

**ASX/Media Release**

**12 April 2017**

**Completion of the Tranche 1 Placement**

- **Botanix has issued 97.9m shares at an issue price of A\$0.055 per share raising A\$5.4 million**
- **Funds raised will be used to accelerate clinical development of synthetic cannabidiol products and pursue commercialisation of the Permetrex™ delivery technology**
- **Tranche 2 of the Placement, to raise A\$2.0 million, is subject to shareholder approval to be sought at a general meeting to be held on or about 15 May 2017**

**Philadelphia PA and Sydney Australia, 12 April 2017:** Further to the ASX announcement on 5 April 2017, Botanix Pharmaceuticals Limited (ASX:BOT, “Botanix” or the “Company”) is pleased to announce that it has today issued a total of 97,932,890 shares at an issue price of A\$0.055 raising approximately A\$5.4 million (before costs) (“**Tranche 1 Placement**”).

The Tranche 1 Placement is the first step in a wider placement of up to a total of 134,296,526 shares at an issue price of A\$0.055 per share as detailed in the 5 April 2017 ASX announcement (“**Placement**”). Tranche 2 of the Placement of up to 36,363,636 additional shares to raise approximately A\$2 million (before costs) is subject to shareholder approval to be sought at a general meeting of the Company to be held on or about 15 May 2017.

The funds raised under the Placement will be used 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.

Botanix provides the following information pursuant to Listing Rule 3.10.5A:

1. The total dilution of the Tranche 1 Placement can be demonstrated as follows:

	<b>Shares</b>	<b>%</b>
Number of shares on issue prior to Tranche 1 Placement	408,814,770	80.7
Dilution as a result of issue under ASX LR7.1A	40,539,813	8.0
Dilution as a result of issue under ASX LR7.1	57,393,077	11.3
Number of shares on issue following Tranche 1 Placement	506,747,660	100.0

40,539,813 shares have been issued pursuant to Botanix’s Listing Rule 7.1A capacity (“**7.1A Placement**”). The shares issued pursuant to the 7.1A Placement represent 8.0% of the post Tranche 1 Placement capital in the Company. Pre-Tranche 1 Placement shareholders overall interests will therefore be diluted by 8.0% following the 7.1A Placement (however some existing shareholders have participated in the Tranche 1

Placement so their particular interests may have increased or been diluted to a lesser extent).

The remainder of 57,393,077 shares in the Tranche 1 Placement have been issued pursuant to Botanix's Listing Rule 7.1 capacity ("**7.1 Placement**"). These shares represent 11.3% of the post Tranche 1 Placement capital in the Company. Pre-Tranche 1 Placement shareholders overall interests will therefore be diluted by 11.3% following the 7.1 Placement (however some existing shareholders have participated in the Tranche 1 Placement so their particular interests may have increased or been diluted to a lesser extent).

The following table provides details of participation by existing shareholders and new investors who participated in the component of the Tranche 1 Placement issued under the Company's ASX Listing Rule 7.1A capacity:

	%
Shares held by Pre-Tranche 1 Placement shareholders who did not participate in the ASX Listing Rule 7.1A component of the Tranche 1 Placement	84.7
Shares held by pre-Tranche 1 Placement shareholders who did participate in the ASX Listing Rule 7.1A component of the Tranche 1 Placement	0
Shares held by new shareholders who participated in the ASX Listing Rule 7.1A component of the Tranche 1 Placement	8
Shares held by new shareholders who participated in the ASX Listing Rule 7.1 component of the Tranche 1 Placement but did not participate in the ASX Listing Rule 7.1A component of the Tranche 1 Placement	7.3

2. Botanix issued the Shares by way of the 7.1A Placement and not by way of a pro-rata offer as it considered that this was the most appropriate way of raising funds in the circumstances, providing certainty for the Company going forward. The Placement does not expose the Company to additional costs, a protracted process and market volatility that may have been experienced with a pro-rata issue or other type of issue in which existing ordinary shareholders would have been eligible to participate.
3. The Tranche 1 Placement was not underwritten. The Company will pay a 6% capital raising fee on the funds raised under the Tranche 1 Placement. Botanix has also incurred miscellaneous expenses including legal, listing and other advisory fees in connection with the Tranche 1 Placement.

An Appendix 3B applying for quotation of the Tranche 1 Placement shares follows, together with a cleansing notice in respect of the Tranche 1 Placement shares pursuant to section 708A(5)(e) of the

Corporations Act 2001 (Cth) (Corporations Act) has been lodged with ASX. The Company advises that in light of the suspension of the Company's securities from trading from 14 June 2016 until 15 July 2016 as part of the Company's re-compliance with the ASX Listing Rules, the Company has applied for, and ASIC has granted, a declaration from ASIC to modify section 708A(5) of the Corporations Act to enable the Company to rely on the cleansing notice regime under the Corporations Act notwithstanding its suspension.

### **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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