botanix
PHARMACEUTICALS
ACN 009 109 755

ASX/Media Release

7 August 2019

Placement Update

Key highlights

- **Botanix has issued 182m shares at an issue price of A$0.21 per share being $38.2m of the $40m Placement**
- **Funds raised from the Placement will be used to progress its first antimicrobial program into clinical studies and undertake supportive studies required prior to Phase 3 studies**
- **The Company is well funded to execute its on key planned clinical development programmes and accelerate its broader commercialisation strategy**

Philadelphia PA and Sydney Australia, 7 August 2019: Further to the ASX announcement on 1 August 2019, clinical stage cannabinoid company Botanix Pharmaceuticals Limited (ASX:BOT, "Botanix" or the "Company") is pleased to announce that it has today issued a total of 181,976,191 shares at an issue price of A$0.21 raising approximately A$38.2m (before costs) ("**Issue"**) as part of the commitments received for the A$40m placement as announced on 1 August 2019 (**"Placement"**).

The Company has received binding commitments in respect of the residual A1.8m under the Placement, however, the Company is awaiting receipt of cleared funds from a US investor. The remaining shares in the Placement (8.5m) will be issued following receipt of the cleared funds.

The funds from the Placement will enable Botanix to continue to execute its key clinical development programmes and accelerate its broader commercialisation strategy. Botanix is now fully funded to funded to progress its first antimicrobial program into clinical studies and undertake supportive studies required prior to Phase 3 studies. Funds from the Placement are also available for general working capital use.

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

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

	Shares	**%**
Number of shares on issue prior to Placement	774,028,204	81.0
Dilution as a result of issue under ASX LR7.1A	77,402,820	8.1
Dilution as a result of issue under ASX LR7.1	104,573,371	10.9
Number of shares on issue following Placement	956,004,395	100.0

77,402,820 shares have been issued pursuant to Botanix's Listing Rule 7.1A capacity (**"7.1A Issue"**). The shares issued pursuant to the 7.1A Issue represent 8.1% of the post-Issue capital in the Company. Pre-Issue shareholders overall interests will therefore be diluted by 8.1% following the 7.1A Issue (however some existing shareholders have participated in the Issue so their interests may have increased or diluted to a lesser extent).

The remainder of 104,573,371 shares in the Issue have been issued pursuant to Botanix's Listing Rule 7.1 capacity (**"7.1 Issue"**). These shares represent 10.9% of the post-Issue capital in the Company. Pre-Issue shareholders overall interests will therefore be diluted by 10.9% following the 7.1 Issue (however some existing shareholders have participated in the Issue 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 Issue issued under the Company's ASX Listing Rule 7.1A capacity:

	%
Shares held by Pre-Placement shareholders who did not participate in the ASX Listing Rule 7.1A component of the Issue	84.5
Shares held by pre-Placement shareholders who did participate in the ASX Listing Rule 7.1A component of the Issue	0.0
Shares held by new shareholders who participated in the ASX Listing Rule 7.1A component of the Issue	8.6
Shares held by new shareholders who participated in the ASX Listing Rule 7.1 component of the Issue but did not participate in the ASX Listing Rule 7.1A component of the Issue	6.9

2. Botanix issued the shares by way of the 7.1A Issue as part of the 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 Placement was not underwritten. The Company will pay a 6% capital raising fee on the funds raised under the Placement to the lead placement agent and joint lead

Australian managers to the Placement. Botanix has also incurred expenses including legal, listing and other advisory fees in connection with the Placement.

An Appendix 3B applying for quotation of the Issue shares together with a cleansing notice in respect of the Placement shares pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) (Corporations Act) has been lodged with ASX.

Upon receipt of cleared funds for the residual A$1.8m under the Placement the Company will issue the remaining 8,500,000 shares pursuant to its Listing Rule 7.1 capacity.

About Botanix Pharmaceuticals

Botanix Pharmaceuticals Limited (ASX:BOT) is a clinical stage cannabinoid company based in Perth (Australia) and Philadelphia (USA) committed to the development of pharmaceutical products that are underpinned by science and supported by well-controlled randomised clinical trials. The Company's focus is the development of safe and effective topical treatments for acne, psoriasis, atopic dermatitis and other skin conditions, together with a development platform of antimicrobial drug candidates. The active ingredient contained in Botanix products is a synthetic form of cannabidiol. Treatment targets for skin diseases 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 Company completed its first acne patient studies with BTX 1503 in January 2018 and has commenced a Phase 2 clinical study in June 2018 with patient treatment expected to complete in 3Q CY2019. The BTX 1204 atopic dermatitis Phase 2 patient study is also underway with enrolment expected to complete in 4Q CY2019. A mechanism of action study for Phase 1b BTX 1308 (psoriasis) has recently completed, with positive interim data announced in June 2019. Development of a pipeline of product candidates that leverages the antimicrobial properties of cannabidiol are also moving forward and first products are planned to enter the clinic in 2H CY2019.

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

For more information, please contact:

General enquiries	**Investor enquiries**	**Media enquiries**
Corporate Communications	Joel Seah	Haley Chartres
Botanix Pharmaceuticals	Vesparum Capital	Hales[2] Communications
P: +61 8 6555 2945	P: +61 3 8582 4800	P: +61 423 139 163
investors@botanixpharma.com	botanixpharma@vesparum.com	haley@h-squared.com.au

Cautionary Note on Forward-Looking Statements

Any statements in this press release about future expectations, plans and prospects for the Company, the Company's strategy, future operations, and other statements containing the words "anticipate," "believe," "estimate, "expect," "intend," "may," "plan," "predict," "project," "target, "potential," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: risks and uncertainties associated with market conditions and the satisfaction of customary closing conditions related to the Placement, the expected gross proceeds from the Placement and the intended use of proceeds of the Placement, the Company's ability to successfully develop its product candidates and timely complete its planned clinical programs and the Company's ability to obtain marketing approvals for is product candidates. In addition, the forward-looking statements included in this press release represent the Company's views as of the date hereof. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date hereof.