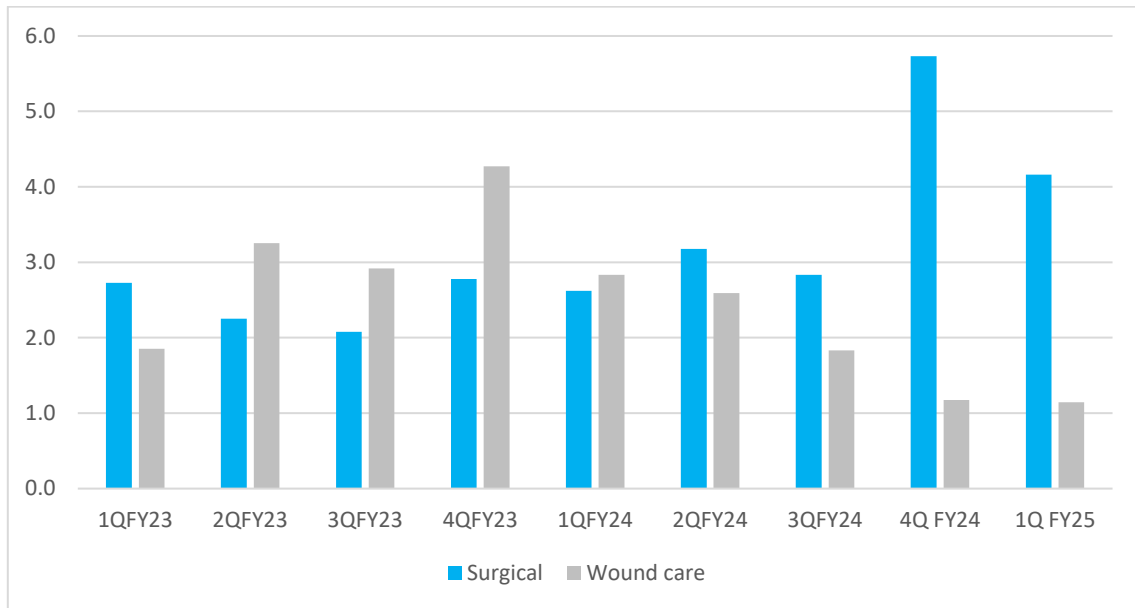
Chart 2 provides a breakdown of Next Science’s revenue by product category. It highlights the “lumpy” nature of revenue on a quarterly basis which reflects the different sales channels (partner vs direct) and seasonality of the different products.

In 1Q FY25, Surgical sales of US\$4.2m were up 59% on pcp due to the strong growth in direct sales of XPERIENCE. It was down 27% on 4Q FY24 which was a record quarter partly due to the US saline shortage which not only introduced new customers to the product but resulted in unusually large initial orders due to concerns about the duration of the shortage.

When compared against 2Q FY24 and 3Q FY24, Surgical sales were up 47% in the March quarter highlighting that Next Science has been able to leverage the opportunities created by the saline shortage to extend their customer footprint.

Wound Care sales of US\$1.1m were down 3% on the prior quarter and 60% down on pcp due to the ongoing transition to an indirect sales force for the DME.

Chart 2: Next Science revenue by product category (US\$m)⁶



1Q FY25 Cashflow Summary

Cash receipts for the quarter of US\$4.7m were 13% lower compared to 1Q FY24 (US\$5.4m) reflecting the “lumpiness” of product orders and the timing of payments.

Net operating cash outflows of US\$1.2m in 1Q FY25 represented a significant improvement on outflows of US\$3.7m in 1Q FY24. The reduction in cash burn reflected the cost out initiatives and sales force restructuring implemented over the past 12 months.

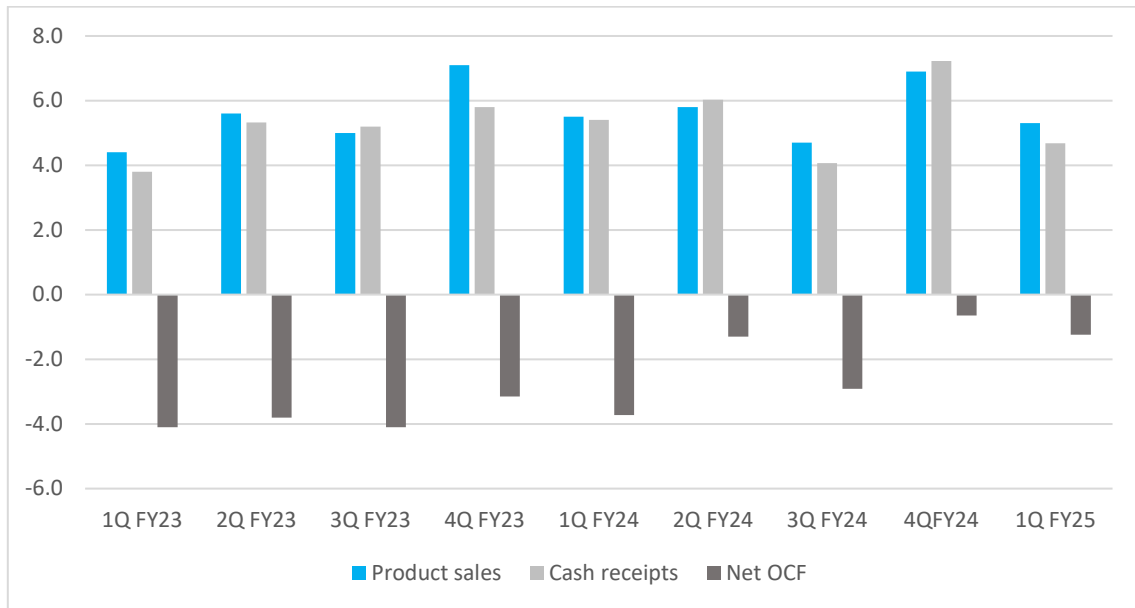
In 1Q FY25, total cash payments were 35% or US\$3.2m lower vs pcp. This was despite additional payments associated with ongoing legal actions.⁷

At 31 March 2025, Next Science had cash on hand of US\$1.3m (31 December 2024: US\$1.7m) and debt of US\$3.0m. During the quarter, Next Science drew down US\$1.0m from the US\$5.0m loan facility with a further US\$2.0m in funding available.

⁶ This shows revenue from Wound Care and Surgical products from both direct and partner channels.

⁷ Refer to ASX announcement on 8 January 2025.

Chart 3: Quarterly Cashflow Performance (US\$m)



Refer to the Appendix 4C accompanying this update for details of the Company's expenditure on its business activities during the quarter.

Payments to Directors were US\$216k in the March quarter.

Clinical Study Update

- *Periprosthetic Joint Infection Study* - Recruitment for the 7,600-patient study into Periprosthetic Joint Infection (PJI) through the Ottawa Hospital Research Institute in Canada (Canada PJI study) continues with 1,589 patients enrolled across five sites (4Q FY24: 1,220, five sites).⁸ An interim analysis will be done after 3,800 patients.

Litigation Update

On 8 January 2025, Next Science advised that it was involved in litigation with former employees.⁹ Next Science will provide further updates as and when there is material progress in these civil proceedings.

⁸ This clinical trial (prospective, multi-centre, double-arm, parallel, interventional, randomised, controlled) will assess the rate of periprosthetic joint infection (<90 days post-surgery) in patients undergoing primary total knee arthroplasty, total hip arthroplasty or hip resurfacing (HR) with XPERIENCE™ Advanced Surgical Irrigation versus dilute Betadine.

⁹ Refer to ASX Announcement on 8 January 2025.

NEXT SCIENCE®

1Q FY25 Investor Webinar

CEO and Managing Director, I.V. Hall and CFO, Marc Zimmerman, will host a zoom webinar including a Q&A session with the investment community at **9.30am (Sydney time) today, 24 April 2025**.

Please use the link below to register for the webinar.

https://us06web.zoom.us/webinar/register/WN_IFk1EfCRRE2palEavciAGq

Investors can submit questions prior to the webinar to fdixon@nextscience.com or ask questions via the Q&A function during the webinar.

Media & Investor Enquiries

Françoise Dixon

Phone: +61 412 292 977

Email: fdixon@nextscience.com

About Next Science

Next Science is a medical technology company headquartered in Sydney, Australia, with a research and development centre in Florida, USA. Established in 2012, the company's primary focus is on the development and continued commercialisation of its proprietary X BIO™ technology to reduce the impact of biofilm-based infections in human health. X BIO™ is a unique, non-toxic technology with proven efficacy in eradicating both biofilm-based and free-floating bacteria. Next Science owns 100% of the patent protected intellectual property relating to its X BIO™ technology. For further information visit: www.nextscience.com

Forward looking statements

This announcement may contain forward looking statements which may be identified by words such as “believes”, “considers”, “could”, “estimates”, “expects”, “intends”, “may” and other similar words that involve risks and uncertainties. Such statements are not guarantees of future performance and involved known and unknown risks uncertainties, assumptions and other important factors, many of which are beyond the control of Next Science or its Directors and management and could cause Next Science's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Next Science Limited

ABN

47 622 382 549

Quarter ended ("current quarter")

March 2025

Consolidated statement of cash flows	Current quarter \$USD'000	Year to date (3 months) \$USD'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,682	4,682
1.2 Payments for		
(a) Research, development & regulatory	(303)	(303)
(b) product manufacturing and operating costs	(868)	(868)
(c) sales related expenses, advertising and marketing	(1,267)	(1,267)
(d) leased assets	-	-
(e) staff costs	(2,946)	(2,946)
(f) administration and corporate costs	(544)	(544)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received and bank cash back rewards	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	2	2
1.9 Net cash from / (used in) operating activities	(1,243)	(1,243)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
	(e) intellectual property & intangible assets	(21)	(21)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(21)	(21)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,000	1,000
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(66)	(66)
3.10	Net cash from / (used in) financing activities	934	934

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,674	1,674
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,243)	(1,243)

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (3 months) \$USD'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(21)	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	934	934
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	1,346	1,346

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	1,346	1,674
5.2	Term deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,346	1,674

6.	Payments to related parties of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	216
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$USD'000	Amount drawn at quarter end \$USD'000
7.1	Loan facilities	5,000	3,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	5,000	3,000
7.5	Unused financing facilities available at quarter end		2,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>On 17 July 2024, the Group announced that it had entered into a facility agreement with TIGA Trading Pty Ltd (a company associated with Thorney Investment Group) (Thorney) to provide a US\$5 million unsecured loan facility with a maturity date of 17 July 2026 (Facility). Interest is payable at 12% per annum on amounts drawn under the Facility and accrued interest is payable on the earlier of the Facility termination date and the date the principal outstanding is repaid in full.</p> <p>Next Science has drawn on the Facility to assist with general working capital requirements. Amount drawn during the March 2025 quarter totalled US\$1 million.</p>		

8.	Estimated cash available for future operating activities	\$USD'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,243)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,346
8.3	Unused finance facilities available at quarter end (item 7.5)	2,000
8.4	Total available funding (item 8.2 + item 8.3)	3,346
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.7
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	-
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	-

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

-

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 April 2025

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.