



BOT: Resetting Expectations

BOT.ASX | BOTANIX PHARMACEUTICALS LIMITED | HEALTHCARE | BIOTECHNOLOGY

PRICE
A\$0.17/sh

TARGET PRICE
A\$0.40/sh
(FROM A\$0.80/sh)

RECOMMENDATION
BUY
(UNCHANGED)

Event

BOT has provided an update on the launch of Sofdra for the 2H FY25.

Impact

Headline results disappointed, missing both EH and consensus expectations for the 2H:

- Total prescriptions sold of ~16,900 (vs ~27,000 EHe)
- Gross revenues of A\$25.3 million
- Net revenues of A\$5.0 million (vs A\$14.8 million EHe; A\$8.8 million Consensus)

While new drug launches are inherently difficult to forecast, the miss primarily reflects lower-than-expected script volumes and a softer net price.

Notwithstanding the headline miss, key launch metrics were very encouraging. Unique prescribers, script volumes, and revenues all grew month-on-month over the period. Notably, refill rates were strong: patients who started Sofdra in February have averaged 3.4 fills to date – well above the industry average of ~2 fills per year. Adherence remains high at ~79%, rising to 95% among patients enrolled in the auto-refill program.

Importantly, BOT provided its first GTN guidance, targeting a 30-40% range, equating to a net price of \$290–390 per script, broadly aligned with our long-term expectations.

To help contextualise Sofdra's performance — particularly within the landscape of dermatology drug launches — BOT drew a comparison to the successful launch of ZORYVE, an atopic dermatitis treatment developed by Arcutis Biotherapeutics (NASDAQ: ARQT), a pure-play dermatology company. This is a compelling case study: ZORYVE is now tracking over US\$300 million in annual sales in its third year, and Sofdra's early trajectory compares favourably. The comparison highlights the structural strengths of BOT's launch strategy and underscores its potential upside.

The company has not yet disclosed an updated cash balance; this will be provided in the 4C. However, BOT entered the quarter with a strong funding position, comprising \$28 million in cash as of March, \$40 million raised during the quarter, and \$48 million in secured debt funding – \$31 million of which was received in June as the first tranche.

Considering the substantial variance to our original forecasts, we have fully reset our expectations. Our revised assumptions are detailed in this report.

Action

We maintain our Buy Recommendation with a reduced \$0.40 PT (prev \$0.80)

While clearly a very disappointing outcome, the investment case for Sofdra is far from broken – albeit expectations need to be appropriately reset.

The share price reaction appears overdone. BOT has given up nearly 2 years of performance and trades ~70% below recent 52-week highs. At current levels, we believe the market is pricing in minimal commercial success. Our revised valuation assumes Sofdra captures ~1% of the US hyperhidrosis market over the next decade, with an avg 5 fills per patient. As a cross-check, BOT now trades at a ~64% discount to the average sales multiples of comparable ASX biotechs at launch; implying ~\$0.40.

Catalysts

- Quarterly Update / Full Year Results

Analysts

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Share Price	0.17	A\$/sh
Price Target	0.40	A\$/sh
Valuation	0.40	A\$/sh
Discount Rate	10%	%
Terminal Growth Rate	0%	%

Shares on issue*	2,162	m, dil
Market Capitalisation	367.5	A\$m
Enterprise Value	279.9	A\$m
Debt (Pro forma)**	31.0	A\$m
Cash (Pro Forma)	96.0	A\$m
Unpaid capital	22.6	A\$m

*Fully Diluted

**First Tranche

Key Metrics	26F	27F	28F
Revenue (A\$m)	57.4	111.8	158.6
EBITDA (A\$m)	-29.1	7.1	28.3
Reported NPAT (A\$m)	-34.4	1.9	23.9
Norm NPAT (A\$m)	-34.4	1.9	23.9
Gross CF (A\$m)	-33.3	3.2	25.7
Capex (A\$m)	0.0	0.0	0.0
Op. FCF (A\$m)	-48.9	-3.7	14.6
EBITDA Gwth (%)	-0.5	-1.2	3.0
NPAT Gwth (%)	-47%	-105%	1188%
Norm EPS (Ac)	-1.6	0.1	1.1
Norm. EPS gwth (%)	-0.5	-1.1	11.9
PER (x)	na	na	14.0
EV/EBITDA (x)	na	39.6	9.9
EV/Revenue (x)	4.9	2.5	1.8
Net Cash (A\$m)	-8.8	-12.5	2.1

Performance



Source: IRESS

Income Statement (A\$m)					Performance Ratios				
	25F	26F	27F	28F		25F	26F	27F	28F
Net Sales	5.0	56.8	111.2	158.0	Growth & Margins				
Royalties	0.6	0.6	0.6	0.6	Revenue Growth	163%	917%	95%	42%
Other (inc R&D)	0.0	0.0	0.0	0.0	EBITDA Growth	359%	-54%	-124%	299%
Total Revenue	5.6	57.4	111.8	158.6	EBIT Growth	370%	-54%	-119%	358%
(-) COGS (inc. roy)	-1.3	-14.2	-27.8	-39.5	Net Profit Growth	371%	-47%	-105%	1188%
Gross Profit	4.4	43.2	84.0	119.1	Margins				
(-) R&D	0.0	0.0	0.0	0.0	EBITDA margin	-1126%	-51%	6%	18%
(-) SG&A	-68.0	-72.3	-76.9	-90.9	EBIT margin	-1157%	-53%	5%	17%
EBITDA	-63.6	-29.1	7.1	28.3	Net profit margin	-1157%	-60%	2%	15%
(-) D&A	-1.8	-1.1	-1.3	-1.9	Effective tax rate	0%	0%	0%	0%
EBIT	-65.4	-30.2	5.8	26.4	Liquidity				
(-) Net finance	0.0	-4.2	-3.9	-2.5	Capex/depreciation	0.0	0.0	0.0	0.0
(+/-) Other	0.0	0.0	0.0	0.0	Current ratio	17.4	13.2	11.3	11.1
PBT	-65.4	-34.4	1.9	23.9	Quick ratio	13.3	8.5	6.1	6.2
(-) Tax	0.0	0.0	0.0	0.0	Receivable days	278.5	97.4	60.0	60.0
NPAT	-65.4	-34.4	1.9	23.9	Payable days	30.4	30.4	30.4	30.4
(+/-) Adj.	0.0	0.0	0.0	0.0	Risk Measures				
Norm NPAT	-65.4	-34.4	1.9	23.9	Dividend Cover	na	na	na	na
Cashflow Statement (A\$m)	25F	26F	27F	28F	Payout ratio	0%	0%	0%	0%
NPAT	-65.4	-34.4	1.9	23.9	Net interest cover	na	na	na	na
(+) D&A	1.8	1.1	1.3	1.9	Net debt/equity	-0.4	0.2	0.2	0.0
(+) Non-cash expenses	10.5	0.0	0.0	0.0	Returns				
(-) Leases	0.0	0.0	0.0	0.0	ROIC	-50%	-37%	7%	22%
(+/-) Other	0.0	0.0	0.0	0.0	ROA	-51%	-32%	2%	22%
Gross Cash Flow	-53.1	-33.3	3.2	25.7	ROE	-71%	-60%	3%	29%
(-) Capital expenditure	0.0	0.0	0.0	0.0	Share Data/Valuation	25F	26F	27F	28F
(+/-) Working capital	-23.7	-15.7	-6.9	-11.1	Issued shares	1,961	1,961	1,961	1,961
Operating Free Cash Flow	-76.8	-48.9	-3.7	14.6	Weighted ave shares	1,885	1,961	1,961	1,961
(-) Acquisition	0.0	0.0	0.0	0.0	Fully diluted shares	2,159	2,159	2,159	2,159
(-) Milestone payment	0.0	0.0	0.0	0.0	Basic EPS	-3.3	-1.8	0.1	1.2
(+) Placement	37.6	0.0	0.0	0.0	YoY change	335%	-47%	-105%	1188%
(+) Disposal	0.0	0.0	0.0	0.0	Fully diluted EPS	-3.0	-1.6	0.1	1.1
(+/-) Other	0.0	0.0	0.0	0.0	YoY change	318%	-47%	-105%	1188%
Net Cash Flow	-39.2	-48.9	-3.7	14.6	Fully diluted norm EPS	-3.0	-1.6	0.1	1.1
BoP Net Cash / (Debt)	79.3	40.2	-8.8	-12.5	YoY change	318%	-47%	-105%	1188%
(+/-) Net Cash Flow	-39.2	-48.9	-3.7	14.6	Dividend/share	0.0	0.0	0.0	0.0
(+/-) Other	0.0	0.0	0.0	0.0	Franking	na	na	na	na
EOP Net Cash / (Debt)	40.2	-8.8	-12.5	2.1	Gross cash flow/share	-2.7	-1.7	0.2	1.3
Balance Sheet (A\$m)	25F	26F	27F	28F	NBV/share	4.7	2.9	3.0	4.2
Cash	70.9	35.9	20.9	20.5	NTA/Share	3.3	1.6	1.7	3.0
Inventory	20.0	20.0	21.7	23.8	Valuation				
Receivables	4.3	15.3	18.4	26.1	PER (Basic) (x)	na	na	na	14.0
Prepayments	5.0	10.0	12.5	15.0	PER (Fully diluted) (x)	na	na	na	15.4
Current Assets	100.2	81.2	73.4	85.4	PER (Fully diluted, norm) (x)	na	na	na	15.4
PP&E	0.1	0.1	0.0	0.0	P/CFPS (x)	na	na	na	12.9
Intangible	27.7	26.6	25.3	23.5	Price/NBV (x)	3.6	5.8	5.7	4.0
ROUA	0.0	0.0	0.0	0.0	Price/NTA (x)	5.2	10.9	9.9	5.6
Other	0.0	0.0	0.0	0.0	Dividend Yield (%)	0.0	0.0	0.0	0.0
Non-current Assets	27.8	26.7	25.4	23.5	EV/EBITDA (x)	na	na	39.6	9.9
Total Assets	128.0	107.9	98.8	108.9	EV/EBIT (x)	na	na	48.6	10.6
Payables	5.7	6.0	6.4	7.6	EV/Revenue (x)	49.6	4.9	2.5	1.8
Lease liabilities	0.0	0.0	0.0	0.0					
Provisions	0.1	0.1	0.1	0.1					
Current Liabilities	5.8	6.1	6.5	7.7					
Lease liabilities	0.0	0.0	0.0	0.0					
Borrowing	30.8	44.7	33.3	18.4					
Non-current liabilities	30.8	44.7	33.3	18.4					
Total liabilities	36.5	50.8	39.9	26.1					
Net Assets	91.5	57.1	58.9	82.8					
Issued Capital	225.9	225.9	225.9	225.9					
Reserves	21.7	21.7	21.7	21.7					
Retained earnings	-156.2	-190.6	-188.7	-164.8					
Total equity	91.5	57.1	58.9	82.8					

1H Results Overview

BOT has provided an update on the launch of Sofdra for the 2H FY25. Headline results disappointed, coming in below both EH and consensus expectations:

Figure 1: 1H Headline Results

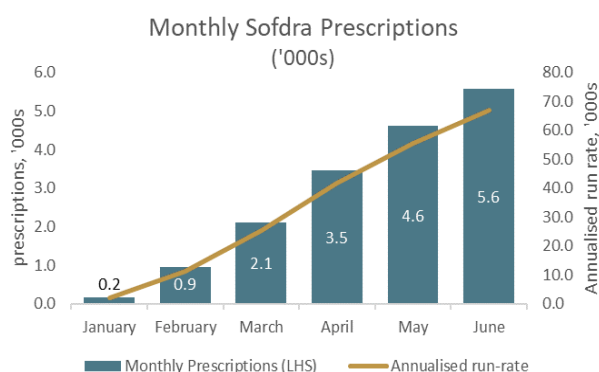
1H FY25	Units	Actuals	EH Fcsts	Consensus	% vs EH	% vs Cons
Prescriptions	#	16,869	27,000	na	-38%	na
Gross Revenue	A\$m	25.3	na	na	na	na
Net Revenue	A\$m	5.0	14.8	8.8	-66%	-43%

Source: EH estimates, Factset, company announcement

The miss primarily reflects lower-than-expected script volumes and a softer realised net price, driven by a higher-than-anticipated gross-to-net (GTN) discount.

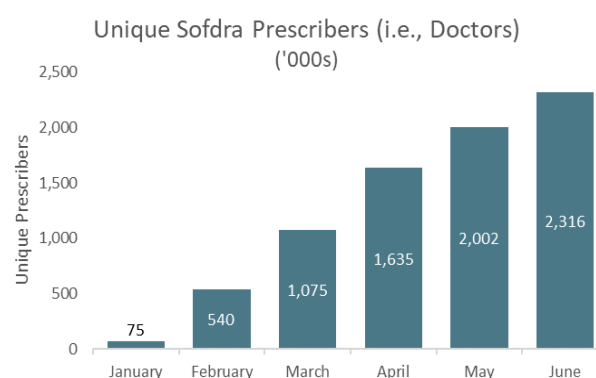
That aside, key launch metrics were encouraging. Unique prescribers, script volumes, and revenues all grew month-on-month over the period (see Figures 2, 3, 4, and 5).

Figure 2: Monthly Sofdra Prescriptions



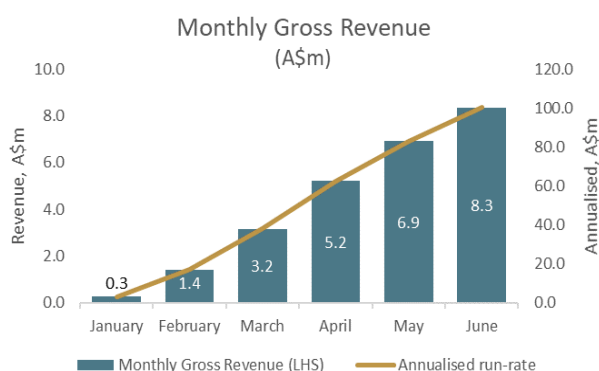
Source: Company presentation, EH analysis

Figure 3: Unique Sofdra Prescribers (i.e., Doctors)



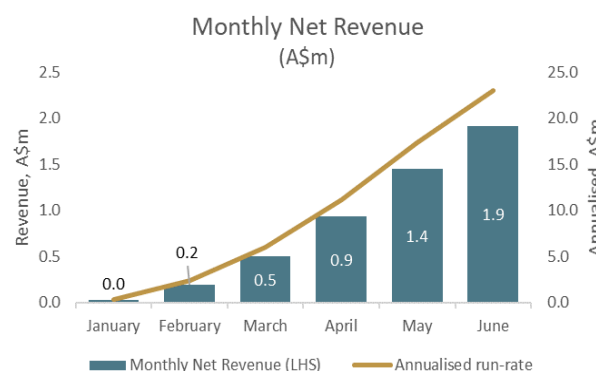
Source: Company presentation, EH analysis

Figure 4: Monthly Gross Revenue



Source: Company presentation, EH analysis

Figure 5: Monthly Net Revenue



Source: Company presentation, EH analysis, calculated as monthly gross revenue x monthly GTN yield

Additionally, since launch BOT has seen ~10,000 new patient arrivals, which are patients who receive a prescription from a physician. This reflects an increase of ~7,000 since the March update, which had reported ~3,000 new arrivals and a trend of ~2,000 new arrivals per month – indicating that arrival rates have accelerated since then. Circa 90% of new patient arrivals ultimately receive their prescriptions in accordance with industry norms.

Importantly, refill rates remained high; patients initiating Sofdra in February have already averaged 3.4 fills, well above the industry average of ~2 fills per year. Adherence also remained high at ~79%, rising to 95% among patients enrolled in the auto-refill program – a key driver of operating leverage in the distribution model.

Gross to Net Mechanics – Understanding the Nuances

The company has provided greater transparency into the gross-to-net (GTN) dynamics of Sofdra, while also issuing formal guidance for the first time.

Background: What is Gross-to-net / Net Price

Gross-to-net refers to the difference between a drug's list price and the actual revenue the company receives per unit sold — the net price. This gap arises from various deductions such as rebates, co-pay assistance, and distribution fees. The net price does not include cost of goods sold or operating expenses.

The table below presents an illustrative GTN breakdown typical of a dermatology product.

Figure 6: Example GTN breakdown

Gross-to-Net Deductions include:

- ❖ **Wholesale DSA** (Distribution Services Agreement): deductions required by wholesalers for distribution services and bulk purchases
- ❖ **Wholesale Prompt Pay**: required discount off invoice for paying on time
- ❖ **Managed Care Rebates**: negotiated discounts that insurance companies require for product inclusion in formularies
- ❖ **Patient Rebate**: standard copay assistance reducing out-of-pocket costs for patients
- ❖ **Reserves & Returns**: allowances for returned products due to reasons such as expiration and recalls

Gross-to-Net Model

Wholesale Acquisition Cost	% of WAC
Wholesale DSA	12%
Wholesale Prompt Pay	2%
Managed Care Rebates	21%
Patient Rebate	50%
Reserves	3%
Returns	2%
GTN discount	90%
GTN Yield	10%

Source: Company presentation

In this example, the gross-to-net discount is 90%, meaning the company retains just 10% of the drug's list price. Notably, elements such as rebates can vary from patient to patient, making the GTN a blended, dynamic variable that fluctuates from quarter to quarter — making it particularly challenging to forecast in the early stages of a launch.

Sofdra's Gross-to-net / Net Price

BOT's limited distribution model offers an initial advantage by eliminating wholesaler fees. However, the company's early launch strategy for Sofdra — centred on patient adoption via a \$0 out-of-pocket program regardless of reimbursement status — introduces several GTN-related complexities in the near term.

The diagram below (Figure 7) outlines the range of patient reimbursement statuses, each of which influences Sofdra's GTN profile.

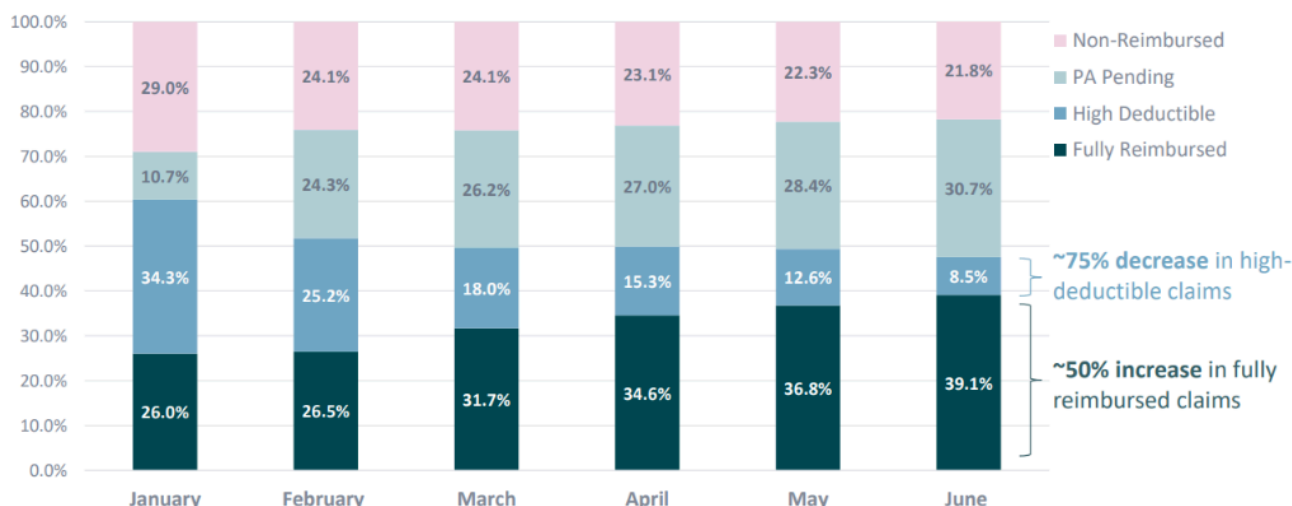
Figure 7: Potential Patient Reimbursement Statuses

Fully Reimbursed Units	High-Deductible Units	PA Pending Units	Non-Reimbursed Units
<ul style="list-style-type: none"> Units fully reimbursed by patient insurance Fully reimbursed units drive higher GTN 	<ul style="list-style-type: none"> Units covered by a high-deductible insurance plan (HDP) Units fully reimbursed by insurance only after patients have spent a defined amount on their overall healthcare Majority of high-deductible thresholds are met after 4 months — remaining 8 months of healthcare are fully reimbursed The majority of HDP plans reset at start of the calendar year 	<ul style="list-style-type: none"> Units shipped while Prior Authorization (PA) is still undecided and not reimbursed PAs must be submitted by HCPs (Healthcare Providers) and approved by insurers to be fully reimbursed To date, 70% of PA Pending units submitted have succeeded in receiving full reimbursement 	<ul style="list-style-type: none"> Units shipped, despite not being reimbursed Objective is to establish patient utilization and seek reimbursement for each refill

Source: Company presentation

While this approach temporarily weighs on net revenue per script, it is designed to accelerate patient uptake and prescriber adoption, laying the foundation for stronger, more durable revenue growth over the long term. To date, Sofdra's GTN indicators are tracking positively (Figure 8).

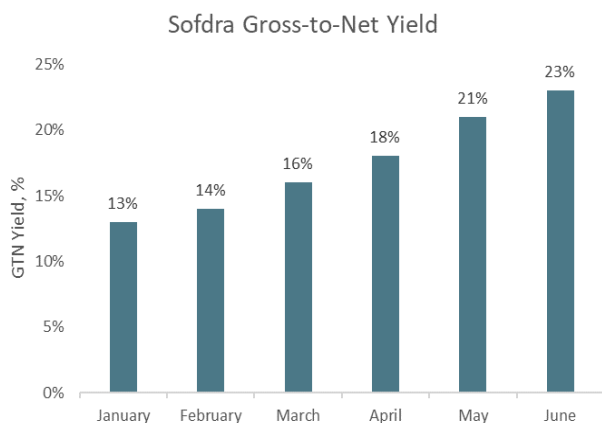
Figure 8: Sofdra Patient Reimbursement Statuses Since Launch



Source: Company presentation

Sofdra's GTN is expected to follow a seasonal trajectory — as is typical for most drugs — generally bottoming in Q1 of the CY and improving throughout the calendar year, with a peak in Q4 of the CY. This trend is already emerging, with Sofdra's GTN Yield currently at 23% and continuing to improve as it exits the high-deductible season.

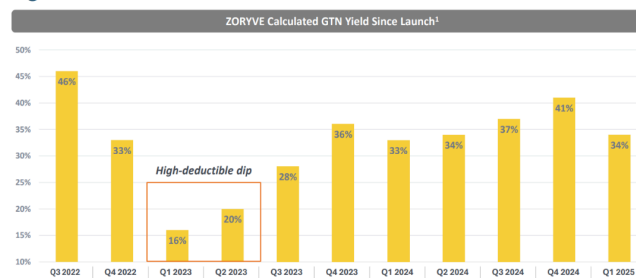
Figure 9: Sofdra GTN Since Launch



Source: Company presentation, EH analysis

Figure 10: Case Study of ZORYVE's GTN Over Launch

ZORYVE® generated GTN yield of 20% in the second quarter of their first high deductible reset season



Source: Company presentation

Management is now guiding toward a GTN range of 30–40%, implying a net realised price of \$290–\$390 per prescription — broadly consistent with our long-term assumptions, though reached via a different path.

To support this guidance, BOT has pointed to the recent launch of ZORYVE — an atopic dermatitis drug — as a relevant case study. ZORYVE faced similar early-stage GTN pressure before eventually stabilising within the 30–40% range (Figure 10). Over the longer term, there is potential for Sofdra to exceed this level.

Case Study – ZORYVE

To help contextualise Sofdra's performance — particularly within the landscape of dermatology drug launches — BOT drew a comparison to the successful launch of ZORYVE, an atopic dermatitis treatment developed by Arcutis Biotherapeutics (NASDAQ: ARQT), a pure-play dermatology company (Figure 11).

Figure 11: ZORYVE vs Sofdra Over Launch

Arcutis® Biotherapeutics / ZORYVE® Market Cap: US\$1.6B ¹	Botanix / Sofdra™ Market Cap: ~US\$440M ¹
Early launch: <ul style="list-style-type: none">• ~80 sales reps²• ~139 TRx per rep in second quarter of launch³• ~US\$30k Net Revenue per rep in second quarter of launch³ Year 3: <ul style="list-style-type: none">• Q1 2025 ZORYVE Sales: US\$63.8M⁴• 2025 est. ZORYVE: US\$305–US\$313M⁵	Early launch: <ul style="list-style-type: none">• 27 sales reps• ~500 TRx per rep in second quarter of launch• ~\$81k Net Revenue per rep in second quarter of launch

Source: Company presentation

This is a compelling case study: ZORYVE is now tracking over US\$300 million in annual sales in its third year, and Sofdra's early trajectory compares favourably. The comparison highlights the structural strengths of BOT's launch strategy and underscores its potential upside.

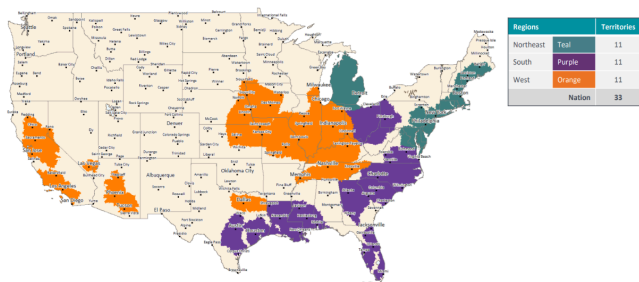
Sofdra Sales Force Expansion

As previously announced, the company is executing a staged expansion of its field sales force — both in terms of headcount and geographic footprint. This will bring the total sales force to 50 representatives. This rollout will occur in two phases:

- Phase 1: Addition of 6 new sales representatives in Q1 FY26 (Figure 12)
- Phase 2: A further 17 reps added in Q2 FY26 (Figure 13)

Figure 12: Phase 1 Expansion

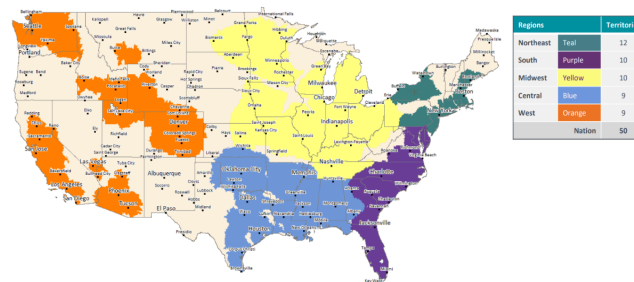
Botanix Regional Alignment – Q1 FY2026 Expansion



Source: Company presentation

Figure 13: Phase 2 Expansion

Botanix Regional Alignment – Q2 FY2026 Expansion



Source: Company presentation

The rationale for this expansion is supported by the recent performance of the existing sales force. Early into the launch, sales reps demonstrated their ability to quickly activate prescribers and drive new prescriptions – a trend that has continued over time.

As such, the incremental addition of sales reps is expected to accelerate both the number of unique prescribers and overall prescription volumes over the coming quarters.

We've illustrated the potential impact of these additional reps in the analysis below. In this example, even assuming no improvement in per-rep productivity (i.e., prescriptions per sales rep) and applying a similar ramp-up curve for the new hires, monthly prescriptions would increase from ~5,600 in June to approximately 10,300 by March 2026.

Figure 14: Impact of Sales Force Expansion

Period	3Q'FY25	3Q'FY25	4Q'FY25	4Q'FY25	4Q'FY25	1Q'FY26	1Q'FY26	1Q'FY26	2Q'FY26	2Q'FY26	2Q'FY26	2Q'FY26	3Q'FY26	3Q'FY26	3Q'FY26	4Q'FY26	4Q'FY26	4Q'FY26
	Act	Act	Act	Act	Act	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts	Fcsts
Current Sales Force																		
Prescriptions	948	2,105	3,464	4,613	5,570	5,570	5,570	5,570	5,570	5,570	5,570	5,570	5,570	5,570	5,570	5,570	5,570	5,570
Sales Reps	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27
Prescriptions per Rep	35	78	128	171	206	206	206	206	206	206	206	206	206	206	206	206	206	206
Phase 1 Expansion																		
Prescriptions						211	468	770	1,025	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238
Sales Reps						6	6	6	6	6	6	6	6	6	6	6	6	6
Prescriptions per Rep						35	78	128	171	206	206	206	206	206	206	206	206	206
Phase 2 Expansion																		
Prescriptions									597	1,325	2,181	2,904	3,507	3,507	3,507	3,507	3,507	3,507
Sales Reps									17	17	17	17	17	17	17	17	17	17
Prescriptions per Rep									35	78	128	171	206	206	206	206	206	206
Combined Sales Force																		
Total Prescriptions	948	2,105	3,464	4,613	5,570	5,781	6,038	6,340	7,192	8,133	8,989	9,712	10,315	10,315	10,315	10,315	10,315	10,315
Total Sales Reps	27	27	27	27	27	33	33	33	50	50	50	50	50	50	50	50	50	50

Source: EH analysis

Notably, under this conservative 'no productivity growth' scenario, total prescriptions would still exceed 104,000 in FY26. This equates to approximately A\$155 million in gross revenue and between A\$46 million and A\$62 million in net revenue, based on the company's guided gross-to-net range of 30–40%.

Forecasts

We have updated our forecasts following the June quarter update.

Given the material variance to our initial estimates, we have undertaken a full reset of expectations. We have updated our model assumptions to reflect the latest available information. A comparison of our updated and prior forecasts is provided below:

Figure 15: Forecasts Comparison, A\$

FY Period	2025			2026			2027		
	Old (A\$m)	New (A\$m)	Change (%)	Old (A\$m)	New (A\$m)	% Change (%)	Old (A\$m)	New (A\$m)	% Change (%)
Prescriptions	27.0	16.9	-38%	208.5	127.2	-39%	336.4	213.3	-37%
Net Revenue	14.8	5.0	-66%	114.5	56.8	-50%	189.4	111.2	-41%
EBITDA	-53.3	-63.6	19%	14.0	-29.1	na	51.3	7.1	-86%
NPAT	-55.1	-65.4	19%	12.8	-34.4	na	47.8	1.9	-96%

Source: EH estimates

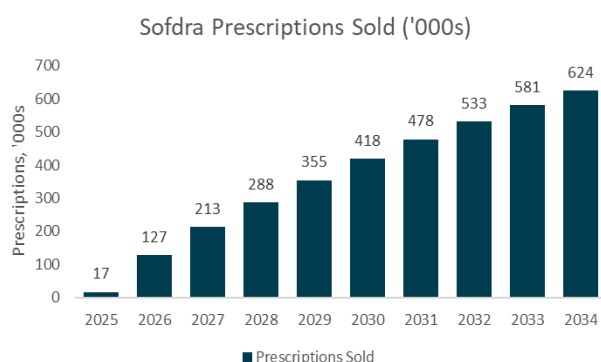
Our prescription forecasts are based on a monthly waterfall model, incorporating new patient starts and an assumed number of refills per patient. Our net sales are driven by an average net price, derived from an assumed gross-to-net yield.

Key assumptions include:

- Modest month-on-month growth in new patient starts, tied to the field force expansion, with Sofdra capturing ~1% market penetration of US axillary hyperhidrosis patients (currently ~7 million) over a decade.
- An average of 5 fills per patient
- Seasonal gross-to-net dynamics moving towards a long-term yield range of 30–40%, implying a net realised price of US\$290–US\$390 per prescription (based on a ~US\$967 list price)

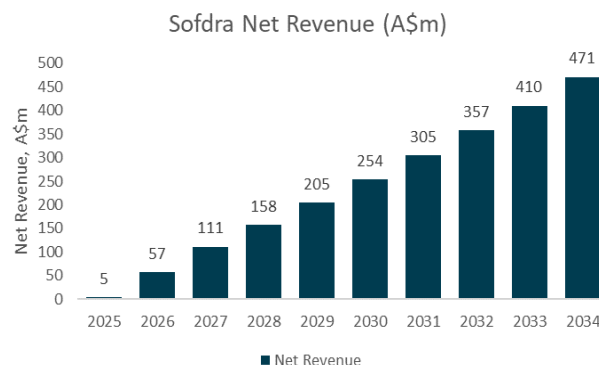
Our full forecasts are shown in the table below.

Figure 16: Sofdra Prescriptions Forecasts



Source: EH estimates

Figure 17: Sofdra Net Revenue Forecasts



Source: EH estimates

Figure 18: US Sofdra Forecasts

US Sofdra Forecasts	Units	1Q	2Q	3Q	4Q	FY2025	1Q	2Q	3Q	4Q	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Prescriptions Sold	'000s	0.0	0.0	3.2	13.6	16.9	20.1	27.4	36.8	42.9	127.2	213.3	288.0	354.5	418.0	477.8	532.5	581.4	624.2
... Growth (YoY)	%					na					654%	68%	35%	23%	18%	14%	11%	9%	7%
Sofdra List Price	US\$/script	968	968	968	968	968	968	968	968	968	968	997	1,026	1,057	1,089	1,122	1,155	1,190	1,226
...Price Escalation (YoY)	%										3%	3%	3%	3%	3%	3%	3%	3%	3%
Gross to Net (GTN) Yield	%			15%	21%	20%	25%	32%	29%	32%	30%	34%	35%	36%	36%	37%	38%	39%	40%
Net Price	US\$/script			147	204	193	242	310	281	310	291	339	357	375	395	415	436	458	490
Gross Sales	US\$m			3.1	13.2	16.3	19.4	26.5	35.6	41.5	123.0	212.6	295.6	374.8	455.2	535.9	615.2	691.8	765.1
Gross Sales	A\$m			4.8	20.5	25.3	29.9	40.8	54.8	63.9	189.3	327.0	454.8	576.6	700.3	824.5	946.4	1,064.3	1,177.0
Net Sales	US\$m			0.5	2.8	3.3	4.9	8.5	10.3	13.3	36.9	72.3	102.7	133.1	165.0	198.3	232.2	266.3	306.0
Net Sales	A\$m			0.7	4.3	5.0	7.5	13.0	15.9	20.4	56.8	111.2	158.0	204.7	253.9	305.1	357.3	409.8	470.8
...Growth	%										1026%	96%	42%	30%	24%	20%	17%	15%	15%
(-) COGS	US\$m					-0.7					-7.4	-14.5	-20.5	-26.6	-33.0	-39.7	-46.4	-53.3	-61.2
Gross Profit	US\$m					2.6					29.6	57.8	82.2	106.4	132.0	158.6	185.8	213.1	244.8
...Gross Margin	%					80%					80%	80%	80%	80%	80%	80%	80%	80%	80%
(-) SG&A**	US\$m					-37.0					-47.0	-50.0	-59.1	-66.5	-74.3	-79.3	-85.9	-90.6	-91.8
...as % of Net sales	%					1137%					127%	69%	58%	50%	45%	40%	37%	34%	30%
(-) Royalty	US\$m					-0.2					-1.8	-3.6	-5.1	-6.7	-8.3	-9.9	-11.6	-13.3	-15.3
...as % of Net sales	%					5%					5%	5%	5%	5%	5%	5%	5%	5%	5%
Operating Income	US\$m					-34.6					-19.3	4.2	18.0	33.3	49.5	69.4	88.2	109.2	137.7

Source: EH analysis; **Excludes ~A\$10.6m non-cash share based payments, 0.65 A\$/US\$ Fx

Valuation and Price Target

We maintain our Buy Recommendation with a reduced \$0.40 Price Target (prev \$0.80), reflecting revisions to our forecasts following the commercial update.

While clearly a very disappointing outcome, the investment case for Sofdra is far from broken – albeit expectations need to be appropriately reset.

The share price reaction appears overdone. BOT has given up nearly 2 years of performance and now trades ~70% below recent 52 week highs. At current levels, we believe the market is pricing in minimal commercial success.

Our revised valuation assumes Sofdra captures ~1% of the US hyperhidrosis market over the next decade, with an average of 5 fills per patient. Our valuation is calculated using a discounted cash flow (DCF) using a 10% discount rate and a 0% terminal growth rate.

Our updated valuation is shown below (Figure 19).

Figure 19: Valuation Summary

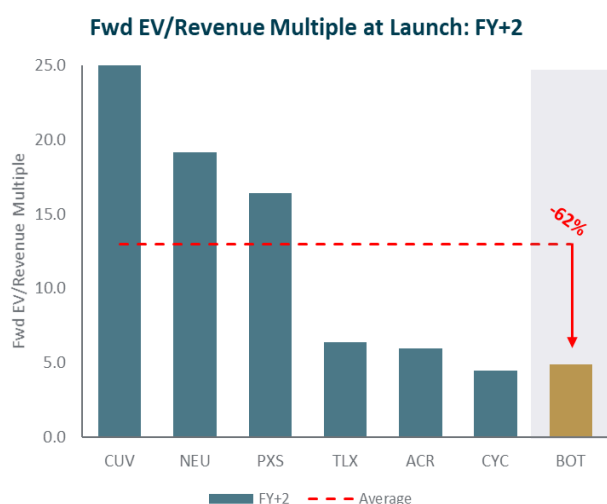
Valuation Summary	(A\$m)	(A\$/sh)*
Sofdra	777	0.36
(+/-) Net Cash (pro forma)**	65	0.03
(+/-) Unpaid Capital	23	0.01
Total Equity Value	864	0.40

Source: EH estimate, *fully diluted, **as of the March Quarter, includes first tranche of debt

As a cross check, we note comparable ASX-listed biotech companies have historically traded on ~13.0x and 7.4x their two- and three-year forward revenues at launch.

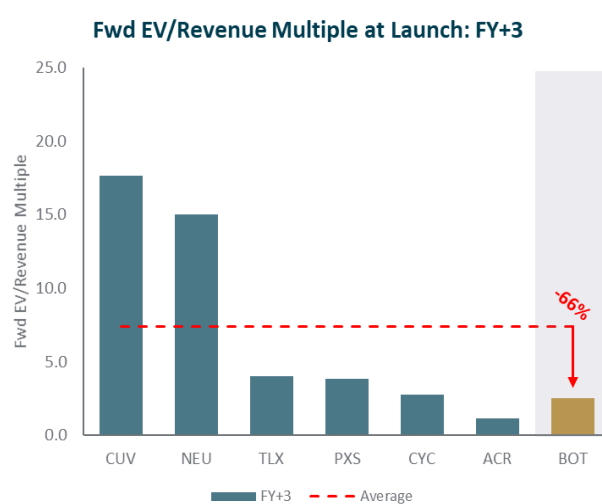
On our updated forecasts, BOT is trading at a ~64% discount to these averages. Further, when applying these multiples to our forecasts would imply a \$0.40 share price.

Figure 20: Forward EV/Revenue multiple at launch, based on consensus 2-years forward revenues



Source: Factset, EH analysis

Figure 21: Forward EV/Revenue multiple at launch, based on consensus 3-years forward revenues



Source: Factset, EH analysis

The diagrams above (Figure 20 and 21) illustrate the forward enterprise to revenue multiple of several ASX-listed companies who have secured an FDA approval (specifically companies who secured approval on their first drug). These multiples are calculated based on forward consensus revenue at the date of commercial launch.

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The companies and securities mentioned in this report, include:

Botanix Pharmaceuticals Limited (BOT.ASX) | Price A\$0.17 | Target price A\$0.40 | Recommendation Buy;

Price, target price and rating as at 10 July 2025 (not covered)*

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