

ASX/Media Release

19 May 2017

Completion of Tranche 2 of Capital Raising Placement

- **Tranche 2 of the capital raising placement, raising A\$2.0 million, successfully completed following shareholder approval received on 15 May 2017**
- **Funds raised will be used to accelerate clinical development of lead acne product, progress pipeline products and pursue other opportunities for the Permetrex™ delivery technology**

Philadelphia PA and Sydney Australia, 19 May 2017: Further to the Company's ASX announcement on 5 April 2017 of the placement of up to a total of 134,296,526 shares at an issue price of A\$0.055 per share (**Placement**), Botanix Pharmaceuticals Limited (ASX:BOT, "Botanix" or the "Company") is pleased to announce that it has today issued a total of 36,363,636 shares at an issue price of A\$0.055 raising approximately A\$2.0 million (before costs). This Tranche 2 of the previously announced Placement was approved by Shareholders at a General Meeting held on 15 May 2017.

Tranche 1 of the Placement was completed on 12 April 2017 when the Company issued approximately 97.9m shares at an issue price of A\$0.055 per share raising approximately A\$5.4 million (before costs).

The funds raised under the Placement will be used to execute on the Company's product development programs and broader commercialisation strategy for the Permetrex™ delivery technology. Specifically, the Company will accelerate the clinical development of Botanix's lead acne dermatology program by advancing activities supportive of its planned US Phase 2 clinical studies, as well as advancing one or more of its pipeline products in dermatitis and psoriasis. Part of the funds raised will also be allocated to pursue other opportunities to leverage the Permetrex™ technology in the development of the Company's own and partners' dermatology products.

An Appendix 3B applying for quotation of the shares issued under the Tranche 2 component of the Placement follows, together with a cleansing notice in respect of the Tranche 2 shares pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**). As noted in the Company's 12 April 2017 ASX announcement, 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 or follow us on Twitter @Botanixpharma.

For more information, please contact:

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