

ASX/Media Release

15 October 2019

Botanix receives grant for synthetic cannabidiol analog program

Key highlights

- Botanix has been awarded a new *Innovation Connections Grant* from the Australian Government to accelerate its medicinal chemistry program targeting the creation of new synthetic analogs of cannabidiol, and to further investigate how cannabidiol works
- New cannabidiol analogs are being designed that improve the performance of cannabidiol and overcome some of the challenges of bioavailability of the natural molecule
- Analogs created by Botanix have a unique structure and activity profile and are patentable as new chemical entities
- This work is being conducted with assistance from scientists at The University of Queensland (UQ)

Philadelphia PA and Sydney Australia, 15 October 2019: Clinical stage cannabinoid company Botanix Pharmaceuticals Limited (ASX:BOT, "Botanix" or "the Company") is pleased to announce it has been awarded a new *Innovation Connections Grant* by the Federal Government's department of AusIndustry. The grant will accelerate its medicinal chemistry program targeting the creation of new synthetic and patentable analogs of cannabidiol, and continue to investigate the antimicrobial activity of cannabidiol.

Botanix initiated a medicinal chemistry program in 2018, designed to create new drugs (new chemical entities) which has the potential to improve the performance of cannabidiol and overcome some of the challenges associated with this natural molecule. Challenges include bioavailability and protein binding – e.g. only ~6% of the drug, when taken as a liquid or capsule, actually becomes available in the blood stream, which makes the use of cannabidiol difficult for applications outside skin diseases. Botanix has created a library of novel cannabidiol analogs with varying characteristics that show properties of the natural cannabidiol molecule can be enhanced without sacrificing activity.

Executive Director of Botanix, Dr Michael Thurn, said: "We are very pleased that this new program has been supported by AusIndustry through the *Innovation Connections Grant* program and we look forward to accelerating the development and testing of these novel cannabidiol analogs over the coming months.

"We are also pleased to continue our partnership with Dr. Mark Blaskovich's team at The University of Queensland. Their extensive expertise in testing molecules, combined with their understanding of the mechanisms of antimicrobial resistance and state-of-the-art research facilities, will help facilitate the rapid advancement of these new drugs into clinical trials."

The analog program is being conducted in collaboration with The University of Queensland's (UQ) Institute for Molecular Bioscience (IMB). This combination of academic and industry experience

provides new ideas with a track record of drug development, which Botanix believes will produce a portfolio of novel and effective cannabidiol analogs for clinical testing. The grant amount is A\$50,000.

IMB Fellow and Principal Investigator for the work to be conducted at UQ, Dr Mark Blaskovich, said: “We are excited to be working in collaboration with Botanix to create next generation cannabinoids with new pharmacology and improved performance. This partnership also demonstrates that the University is engaging with industry and can assist with translational research that has a real-world impact.”

About Botanix Pharmaceuticals

Botanix Pharmaceuticals Limited (ASX:BOT) is a clinical stage synthetic cannabinoid company based in Perth (Australia) and Philadelphia (USA) committed to the development of pharmaceutical products that are underpinned by science and supported by well-controlled randomised clinical trials. The Company’s focus is the development of safe and effective topical treatments for serious skin diseases, leveraging the unique anti-inflammatory, immune modulating and antimicrobial properties of synthetic cannabidiol. Botanix has an exclusive license to use a proprietary drug delivery system (Permetrex™) for direct skin delivery of active pharmaceuticals in all skin diseases.

The Company successfully completed its first acne patient studies and has recently completed enrolment of a Phase 2 clinical study, with data expected in October 2019. A Phase 2 patient study in atopic dermatitis is also underway with enrolment expected to complete in 4Q CY2019. The Company has successfully completed a mechanism of action study for synthetic cannabidiol in skin disease, with positive interim data announced in June 2019 and is developing a pipeline of product candidates that leverages the antimicrobial properties of cannabidiol with first products planned to enter the clinic in 2H CY2019.

To learn more please visit: <https://www.botanixpharma.com/>

About The University of Queensland (UQ) / The Institute for Molecular Bioscience (IMB) / The Centre for Superbug Solutions (CSS)

For more than a century, The University of Queensland (UQ) has educated and worked with outstanding people to create positive change for society. UQ research has global impact and is delivered by an interdisciplinary community of more than 1,500 researchers at six faculties, eight research institutes and 100+ research centres.

The Institute for Molecular Bioscience (IMB) is a global leader in multidisciplinary life sciences research, bringing together 500 researchers from across the globe for disease discovery, application and sustainable futures. Formed in 2000 as an initiative of The University of Queensland, State and Federal Governments and private philanthropy, IMB is one of the largest life sciences institutes in the Asia-Pacific region.

The Centre for Superbug Solutions is tackling the problem of drug-resistant bacteria by helping to stop the inappropriate use of antibiotics, rediscovering and optimising antibiotics that were discovered in the past but not developed into drugs, and crowdsourcing compounds from across the globe.

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