

Quick Comment

Botanix Pharmaceuticals Ltd (BOT \$0.081) Speculative Buy



Analyst	Date	Price Target
Seth Lizee	29 th April 2022	\$0.17/sh

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March Quarter

Key Points

- BOT has released their March quarterly report
- The company continues to make progress on its various clinical programs, with 2022 shaping up to be a pivotal year for the business

BTX1702 - Rosacea

- BOT is currently undertaking a phase 1b/2a study in patients with moderate to severe papulopustular rosacea
- The study continues to advance, BOT has noted it's on track to complete enrolments in mid-2022

BTX1204A - Atopic Dermatitis

- The BTX1204A proof of concept study in canine atopic dermatitis remains on track
- The study tracking to complete enrolment this quarter, with data to follow shortly thereafter

BTX1801 - Antimicrobial

- The company has recently completed a further round of animal studies and other preclinical works
- This will go to enable the longer term, repeat dose study to be conducted in humans with a confirmed bacterial colonisation
- Ethics approvals are planned to be submitted this quarter

Business Development

- BOT notes it remained in efforts to expand its dermatology pipeline, having assessed:
 - several new drugs for acquisition; as well as
 - Assessing collaborations to improve the delivery of different new drugs utilising the PermetrexTM Platform
- The company notes it's made significant progress in relation to its efforts to expand the pipeline, expecting any new programs to compliment BOTs existing pipeline and support its goals of becoming a leading dermatology company

Corporate / Other

- During the Q, BOT strengthened its leadership team with news hires:
 - Danny Sharp - Non-executive Director
 - Howie McKibbon - Chief Commercial Officer
 - Dr Patricia Walker - Chief Medical Advisor
- The company finished the Q with \$16.4m in cash at bank
- We maintain our Speculative Buy recommendation and \$0.17/sh. Price Target

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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	0.081	A\$/sh	Enterprise Value	60.9	A\$/m
Price Target	0.17	A\$/sh	Debt	Nil	A\$/m
Valuation	0.17	A\$/sh	Cash	16.4	A\$/m
Shares on issue	1,041.6	m(dil)	Unpaid Capital	7.1	
Market Capitalisation	84.4	A\$m			

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Contact Details

Euroz Hartleys Limited +61 8 9488 1400

Research Analysts

Gavin Allen - Head of Research	+61 8 9488 1413
Mike Millikan - Resources Analyst	+61 8 9268 2805
Kyle De Souza - Resources Analyst	+61 8 9488 1427
Michael Scantlebury - Resources Analyst	+61 8 9268 2837
Steven Clark - Resources Analyst	+61 8 9488 1430
Trent Barnett - Senior Analyst	+61 8 9268 3052
Harry Stevenson - Industrials Analyst	+61 8 9488 1429
Seth Lizee - Research Analyst	+61 8 9488 1414

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