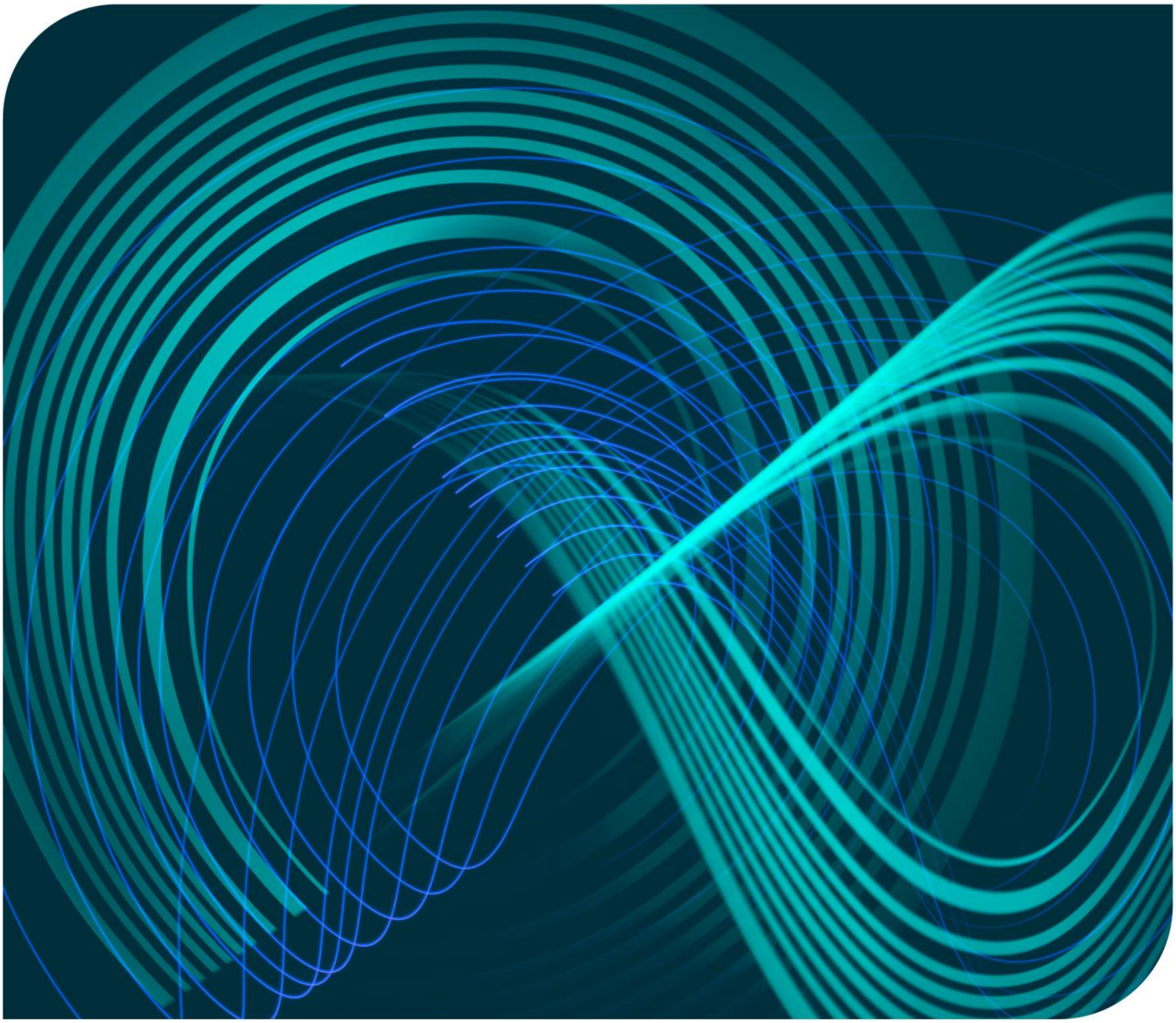
Nexia Australia

Next Science Limited
Proposed acquisition of all Next Science product lines and IP except for the DME business

Independent Expert's Report
and Financial Services Guide

25 July 2025

In our opinion the Proposed Transaction is fair and reasonable to the Next Science shareholders.



Nexia Australia

FINANCIAL SERVICES GUIDE

Dated: 25 July 2025

What is a Financial Services Guide ("FSG")?

This FSG is designed to help you decide whether to use any of the general financial product advice provided by Nexia Sydney Corporate Advisory Pty Ltd ABN 68 114 696 945 ("NSCA"), a corporate authorised representative of Nexia Sydney Financial Solutions Pty Ltd ("NSFS"), Australian Financial Services Licence Number 247300 ("AFSL").

This FSG includes information about:

- NSCA and how they can be contacted
- the services NSCA is authorised to provide
- how NSCA are paid
- any relevant associations or relationships of NSCA
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that NSCA has in place.

Where you have engaged NSCA we act on your behalf when providing financial services. Where you have not engaged NSCA, NSCA acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NSCA.

Financial Services that NSCA is authorised to provide

NSCA is a corporate authorised representative of NSFS, which holds an AFSL authorising it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

NSCA's responsibility to you

NSCA has been engaged by the independent directors of Next Science Limited ("Next Science", the "Client" or the "Company") to provide general financial product advice in the form of an independent expert's report to be included in the Notice of Meeting sent to Next Science shareholders dated on or about 28 July 2025 ("Report").

You have not engaged NSCA directly but have received a copy of the Report because you have been provided with a copy of the Notice of Meeting. NSCA or the employees of NSCA are not acting for any person other than the Client.

NSCA is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As NSCA has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Notice of Meeting before making any decision in relation to the Scheme.

Fees NSCA may receive

NSCA charges fees for preparing Reports. These fees will usually be agreed with, and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NSCA $52,500 (excluding GST and out of pocket expenses) for preparing the Report. NSCA and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

Referrals

NSCA does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and Relationships

Through a variety of corporate and trust structures NSCA is controlled by and operates as part of the Nexia Sydney Group Pty Ltd. NSCA's directors and authorised representative may be directors in the Nexia Sydney Group Pty Ltd group entities ("Nexia Sydney Group"). Brent Goldman, authorised representative of NSFS and director of Nexia Sydney Group Pty Ltd, has prepared this Report. The financial product advice in the Report is provided by NSCA and not by the Nexia Sydney Group.

From time-to-time NSCA, the Nexia Sydney Group and related entities ("Nexia entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years $37,500 (excluding GST) in professional fees has been received from the Client in relation to preparation of an independent expert's report.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution

If you have a complaint, please let NSFS know. Formal complaints should be sent in writing to:

Nexia Sydney Financial Solutions Pty Ltd
Head of Compliance
PO Box Q776
QVB NSW 1230

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External Complaints Resolution Process

If NSFS cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Australian Financial Complaints Authority Limited
GPO Box 3, Melbourne Victoria 3001

Telephone:	1300 56 55 62
Facsimile	(03) 9613 6399
Email:	info@afca.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements

NSCA has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details
You may contact NSCA at:

Nexia Sydney Corporate Advisory Pty Ltd
PO Box Q776
QVB NSW 1230

Nexia Sydney Corporate Advisory Pty Ltd
Level 22, 2 Market Street
Sydney NSW 2000
PO Box Q776
QVB NSW 1230
E: info@nexiasydney.com.au
P: +61 2 9251 4600
F: +61 2 9251 7138

nexia.com.au

25 July 2025

The Directors
Next Science Limited
Australia Square
Level 14
264-278 George Street
Sydney NSW 2000

Dear Directors,

Independent Expert's Report on the proposed sale of all Next Science product lines and IP, except for the Durable Medical Equipment business

1. OUTLINE OF THE PROPOSED TRANSACTION

Next Science Limited ("Next Science", the "Client" or the "Company") is proposing to sell substantially all of its assets for total cash consideration of US$50 million and assumption of certain agreed liabilities (the "Proposed Transaction"). The Proposed Transaction is the outcome of a competitive sale process conducted by the Company to assess strategic options and maximise value for shareholders.

On 24 April 2025, the Company received an offer from Demetra Holding S.p.A to acquire all of Next Science's product lines and IP, except for the Durable Medical Equipment business ("DME Business"), for an upfront valuation of US$50m and subject to the execution of a satisfactory transition service agreement covering back-office functions as well as an asset purchase agreement (the "Offer").

On 1 July 2025, the Company announced to the ASX that it had entered into a binding asset purchase agreement ("Asset Purchase Agreement") under which it is proposing to sell substantially all of the assets of the Company, and its wholly-owned subsidiaries, ("NXS Group") to Demetra Holdings S.p.A. ("Purchaser"). This includes all acquired regulatory approvals, contracts, intellectual property, inventory, records and goodwill of the NXS Group ("Disposed Product Business") excluding all assets related to the DME Business. As consideration for the acquired assets of the Disposed Product Business, in addition to the assumption of the certain agreed liabilities, the Purchaser has agreed to pay a total purchase price of US$50 million in cash (subject to working capital advance and post closing adjustment for movements in inventory acquired), subject to certain conditions precedent, including Shareholder approval under ASX Listing Rule 11.2 ("Proposed Transaction").

A more detailed summary of the Asset Purchase Agreement is set out in Section 2.5 of the explanatory memorandum to the Notice of Meeting.

After the Proposed Transaction, the Company will retain its DME business which utilises certain products acquired by the Purchaser. As such, the Company and the Purchaser enter into a supply and license agreement for the Purchaser to supply the products to the Company post the Proposed Transaction.

The Proposed Transaction will result in the divestment of the Disposed Product Business from the rest of the business. The remaining business not being acquired relates to DME.

2. PURPOSE OF REPORT

The purpose of this Report is to advise the shareholders of Next Science on the fairness and reasonableness of the Proposed Transaction.

While there is no formal requirement under the ASX Listing Rules to obtain an Independent Expert's Report, the sale is subject to shareholder approval under Listing Rule 11.2.

Listing Rule 11.2 requires a company to obtain shareholder approval at a general meeting when the company proposed to make a significant change, either directly or indirectly, to the nature or scale of its activities if the significant change involves the company disposing of its main undertaking.

The Company has elected to commission this report to assist shareholders in assessing the merits of the Proposed Transaction.

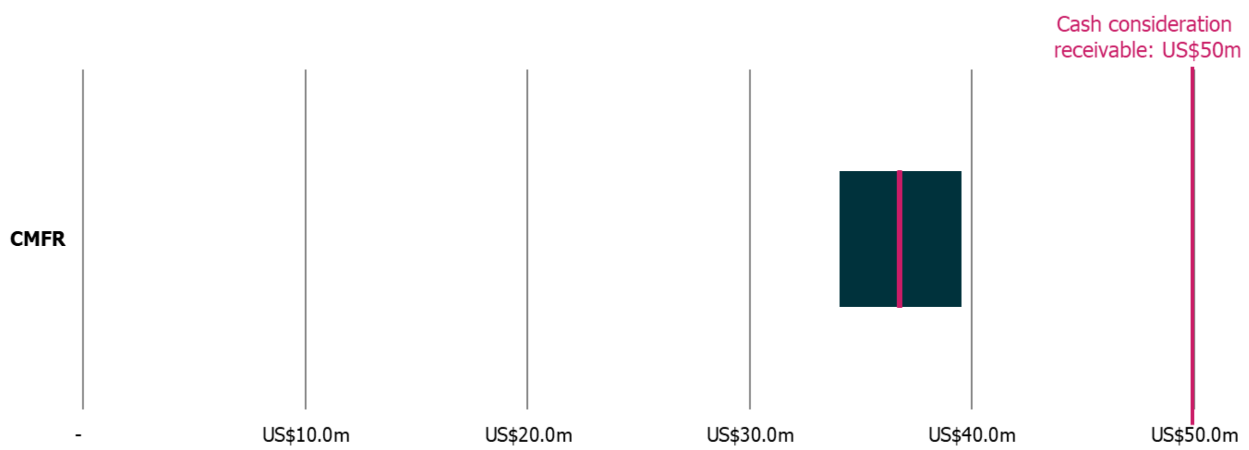
3. SUMMARY AND OPINION

This section is a summary of our opinion and cannot substitute for a complete reading of this Report. Our opinion is based solely on information available as at the date of this Report.

The principal factors that we have considered in forming our opinion are summarised below.

3.1 Assessment of Fairness

As discussed in section 4, in determining whether the Proposed Transaction is fair to Next Science shareholders, we have determined the fair value of the Disposed Product Business to be in the range US$34.1m to US$39.5m on a control basis. This is summarised below:



As the fair value of the consideration of US$50m is more than the fair value of the Disposed Product Business, **we have concluded that the Proposed Transaction is fair**.

3.2 Assessment of Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

In forming our opinion we have considered the following relevant factors (see section 10).

Advantages	Disadvantages
• The consideration of the Proposed Transaction of US$50 million is substantially higher than the Company's current market capitalisation and is considered as a favourable exit price in the near term. • The Proposed Transaction provides an exit opportunity for the Company to sell the Disposed Product Business which is consistently loss making and requires ongoing investment to support operations. • The consideration of the Proposed Transaction is an upfront cash consideration and is not subject to any deferred portion or any performance conditions.	• The Proposed Transaction involves the sale of assets and liabilities of the Disposed Product Business, instead of direct sales of the Company's shares which may not be the most tax effective method for certain shareholders of the Company. • The Shareholders will not benefit from future rewards associated with the Disposed Product Business.

Piper Sandler & Co ("Piper Sandler"), a multinational investment banking company based in Minneapolis, United States, acted as the Company's advisors and ran competitive sale process over several months. The process included Piper Sandler reaching out to a targeted list of key strategic and financial buyers with interest in the sector. Piper Sandler prepared a number of presentations for the Company's board of directors and provided updates on the offers received.

After the competitive sale process, the Company received offers from three separate bidders. The Directors considered the offer submitted by the Buyer, to be the most favourable.

As the Proposed Transaction is fair, and taking into consideration the matters above, **we have concluded that the Proposed Transaction is fair and reasonable.**

3.3 Opinion

Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to the Next Science shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the Notice of Meeting, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

Yours faithfully

Nexia Sydney Corporate Advisory Pty Ltd

Brent Goldman
Director
(Authorised Representative of Nexia Sydney Financial Solutions Pty Ltd, AFSL 247300)

STRUCTURE OF REPORT

Our Report is set out under the following headings:

APPENDICES

4. BASIS OF EVALUATION

RG 111 provides guidance as to matters that should be considered in determining whether a transaction is fair and reasonable in a range of circumstances.

RG 111 states that in deciding an appropriate form of analysis, the expert needs to consider that the main purpose of the Report is to deal with the concerns that could reasonable be anticipated by those persons affected by the transaction. An expert should focus on the purpose and outcome of the transaction; that is the substance of the transaction, rather than the legal mechanism used to effect the transaction.

RG 111 requires analysis of a transaction under two distinct criteria being:

- is the offer 'fair'?; and
- is it reasonable?

That is the opinion of fair and reasonable is not considered as a compound phrase.

In determining what is fair and reasonable for a control transaction, RG 111 states that:

- an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer, assuming a 100% interest of the target and irrespective of whether consideration is cash or scrip; and
- an offer is reasonable if it is fair, or if the offer is not fair, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the close of an offer.

In determining whether the transaction is fair, the fair value is assumed to be based on a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

For the purpose of considering whether or not the Proposed Transaction is fair we have compared the fair value of the business comprising the assets being disposed of on a control basis to the consideration receivable.

In our assessment of the reasonableness of the Proposed Transaction, our consideration has included the following matters:

- the Buyer's pre-existing voting power in securities in Next Science;
- other significant security holding blocks in Next Science;
- the liquidity of the market in Next Science's securities;
- cash flow or other benefits through achieving ownership of the Disposed Product Business;
- any special value to the Buyer, such as technology, the potential to write-off outstanding loans from Next Science, etc;
- the likely market price if the Proposed Transaction does not proceed;
- the value to an alternate bidder and the likelihood of an alternative bid being made;
- opportunity costs;
- transaction costs associated with the Proposed Transaction; and
- other significant matters set out in section 10.

4.1 Individual shareholders' circumstances

The ultimate decision whether to approve the Proposed Transaction should be based on each shareholder's assessment of the Proposed Transaction, including their own risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Proposed Transaction or matters dealt with in this Report, shareholders should seek independent professional advice.

4.2 Limitations on reliance on information

The documents and information relied on for the purposes of this Report are set out in Appendix B. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that documents and material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Proposed Transaction is fair and reasonable to the shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit or extensive examination might disclose.

We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.

An important part of the information used in forming an opinion of the kind expressed in this Report is the opinions and judgement of Directors and management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

NSCA are not the auditors of Next Science. We have analysed and reviewed information provided by the Directors and management of Next Science and made further enquiries where appropriate. Preparation of this Report does not imply that we have in any way audited the accounts or records of Next Science.

In forming our opinion we have assumed:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Notice of Meeting to be sent to shareholders is complete, accurate and fairly represented in all material respects; and
- the publicly available information relied upon by NSCA in its analysis was accurate and not misleading.

This Report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this Report which may impact upon this Report or which may impact upon the assumptions referred to in the Report.

5. OVERVIEW OF NEXT SCIENCE

5.1 Background

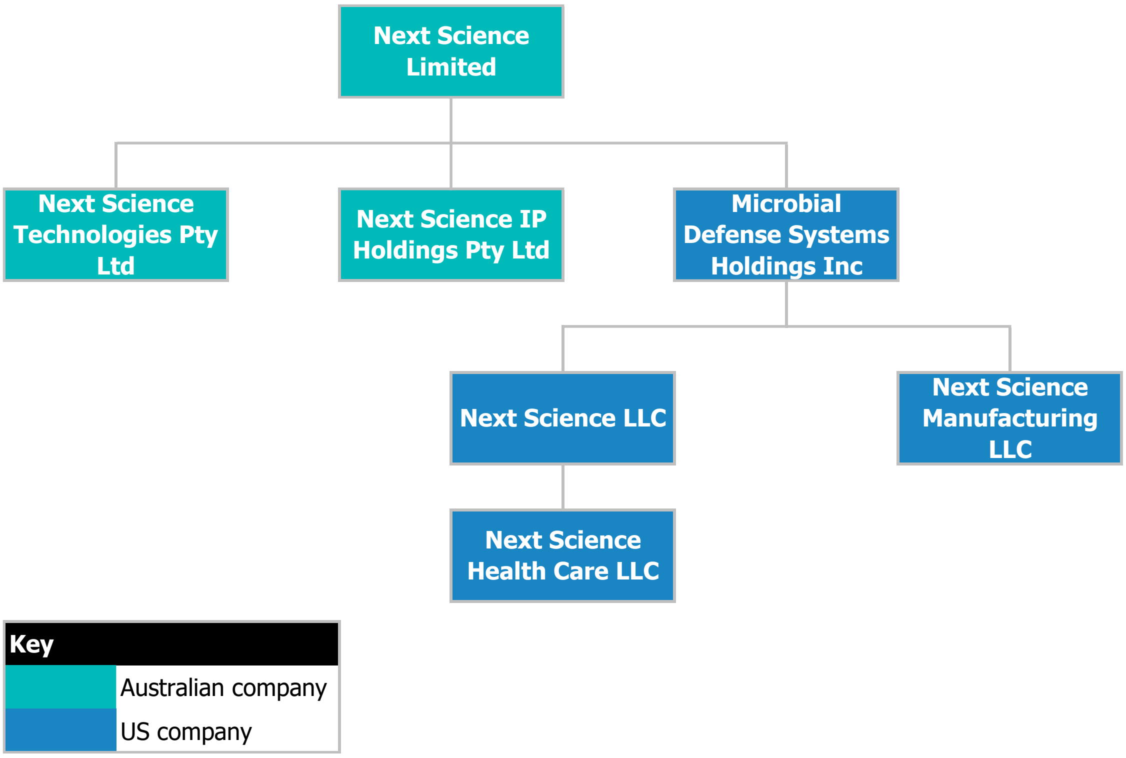
Next Science Limited (ASX: NXS) is an Australian biotechnology company focused on the development and commercialisation of innovative, science-based solutions to treat and manage biofilm-based infections. The Company leverages its proprietary XBIO technology platform to address critical unmet needs in both surgical and wound care markets.

Next Science was incorporated in New South Wales, Australia on 20 October 2017 as part of a corporate restructure, in which it became the holding company for Microbial Defense System Holdings Inc, incorporated in 2012. Next Science was incorporated as a proprietary company limited by shares and was converted to a public company on 24 January 2019. Its registered office and principal place of business are located in Sydney, New South Wales, Australia. The Company operates with a global outlook, with R&D and commercial partnerships in the United States, where many of its products are cleared by the U.S. Food and Drug Administration (FDA).

Next Science was admitted to the official list of the Australian Securities Exchange (ASX) on 18 April 2019, trading under the ticker ASX: NXS. The Company is listed as an ASX-listed public company and is subject to the continuous disclosure obligations under the ASX Listing Rules.

Next Science Limited is the ultimate holding company of the group. Its legal structure comprises several wholly owned subsidiaries that support R&D, manufacturing, IP holding, and commercial activities. The primary operational and IP subsidiaries are incorporated in Australia and the United States.

As at the date of this report, the group structure is shown below (representing the "Group"):



All subsidiaries are ultimately wholly owned by Next Science Limited. Next Science Technologies Pty Ltd and Next Science LLC are the two main trading entities of the Group. The Group's intellectual property is held in its wholly owned subsidiary, Next Science IP Holdings Pty Ltd.

5.2 Operations

5.2.1 Operating Locations

Next Science's operations are split between Australia and the US in line with the group structure detailed above. Although Next Science has global distribution agreements in place, its revenue is primarily from the US market. The US performance is therefore the key business driver. During FY24, the US operations represented 96.7% of the Group's revenue.

5.2.2 Product Lines

The Group has developed and commercialised a portfolio of products targeting surgical and chronic wound care markets. These include:

- **BLASTX Antimicrobial Wound Gel**: A topical gel used for treating chronic and acute wounds, providing protection from microbial contamination and helping prevent infection recurrence by disrupting biofilm.
- **XPERIENCE Advanced Surgical Irrigation**: A no-rinse antimicrobial surgical irrigation solution used intraoperatively to reduce the risk of surgical site infections (SSIs).
- **SURGX Antimicrobial Wound Gel**: Designed for use post-operatively to protect surgical incisions from infection, particularly in high-risk patients.
- **BACTISURE Surgical Lavage**: A lavage solution for surgical site cleansing, especially in orthopedic procedures involving implants. It is distributed by Zimmer Biomet in the U.S.
- **Acne Treatments**: Treats acne and breakouts, first launched to the Australian market in 2019.
- **Durable Medical Equipment (DME) Wound Care**: Includes advanced wound care solutions delivered through partnerships with DME providers, particularly in the U.S. home health and outpatient settings.

Revenue composition by product line for the years ended 31 December 2022 ("FY22"), 31 December 2023 ("FY23") and 31 December 2024 ("FY24") is presented in the table below.

US$000	FY22	FY23	FY24
BLASTX	2,119	1,758	1,756
XPERIENCE	3,990	5,249	9,713
SURGX	581	494	340
BACTISURE	4,065	4,096	4,308
Acne	65	268	208
Animal	21	48	39
TORRENTX	267	-	-
DME	571	10,224	6,426
Other	35	42	25
Total	**11,713**	**22,180**	**22,816**

Source: Next Science Management Accounts for FY22, FY23 and FY24

Revenues from two major customers in of the Group during FY24 represented 20% (FY23: 23%, FY22: 43%) of the Group's total revenue. Sales are largely concentrated in the U.S. market.

5.3 Directors and Key Management

Following is table sets out the board and key management personnel of Next Science:

	Position	Date appointed
Directors		
Aileen Stockburger	Chair	Aug-23 (appointed as Chair) Oct-18 (appointed as Director)
Harry Thomas Hall, IV (I.V.)	Chief Executive Officer	Jul-23
Grant Hummel	Non-Executive Director	Aug-23
Katherine Ostin	Non-Executive Director	Oct-23
Executive Management		
Marc Zimmerman	Chief Financial Officer	May-23
Dr Matt Myntti	Chief Technology Officer	*prior to Review Period*
Jon Swanson	Chief Strategy Officer	*prior to Review Period*

Source: Annual Reports and Management Information

There were no significant changes in relation to the Company's officers over the past three years apart from the retirement of the following directors:

- Danial Spira (retired May-24)
- Bruce Hancox (retired Jun-23)
- Mark Compton (retired Aug-23)
- Judith Mitchell (retired Jul-23)

5.4 Capital Structure

5.4.1 Ordinary shares

As at 17 July 2025, the Company had on issue 292,625,365 fully paid Ordinary Shares. As at 17 July 2025, the top shareholders were as follows:

Shareholder	Quantity held	% ownership
HSBC custody nominees (australia) limited	59,667,165	20.4%
Auckland trust company ltd	56,019,938	19.1%
UBS nominees pty ltd	21,496,299	7.3%
Citicorp nominees pty limited	12,323,340	4.2%
HSBC custody nominees (australia) limited - 2	6,528,940	2.2%
Charles Robert Dirck Wittenoom	5,571,349	1.9%
S G Andrew pty ltd	5,369,420	1.8%
James Fong Seeto	5,000,000	1.7%
James Willis Mozley Jr	4,676,732	1.6%
BNP paribas nominees pty ltd	4,315,155	1.5%
Dr Matthew Franco Myntti	4,171,824	1.4%
Dean Anthony Mackenzie	3,187,175	1.1%
Evan Philip Clucas & Leanne Jane Weston	2,921,187	1.0%
Bond street custodians limited	2,460,427	0.8%
Twenty fifth elporto pty ltd	2,300,000	0.8%
Gwendoline Louise King & Simon George Andrew	2,130,000	0.7%
Belgravia strategic equities pty ltd	1,965,000	0.7%
Richard Hugo Hamersley	1,947,596	0.7%
Timothy Ian Douglas	1,484,246	0.5%
Brook st smsf pty ltd	1,255,702	0.4%
	204,791,495	**70.0%**
Others	87,833,870	30.0%
Total issued capital	**292,625,365**	**100.0%**

Source: Next Science Top Holders Report, 17 July 2025

5.4.2 Options and rights

As at 17 July 2025 Next Science also had a total of 42,629,368 options and rights on issue, which are convertible to Ordinary Shares of Next Science on exercise and/or fulfilling the relevant vesting conditions. The table below sets out the securities and their terms:

Tranches	Vesting	Expiry date	Exercise price	# Options
Options granted on 16 Sep 2024	Unvested	16-Sep-29	A$0.22	15,609,671
Options granted on 16 Sep 2024	Unvested	3-May-29	A$0.38	3,361,855
Options granted on 25 Jul 2024	Unvested	25-Jul-27	A$0.42	5,000,000
Options granted on 1 May 2023	Unvested	1-May-28	A$0.68	100,000
Options granted on 24 Jul 2023	Unvested	24-Jul-28	A$0.72	5,649,967
Total				**29,721,493**

Source: Next Science Options and Rights Register, 17 July 2025

Tranches	Vesting	Expiry date	# Rights
Rights grant on 24 Jul 2023	Unvested	24-Jul-28	2,017,151
Rights grant on 16 Sep 2024	Unvested	NA	10,425,593
Sign-on Rights granted on 14 Jun 2024	Unvested	NA	465,131
Total			**12,907,875**

Source: Next Science Options and Rights Register, 17 July 2025

5.4.3 Capital raising activity over the last three years

Over the three financial years ended 31 December 2024 (FY22-FY24), Next Science undertook a series of equity and debt funding initiatives to support product development, commercialisation efforts, and working capital requirements. These included placements, Share Purchase Plans (SPPs), a secured convertible note facility, and a new unsecured loan facility. The Company raised capital at progressively lower prices across the period. Each item is described below.

Date	Detail	Price per security (A$)
Feb-22	Placement	0.90
Mar-22	SPP	0.87
Feb-23	Convertible Loan Notes	0.72
Aug-23	Placement, SPP and US Investor Offer	0.42
Jul-24	Loan Facility - options	0.42

Source: Next Science ASX Announcements and Annual Reports

February 2022

Completed a two-tranche placement to institutional and sophisticated investors, raising A$10.0m at A$0.9 per share, representing a 12.6% discount to the last closing price.

- A$6.0m (US$4.4m) raised within Next Science’s placement capacity under ASX Listing Rule 7.1 (Tranche 1); and
- A$4.0m (US$2.9m) commitment from major shareholder, Mr. Lang Walker, which was completed in May 2022.

March 2022

Launched a Share Purchase Plan to raise up to A$5.0m at A$0.87 per share, the price was a 2% discount to the VWAP of Next Science shares on the ASX over the five trading days up to and including the closing date of the Share Purchase Plan. Next Science received valid SPP applications and therefore raised a total of A$4.8m (US$3.6m) as was announced on 23 March 2022.

February 2023

The Company issued 10 million Secured Convertible Notes with a face value of A$10.0m to Walker Group Holdings Pty Ltd. The notes were issued with a maturity date of 11 November 2024, being 21 months from the date of issue. The notes carried 10% p.a. interest if redeemed and 5% if converted, convertible at A$0.72 per security.

August 2023

The Company raised A$12.0m via placement to institutional and sophisticated investors at A$0.42 per share, a 35.4% discount to the closing price of A$0.65.

The Company also launched a SPP to raise up to A$5.0m and an offer to US accredited investors to raise up to A$1.5m, each at the same price as the placement.

Walker Group Holdings committed to convert the full A$10.0m of convertible notes and accrued interest into equity at A$0.42 per share, subject to approval (subsequently received).

September 2023

The Company completed the SPP and a US investor offer, raising A$8.5m and A$1m respectively.

July 2024

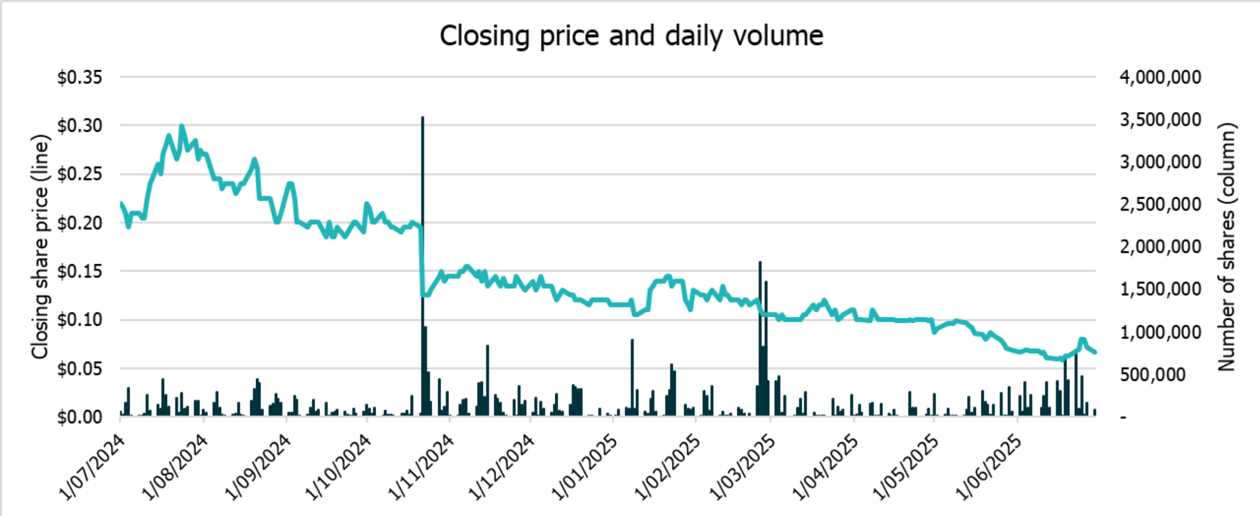
The Company entered into a US$5.0m unsecured loan facility with TIGA Trading Pty Ltd (Thorney Investment Group) (the "Lender").

US$2.0m was drawn down during H2 FY24; the remaining US$3.0m was undrawn at the FY24 year end.

In conjunction with the execution of the facility agreement, the parties signed an option deed under which the Company issued the Lender with 5 million options at an exercise price of A$0.42 and with a three-year expiry.

5.5 Share Price and Volume Trading Analysis

The following chart provides a summary of the trading volumes and prices for Next Science shares covering the 12 month period immediately prior to 30 June 2025:



Source: S&P CapitalIQ

The chart above indicates that the closing share price of Next Science has traded within a range of A$0.058 and A$0.30 over the 12 months to 30 June 2025 with a closing price of A$0.067.

The volume of Next Science shares that have been traded over the period has been high and prices and volumes for the last 260 trading days prior to the date of the announcement are summarised in the table below.

Trading day		Min	Max	Volume	VWAP
1	day	A$0.067	A$0.067	81,891	A$0.067
7	days	A$0.062	A$0.080	2,040,382	A$0.070
30	days	A$0.058	A$0.087	6,579,243	A$0.068
90	days	A$0.058	A$0.120	16,532,508	A$0.089
180	days	A$0.058	A$0.155	35,856,718	A$0.111
260	days	A$0.058	A$0.300	45,002,165	A$0.137

Source: S&P Capital IQ and Nexia analysis

Next Science's shares have a low level of liquidity, with 5.66% of Next Science's capital being traded in the last 90 trading days and 12.27% in the last 180 trading days.

5.6 Offers

Piper Sandler & Co ("Piper Sandler"), a multinational investment banking company based in Minneapolis, United States, acted as the Company's advisors and ran competitive sale process over several months. The process included Piper Sandler reaching out to a targeted list of key strategic and financial buyers with interest in the sector. Piper Sandler prepared a number of presentations for the Company's board of directors and provided updates on the offers received.

After the competitive sale process, the Company received offers from three separate bidders. The Directors considered the offer submitted by the Buyer, to be the most favourable.

5.7 Financial Information

Next Science's auditor's Reports for FY22, FY23 and FY24 were unqualified and unmodified.

5.7.1 Financial Performance

Set out below is the consolidated statement of profit or loss and other comprehensive income of Next Science for FY22, FY23 and FY24:

US$000	FY22	FY23	FY24
Revenue	11,713	22,179	22,816
Cost of sales	(2,563)	(5,945)	(4,373)
Gross profit	**9,150**	**16,235**	**18,443**
Other income	38	99	106
Selling and distribution expenses	(10,280)	(20,100)	(16,007)
Research and development expenses	(5,496)	(5,689)	(4,980)
Administration expenses	(5,172)	(5,359)	(6,510)
Other expenses	(46)	(27)	(83)
EBITDA	**(11,806)**	**(14,841)**	**(9,031)**
Depreciation expense	(897)	(1,113)	(1,273)
EBIT	**(12,703)**	**(15,954)**	**(10,304)**
Net finance costs	20	(317)	(282)
Profit before tax	**(12,683)**	**(16,271)**	**(10,586)**
Income tax expense	-	-	-
Net profit after tax	**(12,683)**	**(16,271)**	**(10,586)**
Foreign currency translation differences	(557)	566	(141)
Total comprehensive loss	**(13,240)**	**(15,704)**	**(10,727)**

Source: Next Science Annual Reports for FY22, FY23 and FY24

Revenue

Next Science experienced strong revenue growth over the three-year period. Revenue increased by 89% in FY23, primarily driven by expanded sales of key products including XPERIENCE and BLASTX, as well as the introduction of the Durable Medical Equipment (DME) channel. In FY24, revenue growth moderated to approximately 3%, with reduced performance in the wound care segment, particularly in direct sales, offset by strength in the surgical portfolio and strategic expansion through indirect sales channels.

Gross Profit

The increase in gross profit margin from 78% in FY22 to 81% FY24 was supported by a favourable product mix, greater economies of scale, and ongoing supply chain efficiencies. Gross profit margin saw a drop in FY23 to 73% due to a change in sales mix and prior to cost control initiatives.

Operating Expenses and Net Loss

Operating expenses rose in FY23, reflecting investment in sales and marketing to support growth, but declined in FY24 as the business implemented cost optimisation initiatives. The net loss widened in FY23 before narrowing in FY24, driven by higher gross profit and tighter cost control.

5.7.2 Financial Position

Set out below is the consolidated statement of financial position of Next Science as at 31 December 2022, 31 December 2023 and 31 December 2024:

US$000	Dec-22	Dec-23	Dec-24
Cash and cash equivalents	5,074	9,239	1,674
Trade and other receivables	1,739	3,589	3,335
Inventories	871	721	726
Other current assets - term deposits	38	38	-
Other current assets - other	542	374	316
Total current assets	**8,263**	**13,960**	**6,051**
Trade and other receivables	37	37	37
Property, plant and equipment	697	714	519
Right-of-use assets	1,053	803	553
Intangible assets	2,410	2,387	2,054
Total non-current assets	**4,197**	**3,940**	**3,163**
Total assets	**12,460**	**17,900**	**9,214**
Trade and other payables	1,979	3,207	2,659
Contract liabilities	275	275	275
Lease liabilities	258	275	222
Employee benefits	95	80	62
Total current liabilities	**2,607**	**3,837**	**3,219**
Contract liabilities	825	550	275
Loans and borrowings	-	-	1,806
Lease liabilities	962	687	465
Employee benefits	30	6	7
Total non-current liabilities	**1,817**	**1,243**	**2,553**
Total liabilities	**4,424**	**5,079**	**5,772**
Net assets	**8,036**	**12,821**	**3,442**
Share capital	113,527	133,824	133,927
Reserves	(42,362)	(42,491)	(41,387)
Accumulated losses	(63,129)	(78,511)	(89,097)
Total equity	**8,036**	**12,821**	**3,442**

Source: Next Science Annual Reports for FY22, FY23 and FY24

Cash and Cash Equivalents

The Group's cash position strengthened between FY22 and FY23 due to capital raised during the period, before decreasing significantly in FY24. The decline in FY24 reflects continued operating losses and reduced capital inflows, with the business drawing down on its unsecured loan facility to supplement working capital.

Total Assets

Total assets increased from FY22 to FY23, in line with the improved cash position and operational growth. However, in FY24, total assets declined materially, largely driven by the decrease in cash.

Loans and Borrowings

No borrowings were recorded in FY22 or FY23. In FY24, the Company reported its first drawn balance on the facility described in section 5.4.3.

Share Capital and Equity Movements

Share capital increased notably in FY23 following a capital raise to support the Group's commercial and operational initiatives. There was only a marginal increase in share capital in FY24, with limited new equity issued during the year. Net assets improved in FY23 on the back of the capital raise but declined substantially in FY24 because of continued losses and cash outflows.

5.7.3 Post Transaction Financial Position

For the pro-forma balance sheet of the Company post Proposed Transaction, please refer to Section 2.3 of the Company's Notice of Meeting.

5.7.4 Cash flow

Set out below is the consolidated statement of cash flows of Next Science for FY22, FY23 and FY24:

US$000	FY22	FY23	FY24
Receipts from customers	10,657	20,110	22,733
Payments to suppliers and employees	(20,464)	(33,397)	(29,733)
Payments for research and development	(2,034)	(1,903)	(1,021)
Interest received	13	65	39
Other income	38	66	19
Net cash from operating activities	**(11,790)**	**(15,059)**	**(7,963)**
Payments for property, plant and equipment	(89)	(295)	(46)
Payments for intangible assets	(387)	(589)	(543)
Payments for proceeds from investments	-	(0)	-
Net cash from investing activities	**(476)**	**(885)**	**(589)**
Proceeds from issue of ordinary shares	10,853	14,036	-
Proceeds from borrowings	-	-	2,000
Proceeds from issue of converting notes	-	6,983	-
Proceeds from conversion of options to ordinary shares	33	-	-
Capital raising costs	(386)	(638)	3
Payment of lease liabilities	(253)	(273)	(251)
Net cash from financing activities	**10,247**	**20,108**	**1,752**
Cash at beginning of financial year	7,368	5,074	9,239
Net increase/(decrease) in cash held	(2,018)	4,164	(6,801)
Effects of exchange rate changes on cash and cash equivalents	(238)	1	(764)
Less bank term deposits classified as other current assets	(38)	-	-
Cash at end of financial year	**5,074**	**9,239**	**1,674**

Source: Next Science Annual Reports for FY22, FY23 and FY24

Operating Activities

Operating cash outflows increased by approximately 28% from FY22 to FY23, reflecting higher staff costs and increased investment in sales and marketing activities during a period of growth. In FY24, outflows decreased by around 47%, indicating the benefit of cost control efforts.

Investing Activities

Investing cash outflows remained relatively modest and stable over the three-year period, with a slight increase in FY23 followed by a reduction in FY24. These primarily relate to capital expenditure and investment in product development.

Financing Activities

Financing inflows nearly doubled in FY23 compared to FY22 (up 97%), driven by equity capital raisings and conversion of convertible notes described in section 5.4.3. In FY24, inflows dropped sharply by 91%, with activity limited to drawdowns from the Group's loan facility.

Overall, the Group remained reliant on external funding across the period, with reduced operating cash burn in FY24 positioning the business more conservatively going into FY25.

6. MARKET OVERVIEW[1]

6.1 Overview

The wound care manufacturing industry create products that protect injured parts of the body and aid the restoration of surfaces of the body. The four primary activities of this industry are researching, developing, manufacturing, and marketing all wound care products.

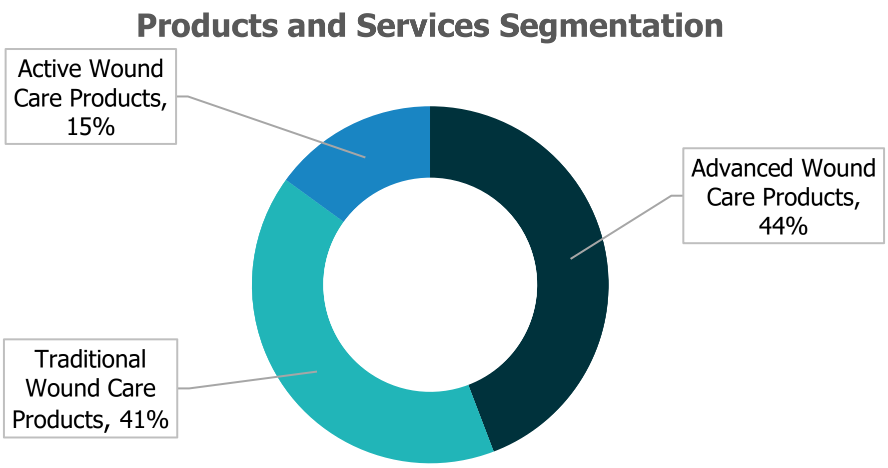
Advanced wound care products are outpacing traditional ones, due to the rising need for fast-healing solutions. This is also fuelled by the aging population and those with conditions like diabetes. Hospital, clinics and doctors drive wound care product innovation. They influence this market by seeking cost effective, advanced products that comply with healthcare policies, improve patient safety and provide high-quality care. Technological advancements, including innovative materials and telemedicine integration, have propelled the industry forward, enhancing treatment outcomes and patient care management. As a result, industry revenue grew at a CAGR of 0.9% over the past five years and reached $2.8 billion in 2024.

The cost of imported components used in wound dressing will increase due to the tariffs imposed. Manufacturers dependent on overseas chemicals, adhesives and other input materials could face increased production expenses. This may make domestic wound care manufacturing more attractive and US-based manufacturers could gain a competitive edge as such, if they source materials locally.

For industry operators, the five-year outlook to 2029 remains strong. As the aging population continues to boost demand for wound care products, the industry revenue is expected to grow an annualised 3.3% over the five years through 2029 to total of $3.3 billion.

6.2 Products and services segmentation

Companies in the wound care product industry manufacture within three main product groupings displayed in the graph below.



Source: IBISWorld Industry Report OD4099 Wound Care Product Manufacturing in the US by Valerie Le in April 2025.

Traditional wound care products will continue to be sourced by the healthcare sector, specifically in international markets as they are more affordable and have reliable results. The US remains a key player in

[1] Source: IBISWorld Industry Report OD4099 Wound Care Product Manufacturing in the US by Valerie Le in April 2025.

the development of new technologies and advanced wound care products. Finally, currently with the smallest product percentage in the industry, active wound care products use bioactive compounds that help repair through biosynthetic materials. The advanced and active product sectors are expected to grow as new and more effective technologies are uncovered in the industry.

6.3 Demand determinants

Demand in the wound care manufacturing industry is determined by a variety of factors, these attributes have been divided into two sections:

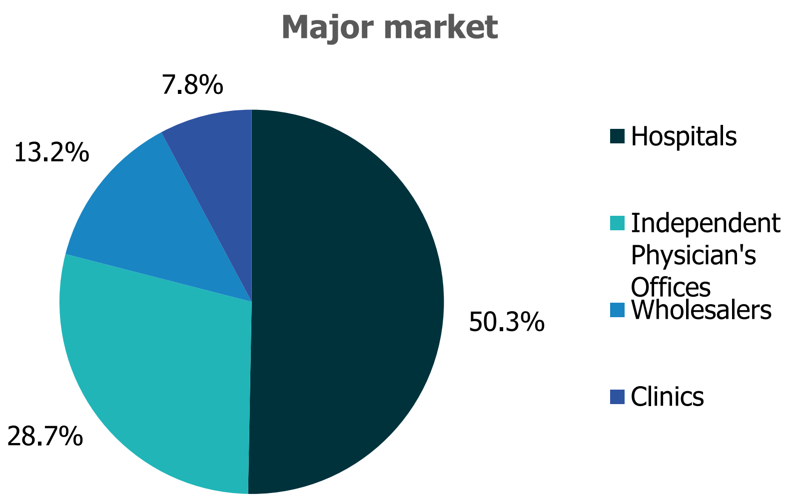
Product trends relate to demand determinants associated with the manufactured goods themselves. As in all consumer segments, price plays a large role in determining the demand of a product. This is especially the case with traditional wound care products since generic brand competition increases in times when consumers have less income. Product functionality also has a large influence on demand as consumers seek wound treatments that offer additional healing or comfort benefits. Medical professionals also seek products within the industry with multiple uses. New products introduced in the market can also have an influence over demand. Products entering the market that have a positive environmental, social or governance (ESG) impact may lead to consumers and medical professionals purchasing additional products from the industry.

Healthcare trends related to the demand for wound care products are also influenced by the likelihood of people visiting a medical professional when procedures involving these goods would normally be performed. The intervention of government bodies in the affordability of healthcare drives demand. Expanding insurance coverage will boost demand for wound care products as more individuals gain access to healthcare services, the market for these essential medical supplies is poised to extend.

6.4 Major markets

Hospitals, and physicians make up most of the market for the wound care product manufacturing industry. As there is such a variety of wounds that vary in severity and cause, hospitals, and physicians require a range of products to best fit the wound repair requirements of each patient. Hospitals are crucial care points using wound care products for specialised departments, including wound care units and their purchasing decisions are affected by healthcare reimbursement policies, driving them towards cost-effective and quality wound care products. In contrast, independent physicians' primary focus is to offer quality, cost-efficient care and treatment selection. Their selection of wound care products is largely based on the products' effectiveness and compatibility to their patients' needs.

Wholesalers purchase goods from industry operators and then resell them to retail operators or direct to consumers. Over the past five years this segment has moved in line with the overall industry as consumer demand tends to follow the other large areas of the industry. Clinics offering outpatient health services generally require cost-friendly medical goods to suit their financial constraints. As a result, manufacturers of these products are encouraged to innovate and produce cost-effective wound care items.

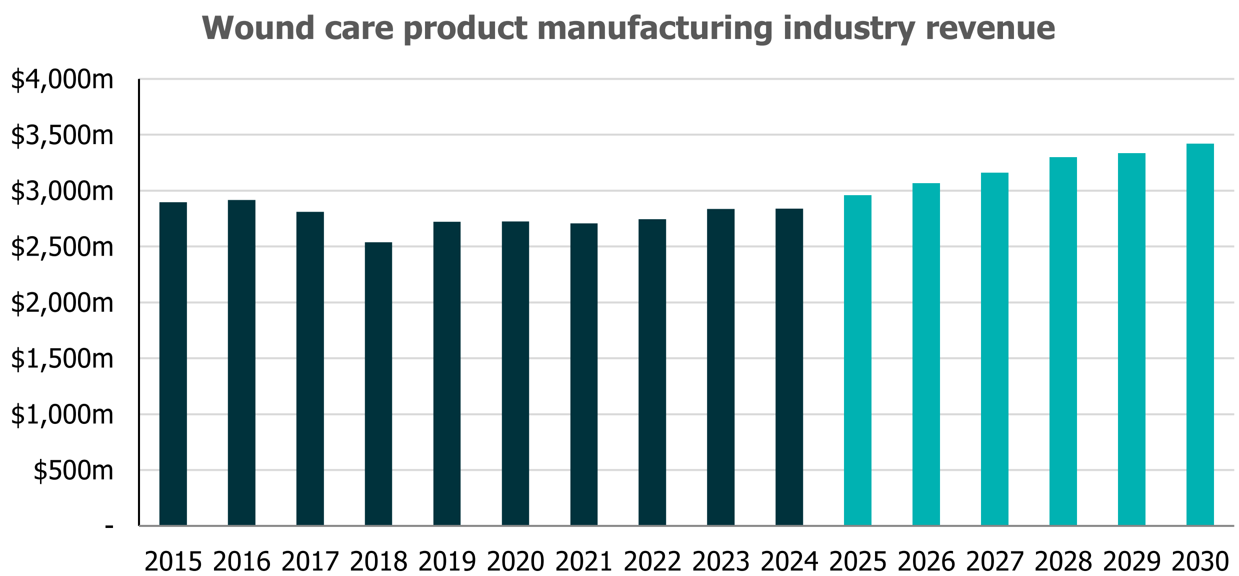


Source: IBISWorld Industry Report OD4099 Wound Care Product Manufacturing in the US by Valerie Le in April 2025.

6.5 Industry revenue

According to IBIS World, industry revenue growth is projected over the next five years because of consistent healthcare expenditure. The industry is predicted to continue on its current trajectory of increased research and development in advanced and active wound care treatments while relying on importation for low-value-added traditional wound care products.

On aggregate, IBISWorld expects industry revenue to grow at an annualized 2.9% to $3.4 billion by 2030. This growth is largely supported by the healthcare market expansion, the aging population and continued innovation in advanced wound care products driven by ongoing research and development effort.



Source: IBISWorld Industry Report OD4099 Wound Care Product Manufacturing in the US by Valerie Le in April 2025.

7. VALUATION METHODOLGIES

7.1 Definition of market value

In forming our opinion as to whether or not the Proposed Transaction is fair and reasonable to the Next Science shareholders, we have assessed the value of the issued shares of Next Science on a fair value basis. RG 111 defines fair value as the amount:

"assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length..."

7.2 Selection of Methodology

RG 111 provides guidance on the valuation methods that an independent expert should consider. These methods include:

- the discounted cash flow method and the estimated realisable value of any surplus assets;
- the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
- the amount that would be available for distribution to security holders on an orderly realisation of assets;
- the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale;
- any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets; and
- the amount that an alternative bidder might be willing to offer if all the securities in the target were available for purchase.

Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the asset being valued, the methodology most commonly applied in valuing such an asset and the availability of appropriate information.

In determining the fair value of Next Science, we have applied the following methodologie:

- Capitalisation of future maintainable revenue ("CFMR") – Next Science is loss making and not expected to be generating profits in the short term, hence an earnings based multiple will not present a realistic value and instead a revenue based multiple is more appropriate. We have assessed the revenues from the business that is being disposed, and excluded the revenues associated with DME.

We have determined the above to be the most appropriate methodologies due to:

- Next Science has not generated profits throughout the period,
- Next Science has not prepared forecast cash flows other than for internal management reporting purposes;
- Although not highly liquid there is consistent trading in Next Science's shares;
- Next Science does not heavily invest in tangible assets; therefore, the asset approach disregards the prospective earning potential of Next Science.

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8. VALUE OF NEXT SCIENCE

8.1 CMFR of Disposed Product Business

8.1.1 Fair value assessment

Our assessment of the fair value of the Company's Disposed Product Business, using the CFMR methodology, is set out below:

US$000	Note	Low	Mid	High
Maintainable Revenue	1	16,390	16,390	16,390
Multiple	2	1.73x	1.79x	1.86x
Disposed Product Business value (non-controlling basis)		**28,384**	**29,398**	**30,411**
Control premium	3	20.0%	25.0%	30.0%
Disposed Product Business value (controlling basis)		**34,061**	**36,747**	**39,535**

Source: The APA, S&P Capital IQ and Nexia analysis

Notes:

1. Maintainable revenue is discussed in section 8.1.2 of this Report
2. The capitalisation multiple is discussed in section 8.1.3 of this Report
3. Control premium is discussed in section 8.1.4 of this Report

8.1.2 Maintainable revenue

In our assessment of future maintainable revenue, we considered the following:

- Revenue trend analysis and explanations for variances based on audited financial performance for FY22, FY23 and FY24;
- Management's assessment of the impact of excluding DME business to the revenue associated with the Disposed Product Business which is considered negligible; and
- No extraordinary or non-recurring items were noted.

The Company's revenue breakdown by products between FY22 and FY24 revenue are summarised in the table below. The revenue is further segregated into revenue from the Disposed Product Business and retained product business.

US$000	FY22	FY23	FY24
BLASTX	2,119	1,758	1,756
XPERIENCE	3,990	5,249	9,713
SURGX	581	494	340
BACTISURE	4,065	4,096	4,308
Acne	65	268	208
Animal	21	48	39
TORRENTX	267	-	-
DME	571	10,224	6,426
Other	35	42	25
Total	**11,713**	**22,180**	**22,816**
Revenue from the Disposed Product Business	**11,142**	**11,956**	**16,390**
Revenue from the retained product business	**571**	**10,224**	**6,426**

Source: Next Science Management Accounts for FY22, FY23 and FY24

We adopt the FY24 revenue of the Disposed Product Business, US$16.4 million as the maintainable revenue, considering the following factors:

- XPERIENCE, being the major source of revenue of the disposed product business, increased consistently from FY22 to FY24, mainly driven by increasing body of clinical evidence and the opportunities created by the US saline shortage in Q4 of FY24 and expanded access through Group Purchasing Organisations ("GPOs").

- The other revenue sources, for instance BLASTX and BACTISURE, had relatively stable revenue from FY22 to FY24;

- In view of the growing trend of the Disposed Product Business, we consider its FY24 revenue represents the business latest performance and most relevant to indicate the business' future maintainable revenue.

8.1.3 Multiple

The capitalisation multiple has been determined with reference to identified comparable listed companies only given there is no comparable transactions with sufficient disclosed data to derive a transaction multiple that can be reference in the valuation of the Disposed Product Business. In determining the comparable listed companies, we have considered companies in the same industry and having similar products as the disposed product business in wound care product sector.

The table below sets out the total enterprise value ("TEV"), total revenue and revenue multiples of the listed company peer group, details of the companies are included in Appendix E.

Comparable companies				US$m		Margins	Trailing Multiples
Name	Country	Exchange	TEV	Rev	EBITDA	EBITDA%	Revenue
Next Science Ltd.	Australia	ASX	13.7	22.8	(9.5)	-42%	0.57x
Comparable companies							
Aroa Biosurgery Ltd.	New Zealand	ASX	121.8	50.3	0.8	2%	2.41x
PolyNovo Ltd.	Australia	ASX	532.6	76.2	6.4	8%	7.03x
Nanosonics Ltd.	Australia	ASX	717.5	121.4	13.4	11%	5.95x
AVITA Medical Inc.	USA	NASDAQCM	158.4	71.7	(48.9)	-68%	2.21x
Sanara MedTech Inc.	USA	NASDAQCM	276.4	91.6	(1.6)	-2%	3.02x
Bactiguard Holding AB (publ)	Sweden	OM	117.7	23.3	2.5	11%	4.52x
ConvaTec Group PLC	United Kingdom	LSE	9,322.1	2,289.2	551.1	24%	3.72x
Average			**1,606.6**	**389.1**	**74.8**		**4.12x**
Median			**276.4**	**76.2**	**2.5**		**3.72x**

Source: S&P Capital IQ and Nexia analysis (multiple as at 30 Jun 2025)

In determining an appropriate multiple, we have considered:

- Disposed Product Business's size, profitability and growth profile as compared with identified comparable listed companies

- Given Disposed Product Business is a private business without readily available market for the trading of its shares, we have applied a liquidity discount to reflect the lack of liquidity in comparison to listed securities.

- The Disposed Product Business is significantly smaller that the peer companies based on revenue. As a result, there is a greater impact and therefore risk to the business from customer losses (noting also the level of customer concentration), key employee losses and other operating matters as compared to a larger more diversified business. Therefore, we have a applied a discount for size in considering the multiple.

Based on the above we have determined that an appropriate revenue capitalisation multiple for the Disposed Product Business is between 1.73x and 1.86x on a non-control basis.

8.1.4 Control premium

Given the capitalisation multiple in section 8.1.3 above is derived from listed comparable companies which represents price of minority position in the companies, a control premium has been applied to the fair value of the Disposed Product Business reflect a controlling interest. This premium is based on academic studies and other market research which reflect that control premiums can range from 20% to 30%.

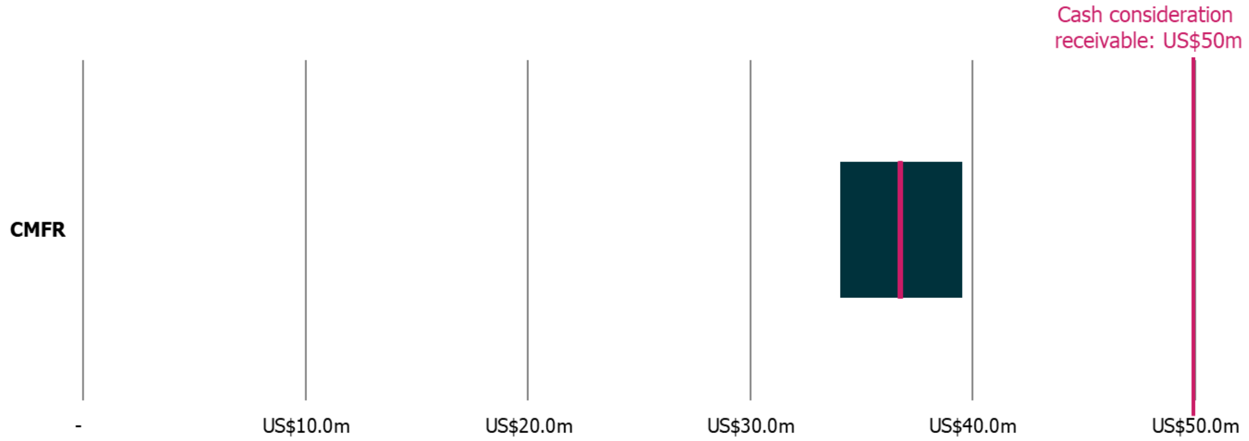
8.2 Fair value of Disposed Product Business

Based on the analysis in sections 8.1 and 8.2 above, the fair value of the Disposed Product Business is determined to be ranging from US$34.1 million to US$39.5 million, with a mid-point of US$36.7 million.

9. ASSESSMENT OF FAIRNESS

To determine whether or not the transaction is fair to Next Science shareholders, we have compared the fair value the Disposed Product Business on a control basis to the cash consideration of US$50 million.

The fair value comparison is summarised below:



As shown in the chart above, the fair value of the Disposed Product Business on a control basis ranges from US$34.1 million to US$39.5 million and with a mid-point of **US$36.7 million** is lower than the cash consideration receivable of US$50 million. Therefore, **we have concluded that the Proposed Transaction is fair.**

10. ASSESSMENT OF REASONABLENESS

10.1 Approach to assessing Reasonableness

In forming our conclusions in this Report, we have compared the advantages and disadvantages to shareholders if the Proposed Transaction proceeds.

10.2 Advantages of the transaction

We outline below potential advantages of the Proposed Transaction:

Advantage	Explanation
The consideration of the Proposed Transaction of US$50 million is substantially higher than the Company's current market capitalisation and is considered as a favourable exit price in the near term.	The current market capitalisation of the Company is US$12.7m as at 30 June 2025. The US$50m cash consideration (before the repayment of debt and transaction costs) represents a significant price premium of over 390% compared with the market capitalisation immediately prior to the announcement of the Proposed Transaction. As discussed in section 5.5, the share price of the Company was in a downward trend over the past 12 months. Considering the significant price premium in the consideration over the current market capitalisation, the Proposed Transaction is considered as a favourable exit opportunity of the Company's business.
The Proposed Transaction provides an exit opportunity for the Company to sell the Disposed Product Business which is consistently loss making and requires ongoing investment to support operations.	As set out in section 5.7 above, the Company was loss making in the past three financial years with net losses ranging from US$10.6m to US$16.3m. For funding the ongoing operating losses and the Company's working capital requirement, there has been a number of capital raisings in the last three financial years as detailed in section 5.4.3. The Proposed Transaction provides an immediate exit opportunity of the majority of the ongoing loss-making business of the Company in exchange for an upfront cash consideration of US$50m which will be distributed to shareholders after deduction of the relevant transaction costs and required working capital. This can reduce the capital raising requirements of the Company in the near term and therefore have less potential dilution impact to the Company's shareholders.
The consideration of the Proposed Transaction is an upfront cash consideration and is not subject to any deferred portion or any performance conditions.	The consideration of the Proposed Transaction is an upfront cash consideration of US$50m, payable upon the completion of the Proposed Transaction. There is no deferred portion or any of the consideration is subject to any future performance condition and as such, there is no uncertainties or delay in the cash consideration if the Proposed Transaction proceed.

10.3 Disadvantages of the transaction

We outline following the potential disadvantages of the Proposed Transaction:

Disadvantage	Explanation
The Proposed Transaction involves the sale of assets and liabilities of the Disposed Product Business, instead of direct sales of the Company's shares	According to the Directors, after completion of the Proposed Transaction and based on the expected net proceeds, the Board currently intends to distribute the net sale proceeds (after deduction of transaction and other costs and the discharge of all liabilities, tax and associated

which may not be the most tax effective method for certain shareholders of the Company.	expenses and any other working capital or other amount that the Company may require for ongoing purposes) of the Proposed Transaction to Shareholders by one or more capital returns, share buy-backs or dividends (or a combination) subject to tax advice which the Company is obtaining. The Company estimate, the net proceeds to be distributed to shareholders to be approximately US$30 million after repayment of debt, transactions costs, potential tax liabilities and winding down costs. Subject to further tax advice for the Company which is outstanding as at the date of this independent expert's report, the Proposed Transaction involves transacting the assets and liabilities of the Disposed Product Business and in return distributing the net proceed to shareholders by one or more capital returns, share buy-backs or dividends (or a combination). This may not be the most tax effective return to certain shareholders.
The Shareholders will not benefit from future rewards associated with the Disposed Product Business.	After the completion of the Proposed Transaction, the assets and the liabilities of the Disposed Product Business will be disposed to the Purchaser and the Company will not benefit from future development and return that can potentially generated from the Disposed Product Business. Given the Disposed Product Business represents majority of the Company's products, net assets and revenue generated, the sale of the Disposed Product Business may not be consistent with the investment objectives of certain shareholders.

10.4 Alternatives to the transaction

As mentioned in section 5.6 above, the Company has run a competitive sale process and received multiple offers from three separate bidders. The Directors considered the offer submitted by the Buyer, to be the most favourable.

10.5 Implications of the transaction not proceeding

If the Proposed Transaction is not approved, the Company will continue to retain the Disposed Product Business and which may require ongoing investments to develop the business until it reaches a stage that it is breakeven and self-sustainable in the long run.

10.6 Conclusion as to Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

As the Proposed Transaction is fair and, taking into account other significant factors, **we have concluded that the Proposed Transaction is reasonable.**

11. OPINION

Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to the Next Science shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the Notice of Meeting, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

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APPENDIX A – GLOSSARY

Term	Definition
Disposed Product Business	The assets to be sold as part of the Asset Purchase Agreement dated 30 June 2025
ASIC	Australia Securities and Investment Commission
APA	Asset Purchase Agreement dated 30 June 2025
ASX	Australian Securities Exchange
Company or Client or Next Science	Next Science Ltd
Corporations Act	Corporations Act 2001 (Cth)
Disposed Product Business	All acquired regulatory approvals, contracts, intellectual property, inventory, records and goodwill of the NXS Group excluding all assets related to the DME Business
DME Business	Durable Medical Equipment business
FSG	Financial Services Guide
FY22	the financial year ended 31 December 2022
FY23	the financial year ended 31 December 2023
FY24	the financial year ended 31 December 2024
Group	Next Science and its subsidiaries
Notice of Meeting	Notice of Extraordinary General Meeting to be sent to shareholders on or about the date of this Report in which this Report is included
NSCA	Nexia Sydney Corporate Advisory Pty Ltd (ABN 68 114 696 945)
NSFS	Nexia Sydney Financial Solutions Pty Ltd (AFSL 247300)
NSX Group	The Company and its wholly-owned subsidiaries
Proposed Transaction	Sale of the Disposed Product Business
Purchaser	Demetra Holdings S.p.A.
Report	Independent Expert's Report
RG 111	ASIC Regulatory Guide 111: Content of expert Reports
RG 74	ASIC Regulatory Guide 74: Acquisitions approved by members
VWAP	Volume Weighted Average Price of shares
YTD	Year to date

APPENDIX B - SOURCES OF INFORMATION

- Australian Securities and Investment Commission's (ASIC) database
- Audited financial statements of Next Science Ltd for the years ended 31 December 2022, 31 December 2023 and 31 December 2024
- Draft Notice of Annual General Meeting and Explanatory Memorandum prepared by Next Science Ltd
- S&P Capital IQ
- Unaudited management accounts of Next Science Ltd for the years ended 31 December 2022, 31 December 2023 and 31 December 2024
- Unaudited revenue schedules for the years ended 31 December 2022, 31 December 2023 and 31 December 2024
- the Asset Purchase Agreement

APPENDIX C - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement Nexia Sydney Corporate Advisory Pty Ltd ("NSCA") determined its independence with respect to Next Science and the Buyer with reference to ASIC Regulatory Guide 112: Independence of expert's Reports ("RG 112"). NSCA considers that it meets the requirements of RG 112 and that it is independent of Next Science and the Buyer.

Also, in accordance with s648(2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Next Science or the Buyer, its related parties or associates that would compromise our impartiality.

Mr Brent Goldman, authorised representative of NSCA, has prepared this Report. Neither he nor any related entities of NSCA have any interest in the promotion of the Proposed Transaction nor will NSCA receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this Report. Our fee is not contingent upon the success or failure of the Proposed Transaction and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, NSCA does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

NSCA provided a draft copy of this Report to the Directors and management of Next Science for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of NSCA alone. Changes made to this Report, as a result of the review by the Directors and management of Next Science, have not changed the methodology or conclusions reached by NSCA.

Qualifications

NSCA carries on business at Level 22, 2 Market Street, Sydney NSW 2000. NSCA is an authorised corporate representative of Nexia Sydney Financial Solutions Pty Ltd, which holds Australian Financial Services Licence No 247300 authorising it to provide financial product advice on securities to retail clients. NSCA's representatives are therefore qualified to provide this Report.

Brent Goldman specifically was involved in the preparing and reviewing this Report. Brent Goldman is a Fellow of Chartered Accountants Australia and New Zealand, a Business Valuation Specialist of Chartered Accountants Australia and New Zealand and a Fellow of the Financial Services Institute of Australasia. He has over 25 years of corporate finance experience in both Australia and the UK.

Consent and Disclaimers

The preparation of this Report has been undertaken at the request of the Directors of Next Science. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the Report should be used for any other purpose than to accompany the Notice of Meeting to be sent to Next Science shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of NSCA's opinion as to whether or not the Proposed Transaction is fair and reasonable to Next Science shareholders.

NSCA consent to the issue of this Report in the form and context in which it is included in the Notice of Meeting to be sent to Next Science shareholders.

Shareholders should read all documents issued by Next Science that consider the issue of options in their entirety, prior to proceeding with a decision. NSCA had no involvement in the preparation of these documents, with the exception of our Report.

This Report has been prepared specifically for the non-associated shareholders of Next Science. Neither NSCA, nor any member or employee thereof undertakes responsibility to any person, other than a shareholder of Next Science, in respect of this Report, including any errors or omissions howsoever caused. This Report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

APES 225

Our report has been prepared in accordance with APES 225 Valuation Services.

APPENDIX D - VALUATION METHODOLOGIES

In preparing this Report we have considered valuation methods commonly used in practice and those recommended by RG 111. These methods include:

- the discounted cash flow method;
- the capitalisation of earnings method;
- asset based methods; and
- analysis of share market trading.

Discounted Cash Flow Method

Description

Of the various methods noted above, the discounted cash flow method has the strongest theoretical standing. It is also widely used in practice by corporate acquirers and company analysts. The discounted cash flow method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A discounted cash flow valuation requires:

- a forecast of expected future cash flows;
- an appropriate discount rate; and
- an estimate of terminal value.

It is necessary to project cash flows over a suitable period of time (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue growth, future margins, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under capitalisation of future maintainable earnings below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows.

The discounted cash flow method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All of these assumptions can be highly subjective sometimes leading to a valuation conclusion presented as a range that is too wide to be useful.

Use of the Discounted Cash Flow Method

A discounted cash flow approach is usually preferred when valuing:

- early stage companies or projects;
- limited life assets such as a mine or toll concession;
- companies where significant growth is expected in future cash flows; or
- projects with volatile earnings.

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support a capitalisation of earnings approach. However, it may not be appropriate if reliable forecasts of cash flow are not available and cannot be determined.

Capitalisation of Earnings Method

Description

The capitalisation of earnings method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a discounted cash flow, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The capitalisation of earnings methodology involves the determination of:

- a level of future maintainable earnings; and
- an appropriate capitalisation rate or multiple.

A multiple can be applied to any of the following measures of earnings:

Revenue – most commonly used for companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA - most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBIT - in most cases EBIT will be more reliable than EBITDA as it takes account of the capital intensity of the business.

NPAT - relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g. financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT value the whole businesses, or its enterprise value irrespective of the gearing structure. NPAT (or P/E) values the equity of a business

The multiple selected to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money all wrapped up in a single number. Multiples can be derived from three main sources.

Using the guideline public company method, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market, such as the ASX or the NSX. The merger and acquisition method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business. In Australia this has been called the comparable transaction methodology.

Use of the Capitalisation of Earnings Method

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. This method is less appropriate for valuing companies or assets if:

- there are no suitable listed company or transaction benchmarks for comparison;
- the asset has a limited life;
- future earnings or cash flows are expected to be volatile; or
- there are negative earnings or the earnings of a business are insufficient to justify a value exceeding the value of the underlying net assets.

Asset Based Methods

Description

Asset based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset based methods including:

- orderly realisation;
- liquidation value;
- net assets on a going concern basis;
- replacement cost; and
- reproduction cost.

The orderly realisation of assets method estimates Fair Market Value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame.

Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimate the market values of the net assets of a company but do not take account of realisation costs.

The asset / cost approach is generally used when the value of the business's assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than an economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset approach would be the most appropriate method.

Nexia Australia

Use of Asset Based Methods

An asset-based approach is a suitable valuation method when:

- an enterprise is loss making and is not expected to become profitable in the foreseeable future;
- assets are employed profitably but earn less than the cost of capital;
- a significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments); or
- it is relatively easy to enter the industry (for example, small machine shops and retail establishments).

Asset based methods are not appropriate if:

- the ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets; or
- a business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets.

Analysis of Share Trading

The most recent share trading history provides evidence of the Fair Market Value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

APPENDIX E - BUSINESS DESCRIPTION OF COMPARABLE COMPANIES

Name	Business Description
Aroa Biosurgery Limited	Aroa Biosurgery Limited develops, manufactures, and sells medical devices for wound and soft tissue repair using extracellular matrix (ECM) technology in the United States and internationally. Its products include Endoform Natural and Endoform Antimicrobial Restorative Bioscaffold for treating acute and chronic wounds; Myriad Matrix, an engineered ECM for soft tissue repair, reinforcement, and complex wounds; Myriad Morcells, a morcellized (powdered) format of Myriad Matrix for soft tissue repair and complex wounds; Myriad Morcells Fine that delivers a bolus of biologically important ECM proteins to help kick start and sustain healing; and OviTex and OviTex PRS, a reinforced bioscaffolds for use in hernia repair and abdominal wall reconstruction, as well as breast reconstruction. The company also offers Symphony, a combination cellular and tissue product, indicated for the regeneration of functional tissue in complex wounds. Aroa Biosurgery Limited was incorporated in 2007 and is headquartered in Auckland, New Zealand.
PolyNovo Limited	PolyNovo Limited designs, manufactures, and sells biodegradable medical devices in the United States, Australia, New Zealand, and internationally. The company offers NovoSorb Biodegradable Temporising Matrix, a dermal scaffold for the regeneration of the dermis when lost through extensive surgery, trauma, or burn. It is also developing hernia devices for hernia repair and solution for ventral hernia and complex abdominal wall reconstruction; NovoSorb Dermal Beta Cell, a novel intracutaneous ectopic pancreas to treat type 1 diabetes; NovoSorb MTX for single stage grafting in burns, chronic, and surgical wounds; and plastics and reconstructive device products. The company was formerly known as Calzada Limited and changed its name to PolyNovo Limited in November 2014. PolyNovo Limited was incorporated in 1998 and is headquartered in Port Melbourne, Australia.
Nanosonics Limited	Nanosonics Limited operates as an infection prevention company globally. The company manufactures and distributes the trophon ultrasound probe disinfector, and its related consumables and accessories; and research, develops, and commercialize of infection control and decontamination products and related technologies. Its product portfolio includes trophon2 that provides protection across various level disinfection HLD cycle; AuditPro nanosonics, an infection control workflow compliance management; Trophon EPR, a patented sonicated mist technology that provides high level disinfection of both endocavitary and surface ultrasound probes; and CORIS, an instrument reprocessing product platform. The company was incorporated in 2000 and is headquartered in Macquarie Park, Australia.
AVITA Medical, Inc.	AVITA Medical, Inc., together with its subsidiaries, operates as a therapeutic acute wound care company in the United States, Japan, the European Union, Australia, and the United Kingdom. The company's lead product is the RECELL System, a cell harvesting device used for the treatment of thermal burn wounds and full-thickness skin defects, as well as for repigmentation of stable depigmented vitiligo lesions. It also provides RECALL autologous cell harvesting device, which can treat areas of up to 1,920 cm2; RECELL autologous cell harvesting device with ease-of-use, an enhanced ease-of-use device that can treat areas of up to 1,920 cm^2; and RECELL GO mini autologous cell harvesting device, a line extension of the RECELL GO system to treat smaller wounds up to 480 cm2, as well as RECELL GO autologous cell harvesting device consisting of RECELL GO processing device, which controls and manages the pressure applied to disaggregate the donor skin cells and controls the incubation time of the RECELL Enzyme to optimize cell yield and promote cell viability; and RECELL GO preparation kit, which can treat areas up to 1,920 cm2. In addition, the company markets, sells, and distributes PermeaDerm, a biosynthetic wound matrix; and Cohealyx, a collagen-based dermal matrix. It serves hospitals, treatment centers, and distributors. The company was formerly known as AVITA Therapeutics, Inc. and changed its name to AVITA Medical, Inc. in December 2020. AVITA Medical, Inc. is headquartered in Valencia, California.

Name	Business Description
Sanara MedTech Inc.	Sanara MedTech Inc., a medical technology company, develops, markets, and distributes surgical, wound, and skincare products and services to physicians, hospitals, clinics, and post-acute care settings in the United States. The company offers CellerateRX Surgical, a medical hydrolysate of Type I bovine collagen indicated for the management of surgical, traumatic, and partial- and full-thickness wounds, as well as first- and second-degree burns. It also develops BIASURGE, a no-rinse surgical solution used for wound irrigation; FORTIFY TRG, a freeze-dried, multi-layer small intestinal submucosa extracellular matrix sheet; FORTIFY FLOWABLE extracellular matrix, an advanced wound care device; and TEXAGEN, a multi-layer amniotic membrane allograft used as an anatomical barrier with robust handling that can be sutured for securement. The company has a license agreement with Rochal to develop, market, and sell antimicrobial products that include BIASURGE Advanced Surgical Solution, BIAKŌS Antimicrobial Wound Gel, and BIAKŌS Antimicrobial Skin and Wound Cleanser for the prevention and treatment of microbes on the human body. Sanara MedTech Inc. was incorporated in 2001 and is based in Fort Worth, Texas.
Bactiguard Holding AB (publ)	Bactiguard Holding AB (publ), a medTech company, provides infection prevention technology and solutions in orthopedics, cardiology, neurology, urology, and vascular access areas in the United States, Sweden, Malaysia, India, Bangladesh, Indonesia, the Kingdom of Saudi Arabia, and internationally. It also operates through license partnerships with global MedTech companies that apply the technology to medical devices and sell them under own brand and co-branded. The company also has a portfolio of wound management products, such as Hydrocyn Aqua, an antimicrobial solution and gel for improved wound healing; and surgical sutures comprising non-absorbable, natural absorbable, synthetic absorable, and specialty sutures. It has licensed partnership with Becton, Dickinson & Company for urinary catheter bardex IC and lubrisil IC; Well Lead Medical for catheters and tubes; and Zimmer Biomet for orthopedic trauma implants. The company was founded in 2005 and is headquartered in Stockholm, Sweden.
ConvaTec Group PLC	ConvaTec Group PLC engages in the development, manufacturing, and sale of medical products, services and technologies in Europe, North America, and internationally. The company offers advanced wound care products for the management of acute and chronic wounds resulting from various conditions, such as diabetes, and acute conditions resulting from traumatic injury and burns. It also provides ostomy care solutions, including devices, accessories, and services for people with a stoma resulting from colorectal cancer, bladder cancer, inflammatory bowel disease, and trauma. In addition, the company offers continence care products and services for people with urinary continence issues related to spinal cord injuries, neurological disease, prostate enlargement or other causes. Further, it provides infusion care solutions comprising disposable infusion sets for diabetes insulin pumps, or for used in continuous infusion treatments for conditions such as Parkinson's disease. The company sells its products to pharmacies, hospitals, and other acute and post-acute healthcare service providers directly or through distributors and wholesalers. It serves a range of customers, including healthcare providers, patients, and manufacturers. ConvaTec Group PLC was founded in 1978 and is headquartered in London, the United Kingdom.