

Botanix Pharmaceuticals Limited

ACN 009 109 755

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

The Annual General Meeting of the Company will be held at Level 16, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on Monday 28 October 2019 at 9.30am AWST.

The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on (08) 6555 2945.

Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice.

BOTANIX PHARMACEUTICALS LIMITED
ABN 009 109 755

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Botanix Pharmaceuticals Limited ABN 009 109 755 will be held at Level 16, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia on Monday 28 October at 9.30am AWST for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

AGENDA

Financial Reports

To receive and consider the financial report of the Company for the year ended 30 June 2019, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

1 Resolution 1 – Non-Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

"That, the Remuneration Report for the year ended 30 June 2019 as set out in the 2019 Annual Report be adopted."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2 Resolution 2 – Re-election of Mr Robert Towner as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 6.3 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Robert Towner, a Director, retires by rotation and, being eligible, is re-elected as a Director of the Company."

3 Resolution 3 – Election of Dr Michael Thurn as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Dr Michael Thurn, who ceases to hold office in accordance with clause 6.3 of the Company’s Constitution and, being eligible, offers himself for election, be elected a Director of the Company.”

4 Resolution 4 – Election of Dr Stewart Washer as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That Dr Stewart Washer, who ceases to hold office in accordance with clause 6.3 of the Company’s Constitution and, being eligible, offers himself for election, be elected a Director of the Company.”

5 Resolution 5 – Ratification of placement to investors under Listing Rule 7.1

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 113,073,371 Shares (at an issue price of \$0.21 each) of which:

- (a) 73,597,181 Shares were issued to various US institutional investors on 6 August 2019;
- (b) 30,976,190 Shares were issued to various Australian sophisticated and professional investors on 6 August 2019; and
- (c) 8,500,000 Shares were issued to a US institutional investor on 9 August 2019,

under the Company’s 15% placement capacity under ASX Listing Rule 7.1 on the terms and conditions set out in the Explanatory Memorandum”.

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who participated in the issue the subject of Resolution 5; or
- (b) an Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6 Resolution 6 – Ratification of placement to investors under Listing Rule 7.1A

“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 77,402,820 Shares (at an issue price of \$0.21 each) on 6 August 2019 under the Company’s 10% additional placement capacity under ASX Listing Rule 7.1A to a US institutional investor on the terms and conditions set out in the Explanatory Memorandum.”

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person who participated in the issue the subject of Resolution 6; or
- (b) an Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7 Resolution 7 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."

Voting exclusion statement: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities); or
- (b) an Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

By order of the Board

A handwritten signature in black ink, appearing to read 'S. Robertson'.

Simo Robertson
Company Secretary

Dated: 26 September 2019

BOTANIX PHARMACEUTICALS LIMITED

ABN 009 109 755

EXPLANATORY MEMORANDUM

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 16, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, Western Australia, on Monday 28 October 2019 at 9.30am (AWST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

- (a) Action to be taken by Shareholders
- (b) Financial Statements and Reports
- (c) Resolution 1 – Non-binding Resolution to adopt Remuneration Report
- (d) Resolution 2 – Re-election of Director Mr Robert Towner as a Director
- (e) Resolution 3 – Election of Dr Michael Thurn as a Director
- (f) Resolution 4 – Election of Dr Stewart Washer as a Director
- (g) Resolution 5 – Ratification of placement to investors under Listing Rule 7.1
- (h) Resolution 6 – Ratification of placement to investors under Listing Rule 7.1A
- (i) Resolution 7 – Approval of Additional 10% Placement Capacity

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

A proxy form is located at the end of the Explanatory Memorandum.

ACTION TO BE TAKEN BY SHAREHOLDERS

General

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company

in accordance with the instructions therein. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Proxy restrictions

Shareholders appointing a proxy for Resolution 1 should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair), or a Closely Related Party of such a member as your proxy:

You must direct the proxy how they are to vote. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on Resolution 1.

If the Chairman is given your proxy (where he/she is also a member of Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):

You do not need to direct the Chairman how you wish them to exercise your vote on Resolution 1, however if you do not direct the Chairman how to vote, by signing the proxy form you expressly acknowledge that the Chairman may exercise their discretion in exercising your proxy even though Resolution 1 is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy:

You do not need to direct your proxy how to vote, however you are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

The Chairman intends to exercise all available proxies in favour of all Resolutions.

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2019, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2019 Annual Report be adopted. The Remuneration Report is set out in the Company's 2019 Annual Report and is also available on the Company's website (<https://www.botanixpharma.com/>).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2018 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 19 November 2018. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

RESOLUTION 2 – RE-ELECTION OF MR ROBERT TOWNER AS A DIRECTOR

Pursuant to Clause 6.3 of the Constitution and Listing Rule 14.4, Mr Robert Towner, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Towner has been a director since 24 January 2014. Mr Towner has over 25 years' corporate advisory and executive experience in the energy and biotechnology sectors, specifically, in business and project development, financial markets, corporate governance, organisation structuring and working capital requirements.

In March 2004, Mr Towner founded and was executive director of ASX listed bioMD Limited, playing an integral role in the merger of bioMD with unlisted public company Allied Medical Limited in 2011, now known as Admedus Limited.

The Board (excluding Mr Towner) recommends that Shareholders vote in favour of Resolution 2.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

RESOLUTION 3 – ELECTION OF DR MICHAEL THURN AS A DIRECTOR

Election of Dr Michael Thurn

Resolution 3 seeks approval for the election of Dr Michael Thurn as a Director with effect from the end of the Meeting.

Clause 6.2 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election, but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Thurn retires from office in accordance with the requirements of clause 6.3 of the Constitution and submits himself for election in accordance with clause 6.2 of the Constitution.

Dr Thurn has over two decades of experience in the life sciences and biotechnology industry and has accumulated extensive knowledge in drug regulation, drug discovery, pre-clinical and clinical development across dermatology in Australia and the United States. He has held various senior executive, managerial and Board positions in both listed and private companies and brings unique experience, highly relevant technical knowledge and a complementary skillset to the Botanix Board.

Previously, Dr Thurn has worked with the Therapeutic Goods Administration in Australia, led the clinical development of a topical acne treatment through to completion of Phase 2 clinical trial and also led Spinifex Pharmaceuticals, which was sold to Novartis in a \$700 million transaction.

Appointment of Mr Vince Ippolito as Managing Director

Mr Vince Ippolito was appointed the President and Executive Chairman of the Company on 20 May 2019 and 18 July 2019 respectively. Mr Ippolito's duties pursuant to his contract include leading commercial operations, leading business development, and fund raising and execution of US corporate development plans.

The Company considers Mr Ippolito to be acting as managing director of the Company for the purposes of the Constitution and exempt from retirement by rotation pursuant to clause 6.3(a) of the Constitution and Listing Rule 14.4. Clause 7.1(a) allows the Company to appoint one or more of the directors as managing director for any period and on any terms, including as to remuneration, as the directors resolve.

RESOLUTION 4 – ELECTION OF DR STEWART WASHER AS A DIRECTOR

Resolution 4 seeks approval for the election of Dr Stewart Washer as a Director with effect from the end of the Meeting.

Clause 6.2 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election, but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Washer retires from office in accordance with the requirements of clause 6.3 of the Constitution and submits himself for election in accordance with clause 6.2 of the Constitution.

Dr Washer has CEO and Board experience in medical biotech and cannabinoid companies. He is currently the Executive Chairman of Emerald Clinics, medical cannabis patient data collection and clinics, Director of Zelda Therapeutics (ASX:ZLD) medical cannabis clinical studies and research, Chairman of Orthocell (ASX:OCC), regenerative medicine company, and Founding Chairman and current Director of Cynata Therapeutics (ASX:CYP), stem cell therapies.

Dr Washer has held a number of Board positions in the past, including Chairman of Hatchtech that was sold in 2015 for \$279 million and was a Director of iCeutica that was sold to a US pharmaceutical company. He was a founder of AusCann (ASX:AC8). He was also a Senator with Murdoch University and was a Director of AusBiotech Ltd.

RESOLUTIONS 5 AND 6 – RATIFICATION OF ISSUE OF SHARES TO INVESTORS AND VARIOUS SOPHISTICATED AND PROFESSIONAL INVESTORS UNDER ASX LISTING RULES 7.1 AND 7.1A

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1 or the 10% threshold set by Listing Rules 7.1A. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 5 seeks ratification under Listing Rule 7.4 of the issue of 104,573,371 and 8,500,000 Shares that were made on 6 August 2019 and 9 August 2019 respectively in order to restore the ability of the Company to issue further Shares within the 15% limit during the next 12 months.

Listing Rule 7.4 also permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 10% threshold set by Listing Rule 7.1A. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Shares up to 10% of the issued capital of the Company without requiring Shareholder approval.

Resolution 6 seeks ratification under Listing Rule 7.4 of the issue of 77,402,820 Shares that were made on 9 August 2019 in order to restore the ability of the Company to issue further Shares within the 10% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 190,476,191 Shares were issued of which;
 - (i) 73,597,181 Shares were issued to various US institutional investors under the Company's 15% placement capacity under ASX Listing Rule 7.1 on 6 August 2019;
 - (ii) 30,976,190 Shares were issued to various Australian sophisticated and professional investors under the Company's 15% placement capacity under ASX Listing Rule 7.1 on 6 August 2019;
 - (iii) 8,500,000 Shares were issued to a US institutional investor under the Company's 15% placement capacity under ASX Listing Rule 7.1 on 9 August 2019; and
 - (iv) 77,402,820 Shares were issued under the Company's additional 10% placement capacity under ASX Listing Rule 7.1A on 6 August 2019.
- (b) the Shares were issued at an issue price of \$0.21 each;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to various US institutional investors and various Australian sophisticated and professional investors, all of whom were unrelated parties of the Company; and
- (e) funds raised from the issue are being and will be used to advance the Company's first antimicrobial program into clinical studies, to undertake supportive studies required prior to Phase 3 studies, and for general working capital.

RESOLUTION 7 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$226,658,533 as at 20 September 2019 and is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 7 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's existing and new product development studies and intellectual property maintenance costs, and general working capital.

Listing Rule 7.1A

The effect of Resolution 7 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares and unlisted Options on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 964,504,395 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 7, 96,450,439 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

$(A \times D) - E$

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the 12 months;
- (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;

(d) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%;

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.1175 Issue Price at half the current market price	\$0.235 Issue Price at current market price	\$0.470 Issue Price at double the current market price
Current Variable 'A' 964,504,395 Shares	Shares issued	96,450,440	96,450,440	96,450,440
	Funds raised	\$11,332,927	\$22,665,853	\$45,331,707
	Dilution	10%	10%	10%
50% increase in current Variable 'A' 1,446,756,593 Shares	Shares issued	144,675,659	144,675,659	144,675,659
	Funds raised	\$16,999,390	\$33,998,780	\$67,997,560
	Dilution	10%	10%	10%
100% increase in current variable 'A' 1,929,008,790 Shares	Shares issued	192,900,879	192,900,879	192,900,879
	Funds raised	\$22,665,853	\$45,331,707	\$90,663,413
	Dilution	10%	10%	10%

Note: This table assumes:

- Resolutions 5 and 6 are passed by Shareholders.
- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.

- This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 7 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued:
 - (A) at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or
 - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.
- (c) The table above on page 10 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
- (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 20 September, being \$0.235, (current market price), where the issue price is halved, and where it is doubled; and
- (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.

- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
- (i) the date that is 12 months after the date of the Annual General Meeting; and
 - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) as cash consideration in which case the Company intends to use the funds raised towards its existing and new product development studies and intellectual property maintenance costs, and general working capital; or
 - (ii) as non-cash consideration for the acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the
 - (v) financial position and solvency of the Company;
 - (vi) prevailing market conditions; and
 - (vii) advice from corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

- (g) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 19 November 2018. During the 12 month period preceding the date of the Meeting, the Company has issued 257,979,737 Equity Securities which represents 34.06% of the total number of Equity Securities on issue at 19 November 2019 and issued 77,402,820 pursuant to Listing Rule 7.1A.

- (h) Details of each issue of Equity Securities by the Company during the 12 month period are in Schedule 2.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined who the Company will issue Equity Securities to under the Additional 10% Placement Capacity, other than noting that the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

SCHEDULE 1 – GLOSSARY

\$ means Australian dollars.

Accounting Standards has the meaning given to that term in the Corporations Act.

Additional 10% Placement Capacity has the meaning set out on page 9 of the Explanatory Memorandum.

Additional Placement Period has the meaning set out on page 12 of the Explanatory Memorandum.

Annual Report means the annual report of the Company for the year ended 30 June 2019.

Associate has the meaning given to that term in the Listing Rules.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Auditor means the Company's auditor from time to time (if any).

Auditor's Report means the report of the Auditor contained in the Annual Report for the year ended 30 June 2019.

AWST means western standard time as recognised in Perth, Western Australia.

Board means the Directors.

Chair or Chairman means the person appointed to chair the Meeting of the Company convened by the Notice.

Child Entity has the meaning given to that term in the Listing Rules.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Botanix Pharmaceuticals Limited ABN 009 109 755.

Constitution means the Company's constitution, as amended from time to time.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Person has the meaning given in the Plan.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by the Notice.

Notice means this Notice of Annual General Meeting.

Notice of Meeting means this Notice of Annual General Meeting.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Annual Report for the year ended 30 June 2019.

Resolution means a resolution contained in the Notice.

Restricted Voter means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

Shareholder means a member of the Company from time to time.

Shares means fully paid ordinary shares in the capital of the Company.

Spill Meeting has the meaning set out on page 4 of the Explanatory Memorandum.

Spill Resolution has the meaning set out on page 4 of the Explanatory Memorandum.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

SCHEDULE 2 – ISSUE OF EQUITY SECURITIES SINCE 19 NOVEMBER 2018

Date of issue	Number of Securities	Type of Security	Recipient of Securities	Issue Price and details of any discount	Consideration & Use of Funds as at the date of this Notice
05 / 12 / 2018	3,916,331	Options ¹	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.0296 Current valuation: \$0.146
	9,333,669	Options ²			Valuation at date of issue: \$0.045 Current valuation: \$0.165
21 / 02 / 2018	1,000,000	Options ³	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.034 Current valuation: \$0.127
	4,000,000	Options ⁴			Valuation at date of issue: \$0.045 Current valuation: \$0.13
28 / 02 / 2019	4,100,000	Shares ¹	Issued on exercise of Options	\$0.03 per Share, representing a discount of 72.7%.	Consideration: \$0.03 per Share Funds raised: \$123,000 Use of funds spent to date: Corporate and administration costs \$123,000
18 / 03 / 2019	3,603,546	Shares ¹	Issued on exercise of Options	\$0.057 per Share representing a discount of 50.4%	Consideration: \$0.057 Funds raised: \$205,402 Use of funds spent to date: Corporate and administration costs \$205,402

¹ Exercisable at \$0.08 on or before 5 December 2019.

² Exercisable at \$0.106 on or before 5 December 2021.

³ Exercisable at \$0.10 on or before 21 February 2020.

⁴ Exercisable at \$0.133 on or before 21 February 2022.

18 / 03 / 2019	333,333	Options ⁵	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.029 Current valuation: \$0.111
	666,667	Options ⁶			Valuation at date of issue: \$0.043 Current valuation: \$0.122
18 / 04 / 2019	166,666	Options ⁷	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.027 Current valuation: \$0.12
	333,334	Options ⁸			Valuation at date of issue: \$0.039 Current valuation: \$0.127
20 / 05 / 2019	3,000,000	Options ⁹	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.061 Current valuation: \$0.151
31 / 05 / 2019	8,000,000	Shares ¹	Issued on exercise of Options	\$0.03 per Share representing a discount of 71.4%.	Consideration: \$0.03 per Share Funds raised : \$240,000 Use of funds spent to date: Research and Development \$240,000
13 / 06 / 2019	2,150,000	Options ¹⁰	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.479 Current valuation: \$0.131
17 / 06 / 2019	1,000,000	Options ¹¹	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.053 Current valuation: \$0.116

⁵ Exercisable at \$0.118 on or before 18 March 2020.

⁶ Exercisable at \$0.153 on or before 18 March 2022.

⁷ Exercisable at \$0.11 on or before 18 April 2020.

⁸ Exercisable at \$0.146 on or before 18 April 2022.

⁹ Exercisable at \$0.115 on or about 20 May 2023.

¹⁰ Exercisable at \$0.139 on or before 13 June 2022.

¹¹ Exercisable at \$0.173 on or before 17 June 2022.

28 / 06 / 2019	900,000	Shares ¹	Sophisticated and professional investors	\$0.03 per Share representing a discount of 83.3%	<p>Consideration: \$0.03 per Share</p> <p>Funds raised : \$27,000</p> <p>Use of funds spent to date: Corporate and administration costs \$27,000</p>
18 / 07 / 2019	17,000,000	Options ¹²	Participants under the Company's Employee Incentive Plan	N/A	<p>Valuation at date of issue: \$0.112</p> <p>Current valuation: \$0.11</p>
06 / 08 / 2019	181,976,191	Shares ¹	Investors pursuant to placement	\$0.21 per Share, representing a discount of 16.7% to the 15-day VWAP of A\$0.252 to trading close on 29 July 2019.	<p>Consideration: \$0.21 per Share</p> <p>Funds raised : \$38,015,000</p> <p>Use of funds spent to date: \$432,330 Raising costs \$52,400 Employee costs, \$148,800 corporate and administration costs, \$1,232,670 Research and Development expenditure</p> <p>Proposed use of remaining funds: Capital raising costs, Employee costs, corporate and administration costs and research and development expenditure</p>
09/ 08 /2019	8,500,000	Shares ¹	Investor pursuant to placement	\$0.21 per Share representing a discount of 2.3%	<p>Consideration: \$0.21 per Share</p> <p>Funds raised : \$1,785,000</p> <p>Use of funds spent to date: NIL</p> <p>Proposed use of remaining funds: research and development expenditure</p>

¹² Exercisable at \$0.251 on or before 18 July 2023.

03 / 09 / 2019	8,000,000	Options ¹³	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue: \$0.119 Current valuation: \$0.119
11 / 09 / 2019	500,000	Options ¹⁴	Participants under the Company's Employee Incentive Plan	N/A	Valuation at date of issue \$0.137 Current valuation: \$0.137

¹Shares are fully paid ordinary shares in the Company ranking equally in all respects with the existing issued Shares in the Company.

¹³ Exercisable at \$0.22 on or before 3 September 2023.

¹⁴ Exercisable at \$0.26 on or before 11 September 2023.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: BOT

Your proxy voting instruction must be received by **9.30am (WST) on Saturday 26 October 2019**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



