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# AT A GLANCE

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## Botanix (BOT)

Analysts | Daniel Williamson | Ian Christie, CFA

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|                       |                  |
|-----------------------|------------------|
| <b>Recommendation</b> | <b>SPEC BUY</b>  |
| <b>Current Price</b>  | <b>5.8 cents</b> |
| <b>Valuation</b>      | <b>8.0 cents</b> |

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### Event & Impact | Positive

BOT has received Human Research Ethics Committee (HREC) approval to commence a Phase 1b BTX 1503 acne patient study. The study will be conducted in Australia, with study completion planned by the end of December 2017.

The Phase 1b study is primarily focused on acne patient safety; but, importantly, patients will also be monitored for improvements in acne signs and symptoms. This, for the first time, will provide data for proof of efficacy of the BTX 1503 acne treatment.

Up to 20 patients will be enrolled in the study and each patient will receive BTX 1503 treatment over a 4-week period, under close supervision of a dermatologist.

Following the completion of this study, BOT plan to file an Investigational New Drug (IND) application with the FDA triggering a multi-centre Phase 2 safety and efficacy study for BTX 1503 to commence in the US in 1H CY2018. We expect significant value uplift in BOT shares following successful completion of Phase 2 trials (aimed for the end of CY2018).

### Recommendation

Substantial news flow in 2H CY2017 should drive near-term value. We recently valued BOT at 8 cents per share, highlighting the remaining value in the stock and underpinning our SPEC BUY call.

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Argonaut acted as the Lead Manager to the Placement that raised \$7.4M in April 2017 and will receive fees commensurate with this service. Argonaut acted as the Lead Manager to the Offer that raised \$3.5M in June 2016 and received fees commensurate with this service. Argonaut holds or controls 12.1M BOT Options exercisable at \$0.03 on or before 30 June 2019.

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