

# Quick Comment

## Botanix Pharmaceuticals Ltd (BOT \$0.08) Speculative Buy



Analyst	Date	Price Target
Seth Lizee	28 <sup>th</sup> March 2022	\$0.17/sh.

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### R&D Tax Rebate

#### Key Points

- BOT has received a R&D tax incentive refund of \$2.75m
  - The company held \$16.8m in cash as of the December Q;
  - Implying pro-forma cash of ~\$19.6m;
  - The company is well funded to undertake near term development programs
- The company has a number of near term catalysts ahead, with:
  - BTX1702 (Rosacea) phase 1b/2a results - Mid 2022
  - BTX1204A (Atopic Dermatitis) Proof of concept results - Q2 CY22
  - BTX1801 (Antimicrobial) phase 2b kick off - Q2 CY22
- We maintain our Speculative buy recommendation and \$0.17/sh. Price Target

#### Investment Thesis

Botanix Pharmaceuticals Ltd (BOT) is a clinical stage pharmaceutical company. The company is looking to shake up big markets in dermatology and antimicrobials with its four clinical programs which leverage the unique properties of synthetic cannabinoid, in conjunction with a proprietary drug delivery system. We believe the market is pricing these programs as failures, or close to it, whereas our analysis suggest the opposite. The prize, should individual programs ultimately be clinically successful, is huge. We anticipate the stock will trade up as we approach the multiple catalyst due early to mid-next year, if BOT can deliver successful clinical outcomes, we believe the stock can trade above our price target, perhaps substantially.

#### Botanix Pharmaceuticals Ltd (BOT)

Share Price	0.08	A\$/sh	Enterprise Value	56.6	A\$/m
Price Target	0.17	A\$/sh	Debt	Nil	A\$/m
Valuation	0.17	A\$/sh	Cash (pro-forma)	19.6	A\$/m
Shares on issue	1041.6	m(dil)	Unpaid cap.	7.1	m(dil)
Market Capitalisation	83.3	A\$m			

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