

ASX/Media Release

30 January 2017

Botanix Pharmaceuticals 4C Quarterly Cash Flow Report

Highlights for the quarter ending 31 December 2016:

- Successful completion of first human study testing Permetrex™ skin drug delivery technology
- Rapid progression through pre-clinical and manufacturing phases towards ethics submission for first BTX1503 clinical studies
- Secured manufacturing and clinical trial material distribution capability in Australia
- Presented at a range of investor events, including the largest Australian investor conference focused on emerging companies, as well as business development conferences in USA and EU

Perth Australia, 30 January 2017: Medical dermatology company Botanix Pharmaceuticals Limited (“Botanix” or “The Company”) has released its Appendix 4C Quarterly Cash Flow report for the period ended 31 December 2016.

The cash balance as at 31 December 2016 was \$2.36 million with operating cash outflows for the quarter totalling \$755k, primarily related to the manufacturing of the BTX-1503 formulation for the topical treatment of acne, as well as the completion of first human study testing the Permetrex skin drug delivery technology.

During the quarter, the Company announced it had accelerated its planned clinical program for its first product BTX-1503, with the initiation of the first human study for Permetrex in December 2016. Top line data from the safety and irritation clinical trial announced in late December showed “minimal or weak irritancy potential” and no safety issues with the drug delivery technology. The data from this Permetrex trial de-risks the program for BTX-1503 and also supports the broader product pipeline the Company is developing across a range of skin diseases.

The Company was also able to progress both its pre-clinical testing and manufacturing programs and is finalising the relevant protocol and regulatory documents to enable an ethics application to be submitted for the planned BTX-1503 clinical study in Australia. Additional synthetic cannabidiol has been secured from its drug supply partner in the USA and arrangements have also been made for manufacturing and clinical trial material packaging to take place in Australia in Q1 2017.

The achievements assist Botanix to advance the first of its products for acne treatment into two clinical trials in humans, which remain on track to commence in the first half 2017.

“In the last quarter, the Company has accelerated its progress, met key clinical milestones and de-risked the BTX-1503 program as well as the wider Permetrex enabled pipeline. In the first half of 2017, the focus is on our Phase 1a and Phase 1b clinical trials, which will allow Botanix to generate

the relevant data to demonstrate the safety and indications of efficacy of the BTX1503 product for acne,” said Botanix Executive Director Matt Callahan.

“Our Phase 1a safety and pharmacokinetic study, will be followed immediately by the Phase 1b pilot study in acne patients which are both important and valuable milestones for the Company.”

In early 2017, the Company plans to also accelerate the development of its product pipeline both for synthetic cannabidiol indications, as well as other Permetrex enabled products for a range of skin diseases that potentially have lower hurdles to satisfy before being available for commercialisation or partnering.

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.

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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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Botanix Pharmaceuticals Limited

ABN

70 009 109 755

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(442)	(759)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(319)	(418)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	1	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(755)	(1,170)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	66
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (refer 6.1)	-	(182)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(116)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,121	3,652
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(755)	(1,170)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(116)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,366	2,366

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	866	2,361
5.2	Call deposits	1,500	760
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,366	3,121

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	146
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments to related parties include payments arising from operating activities for salaries and fees to Directors and their associates.

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	375
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	-
9.6	Administration and corporate costs	150
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	525

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 

Company secretary

Date: 30/01/2017.....

Print name: Brett Tucker.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.