ASX/Media Release

11 July 2017

Non-Deal Roadshow Presentation

Sydney, 11 July 2017: Medical dermatology company Botanix Pharmaceuticals Limited (“Botanix” or the “Company”) is pleased to release a new corporate overview, to be presented to investors as part of a non-deal roadshow across Australia in the coming weeks.

This investor presentation is being used to provide an update on the Company’s key activities including its rapid operational progress over the first 12 months since listing on ASX, its lead clinical development program (BTX 1503) for acne and recently generated Phase 1a results, plans for progressing BTX1503 rapidly into patient studies in the coming months, development of other pipeline products, as well as key milestones planned for the near to medium term.

About Botanix Pharmaceuticals
Botanix Pharmaceuticals is a clinical stage medical dermatology company, which 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 has successfully completed its first-in-man studies with BTX 1503 and is preparing to conduct a follow-on clinical trial with acne patients in 2H 2017. The Company has an exclusive license to use a proprietary drug delivery system (Permetrex™) for direct skin delivery of active pharmaceuticals in all skin diseases and plans to progress the development of BTX 1503 for acne and its pipeline of other Permetrex™ enabled products alone, or in collaboration with partners.

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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E: Harrison.polites@mcppartners.com.au
Botanix is one of the most compelling emerging companies on the ASX

**Dermatology Focused**
- Targeting a **multi-billion dollar market for acne treatments with no new products approved in the last 20 years**
- Not typical biotech – much **faster development pathway** for dermatology products, **drives lower costs** and much **quicker timeline to approval**

**Novel Approach**
- Lead products based on synthetic form of cannabidiol - **greatly enhances the probability of clinical and regulatory success**
- **Exclusive global rights to use Permetrex™** delivery technology for all skin diseases, with **potential to deliver near term deals and revenues**

**Experienced Team**
- Predominantly US based leadership team with **20+ FDA approvals** between them
- Advanced lead product from formulation to successful clinical trials **within 12 months** and **created 5 new products using Permetrex™ technology**
Corporate overview

Medical dermatology company with a clear path to commercialisation and a highly aligned Board and management team

Trading information

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share price (7-Jul-17)</td>
<td>A$0.046</td>
</tr>
<tr>
<td>52 week low / high</td>
<td>A$0.026 / A$0.075</td>
</tr>
<tr>
<td>Shares outstanding¹²</td>
<td>543.1</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>A$25.0m</td>
</tr>
<tr>
<td>Cash (as at 31-Mar-17)²</td>
<td>A$8.9m</td>
</tr>
<tr>
<td>Debt (as at 31-Mar-17)</td>
<td>Nil</td>
</tr>
<tr>
<td>Enterprise value</td>
<td>A$16.1m</td>
</tr>
</tbody>
</table>

Share price performance

Top shareholders (as at July 2017)

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Matthew Callahan – Executive Director</td>
<td>13.0</td>
</tr>
<tr>
<td>Caperi Pty Ltd – Co-founder</td>
<td>13.0</td>
</tr>
<tr>
<td>Board and management (excl. shareholders above)</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Source: IRESS
1. Includes 156.5m fully paid ordinary shares subject to escrow until 15 July 2018
2. Include recently completed placement (A$7.4m). Excludes 47.9m unlisted options with exercise price range of A$0.03 - A$0.07 and expiry date range of Jan 2018 to May 2020

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Senior leadership: track record of success

Proven industry professionals with experience in rapid development of pharmaceuticals

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Key Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Matthew Callahan</td>
<td>Executive Director</td>
<td>Developed 3 products to date that have received FDA approval, 1 pending approval. Previous investment director of 2 venture capital firms investing in life sciences.</td>
</tr>
<tr>
<td>Dr Bill Bosch</td>
<td>Executive Director</td>
<td>6 FDA approved products and inventor of the iCeutica SoluMatrix Technology. Founder of NanoSystems and co-inventor of drug delivery technology NanoCrystal.</td>
</tr>
<tr>
<td>Dr Michael Thurn</td>
<td>Chief Operating Officer</td>
<td>Extensive start up life sciences experience across a range of technology platforms. Previous MD of Spinifex Pharmaceutical, which sold to Novartis for A$700m.</td>
</tr>
<tr>
<td>Mr Mark Davis</td>
<td>VP Clinical and regulatory</td>
<td>30 years clinical experience with 19 FDA approved products across dermatology. Former clinical lead with Medicis and Connetics and FDA experience with cannabidiol.</td>
</tr>
</tbody>
</table>

20+ FDA approved products

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Multiple near term milestones from pipeline

De-risked pipeline of dermatology products, with deals on the Permetrex™ technology to augment revenue and news flow in the near term

<table>
<thead>
<tr>
<th>Product Candidate</th>
<th>Indication</th>
<th>Pre-Clin</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Next Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>Synthetic Cannabidiol</td>
<td>BTX 1503</td>
<td>Moderate to Severe Acne</td>
<td></td>
<td></td>
<td>Phase 1b Acne Patient Study Start Q3 CY2017</td>
</tr>
<tr>
<td></td>
<td>BTX 1204</td>
<td>Atopic Dermatitis</td>
<td></td>
<td></td>
<td>Phase 1b AD Patient Study Start Q4 CY2017</td>
</tr>
<tr>
<td></td>
<td>BTX 1308</td>
<td>Psoriasis</td>
<td></td>
<td></td>
<td>Pre-clinical formulation Q4 CY2017</td>
</tr>
<tr>
<td>Permetrex™ Enabled</td>
<td>BTX 1701</td>
<td>Acne Cleanser</td>
<td></td>
<td></td>
<td>Patient study start Q4 CY2017</td>
</tr>
<tr>
<td></td>
<td>BTX 1801</td>
<td>Not disclosed</td>
<td></td>
<td></td>
<td>Formulation complete Q3 CY2017</td>
</tr>
</tbody>
</table>
Why are we focused first on acne?

Global prescription market expected to grow to >US$4.5bn by 2018 and is only a subset of the global dermatology opportunity

Global prescription acne product revenues (topical and oral treatments)

Value of the global acne prescription market is expected to reach US$4.5bn by 2018

Annual topical prescription acne product revenues

Top branded acne products containing only generic drugs have achieved revenues of up to >US$300m p.a.

Large demand with limited recent product development

- 50 million patients (in the US alone) used an acne product in 2015
- No new chemical entities have been approved by the FDA in the last 20 years for the treatment of acne
- Only “new” products launched were combinations of old drugs in new formulations or packaging

1. BCC Research, May 2013. Skin Disease Treatment and Global Markets
2. Symphony Health Solutions, Pharmaceutical Audit Suite for 2012 as reported in Demira S1
How does BTX 1503 work to treat acne?

BTX 1503 utilises synthetic cannabidiol combined with a novel skin delivery technology

Attacks *P. Acnes* bacteria

Switches off excess production of sebum

Retards formation of sebum “plugs”

Reduces Inflammation

Source: Cannabidiol exerts sebostatic and anti inflammatory effects on human sebocytes (2014). The Journal of Clinical Investigation
BTX 1503 Phase 1a clinical trial results

BTX 1503 utilises synthetic cannabidiol combined with a novel skin delivery technology

Safety, Tolerability and Irritation

- BTX 1503 displayed an excellent safety profile
- Little to no evidence of skin irritation observed across all dose levels
- No severe adverse events recorded and the incidence of other adverse events was very low
- Most common adverse event was mild dryness - consistent with the mechanism of action of BTX 1503

Effective delivery into and deposition in the skin

**BTX 1503 key advantage 1: synthetic material**

Use of synthetic cannabidiol greatly increases the chance of clinical success and regulatory approval - at a much lower COGS than naturally extracted material

<table>
<thead>
<tr>
<th>Synthetic cannabidiol</th>
<th>Naturally extracted cannabidiol</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 chemical</td>
<td>100+ chemicals</td>
</tr>
<tr>
<td>100% pure</td>
<td>Multiple impurities (anything above 0.05% needs to be identified and tested)</td>
</tr>
<tr>
<td>Scaled up to 50kg</td>
<td>Scaled up to &lt;1kg</td>
</tr>
<tr>
<td>No additional compliance required</td>
<td>Must comply with FDA’s “Botanical Drug Development Guidance for Industry”</td>
</tr>
</tbody>
</table>
Botanix Pharmaceuticals Ltd.

**BTX 1503 key advantage 2: drug delivery**

Permetrex™ technology drives synthetic cannabidiol directly into the skin – oral administration only delivers ~6% to the blood.

Botanix holds the **exclusive rights** to utilise Permetrex™ for all drugs that treat skin diseases.
BTX 1503 market positioning

BTX 1503 has the potential to be the market leading product for acne treatment with no undesirable side effects

Market landscape for acne treatments¹

- BTX 1503 has multiple mechanisms of action that directly treat the key pathogenic factors causing acne, making it a potentially superior treatment to existing therapies
- While systematic therapies (i.e. oral isotretinoin) may inhibit sebum (skin-oil) production, its use is limited by very serious side-effects
- Significant unmet need for an effective therapy that targets the cause of acne (i.e. sebum production) and does not have the undesirable side effects associated with traditional acne treatments
- Significant market opportunity; major existing treatments fetched annual revenues in the range of US$700m-US$800m when they were patented products
- BTX 1503’s patent protection is a significant competitive advantage, as all other treatments below are now generic products

<table>
<thead>
<tr>
<th>Method of action</th>
<th>BTX 1503</th>
<th>Clindamycin</th>
<th>Tretinoin</th>
<th>Adapalene</th>
<th>Minocycline</th>
<th>Erythromycin</th>
<th>Accutane</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduces excessive sebum (skin oil) production</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Anti-inflammatory</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Anti-bacterial</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Topical (applied to a specific area of the body)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Minimal side effects</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Patent protected (not a generic product)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

¹ Subject to relevant successful development and approvals
**BTX 1503 accelerated clinical development**

Botanix is pursuing a rapid clinical development strategy to minimise product commercialisation timing and accelerate to first revenues

- First enrolment of Phase Ib acne pilot study expected to commenced in August 2017, with study data expected to be available in 4Q CY2017
- Botanix is fully funded for the Phase Ib clinical trial of BTX 1503, with potential further funding from Permetrex™ licensing revenues

**BTX 1503 indicative clinical timeline**

<table>
<thead>
<tr>
<th>Event</th>
<th>Q3 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
<th>Q2 2018</th>
<th>Q3 2018</th>
<th>Q4 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase Ia acne pilot study</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase Ib acne pilot study</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDA approval for Phase II trial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase II multi-centre acne patient trial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Clinical milestones where potential development partnerships and/or licensing agreements may be considered
Clinical development pipeline

Development pipeline also includes other synthetic cannabidiol clinical products targeting key dermatology markets

BTX 1204: dermatitis

- **Target market**: US patient incidence estimated to be 31 million (10% to 18% of children)
- **Market size**: estimated annual cost of treating atopic dermatitis in the US is ~US$4bn
- **Current issues**: most treatments on the market (i.e. steroids) only address the symptoms

BTX 1308: psoriasis

- **Target market**: 7.5 million Americans have psoriasis (most have plaque psoriasis)
- **Market size**: estimated annual costs of injectable biologic treatments in the US is ~US$20bn
- **Current issues**: biologic drugs are very expensive have serious side effect issues (including lymphoma)

These products will leverage both the BTX 1503 synthetic cannabidiol clinical program as well as the Permetrex™ delivery system
Non-cannabidiol pipeline advancing quickly

Development pipeline includes a Permetrex™ enabled product with near term revenue potential - could be developed and marketed without FDA approval

Product overview

BTX 1701: acne cleanser

- **Safety:** Successful pilot human study completed, demonstrating a positive safety profile
- **Efficacy:** Pilot study validated prospective activity in removing skin oiliness and reducing bacteria
- **Market size:** for acne cleansers > US$1.5bn+ p.a.

Indicative development timeline for BTX 1701

- Q2 2017: Pilot study BTX1701
- Q3 2017: Commercial Review
- Q4 2017: Patient study BTX 1701
- Q1 2018: Botanix is reviewing multiple commercialisation strategies and will elect the option that delivers the highest shareholder value for the investment
- Potential for accelerated advancement as this product could be developed and marketed without FDA approval
- Permetrex™ enabled formulation has competitive advantages over incumbent brands, many of which contain alcohol and preservatives that can actively dry out the skin and/or cause allergic reactions
Permetrex™ collaborations advancing

Third party dermatology companies working with Botanix to solve drug delivery problems for their molecules

**Early collaborations leading to license discussions**

- Many companies have challenges formulating drugs for delivery into the skin
- Botanix is working with multiple parties to test application of Permetrex™ technology to solve problems that have arisen in clinical studies
- Engagement generally starts as fee-for-service by Botanix
- License trigger is generally proof of concept human study
- Traditional license structure likely (upfront payments, milestones, royalties)
Botanix key catalysts

Significant operational milestones expected over the next 9 months, as Botanix advances BTX 1503, broader pipeline and corporate development

Indicative activities and milestones

<table>
<thead>
<tr>
<th>BTX 1503</th>
<th>Phase Ib acne patient pilot study</th>
<th>FDA approval for Phase II trial</th>
<th>Phase II multi-centre acne patient study</th>
</tr>
</thead>
<tbody>
<tr>
<td>BTX 1701</td>
<td>Explore commercialisation opportunities</td>
<td>Patient study BTX 1701</td>
<td></td>
</tr>
<tr>
<td>BTX 1204</td>
<td>Study design and ethics approvals</td>
<td>Phase 1b study in dermatitis patients</td>
<td></td>
</tr>
<tr>
<td>Permetrex</td>
<td>Research collaborations</td>
<td>Partnership discussions for Permetrex™ enabled products</td>
<td></td>
</tr>
</tbody>
</table>

Milestones where potential licensing deals may be considered
Botanix Board of Directors

Highly credentialed Board of Directors with a proven record of building and leading successful pharmaceuticals businesses

Graham Griffiths
Chairman
Appointed July 2016
- 40 years executive experience in technology based companies, across sales, marketing and product development
- Former Managing Director of ipermica, responsible for acquisition and commercialisation of nearmap.com (ASX:NEA)
- Non-Executive Director of Pointerra (ASX:3DP), ierative and NGIS Australia

Matthew Callahan
Executive Director
Appointed July 2016
- Founding CEO of iCeutica and Churchill Pharmaceuticals
- Co-inventor of iCeutica’s SoluMatrix Technology
- Developed 3 FDA approved products
- Investment director at 2 venture capital firms
- 20 years experience in legal, IP and investment management
- Director of Orthocell (ASX:OCC) and Glycan Bioscience LLC

Dr Bill Bosch
Executive Director
Appointed July 2016
- 20 years experience in the pharmaceutical industry
- Co-inventor of iCeutica’s SoluMatrix Technology
- Developed 6 FDA approved products
- Developed 4 commercial nanotechnology products at Elan Corporation
- Co-founder of NanoSystems LLC and co-inventor of NanoCrystal Technology

Rob Towner
Director
Appointed July 2016
- 20 years corporate advisory experience
- Founder and sole director of Cornerstone Corporate
- Founding Executive Director of bioMD
- bioMD merged with Allied Health Care in 2011 to form Admedus (ASX:AHZ, $200m market capitalisation)
- Executive Director of Triangle Energy (ASX:TEG)

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Botanix executive management

Highly credentialed clinical development team with extensive expertise in leading novel products through clinical and regulatory development

Mr Mark Davis
VP Clinical and Regulatory
- 30 years of clinical experience with 19 FDA approved products
- Unique experience with cannabidiol through Insys
- Former clinical lead with Medicis and Connetics

Dr Michael Thurn
Chief Operating Officer
- Extensive start up life sciences experience across a range of technology platforms
- +20 years experience in drug regulation, drug discovery, pre-clinical and clinical
- Previous Managing Director of Spinifex Pharmaceuticals

Dr Gene Cooper
Consultant
- 40 years pharmaceutical experience
- 10 FDA approved products
- Expert in skin delivery
- Inventor of Permetrex™

Dr Joel Gelfand
Medical Director of Clinical Studies
- Professor of Dermatology at the University of Pennsylvania
- Expert in skin disease and clinical trial management

Professor James Leyden
Scientific Adviser
- Professor of Dermatology at the University of Pennsylvania
- World leading acne and skin specialist

Professor Diane Thiboutot
Scientific Adviser
- Professor of Dermatology at Pennsylvania State University
- Researcher in acne and rosacea
- Pre-clinical and clinical trials services provider

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Strategic and commercialisation focus

Primary strategy is commercialising BTX 1503, with a supportive pipeline of other medical dermatology products and opportunities for near term revenue generation.

- **Botanix product**
  - BTX 1503
  - BTX 1701

- **Clinical application**
  - Acne
  - Acne cleanser

- **Active pharmaceutical**
  - Cannabidiol

- **Delivery technology**
  - Permetrex™

- **Near term focus**
  - BTX 1503 development and commercialisation
  - Accelerating clinical development through undertaking low cost clinical studies in Australia, feeding into a US FDA approval
  - Development of an acne cleanser, that can be developed without FDA approval, in order to generate near term revenue

- **Near to medium term focus**
  - Permetrex™ licensing
  - Licensing Permetrex™ delivery system to strategic parties, to generate potential near term revenue

- **Medium to long term focus**
  - Other pipeline products
  - Leveraging data from BTX 1503 program to accelerate development of new products in psoriasis and dermatitis and other products may not require FDA approval

- **Other pipeline products**
  - BTX 1308
  - BTX 1204
  - Psoriasis
  - Dermatitis
Recent corporate and product development

Recent corporate developments have provided a strong platform for Botanix to accelerate its clinical development program

Corporate milestones

- **Mar 2016**: Pre-RTO: Bone Medical announce reverse take over (RTO) by Botanix Pharmaceuticals (ASX:BOT)
- **Jul 2016**: Completed RTO and commencement of trading as Botanix Pharmaceuticals
- **Jul 2016 to Feb 2017**: Key staff hires across the business divisions of clinical and regulatory, manufacturing, toxicology and operations
- **Feb 2017**: Completed expansion of Permetrex™ license to cover the delivery of all drug actives used in treating skin diseases
- **Jul 2016**: Completed RTO and commencement of trading as Botanix Pharmaceuticals (ASX:BOT)
- **Nov 2016**: Secured access to commercial scale synthetic cannabidiol
- **Dec 2016**: Manufactured BTX 1503 trial formulation using FDA quality components
- **Mar 2017**: Received DEA approval for export and import of synthetic cannabidiol for planned clinical studies
- **Apr 2017**: Completed A$7.4million oversubscribed placement

Development milestones

- **Jul 2016**: Received HREC approval for BTX 1503 clinical studies, and commenced first clinical study
- **Mar 2017**: Completed A$7.4million oversubscribed placement
- **June 2017**: Completion of successful pilot study for BTX 1701 facial cleanser
- **July 2017**: Successful completion of Phase 1 clinical study for BTX 1503

Formulation → Confirm Permetrex™ Safety → Proof of Concept

Key milestones achieved
## Accelerated development timeline

Botanix is executing on an efficient, more economical and less risky clinical development strategy compared to traditional pharmaceutical development pathways.

### Botanix’s accelerated clinical timeline

<table>
<thead>
<tr>
<th>Phases</th>
<th>Traditional process</th>
<th>Botanix approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs (est.)</td>
<td>Timing (est.)</td>
<td>Costs (est.)</td>
</tr>
<tr>
<td>Discovery and pre-clinical</td>
<td>~$430m</td>
<td>~$1m</td>
</tr>
<tr>
<td>Investigational New Drug</td>
<td>~$1m</td>
<td></td>
</tr>
<tr>
<td>filing</td>
<td>~5 years</td>
<td>~6 months</td>
</tr>
<tr>
<td>Phase I clinical</td>
<td>~$25m</td>
<td>~$2m</td>
</tr>
<tr>
<td>Phase II clinical</td>
<td>~$35m</td>
<td>~$5m</td>
</tr>
<tr>
<td>Phase III clinical</td>
<td>~$54m</td>
<td>~$20m</td>
</tr>
<tr>
<td>New Drug Application</td>
<td>~$5m</td>
<td>~$2m</td>
</tr>
<tr>
<td>Total</td>
<td>~$460m</td>
<td>~$30m</td>
</tr>
</tbody>
</table>

*Proven ability to execute: Achieved since listing*

### Proven ability to execute:

- Accelerated development timeline, due to:
  - Minimal pre-clinical development due to **known safety profile** of cannabidiol
  - Dermatology studies tend to be shorter in duration and require smaller study populations
  - **Objective measurements of efficacy** (end points are typically visual assessments)
  - Opportunity to generate **near term revenue** from potential licensing agreements for Permetrex™
  - In house expertise ensures clinical trials are appropriately designed and efficiently implemented
  - Known safety profile **increases probability of successful clinical development**
Commercialisation strategy

Botanix’s focused and accelerated timeline to product commercialisation results in significant potential value uplift

Efficient commercialisation path with multiple options

- Continued clinical development success is reflected in significant value uplift after each successive phase
  - Typically monetised via licensing, partnering and/or sale/merger opportunities
  - Additional indications can be partnered while pursuing acne focus

- Potential future revenue streams:
  - Product licensing agreements
  - Partnership with strategic parties
  - Product sales revenue

Significant value uplift potential at the completion of each phase of development (as evidenced by recent dermatology transactions)

- Phase 1 (~ 12 months)
- Phase 2 (~ 12 months)
- Phase 3 (~ 24 months)

Investment decision:
- License, partner and/or sale opportunities
Botanix has protected its suit of development products through various patent applications across key global markets

- Botanix currently has 12 patent applications across 6 different patent families
- Patents applications cover lead acne product and other Permetrex™ enabled products
- Patent protection targeted at key geographic regions with large and viable dermatology markets (i.e. initially filed in US and Australia, but following into the EU, UK, Japan, India, China, South America and other jurisdictions in National phase)
- Botanix positioned as the leading player in the sector – underpinned by substantial volumes of proprietary knowledge, manufacturing know-how and trade secrets
- Additional IP opportunities will be pursued on each Permetrex™ product developed internally or with partners
## Recent dermatology transactions

Licensing and partnering transactions are potential monetisation options before product sales, with value increasing significantly as a product progress through the FDA process.

### Dermatology transactions

<table>
<thead>
<tr>
<th>Deal date</th>
<th>Deal type</th>
<th>Licensee/Acquirer</th>
<th>Licensor/Target</th>
<th>Phase</th>
<th>Total upfront and milestone payments could exceed these figures in aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 15</td>
<td>License</td>
<td>Allergan</td>
<td>Valiant</td>
<td>In Phase III</td>
<td>US$445m</td>
</tr>
<tr>
<td>Dec 2016</td>
<td>License</td>
<td>Allergan</td>
<td>Purdue</td>
<td>Completed Phase I</td>
<td>US$790m</td>
</tr>
<tr>
<td>Jan 2016</td>
<td>Corporate</td>
<td>Sienna Peptidomycins</td>
<td>Anterios</td>
<td>In pre-clinical development</td>
<td>US$90m</td>
</tr>
<tr>
<td>Dec 2016</td>
<td>Corporate</td>
<td>Allergan</td>
<td>AstraZeneca</td>
<td>In pre-clinical development / Phase Iib</td>
<td>US$150m</td>
</tr>
<tr>
<td>Oct 2016</td>
<td>Corporate</td>
<td>LEO</td>
<td>Exicure (rights)</td>
<td>In Phase II</td>
<td>US$639m</td>
</tr>
<tr>
<td>Apr 2016</td>
<td>Asset/business</td>
<td>Astellas (global dermatology business)</td>
<td>Vitae Pharmaceuticals</td>
<td>On market</td>
<td>US$770m</td>
</tr>
<tr>
<td>May 2016</td>
<td>Corporate</td>
<td>Anacor</td>
<td></td>
<td>Completing Phase III</td>
<td>US$5,200m</td>
</tr>
</tbody>
</table>

Source: Bloomberg, Company disclosure

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International landscape

Botanix represents a significant value accretive opportunity when compared to key global peers with positive Phase I and Phase II data.

Market capitalisation of key international peers¹

<table>
<thead>
<tr>
<th></th>
<th>Novan</th>
<th>Zynerba</th>
<th>Cassiopea</th>
<th>Dermira</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dermatology focused</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Cannabidiol focused</strong></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>No. of products</strong></td>
<td>Multiple</td>
<td>Multiple</td>
<td>Multiple</td>
<td>Multiple</td>
</tr>
<tr>
<td><strong>Clinical development phase</strong></td>
<td>SB206: II</td>
<td>ZYN002 CBD Gel: II</td>
<td>Winlevi©: III</td>
<td>Glycopyrronium Tosylate: III</td>
</tr>
<tr>
<td></td>
<td>SB208: II</td>
<td>ZYN001 THC Pro-Drug Patch: I</td>
<td>Breezula®: III</td>
<td>CIMZIA®: III</td>
</tr>
<tr>
<td></td>
<td>SB414: I</td>
<td>CB-06-01: II</td>
<td>CB-06-02: II</td>
<td>Olumacostat Glasareti: III</td>
</tr>
</tbody>
</table>

Zynerba share price performance (US$)

Dermira share price performance (US$)

Source: Bloomberg, Company disclosure

1. Market capitalisation figures as at close 6 July 2017
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