

**ASX/Media Release**

**5 April 2017**

**Botanix receives commitments for A\$7.4 million in oversubscribed placement**

- **Botanix has received commitments to raise A\$7.4 million**
- **Placement was significantly oversubscribed with strong support from existing and new institutional and sophisticated investors**
- **Funds raised will be used to accelerate clinical development of synthetic cannabidiol products and pursue commercialisation of the Permetrex™ delivery technology**
- **Botanix will be well funded for the development phase holding approximately A\$9.0 million cash**

**Philadelphia PA and Sydney Australia, 5 April 2017:** Medical dermatology company Botanix Pharmaceuticals Limited (ASX: BOT, “Botanix” or the “Company”) is pleased to announce that it has received commitments to raise A\$7.4 million (before costs), via a significantly oversubscribed placement to existing and new institutional and sophisticated investors (“Placement”).

The Placement comprises the issue of up to 134,296,526 shares at an offer price of A\$0.055 per share. The offer price represents a 13.3% discount to the 20-day volume weighted average price (calculated from 30 March 2017). Shares issued under the Placement will be fully paid ordinary shares in the capital of the Company.

The Placement will be executed via two tranches. The first tranche of A\$5.4 million will involve the issue of 97,932,890 shares pursuant to the Company’s existing placement capacity under ASX Listing Rules 7.1 and 7.1A. The second tranche of A\$2.0 million will involve the issue of 36,363,636 shares and is subject to shareholder approval to be sought at a Botanix Extraordinary General Meeting (“EGM”), expected to be held on or around Monday, 15 May 2017. A Notice of Meeting should be dispatched to shareholders shortly. Subject to shareholder approval, the additional tranche will settle shortly after the EGM.

The funds raised under the Placement provides financial capacity for Botanix to execute on its product development programmes and broader commercialisation strategy. Specifically, the advancement of the clinical development of Botanix’s dermatology products and to pursue the strategy of commercialising the Permetrex™ technology.

In conjunction with Botanix’s upcoming Phase 1a trial of BTX 1503 which is scheduled to commence in the coming weeks, the Company expects to fast-track the clinical development of BTX 1204, which is a topical treatment for moderate to severe atopic dermatitis. The development work already completed and underway for BTX 1503, can be utilised to support the advancement of BTX 1204 into clinical trials, which is likely to save considerable time and cost for the Company.

Separately, the Company intends to progress multiple opportunities to generate near term revenues to further enhance the Company’s funding position. Botanix intends to commence a pilot human

clinical study on BTX 1701, an over the counter acne cleanser, that can be developed and marketed without extensive clinical studies and without the need for FDA approval. Additionally, Botanix intends to advance negotiations with potential pharmaceutical partners on the licensing of the Permetrex™ technology, for use in those partners' clinical programs seeking to treat other dermatological diseases.

Botanix's Executive Director, Matthew Callahan, said, "The overwhelming support for the Placement is a clear vote of confidence from the institutional and sophisticated investment community in relation to Botanix's business strategy, speed of clinical development and unique focus on using synthetically derived cannabidiol and the Permetrex™ delivery technology in the novel treatment of dermatology conditions."

"These funds will be used to accelerate our clinical programs for acne and dermatitis and to also pursue the strategy of commercialising Permetrex™, which should allow the Company to begin to generate revenues whilst still in the clinical stages of product development."

Argonaut acted as Lead Manager to the Placement. Vesparum Capital is acting as financial adviser and Gilbert + Tobin as legal adviser to Botanix on the Placement.

#### **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 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 in 1H 2017 and plans to progress the development of its pipeline of other Permetrex™ enabled products alone, or in collaboration with partners.

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

#### **For more information, please contact:**

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