

27 July 2023

Botanix successfully completes A\$12.5m Placement and executes buyout agreement for milestones and royalty payments relating to Sofpironium Bromide

Key highlights

- Botanix has today issued the A\$12.5m of shares to new and existing institutional and sophisticated investors, pursuant to its recently announced placement
- Proceeds expected to be primarily used to extinguish the future milestone and royalty payments due to Fresh Track Therapeutics Inc in respect of Sofpironium Bromide
- A number of new institutional investors with life sciences expertise invested in the placement, which was led and supported largely by Botanix's existing institutional shareholders
- The milestone and royalty buyout strategically positions Sofpironium Bromide and Botanix for potential M&A and licensing opportunities
- The FDA review of Sofpironium Bromide remains on track, with approval targeted for the end of September 2023

Philadelphia and Phoenix US, 27 July 2022: Clinical dermatology company, Botanix Pharmaceuticals Limited (ASX: BOT, "Botanix" or "the Company"), is pleased to announce that the Company has closed its \$12.5 million placement to new and existing institutional and sophisticated investors for the placement of 104,166,667 new fully paid ordinary shares ("**New Shares**") at A\$0.12 per New Share ("**Placement Price**") under a placement to raise A\$12.5 million in gross proceeds ("**Placement**").

The Company has today issued the 104,166,667 New Shares to investors. New Shares issued under the Placement will rank pari passu with existing Botanix fully paid ordinary shares from their date of issue. Euroz Hartleys Limited acted as Sole Lead Manager and Bookrunner to the Placement.

Proceeds from the Placement are expected to be primarily used to extinguish the future milestone and royalty payments due to Fresh Tracks Therapeutics Inc ("**Fresh Tracks**"), the company that Botanix acquired Sofpironium Bromide gel ("**SB gel**") from in early 2022. The remaining proceeds will be used to cover costs associated with finalising FDA review and preparing for commercial launch in the United States, as well as general working capital purposes and costs of the offer.

Botanix President and Executive Chair Vince Ippolito said: *"We are pleased to finalize this Placement with the support of our sophisticated and institutional investors to fund the buyout of the financial obligations that we owed to Fresh Tracks."*

"This is an exciting time for the Company as we approach planned approval for Sofpironium Bromide in the coming months"

The agreement for the buyout of the milestones and royalties with Fresh Tracks (the “**Transaction**”) has now been executed and payment to Fresh Tracks is expected to occur in the coming days. In exchange for the payment of US\$8.25M to Fresh Tracks, all of the future financial obligations due to Fresh Tracks will be extinguished. Given that Botanix was otherwise on target to pay Fresh Tracks US\$4M in September following planned FDA approval of SB gel, the additional US\$4.25m payment amount now is relatively modest, compared to the significant future potential payments that would be payable to Fresh Tracks as regulatory and sales milestones and royalties on Net Sales of SB.

The buyout is particularly attractive to Botanix, not only because of the relatively modest payment made to Fresh Tracks in respect of extinguishing the potential future financial obligations to Fresh Tracks, but also because the buyout will consolidate the control and financial benefits of SB gel to Botanix. H.C. Wainwright and Co. acted as exclusive financial adviser to Botanix in relation to the Transaction.

This ASX announcement is authorised for release by the Board.

About Botanix Pharmaceuticals

Botanix Pharmaceuticals Limited (ASX:BOT) is a dermatology company based in Philadelphia and Phoenix (US) which is progressing its lead product Sofpironium Bromide for the treatment of primary axillary hyperhidrosis, through FDA approval. A mid-cycle review for the product has been successfully completed by FDA in 1Q 2023, which subject to other information that may be required by FDA, remains on track for approval targeted for the end of September 2023. Sofpironium Bromide is positioned to be a leading first line and second line therapy and potentially represents a safe and effective new option for patients.

The Company also has a pipeline of other products in late-stage clinical studies for the treatment of moderate to severe rosacea (successful Phase 1b/2 study in 4Q 2022), dermatitis and acne respectively. Botanix is also developing a topical antimicrobial product for the eradication of bacteria on the skin surface, initially in patients who are undergoing hemodialysis. To learn more please visit: <http://www.botanixpharma.com/>

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Cautionary Note on Forward-Looking Statements

Any statements in this press release about future expectations, plans and prospects for the Company, the Company's strategy, future operations, and other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: the Company's ability to successfully develop its product candidates and timely complete its planned clinical programs, the Company's ability to obtain marketing approvals for its product candidates, the expected timing and/or results of regulatory approvals and the outcome and effects of Sofpironium Bromide and the market for Sofpironium Bromide. In addition, the forward-looking statements included in this press release represent the Company's views as of the date hereof. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date hereof.