

ASX/Media Release

20 June 2018

Botanix raises A\$8m in oversubscribed placement

Key highlights

- Botanix has successfully completed an oversubscribed placement to raise A\$8m
- Funds raised will be used to accelerate the development of BTX 1204 and progress other key pipeline products
- Botanix is now fully funded to complete two Phase 2 clinical trials by mid-2019, with multiple pipeline products progressing into Phase 1b patient studies

Philadelphia PA and Sydney Australia, 20 June 2018: Medical dermatology company Botanix Pharmaceuticals Limited (ASX: BOT, “Botanix” or the “Company”) is pleased to announce that it has successfully completed an A\$8m oversubscribed placement (“Placement”) to professional, institutional and sophisticated investors across Australia and Asia, including existing shareholders.

Botanix Executive Director Matt Callahan said: “Botanix is now in a strong position with two fully funded Phase 2 ready programs moving into the clinic, multiple pipeline products progressing into Phase 1b patient studies in the near term and a novel technology platform. There are no NASDAQ-listed dermatology companies with two Phase 2 programs in development and such a deep pipeline of earlier stage programs. Each of these assets can generate significant shareholder value in the near term.”

Placement

The Placement resulted in the issue of 72,727,273 shares, at an offer price of A\$0.110 per share. The offer price represents an 8.3% discount to last close price of A\$0.120. The Placement will be undertaken in a single tranche within the Company’s existing placement capacity under ASX Listing Rule 7.1 (102,704,608). All Placement shares issued will rank equally with existing ordinary shares. Settlement is expected to occur on Tuesday 26 June 2018, with new shares allotted the next day.

Argonaut Securities Pty Ltd and Bell Potter Securities Limited acted as joint lead managers to the Placement. Vesparum Capital is acting in an independent capital markets advisory role for Botanix.

Use of proceeds

The funds from the Placement will be used primarily to rapidly advance BTX 1204 into Phase 2 clinical trial. Remaining funds will be utilised to develop BTX 1801 into pilot clinical study and Phase 1b study. Botanix remains on track to announce the BTX 1801 product in the near term.

Proposed use of funds is outlined below:

BTX 1204: Phase 2 study	A\$6.0m
Development of other pipeline products	A\$1.0m
Other: operational and corporate expenses; working capital; offer costs	A\$1.0m
Total use of funds	A\$8.0m

Based on existing cash reserves (~A\$11.5m), expected receipt of R&D tax refund (~A\$4m) in 2H CY2018 and proceeds from this Placement (~A\$8m), Botanix is now fully funded to complete two Phase 2 clinical trials by mid-2019 and progress multiple pipeline products into Phase 1b patient studies in the near term.

About Botanix Pharmaceuticals

Botanix Pharmaceuticals Limited (ASX:BOT) is a clinical stage medical dermatology company based in Perth, Australia and Philadelphia, PA. The Company's focus is the development of safe and effective topical treatments for acne, psoriasis, atopic dermatitis and other skin conditions. The active ingredient contained in Botanix products is a synthetic form of a widely studied natural compound. Treatment targets include inflammation, deterioration of the skin barrier, skin cell proliferation, pruritus (itch), excess sebum production and bacterial infection.

Botanix has an exclusive license to use a proprietary drug delivery system (Permetrex™) for direct skin delivery of active pharmaceuticals in all skin diseases. Botanix is working with multiple parties to test the application of Permetrex™ on both a fee-for-service and traditional license basis.

Botanix pursues a rapid clinical development strategy aimed at accelerating product commercialisation. The patient treatment duration of clinical studies is generally completed within a 4 to 12 week timeframe.

The Company completed its first acne patient studies with BTX 1503 in January 2018 and is preparing for a Phase 2 study commencing mid-2018 with completion expected in mid-2019. The Phase 1b BTX 1204 atopic dermatitis patient study concluded in June 2018. A further Phase 1b BTX 1308 psoriasis patient study is also scheduled to commence in 3Q CY2018.

To learn more please visit: <https://www.botanixpharma.com/>

For more information, please contact

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