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Botanix receives commitments for A$40M in US-led institutional placement

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New senior US-based executives appointed to support Botanix's expanding development programs and to lead commercialisation in the US



Australia headquartered Clinical stage cannabinoid company Botanix Pharmaceuticals has announced the receipt of firm commitments in respect of a A$40m placement led by specialist US-based biotech investment funds and leading US institutional investors, as well as the appointment of two new experienced dermatology executives.

Executive Chairperson and President of Botanix, Vince Ippolito, said: “The recent release of data from multiple studies has generated an exceptional level of interest globally. This has created an opportunity for the Company to further understand the applications of cannabinoids in skin diseases. The support from leading US institutional investors with significant dermatology and pharmaceuticals investment track records enables Botanix to advance to the next level.”

Botanix has received firm commitments for A$40m at an offer price of A$0.21 per fully paid ordinary share, underpinned by strong support from US institutional investors including specialist US-based biotech investment funds and leading institutional investors. Cowen and Company, LLC acted as lead placement agent for the placement. The Australian portion of the placement was jointly managed by Argonaut Securities Pty Ltd and Bell Potter Securities Ltd.

Upon completion of the Placement, Botanix will issue 190,476,191 shares, at an offer price of A$0.21. The offer price represents a 16.7% discount to the 15-day VWAP of A$0.252 to trading close on 29 July 2019. All Placement shares issued will rank equally with existing ordinary shares.

Botanix has also bolstered its executive management team through the appointment of Richard (Ric) Peterson as Chief Financial Officer (CFO) and Howie McKibbon as Chief Commercial Officer. The new appointments significantly strengthen the executive management team and provides valuable leadership, commercial knowledge and industry expertise to drive Botanix’s next phase of development.

Executive Chairperson and President of Botanix, Vince Ippolito, commented: “Securing the services of both Ric and Howie is a testament to Botanix’s impressive progress with conservative expenditure of resources over three short years and highlights the potential of its exciting cannabinoid portfolio. Ric and Howie are great additions to the team and bring a wealth of knowledge and industry experience to Botanix. The strong cash position and robust pipeline, coupled with the recently expanded management team, puts Botanix in a solid position to progress its development strategy and explore other strategic

opportunities.”

Peterson has extensive experience in the dermatology industry and held the position of CFO at Dermavant Sciences. During his time at Dermavant Sciences, Mr Peterson led a diverse range of group functions including finance, company secretarial and operations. Prior to Dermavant Sciences, Mr Peterson served as CFO at dermatology companies Sienna Biopharmaceuticals, Novan and Medicis Pharmaceutical. During his time at Medicis Pharmaceutical, Mr Peterson held the positions of CFO, Executive Vice President and Treasurer and played a key role in building the largest independent dermatology company and eventual sale of Medicis Pharmaceutical to Valeant for US$2.6bn in 2012. Mr Peterson is currently a director on the Board of Universal Insurance Holdings.

McKibbon has more than 20 years of experience in the pharmaceutical industry. He recently served as Senior Vice President (SVP), Worldwide Commercial Operations, at Dermavant Sciences with responsibility for all commercial activity. Prior to Dermavant Sciences, he was SVP, Sales and Marketing, at Anacor Pharmaceuticals, where he built the sales, marketing and managed markets functions. Prior to Anacor Pharmaceuticals, he was VP, Dermatology and Immunology, at Medicis Pharmaceuticals. He also held commercial leadership positions for neuroscience and oncology brands from development to exclusivity at Cephalon and Wyeth.

The funds from the Placement will enable Botanix to continue to execute its key clinical development programmes and accelerate its broader commercialisation strategy. Botanix is now fully funded to progress the development of its antimicrobial program into clinical studies and also undertake supportive studies that will be required prior to commencement of Phase 3 studies for BTX 1503 (acne) and BTX 1204 (atopic dermatitis).

Botanix remains on track to complete the Phase 2 BTX 1503 in 3Q CY2019 and BTX 1204 in 4Q CY2019, with data readouts to follow completion of these studies shortly thereafter. Funds from the Placement are also available for general working capital use.