

ASX/Media Release

21 October 2019

Botanix announces cannabidiol supply agreement with Purisys

Key highlights

- **Botanix announces execution of an API Supply Agreement with Purisys, the industry's leader in ultra-pure, pharmaceutical-grade cannabidiol technology**
- **New arrangement secures supply of synthetic cannabidiol for Botanix's expanding demand and future commercial supplies**
- **Agreement executed as Botanix anticipates top line data from BTX 1503 Phase 2 study, to be available this month**

Philadelphia PA and Sydney Australia, 21 October 2019: Clinical stage cannabinoid company Botanix Pharmaceuticals Limited (ASX:BOT, "Botanix" or "the Company") today announced that it has entered into a supply agreement with Purisys ("Purisys"), which is the industry's leading provider of pharmaceutical-grade cannabidiol and other cannabinoids ("Supply Agreement"). The Supply Agreement's term is through December 2027.

The Supply Agreement covers Botanix's requirements for immediate clinical and future commercial supplies of synthetic cannabidiol active pharmaceutical ingredient (API) and commits Botanix and Purisys to collaborate in relation to setting future volume requirements and manufacturing scale up and optimization. Botanix was able to secure preferential pricing for its synthetic cannabidiol API requirements, as well as a commitment to work with Purisys to continue to create increased value for both companies as API process and raw material savings are realized.

Given the significant planned volumes of API required by Botanix, this strategic relationship solidifies the Company's future supply needs both for clinical as well as scale and commercial manufacturing purposes. Purisys has committed to providing certain supply exclusivities to Botanix for its existing pipeline products in skin disease following FDA approval. In exchange Botanix has committed to purchasing a proportion of its commercial supply requirements from Purisys following launch of specified pipeline products.

Purisys has one of industry's longest track records and broadest offerings in the cannabinoid space. The company currently produces all major cannabinoids relevant to pharmaceutical and consumer products (>50) and has manufactured pharmaceutical-grade cannabidiol at commercial scale utilizing a patented process, since 2016. Purisys' ultra-high purity cannabidiol (<0.001% THC) is attractive for drug development projects and falls below the 0.3% THC limits set in the 2018 Farm Bill for use in consumer products. The cannabinoids produced by Purisys are distinguished by their ultra-low THC

concentration, world-scale capacity, exacting quality control and strong FDA and DEA regulatory support.

Vince Ippolito, President and Executive Chairman of Botanix said: “We are very pleased to partner with Purisys, to secure our near term and future supply needs for synthetic cannabidiol in the market-place.

Our desire to lock in access and participate in efficiencies as we scale source of high-quality API at a time when our clinical programs are accelerating and the demand for ultra -high purity cannabidiol is exploding was an important driver to completing this agreement with Purisys at this time.”

Botanix recently completed enrolment of its BTX 1503 acne patient Phase 2 study and is on track to release top line data from that study this month. The Company also has a Phase 2 study in atopic dermatitis in late stage enrolment and plans to commence two additional studies (in rosacea and antimicrobial indications) in the coming months. Plans for later stage studies and preparation for scale up for product registration and commercial sales are progressing in parallel, so the confirmation of supply availability and commercial terms is a significant achievement for the Company.

Purisys CEO Jim Mish said: “Purisys is proud to partner with Botanix to supply pharmaceutical-grade cannabidiol for its clinical and commercial needs, because we recognize that Botanix is leading the world in the development of pharmaceutically focused skin care products.

As the market matures, I am confident that the quality, purity and scale Purisys offers will be essential in the development and supply of safe and effective products and the Botanix pipeline presents a significant commercial opportunity for both companies.”

About Botanix Pharmaceuticals

Botanix Pharmaceuticals Limited (ASX:BOT) is a clinical stage synthetic 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 randomized clinical trials. The Company’s focus is the development of safe and effective topical treatments for serious skin diseases, leveraging the unique anti-inflammatory, immune modulating and antimicrobial properties of synthetic cannabidiol. Botanix has an exclusive license to use a proprietary drug delivery system (Permetrex™) for direct skin delivery of active pharmaceuticals in all skin diseases.

The Company successfully completed its first acne patient studies and has recently completed enrolment of a Phase 2 clinical study, with data expected in October 2019. A Phase 2 patient study in atopic dermatitis is also underway with enrolment expected to complete in 4Q CY2019. The Company has successfully completed a mechanism of action study for synthetic cannabidiol in skin disease, with positive interim data announced in June 2019 and is developing a pipeline of product candidates that leverages the antimicrobial properties of cannabidiol with first products planned to enter the clinic in 2H CY2019.

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

About Purisys

Headquartered in Athens, Georgia, Purisys was formed with one global goal in mind – to provide pharmaceutical and consumer product companies with the most comprehensive and sustainable array of resources for commercialization of cannabinoid-based products available today. Purisys ingredients are developed using state-of-the-art manufacturing technologies for a broad range of cannabinoids on both small and large scales to create a reliable supply chain to support pharmaceutical and consumer product development and launch – at the highest levels of quality and within cost structures required for successful product commercialization. The company has a successful regulatory track record in the pharmaceutical industry – and a commitment to consistency and quality is carried over to our work with consumer products.

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