Monday, 21 August 2017

Botanix (BOT)
Analysts | Daniel Williamson | Ian Christie, CFA

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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.
**Research**

Ian Christie | Director, Industrial Research  
+61 8 9224 8672 icchristie@argonaut.com

Matthew Keane | Director, Metals & Mining Research  
+61 8 9224 8689 mkeane@argonaut.com

James Wilson | Analyst, Metals & Mining Research  
+61 8 9224 8683 jwilson@argonaut.com

Helen Lau | Analyst, Metals & Mining Research  
+61 8 3557 4804 hlau@argonaut.com

Daniel Williamson | Analyst, Industrial Research  
+61 8 9224 8631 dwilliamson@argonaut.com

**Institutional Sales – Perth:**

Chris Wipp | Executive Director, Head of Sales & Research  
+61 8 9224 8675 cwick@argonaut.com

John Santu | Consultant, Sales & Research  
+61 8 9224 8659 jsantu@argonaut.com

Damian Rooney | Director, Institutional Sales  
+61 8 9224 8662 droach@argonaut.com

Ben Willoughby | Institutional Dealer  
+61 8 9224 8686 bwilloughby@argonaut.com

Phil Russo | Institutional Dealer  
+61 8 9224 8613 prusso@argonaut.com

Josh Welch | Institutional Dealer  
+61 8 9224 8669 jwelch@argonaut.com

George Ogilvie | Institutional Dealer  
+61 8 9224 8671 golgiev@argonaut.com

**Institutional Sales – Hong Kong:**

Damian Rooney | Director, Institutional Sales  
+61 8 9224 8682 drooney@argonaut.com

**Corporate and Private Client Sales:**

Glen Colgan | Executive Director, Desk Manager  
+61 8 9224 8674 gcoglan@argonaut.com

Kevin Johnson | Executive Director, Corporate Stockbroking  
+61 8 9224 8680 kjohnson@argonaut.com

James McGlew | Executive Director, Corporate Stockbroking  
+61 8 9224 8666 jmcglew@argonaut.com

Ian Dorrington | Director, Corporate Stockbroking  
+61 8 9224 8663 idorrington@argonaut.com

Geoff Barnesby-Johnson | Senior Dealer, Corporate Stockbroking  
+61 8 9224 8654 gbjohnson@argonaut.com

Rob Horley | Dealer, Private Clients  
+61 8 9224 6875 rhorley@argonaut.com

Cameron Prunster | Dealer, Private Clients  
+61 8 9224 8653 cprunster@argonaut.com

James Massey | Dealer, Private Clients  
+61 8 9224 8649 jmassey@argonaut.com

Chris Hill | Dealer, Private Clients  
+61 8 9224 8630 chill@argonaut.com

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