

## ASX/Media Release

20 January 2017

### Botanix Issues Options Under Plan

**Philadelphia, USA, 20 January 2017:** Botanix Pharmaceuticals Limited (“Botanix” or “The Company”) today announced that it has issued 10,107,979 options to key staff pursuant to its existing Employee Securities Incentive Plan.

The Incentive Plan was approved by shareholders on 14 June 2016 and is intended to align the long term interests of key consultants and employees with Company shareholders, as well as to provide cost effective remuneration for the Botanix team who have agreed to competitive engagement terms in exchange for equity exposure to the future success of the Company. These team members include Botanix leaders of clinical, regulatory and manufacturing functions.

The incentive options are comprised of the following tranches and terms:

Class	Number	Exercise price	Expiry date	Vesting
Class A unlisted options	3,369,327	\$0.045	19/01/2018	18/07/2017
Class B unlisted options	6,738,652	\$0.057	19/01/2020	Progressively over three years at each 18 January anniversary
<b>Total</b>	<b>10,107,979</b>			

The exercise price of the tranche A options was calculated as the 7 day volume weighted average share price prior to the date of issue and the tranche B options were priced at a 33% premium to the previous day closing share price.

An Appendix 3B for the issue of these options is following.

### About Botanix Pharmaceuticals

Botanix Pharmaceuticals is dedicated to developing next generation therapeutics for the treatment of serious skin diseases. Our mission is to improve the lives of patients battling acne, psoriasis and atopic dermatitis, by providing new treatment options for conditions that currently are inadequately addressed or are treated with therapeutics that are burdened with side effects profiles. Botanix is harnessing the untapped potential of a synthetic active pharmaceutical ingredient known as cannabidiol, which is currently being studied for the treatment of epilepsy, pain, arthritis and schizophrenia and has a well-established safety profile. Botanix is preparing for the first human trials with synthetic cannabidiol utilising a proprietary drug delivery system (Permetrex™) for direct skin delivery of the therapy.

For more information on Botanix, please visit [www.botanixpharma.com](http://www.botanixpharma.com) or follow us on Twitter @Botanixpharma.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Botanix Pharmaceuticals Limited

ABN

70 009 109 755

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Unlisted Options   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (a) 3,369,327<br>(b) 6,738,652   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (a) Unlisted Options exercisable at \$0.045 each, expiring 19 January 2018 and vesting on 18 July 2017.<br>(b) Unlisted Options exercisable at \$0.057 each, expiring 19 January 2020 and vesting progressively over three years on 18 January of each year. |

4	<p>Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No, will rank equally upon conversion to ordinary fully paid shares</p>
5	Issue price or consideration	<p>Nil</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Options are being issued to key consultants under the Company's employee securities incentive plan to provide a cost effective incentive for future performance</p>
6a	<p>Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the <sup>+</sup>securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
6b	The date the security holder resolution under rule 7.1A was passed	<p>30 November 2016</p>
6c	Number of <sup>+</sup> securities issued without security holder approval under rule 7.1	<p>Nil</p>
6d	Number of <sup>+</sup> securities issued with security holder approval under rule 7.1A	<p>Nil</p>
6e	Number of <sup>+</sup> securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	<p>Nil</p>

6f	Number of securities issued under an exception in rule 7.2	10,107,979				
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not Applicable				
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 57,393,077 Rule 7.1A – 40,539,813				
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	18 January 2017				
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>252,338,128</td><td>Fully paid ordinary shares</td></tr></table>	Number	+Class	252,338,128	Fully paid ordinary shares
Number	+Class					
252,338,128	Fully paid ordinary shares					

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	<div>156,476,642</div> <div>Fully paid ordinary shares subject to escrow to 15 July 2018</div> <div>16,215,959</div> <div>Unlisted options, exercise price of \$0.0675 and expiring 1 December 2019, vesting progressively over three years at each 30 November</div> <div>13,000,000</div> <div>Unlisted options, exercise price of \$0.03 and expiring 30 June 2019, subject to escrow to 15 July 2018</div> <div>3,369,327</div> <div>Unlisted options, exercise price of \$0.045 and expiring 19 January 2018, subject to escrow to 18 July 2017</div> <div>6,738,652</div> <div>Unlisted options, exercise price of \$0.057 and expiring 19 January 2020, vesting progressively over three years at each 18 January</div>
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

## Part 2 - Bonus issue or pro rata issue – DETELED AS NOT APPLICABLE

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b)

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?
- If the additional securities do not rank equally, please state:
- the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
- 
- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period
- (if issued upon conversion of another security, clearly identify that other security)
-

42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)

Number	+Class

### Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company Secretary)

Date: 20 January 2017

Print name:

Mr Brett Tucker

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for \*eligible entities

Introduced 01/08/12

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	77,338,128
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	Nil   328,060,000   Nil
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	405,398,128



<b>Step 2: Calculate 15% of “A”</b>	
<b>“B”</b>	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	60,809,719
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> <li>Under an exception in rule 7.2</li> <li>Under rule 7.1A</li> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul> <b>Note:</b> <ul style="list-style-type: none"> <li><i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li><i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	3,416,642
<b>“C”</b>	3,416,642
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<b>“A” x 0.15</b>  <i>Note: number must be same as shown in Step 2</i>	60,809,719
<b>Subtract “C”</b>  <i>Note: number must be same as shown in Step 3</i>	3,416,642
<b>Total [“A” x 0.15] – “C”</b>	57,393,077  <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

## Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	405,398,128
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	40,539,813
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	Nil
<b>“E”</b>	Nil

**Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A**

<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>40,539,813</p>
<p><b>Subtract “E”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>Nil</p>
<p><b>Total</b> [“A” x 0.10] – “E”</p>	<p>40,539,813</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>