

1

00:00:02,645 --> 00:00:03,165

Okay, everyone.

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00:00:03,185 --> 00:00:04,965

Uh, today we are joined once again by Mr.

3

00:00:04,965 --> 00:00:07,325

Matt Callahan, founder and executive director

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00:00:07,325 --> 00:00:08,805

of Botanic Pharmaceuticals.

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00:00:08,885 --> 00:00:10,405

BOT is the code here.

6

00:00:10,795 --> 00:00:13,765

This is a follow up to the conversation we had last July

7

00:00:13,915 --> 00:00:16,485

with Matt, which I'd very much encourage you to revisit.

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00:00:16,505 --> 00:00:18,325

If you want a good overview of the business,

9

00:00:18,425 --> 00:00:20,685

we will spend a bit of time just covering some basics

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00:00:20,685 --> 00:00:22,605

for those of you that are new to the business.

11

00:00:23,225 --> 00:00:24,885

Um, but I'm gonna guess that a lot

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00:00:24,885 --> 00:00:27,325

of you are fairly familiar with Botanic.

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00:00:27,485 --> 00:00:28,765

I can make that assertion

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00:00:28,765 --> 00:00:31,765

because it's currently ranked number four, uh,

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00:00:31,865 --> 00:00:35,325

on Strawman across all the companies on the A SX added

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00:00:35,325 --> 00:00:37,245

to our index back in June of last year,

17

00:00:37,245 --> 00:00:38,845

and had a pretty good run since then.

18

00:00:38,845 --> 00:00:41,525

So I know it's one that is very popular, uh,

19

00:00:41,595 --> 00:00:43,125

amongst our, our group.

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00:00:43,625 --> 00:00:45,405

Um, but look, Matt's been at the heart

21

00:00:45,405 --> 00:00:46,925

of Botanics right from the get go,

22

00:00:46,925 --> 00:00:50,045

really steering the company from, uh, just a promising idea

23

00:00:50,105 --> 00:00:53,165

to a business that's now rolling out an FDA approved, uh,

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00:00:53,165 --> 00:00:56,685

treatment, um, one that's now valued at about three quarters

25

00:00:56,685 --> 00:01:00,085

of a billion dollars and has a commercially launched

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00:01:00,085 --> 00:01:02,765

product, which, uh, which is showing some very encouraging

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00:01:02,765 --> 00:01:03,885

early signs here.

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00:01:04,355 --> 00:01:05,485

Just to back up very quickly,

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00:01:05,625 --> 00:01:07,525

the product in question here is softer.

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00:01:07,525 --> 00:01:09,525

It's a treatment for excessive underarm, uh,

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00:01:09,725 --> 00:01:12,165

sweating a condition that affects quite a number of people.

32

00:01:12,305 --> 00:01:14,765

Uh, about 10 million in the US alone.

33

00:01:15,465 --> 00:01:17,445

And, uh, last month we saw the first commercial

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00:01:17,445 --> 00:01:18,485

sales roll through.

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00:01:18,665 --> 00:01:20,365

We saw about 5 million there,

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00:01:20,365 --> 00:01:22,125

brought into the business in growth revenue,

37

00:01:22,825 --> 00:01:24,805

and, uh, capitalizing on that success.

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00:01:24,805 --> 00:01:25,845

The businesses, um,

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00:01:26,185 --> 00:01:29,045

cached up \$40 million raised from institutional investors.

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00:01:29,185 --> 00:01:31,765

So giving it some good firepower to strengthen out the, um,

41

00:01:31,785 --> 00:01:32,885

the sales resources

42

00:01:32,885 --> 00:01:35,205

and provide a bit of working capital to help it sort

43

00:01:35,205 --> 00:01:36,565

of prosecute this opportunity,

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00:01:36,815 --> 00:01:39,125

which is Matt will tell you, is pretty vast.

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00:01:39,185 --> 00:01:41,045

So it's a very exciting time for the company.

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00:01:41,665 --> 00:01:42,685

Um, uh,

47

00:01:43,385 --> 00:01:45,885

before I hand it over to Matt, just a reminder, none

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00:01:45,885 --> 00:01:47,565

of this is financial advice.

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00:01:47,855 --> 00:01:49,525

We've had a bunch of questions come through.

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00:01:49,585 --> 00:01:51,925

Uh, if you'd like to sort of tip any up the,

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00:01:51,925 --> 00:01:53,765

the rankings there, make sure you vote on it

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00:01:53,765 --> 00:01:56,485

or just please submit any others that may occur to you.

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00:01:56,585 --> 00:01:58,725

So all that is said and done. Matt, good to see you again.

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00:01:59,265 --> 00:02:00,925

Thanks Andrew. Great to see you,

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00:02:00,945 --> 00:02:03,125

and thanks for the opportunity to be on the show. Yeah.

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00:02:03,345 --> 00:02:06,365

Um, as I said, a lot's happened since we, we last chatted.

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00:02:06,365 --> 00:02:08,165

Before we sort of get into the specifics, I,

58

00:02:08,205 --> 00:02:10,125

I wanna make sure we don't leave anyone behind here.

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00:02:10,265 --> 00:02:12,965

Can you give us the 40,000 foot view of Botanics?

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00:02:13,795 --> 00:02:16,445

Sure. So Botanic is a, a dermatology company.

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00:02:16,625 --> 00:02:17,685

So we develop

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00:02:17,785 --> 00:02:21,045

and commercialize products that are primarily used

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00:02:21,105 --> 00:02:22,325

for skin conditions.

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00:02:22,865 --> 00:02:25,885

Uh, our focus is mostly in those conditions that are,

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00:02:26,025 --> 00:02:28,445

are pretty broad and pretty, uh, well known.

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00:02:28,585 --> 00:02:31,885

So things like acne and dermatitis and, and hyperhydrosis.

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00:02:32,465 --> 00:02:34,405

Uh, we do look at kind of, uh, some of the,

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00:02:34,405 --> 00:02:35,525

the more obscure ones

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00:02:35,525 --> 00:02:37,245

where there's a financial reason to do so.

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00:02:37,305 --> 00:02:40,925

But, uh, our focus initially is on the commercialization

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00:02:40,925 --> 00:02:43,005

of softer, um, which is the first

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00:02:43,025 --> 00:02:46,725

and only new drug that's ever been developed for this, uh,

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00:02:46,725 --> 00:02:49,245

condition of excessive sweating, uh, under the arms.

74

00:02:49,905 --> 00:02:53,285

Uh, that product was, uh, approved by the FDA, uh, in middle

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00:02:53,285 --> 00:02:56,685

of last year, and we launched it, uh, uh, in December

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00:02:57,035 --> 00:02:59,005

with a soft launch and then, uh, February

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00:02:59,045 --> 00:03:00,085

with our full sales force.

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00:03:00,225 --> 00:03:02,845

So it's, uh, been a very busy period, as you've mentioned,

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00:03:03,225 --> 00:03:05,045

um, but a very exciting one as we starting

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00:03:05,045 --> 00:03:06,165

to generate revenue and,

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00:03:06,165 --> 00:03:08,245

and then build out the platform, uh,

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00:03:08,245 --> 00:03:10,205

and start looking to actually build, uh,

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00:03:10,305 --> 00:03:12,285

the balance of the company as well. Yeah,

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00:03:12,355 --> 00:03:13,355

Yeah, definitely. And

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00:03:13,355 --> 00:03:14,485

it's, it's always one of these things

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00:03:14,485 --> 00:03:17,245

that this is the culmination of years and years of work.

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00:03:17,345 --> 00:03:19,325
And, um, as you'd know better than most,

88
00:03:19,355 --> 00:03:21,285
this is a very tough sector to sort

89
00:03:21,285 --> 00:03:23,005
of take something from inception, go

90
00:03:23,005 --> 00:03:24,325
through all the regulatory hoops

91
00:03:24,785 --> 00:03:27,005
and really just to get to the, get to the starting line.

92
00:03:27,105 --> 00:03:29,965
But, but the way things are teed up at the moment,

93
00:03:30,065 --> 00:03:32,005
things really do look promising.

94
00:03:32,505 --> 00:03:35,085
I'm, I'm hoping to sort of dig a little bit into some

95
00:03:35,085 --> 00:03:37,645
of the sort of mechanics of the business here,

96
00:03:37,665 --> 00:03:40,685
and I think probably given where you are at with, with ra,

97
00:03:41,265 --> 00:03:44,645
can you fill us in a bit in terms of the sales model

98
00:03:44,825 --> 00:03:46,805
and the, the go to market strategy here?

99
00:03:47,925 --> 00:03:50,255

Yeah, so, um, being a a dermatology company,

100

00:03:50,255 --> 00:03:53,095

obviously we're, we're focused on making sure

101

00:03:53,165 --> 00:03:56,015

that physicians are aware of our product, uh,

102

00:03:56,115 --> 00:03:57,735

our approvals in the us That's kind of

103

00:03:57,735 --> 00:03:59,295

where our initial focus is, obviously.

104

00:03:59,795 --> 00:04:01,135

Um, but rather than kind

105

00:04:01,135 --> 00:04:03,975

of just the traditional sales model using sales

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00:04:03,975 --> 00:04:07,935

representatives, we also have a, a digital model that, uh,

107

00:04:07,935 --> 00:04:10,335

we're rolling out as well to potentially, uh,

108

00:04:10,335 --> 00:04:13,535

rather than kind of advertising and pushing patients to go

109

00:04:13,615 --> 00:04:16,455

and see their doctor or ask about a condition, uh,

110

00:04:16,455 --> 00:04:18,775

we wanna actually direct them directly to telehealth

111

00:04:19,075 --> 00:04:21,935

as a way of finding out more information about their

112

00:04:21,935 --> 00:04:24,575

condition and potentially being diagnosed, uh,

113

00:04:24,645 --> 00:04:27,055

with the condition and getting a prescription for softer.

114

00:04:27,075 --> 00:04:28,775

So it is kind of a dual model.

115

00:04:28,915 --> 00:04:30,655

Um, you know, there's a bunch of patients

116

00:04:30,655 --> 00:04:32,855

who are currently in the doctor's office, that's

117

00:04:32,855 --> 00:04:35,015

where the sales reps naturally target.

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00:04:35,515 --> 00:04:37,055

Uh, and then there's those folks

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00:04:37,075 --> 00:04:38,775

who have either previously been diagnosed

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00:04:38,795 --> 00:04:40,095

and are not in the doctor's office

121

00:04:40,155 --> 00:04:42,695

or just don't know that what this thing is called,

122

00:04:42,795 --> 00:04:44,495

but they know that they have excessive sweating.

123

00:04:44,945 --> 00:04:46,335

Those folks we will try

124

00:04:46,335 --> 00:04:48,095
and target that with, with digital, uh,

125
00:04:48,095 --> 00:04:50,775
and then push them through a telemedicine approach.

126
00:04:50,835 --> 00:04:52,815
So it's kind of a dual approach,

127
00:04:52,835 --> 00:04:53,895
is how we're thinking about it.

128
00:04:53,895 --> 00:04:56,415
And ultimately it's all about kind of generating, uh,

129
00:04:56,605 --> 00:04:59,495
refills on these prescriptions both for, you know, benefits

130
00:04:59,495 --> 00:05:00,615
for patient compliance,

131
00:05:01,075 --> 00:05:02,735
but also from a revenue perspective,

132
00:05:02,755 --> 00:05:05,215
rather than spending a lot of money acquiring one patient

133
00:05:05,215 --> 00:05:06,935
that you get, you know, one refill to.

134
00:05:07,365 --> 00:05:09,775
Yeah, we wanna make sure that they get all of their refills

135
00:05:09,775 --> 00:05:12,215
and have the best, uh, potential benefit from the product.

136
00:05:12,755 --> 00:05:15,175

Yep. I, I know you've got a few slides on this in one

137

00:05:15,175 --> 00:05:16,295
of the recent presentations

138

00:05:16,295 --> 00:05:19,295
that it might be worth just exploring, exploring this sort

139

00:05:19,295 --> 00:05:22,655
of patient pathway, and as, as is the, the way we sort

140

00:05:22,655 --> 00:05:24,335
of tend to do things these days, you, you sort

141

00:05:24,335 --> 00:05:26,175
of notice something with your body

142

00:05:26,275 --> 00:05:28,615
and you jump on, you jump onto the, the phone or,

143

00:05:28,615 --> 00:05:29,735
or the computer here.

144

00:05:30,195 --> 00:05:32,535
Um, and, and I guess it, if I'm reading it right,

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00:05:32,645 --> 00:05:36,375
it's you're really trying to sort of, um, cure everything up

146

00:05:36,915 --> 00:05:39,015
as best you can before they enter the sort

147

00:05:39,015 --> 00:05:41,135
of the official sort of medical kind of system.

148

00:05:41,675 --> 00:05:45,375
So the, when you sort of say the digital pathway here

149

00:05:45,375 --> 00:05:47,815

and the infrastructure that's being built around that,

150

00:05:47,875 --> 00:05:49,695

can you go into a little bit more detail here

151

00:05:49,695 --> 00:05:51,935

and just like how you expect most people to sort

152

00:05:51,935 --> 00:05:55,615

of discover, discover you, um, and,

153

00:05:55,675 --> 00:05:58,365

and then jump onto the conveyor belt, which leads them right

154

00:05:58,365 --> 00:06:00,365

through to that prescription and, and then refills?

155

00:06:01,275 --> 00:06:04,005

Yeah, so it is probably not unlike, um, how we all kind

156

00:06:04,005 --> 00:06:05,165

of access information

157

00:06:05,165 --> 00:06:07,405

or find out information about anything really, right?

158

00:06:07,505 --> 00:06:10,365

So it, it could be search, we could go into Google,

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00:06:10,545 --> 00:06:12,325

you know, and actually search for a particular

160

00:06:12,835 --> 00:06:14,565

term like excessive sweating.

161

00:06:15,025 --> 00:06:17,525

Uh, it could be while consuming social media,

162

00:06:17,775 --> 00:06:20,325

we'll see something about sweating

163

00:06:20,425 --> 00:06:22,485

or having a problem with hyperhydrosis.

164

00:06:22,725 --> 00:06:25,485

Whatever that condition is, it may be, uh,

165

00:06:25,485 --> 00:06:26,725

through things that we buy.

166

00:06:26,985 --> 00:06:29,685

So a lot of these patients, you know, purchase t-shirts

167

00:06:29,685 --> 00:06:33,005

that have built in pads, um, they act actively look

168

00:06:33,025 --> 00:06:35,845

for new products associated with excessive sweating.

169

00:06:35,945 --> 00:06:39,005

So however we kind of get that initial kind of spark

170

00:06:39,065 --> 00:06:42,005

or that lead, it's really about putting content in front

171

00:06:42,005 --> 00:06:44,805

of them at that moment of relevance we call it,

172

00:06:45,015 --> 00:06:48,005

where they're looking for information, they're open to, uh,

173

00:06:48,005 --> 00:06:50,605

receiving or consuming information about their condition.

174

00:06:51,025 --> 00:06:53,765

And then we provide, you know, further information, uh,

175

00:06:53,765 --> 00:06:55,725

which leads them through to a landing page.

176

00:06:56,025 --> 00:06:58,965

Uh, and then based on their, their suitability for going

177

00:06:58,965 --> 00:07:00,965

through to telemedicine, we put them through to the,

178

00:07:00,965 --> 00:07:03,205

the third party telemedicine platform that we use.

179

00:07:03,305 --> 00:07:06,365

So it's really the smarts around kind of associating,

180

00:07:06,705 --> 00:07:08,765

you know, numerous, uh, elements.

181

00:07:08,825 --> 00:07:11,325

So this is not something where someone just sees an ad once

182

00:07:11,325 --> 00:07:14,885

and says, oh, um, straight in, you know, we require kind

183

00:07:14,885 --> 00:07:18,445

of repeated exposure, uh, to kind of bring the, the idea

184

00:07:18,465 --> 00:07:20,645

to the person's mind and then ultimately to drive

185

00:07:20,645 --> 00:07:22,525

that awareness and then drive the

186

00:07:22,525 --> 00:07:23,685

action at the end of the day.

187

00:07:24,145 --> 00:07:26,045

Um, but that whole platform is kind of integrated.

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00:07:26,145 --> 00:07:27,565

You know, we measure kind of how

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00:07:27,565 --> 00:07:29,605

that works from a practical perspective,

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00:07:29,785 --> 00:07:30,805

and we look to see

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00:07:30,805 --> 00:07:33,245

what the click-through rates at each level of

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00:07:33,245 --> 00:07:35,645

that interaction are ultimately to try

193

00:07:35,645 --> 00:07:37,805

and capture that patient and provide some information

194

00:07:37,805 --> 00:07:39,085

and ultimately a prescription.

195

00:07:39,555 --> 00:07:42,005

Yeah. Um, it's a, it's a very powerful model and,

196

00:07:42,145 --> 00:07:44,005

but one that I, I suppose, um,

197

00:07:44,115 --> 00:07:46,885

only gets more powerful if you get the right traction here.

198

00:07:46,945 --> 00:07:48,765
And what I'm talking about here, it,

199
00:07:48,785 --> 00:07:51,125
it sounds a little bit funny to sort of speak about this in,

200
00:07:51,145 --> 00:07:53,325
in terms of sort of medicine and healthcare,

201
00:07:53,425 --> 00:07:54,965
but it is, it is the way of the world

202
00:07:54,965 --> 00:07:57,485
where people will look on social media

203
00:07:57,705 --> 00:07:58,805
and they will look to people

204
00:07:58,805 --> 00:08:00,765
that they trust the so-called influencers.

205
00:08:01,145 --> 00:08:03,085
Are, are you trying to, are you trying to sort

206
00:08:03,085 --> 00:08:05,005
of actively engage with such people,

207
00:08:05,145 --> 00:08:07,885
or is is the hope that, I mean, given the uniqueness

208
00:08:07,885 --> 00:08:09,685
of the product and given the prevalence of,

209
00:08:09,785 --> 00:08:12,325
of the condition, that this is something that will sort

210
00:08:12,325 --> 00:08:13,485

of bubble up organically

211

00:08:13,485 --> 00:08:15,245

and we'll start sort of seeing, you know, more

212

00:08:15,245 --> 00:08:16,245

and more sort of chatter

213

00:08:16,305 --> 00:08:18,005

around the internet for this kind of thing?

214

00:08:18,005 --> 00:08:19,445

Or is it something that you're trying to sort

215

00:08:19,445 --> 00:08:21,565

of more proactively sort of push on that front?

216

00:08:22,475 --> 00:08:24,205

Yeah, it's really all of the above, right?

217

00:08:24,425 --> 00:08:26,805

So influencers are kind of just one small part

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00:08:27,185 --> 00:08:28,365

of the overall plan.

219

00:08:28,745 --> 00:08:31,445

Um, so they can be useful in some c circumstances,

220

00:08:31,665 --> 00:08:34,445

but you know, a lot of the patients with this condition know

221

00:08:34,445 --> 00:08:35,605

that something's wrong, right?

222

00:08:35,745 --> 00:08:38,885

So from puberty, from a young age, they've had to deal

223

00:08:38,885 --> 00:08:40,685

with being the sweatiest person in the classroom

224

00:08:40,745 --> 00:08:43,725

or being careful about kind of what colors they wear

225

00:08:43,865 --> 00:08:46,245

or who, who they go out with and where they go out

226

00:08:46,245 --> 00:08:47,565

and what time of year they go out.

227

00:08:48,025 --> 00:08:50,005

So, you know, they're very much aware of this issue.

228

00:08:50,025 --> 00:08:52,045

Now, whether it's kind of present to them in

229

00:08:52,045 --> 00:08:53,405

that particular day or not,

230

00:08:53,675 --> 00:08:55,680

will depend on their social interactions, uh,

231

00:08:55,795 --> 00:08:57,125

what activities they're undertaking.

232

00:08:57,305 --> 00:08:59,565

So, you know, there's lots of different opportunities

233

00:08:59,665 --> 00:09:00,725

to capture these patients.

234

00:09:00,725 --> 00:09:03,845

You know, these guys will see, uh, the, uh,

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00:09:03,985 --> 00:09:05,245
you know, kind of the keywords.

236
00:09:05,245 --> 00:09:07,885
They'll see information on social media, they'll see things

237
00:09:07,885 --> 00:09:10,205
that pop up when they're shopping, they'll see things when

238
00:09:10,205 --> 00:09:11,845
they're looking at medical, uh,

239
00:09:12,205 --> 00:09:13,445
resources about their conditions.

240
00:09:13,605 --> 00:09:15,165
So they'll see it in lots of different places.

241
00:09:15,265 --> 00:09:16,725
And it'll be one of those things where you're like,

242
00:09:17,045 --> 00:09:18,525
I think I've seen that thing before, right?

243
00:09:18,525 --> 00:09:20,765
Yeah. And so as you get that awareness, you know,

244
00:09:20,765 --> 00:09:22,685
you're probably more likely to click on some information

245
00:09:22,685 --> 00:09:25,365
about it and ultimately to go through to telemedicine.

246
00:09:25,425 --> 00:09:28,045
So it's, it's, it's not kind of a single rifle shot.

247
00:09:28,105 --> 00:09:30,085

Uh, it's kind of more of a, a shotgun.

248

00:09:30,225 --> 00:09:32,845

And then, you know, each of those elements of that shotgun

249

00:09:33,465 --> 00:09:35,725

get refined based on what works, you know?

250

00:09:35,965 --> 00:09:38,285

'cause we can obviously measure our spend, uh,

251

00:09:38,345 --> 00:09:39,565

and do more of that stuff.

252

00:09:39,585 --> 00:09:40,925

And, and it evolves over time.

253

00:09:41,065 --> 00:09:43,005

You know, we are using currently a lot

254

00:09:43,005 --> 00:09:45,045

of our physicians who've been our early adopters

255

00:09:45,045 --> 00:09:47,605

of the product, you know, now, now becoming, you know, part

256

00:09:47,605 --> 00:09:50,085

of our speakers who will educate other physicians

257

00:09:50,085 --> 00:09:52,925

and ultimately generate content for us, uh,

258

00:09:52,985 --> 00:09:55,445

for things like social media, uh, as we kind of move

259

00:09:55,445 --> 00:09:57,325

through the evolution of that digital strategy.

260

00:09:58,235 --> 00:09:59,285

Yeah, I mean, I, I, I,

261

00:09:59,315 --> 00:10:01,085

obviously the people seeking this sort

262

00:10:01,085 --> 00:10:03,125

of treatment just want the problem to go away,

263

00:10:03,425 --> 00:10:05,885

but it, it's, the way that softer addresses it,

264

00:10:05,885 --> 00:10:07,125

I think is pretty interesting.

265

00:10:07,125 --> 00:10:09,365

You've got everything from just your antiperspirant

266

00:10:09,405 --> 00:10:11,485

that we all have in the supermarket, right?

267

00:10:11,485 --> 00:10:14,005

Up to like severing of nerve endings

268

00:10:14,005 --> 00:10:17,165

and stuff, like the surgical approach, a a as a gel.

269

00:10:17,405 --> 00:10:18,805

I suppose this is something that,

270

00:10:19,105 --> 00:10:21,205

and again, just to sort of underline the, the,

271

00:10:21,385 --> 00:10:22,485

the uniqueness of the product.

272

00:10:22,485 --> 00:10:23,525

There's not, there's not,

273

00:10:23,645 --> 00:10:25,565

I don't think there's anything else like that out there.

274

00:10:26,145 --> 00:10:28,365

Do you feel as though that gives you a bit of an edge

275

00:10:28,385 --> 00:10:30,005

as well, just the very, the process

276

00:10:30,065 --> 00:10:32,085

of just rubbing a gel under your arms as opposed

277

00:10:32,105 --> 00:10:33,445

to something that's a bit more invasive?

278

00:10:34,515 --> 00:10:36,765

Yeah, for sure. It's, it's kind of, um, you know, ease

279

00:10:36,765 --> 00:10:38,525

of application and habit, the kind

280

00:10:38,525 --> 00:10:39,725

of two really important things.

281

00:10:39,825 --> 00:10:42,845

So, uh, not having to touch the drug, um,

282

00:10:42,995 --> 00:10:45,205

when you apply it is really important, particularly

283

00:10:45,205 --> 00:10:46,605

where you could actually get it in your eyes

284

00:10:46,665 --> 00:10:47,805

or other parts of the body.

285

00:10:48,345 --> 00:10:50,925

Um, but also doing what kind of seems natural.

286

00:10:51,065 --> 00:10:53,165

So, you know, every day we kind of spray or,

287

00:10:53,225 --> 00:10:54,365

or roll something.

288

00:10:54,625 --> 00:10:58,005

Yep. Um, so continuing that habit of, of just kind

289

00:10:58,005 --> 00:11:00,405

of rolling under the arms, um, is something that,

290

00:11:00,475 --> 00:11:02,405

that patients are aware of when having to teach them,

291

00:11:02,985 --> 00:11:04,685

you know, with an auto injector, we're not having

292

00:11:04,685 --> 00:11:07,485

to tell 'em to how they, they manage their wipes or,

293

00:11:07,505 --> 00:11:09,125

or anything else with the application.

294

00:11:09,125 --> 00:11:11,005

It's something that they're pretty used to. Yeah.

295

00:11:11,005 --> 00:11:12,285

And something that's pretty straightforward.

296

00:11:12,705 --> 00:11:16,885

Yep. Yep. Um, let, let's dig a bit into the economics sort

297

00:11:16,885 --> 00:11:17,885

of behind it here.

298

00:11:18,305 --> 00:11:21,085

Um, you know, being, uh, first the market

299

00:11:21,085 --> 00:11:23,365

with a solution like this, there's a lot of, there's a lot

300

00:11:23,365 --> 00:11:25,525

of sort of blue water that that's there.

301

00:11:25,665 --> 00:11:28,925

How do you think about sort of trying to sort of, there's

302

00:11:28,925 --> 00:11:32,765

that, that sweet spot between sort of maximizing penetration

303

00:11:32,785 --> 00:11:34,605

and getting the best bang for your buck?

304

00:11:34,905 --> 00:11:35,965

How do you think about it and

305

00:11:35,965 --> 00:11:37,565

how have you designed things at, at this stage?

306

00:11:38,795 --> 00:11:40,725

Yeah, so ultimately we, we are looking

307

00:11:40,745 --> 00:11:43,125

for a return on the spend that we have, right?

308

00:11:43,145 --> 00:11:46,725

So whether that's with, uh, sales reps who are in the field,

309

00:11:47,225 --> 00:11:51,045
uh, our, our, our sales team who have a territory, you know,

310
00:11:51,045 --> 00:11:54,325
and that territory, uh, are all sized to be kind

311
00:11:54,325 --> 00:11:55,885
of equivalent from a, from a patient

312
00:11:55,945 --> 00:11:57,245
and a productivity perspective.

313
00:11:57,785 --> 00:12:00,085
You know, we pay them and we give them incentives,

314
00:12:00,345 --> 00:12:02,605
but we look for a return on their sales, right?

315
00:12:02,605 --> 00:12:03,765
Yeah. So that has to make sense.

316
00:12:03,825 --> 00:12:04,885
The same thing with digital. Yeah.

317
00:12:04,885 --> 00:12:06,845
So, you know, unless we're getting a, a,

318
00:12:06,965 --> 00:12:09,965
a multiple return on the dollars that we spend in terms

319
00:12:09,965 --> 00:12:13,005
of prescriptions coming through, then, you know,

320
00:12:13,005 --> 00:12:14,445
we either stop doing it, you know,

321
00:12:14,625 --> 00:12:16,325

and go back to the traditional fashion

322

00:12:16,505 --> 00:12:20,085

or we, we tweak it to do the things that work well.

323

00:12:20,305 --> 00:12:21,645

Um, yeah. Now that's one of those things

324

00:12:21,645 --> 00:12:23,045

where it will evolve.

325

00:12:23,225 --> 00:12:24,565

So in the first, you know, month

326

00:12:24,565 --> 00:12:26,245

or so of doing a digital program, our cost

327

00:12:26,245 --> 00:12:28,245

of customer acquisitions probably a couple, couple

328

00:12:28,245 --> 00:12:29,565

of thousand bucks Yeah.

329

00:12:29,705 --> 00:12:30,845

Um, per patient, right?

330

00:12:30,905 --> 00:12:33,525

But that's a, a reflection of the total spend to date

331

00:12:33,585 --> 00:12:35,245

and obviously the initial rollout.

332

00:12:35,315 --> 00:12:36,925

Yeah. And as we move through, we'd look

333

00:12:36,925 --> 00:12:39,525

to get into the hundreds of dollars per patient, uh,

334

00:12:39,985 --> 00:12:42,445

in terms of customer acquisition to make it worthwhile.

335

00:12:42,465 --> 00:12:44,725

And, and really the, the reason that that works,

336

00:12:44,815 --> 00:12:46,805

which is different from a lot of the stuff that we've done

337

00:12:46,805 --> 00:12:49,245

before, is if you're spending a lot of money

338

00:12:49,305 --> 00:12:51,085

to acquire a patient and they only get one

339

00:12:51,105 --> 00:12:53,525

or two refills, that patient, you know,

340

00:12:53,525 --> 00:12:55,845

obviously has some value to it, to the business.

341

00:12:55,945 --> 00:12:58,365

But if you can get them six refills,

342

00:12:58,365 --> 00:13:00,885

if you can get them 12 refills, then

343

00:13:00,885 --> 00:13:02,925

that patient becomes a lot more important.

344

00:13:02,985 --> 00:13:04,925

And obviously the investment that you make to get

345

00:13:04,925 --> 00:13:07,325

that patient and indeed keep them, uh,

346

00:13:07,325 --> 00:13:08,725
becomes much more straightforward.

347
00:13:08,905 --> 00:13:12,125
And, and that's where, you know, this model for us,

348
00:13:12,345 --> 00:13:14,325
you know, is so different than what we've done before

349
00:13:14,325 --> 00:13:17,125
because we've never been in the position in, in kind

350
00:13:17,125 --> 00:13:18,885
of topical dermatology, where you've been able

351
00:13:18,885 --> 00:13:21,645
to have a product that, you know, the patient can get

352
00:13:21,865 --> 00:13:23,805
and the patient can actually get their refills

353
00:13:23,905 --> 00:13:25,125
on a pretty reliable basis.

354
00:13:25,425 --> 00:13:27,965
Um, and that means the relationship through that time is,

355
00:13:27,985 --> 00:13:30,805
is a lot more productive for, for the patient in terms

356
00:13:30,805 --> 00:13:32,205
of compliance and effect of the drug

357
00:13:32,205 --> 00:13:33,245
and ultimately for the company.

358
00:13:33,675 --> 00:13:34,725

Yeah, absolutely.

359

00:13:34,765 --> 00:13:37,245

I mean, those, those lifetime values, what is it?

360

00:13:37,245 --> 00:13:38,645

It's, it's very SaaS, isn't it?

361

00:13:38,645 --> 00:13:41,085

Like the client acquisition cost versus lifetime value,

362

00:13:41,145 --> 00:13:42,765

but very much so,

363

00:13:42,785 --> 00:13:44,685

and when the maths works out, it, it, it,

364

00:13:44,685 --> 00:13:46,365

it definitely works very favorably.

365

00:13:47,065 --> 00:13:51,125

Um, uh, tell us a little bit about the production side

366

00:13:51,125 --> 00:13:53,605

of things as well, just in terms of,

367

00:13:53,845 --> 00:13:57,165

I I guess there's a scale consideration there as well.

368

00:13:57,225 --> 00:14:01,125

And also, you know, current capacity versus playing capacity

369

00:14:01,125 --> 00:14:03,445

and balancing all the CapEx requirements.

370

00:14:04,025 --> 00:14:06,645

Uh, yeah, it's a pretty broad open-ended question there,

371

00:14:06,645 --> 00:14:08,285

but what, what would your comments be on that front?

372

00:14:08,675 --> 00:14:10,005

Yeah, well, let's throw tariffs in

373

00:14:10,005 --> 00:14:11,045

at the end of that. So yes,

374

00:14:11,685 --> 00:14:12,685

I was leading up to it.

375

00:14:13,185 --> 00:14:16,845

Yep. Um, so from a production perspective, we, we use, um,

376

00:14:17,195 --> 00:14:20,165

outsource manufacturers or CDMOs as they're called.

377

00:14:20,705 --> 00:14:23,805

Um, and our primary one is in, in Canada. Mm-hmm.

378

00:14:23,905 --> 00:14:27,765

Uh, so the, the group that we use there make probably 70%

379

00:14:27,765 --> 00:14:29,485

of the topical drugs, the gels

380

00:14:29,485 --> 00:14:31,885

and creams that come into North America, uh,

381

00:14:31,905 --> 00:14:33,805

and have, you know, for probably 15

382

00:14:33,865 --> 00:14:36,845

or 20 of, of the broader teams products over the many years.

383

00:14:36,945 --> 00:14:40,245
Mm-hmm. So really experienced, you know, we use a number

384
00:14:40,245 --> 00:14:43,485
of days in a particular room when we do a manufacturing

385
00:14:44,205 --> 00:14:47,685
campaign, so if we need to expand, we can use more days

386
00:14:47,705 --> 00:14:48,805
or we can go into other rooms.

387
00:14:48,905 --> 00:14:51,085
You know, the equipment that we use is, is pretty scalable.

388
00:14:51,395 --> 00:14:52,765
Nice. And it's standard equipment.

389
00:14:52,765 --> 00:14:55,125
We haven't had to buy anything from a CapEx perspective,

390
00:14:55,195 --> 00:14:57,085
from a, from an equipment perspective.

391
00:14:57,315 --> 00:14:58,405
Yeah. Um, you know,

392
00:14:58,405 --> 00:15:01,965
what we have done obviously is invested in buying drug API,

393
00:15:01,965 --> 00:15:03,605
which is what we did in the December quarter.

394
00:15:03,705 --> 00:15:06,405
Mm-hmm. Uh, and then, uh, in this current quarter,

395
00:15:06,535 --> 00:15:08,725

we've invested a bit more money, uh,

396

00:15:08,725 --> 00:15:10,205

in buying other components.

397

00:15:10,665 --> 00:15:12,605

Uh, and part of the raise that we did is

398

00:15:12,605 --> 00:15:16,765

to actually now begin to look for a second, uh, source

399

00:15:17,145 --> 00:15:18,165

for that manufacturing.

400

00:15:18,305 --> 00:15:19,845

And, and that's driven by a couple of things.

401

00:15:19,865 --> 00:15:20,925

We were gonna do that anyway,

402

00:15:21,025 --> 00:15:23,045

and that's kind of good practice in pharmaceuticals,

403

00:15:23,045 --> 00:15:24,805

but you don't do it usually in the first

404

00:15:25,105 --> 00:15:26,325

six to 12 months of launch.

405

00:15:26,505 --> 00:15:29,645

Mm-hmm. Um, but given the demand that we're seeing, uh,

406

00:15:29,705 --> 00:15:30,845

and also given the kind

407

00:15:30,845 --> 00:15:33,725

of the instability in the US trade system, it kind

408

00:15:33,725 --> 00:15:36,045
of makes sense to have that in place kind

409

00:15:36,045 --> 00:15:37,565
of earlier than we otherwise would.

410

00:15:37,745 --> 00:15:40,485
Um, yeah. So from a tariff impact, you know,

411

00:15:40,485 --> 00:15:42,165
this thing being in Canada, you know,

412

00:15:42,165 --> 00:15:43,485
we source our drug out of Japan.

413

00:15:43,525 --> 00:15:45,605
A lot of our other components come from Japan or Europe.

414

00:15:45,705 --> 00:15:48,925
Mm-hmm. Uh, so by the time they get to, to Canada, the value

415

00:15:48,925 --> 00:15:51,365
of that, as of that asset that we're creating is,

416

00:15:51,385 --> 00:15:52,525
is not that significant.

417

00:15:52,665 --> 00:15:54,525
Mm-hmm. Uh, we add some value to that,

418

00:15:54,525 --> 00:15:56,685
obviously in manufacturing, and it comes across the border.

419

00:15:56,865 --> 00:15:59,205
So, you know, our estimates that, you know,

420

00:15:59,205 --> 00:16:00,845
if Canada gets hit with the full tariffs

421
00:16:00,845 --> 00:16:02,325
or the pharmaceutical tariff comes in,

422
00:16:02,745 --> 00:16:04,645
you're talking somewhere between five

423
00:16:04,785 --> 00:16:08,125
and 15 bucks, um, which is really not a lot in the context

424
00:16:08,225 --> 00:16:09,245
of our selling price.

425
00:16:09,465 --> 00:16:11,685
Mm-hmm. Uh, and something that we can manage, uh,

426
00:16:11,685 --> 00:16:14,485
over time if we do indeed need to bring everything kind of,

427
00:16:14,585 --> 00:16:16,805
uh, on onshore here in the us

428
00:16:17,405 --> 00:16:18,405
I, I should have asked you about that.

429
00:16:18,405 --> 00:16:20,005
What, what is the selling price of, of the product?

430
00:16:20,715 --> 00:16:22,465
Yeah. So the, we haven't

431
00:16:22,465 --> 00:16:23,945
disclosed that to the market mm-hmm.

432
00:16:24,025 --> 00:16:27,545

But the, the, uh, the top line RRP or

433

00:16:27,545 --> 00:16:30,505

or WAC is closer to a thousand dollars than it is to 500.

434

00:16:30,815 --> 00:16:33,345

Okay. Um, and then out of that, obviously come, you know,

435

00:16:33,345 --> 00:16:35,945

insurance rebates, you know, fees for distributors

436

00:16:36,085 --> 00:16:37,945

and for our pharmacy, you know, we said

437

00:16:37,945 --> 00:16:39,945

to the market we're targeting, uh, uh, kind

438

00:16:39,945 --> 00:16:43,145

of a net sales price to us on average throughout the year

439

00:16:43,205 --> 00:16:44,865

of about 400 bucks us.

440

00:16:45,075 --> 00:16:47,545

Right. Um, that obviously changes throughout the year

441

00:16:47,605 --> 00:16:48,865

as kind of rebates and,

442

00:16:49,005 --> 00:16:51,665

and deductibles get paid by the, by the patient

443

00:16:51,725 --> 00:16:52,825

and the payer respectively.

444

00:16:52,965 --> 00:16:55,345

Mm-hmm. Uh, but on average throughout the year, the 400

445

00:16:55,605 --> 00:16:57,065

for a reimbursed script is,

446

00:16:57,065 --> 00:16:59,025

is absolutely what we're targeting. Yeah.

447

00:16:59,245 --> 00:17:02,705

So, so 15 bucks in tariffs ain't gonna move the, the dial

448

00:17:02,725 --> 00:17:04,225

for anyone who's looking for a solution.

449

00:17:05,145 --> 00:17:06,185

I think that's right. Yeah.

450

00:17:06,365 --> 00:17:08,065

Um, tell, tell us a bit more, again,

451

00:17:08,065 --> 00:17:09,585

this will probably be more helpful

452

00:17:09,685 --> 00:17:10,945

for an Australian audience,

453

00:17:11,005 --> 00:17:12,705

but you know, the, the, the medical system

454

00:17:13,395 --> 00:17:14,905

works very differently over there.

455

00:17:15,405 --> 00:17:17,305

How is the product treated from the, in,

456

00:17:17,305 --> 00:17:18,585

from the insurance perspective?

457

00:17:19,795 --> 00:17:21,885

Yeah, so there, there's some things that are the same.

458

00:17:21,885 --> 00:17:23,285

There's some things that are a little bit different.

459

00:17:23,385 --> 00:17:26,005

So things that are the same are the patient

460

00:17:26,145 --> 00:17:27,365

has a copay, right?

461

00:17:27,465 --> 00:17:30,325

So when you go to the chemist in Australia, you know,

462

00:17:30,325 --> 00:17:31,725

you got your gap payment, uh,

463

00:17:31,725 --> 00:17:35,485

or your copay for, for, uh, getting your, your prescription,

464

00:17:35,485 --> 00:17:37,125

which is, you know, 35 to,

465

00:17:37,225 --> 00:17:39,405

to 60 bucks depending on what the drug is.

466

00:17:39,825 --> 00:17:42,805

So that's the same. Uh, the insurance, uh,

467

00:17:43,275 --> 00:17:45,845

company generally pays the balance of whatever the cost

468

00:17:45,845 --> 00:17:47,565

of the drug is in Australia that's paid for

469

00:17:47,565 --> 00:17:50,245

by the federal government as part of, of the formulary, uh,

470

00:17:50,265 --> 00:17:52,445

in the us that's paid for by your insurance company.

471

00:17:53,065 --> 00:17:55,045

Um, the price of drugs, obviously in the US is,

472

00:17:55,045 --> 00:17:56,765

is a lot higher than what it is in Australia

473

00:17:56,785 --> 00:17:58,285

and many other markets around the world.

474

00:17:58,475 --> 00:18:01,285

Yeah. And so really with insurance coverage, you know,

475

00:18:01,285 --> 00:18:05,405

what we look for is, uh, can the patient access the drug,

476

00:18:05,585 --> 00:18:07,165

uh, in a, in a reimbursed fashion.

477

00:18:07,665 --> 00:18:10,605

So there are some patients about a third of them, uh,

478

00:18:10,785 --> 00:18:12,885

who their insurer will just say, yeah, that's fine.

479

00:18:12,885 --> 00:18:14,845

You've got insurance, you can just get it.

480

00:18:14,905 --> 00:18:17,605

No problems at all. You know, other insurers, again,

481

00:18:17,605 --> 00:18:21,325

about a third, uh, will require that we, we show

482

00:18:21,945 --> 00:18:24,125

the insurer that the patient actually has the disease.

483

00:18:24,385 --> 00:18:26,845

So that's kind of a, kind of a no brainer. Yeah.

484

00:18:26,985 --> 00:18:28,765

But also that they've tried another

485

00:18:28,765 --> 00:18:30,165

product before they get there.

486

00:18:30,165 --> 00:18:32,205

It's called a step edit. Mm-hmm.

487

00:18:32,205 --> 00:18:35,765

Um, so in that particular case, uh, they have

488

00:18:35,765 --> 00:18:38,005

to have actually used aluminum chloride,

489

00:18:38,005 --> 00:18:39,845

which basically all this patient population

490

00:18:39,845 --> 00:18:41,045

has at some stage in their life.

491

00:18:41,185 --> 00:18:44,245

So, you know, there's about another 20% that we have

492

00:18:44,445 --> 00:18:45,645

to call the insurer and do

493

00:18:45,645 --> 00:18:46,885

that rather than do it electronically.

494

00:18:46,885 --> 00:18:49,285
And there's about 10% of, of those patients

495
00:18:49,305 --> 00:18:50,965
who we don't actually deal with

496
00:18:50,965 --> 00:18:53,885
because their insurance coverage is not desirable for us,

497
00:18:54,505 --> 00:18:57,325
uh, to, to make money and, and provide an effective service.

498
00:18:57,505 --> 00:19:00,685
So, you know, 33% of thereabouts go straight through,

499
00:19:01,185 --> 00:19:03,165
you know, another third or so we have

500
00:19:03,165 --> 00:19:04,925
to electronically answer some questions.

501
00:19:04,925 --> 00:19:08,845
Another 20% we phone and answer those same questions and 10%

502
00:19:08,845 --> 00:19:10,125
or thereabouts we don't actually deal

503
00:19:10,125 --> 00:19:11,485
with from an insurance perspective.

504
00:19:11,955 --> 00:19:14,325
Yeah. Great. Um, give us a bit

505
00:19:14,325 --> 00:19:15,925
of detail on, on the, the launch.

506
00:19:16,165 --> 00:19:18,885

I mean, obviously there was so a lot of confidence in,

507

00:19:18,945 --> 00:19:20,765

in terms that this would be a, a product that,

508

00:19:20,765 --> 00:19:22,045

that would resonate.

509

00:19:22,105 --> 00:19:24,125

It, it looks like, you know, from the outsiders,

510

00:19:24,465 --> 00:19:27,005

the uptake's been pretty good there, there was a bit

511

00:19:27,005 --> 00:19:29,765

of chatter on our forum about the so-called bolus effect.

512

00:19:29,785 --> 00:19:31,885

You know, sometimes you get a bit of pent up demand,

513

00:19:32,145 --> 00:19:35,525

and so the initial, the, when it's launched you, you kind

514

00:19:35,525 --> 00:19:38,285

of, it, it can be dangerous to just basically just

515

00:19:38,955 --> 00:19:41,845

extrapolate that not accounting for that, that sort

516

00:19:41,845 --> 00:19:43,165

of pent up demand effect.

517

00:19:43,265 --> 00:19:46,645

So again, a broad based dis uh, uh, uh, question there,

518

00:19:47,105 --> 00:19:49,325

how was the, how was the launch so far and,

519

00:19:49,345 --> 00:19:51,405

and how do you expect sort of momentum to build?

520

00:19:52,375 --> 00:19:53,585

Yeah, and that's a great question.

521

00:19:53,605 --> 00:19:55,425

And, and it often happens with launches, right?

522

00:19:55,425 --> 00:19:57,625

And, and part of that bolus, if you think about is,

523

00:19:58,125 --> 00:19:59,985

you know, patients come on, they get excited,

524

00:19:59,985 --> 00:20:01,865

they get their first prescription, you know,

525

00:20:01,865 --> 00:20:03,785

they might fill their second prescription,

526

00:20:03,785 --> 00:20:05,985

they might get their second repeat, and that's it.

527

00:20:06,335 --> 00:20:09,945

Yeah. So dermatology, the average number of prescriptions

528

00:20:09,945 --> 00:20:11,745

that a patient gets, uh,

529

00:20:11,805 --> 00:20:14,945

for a topical product is 1.8, so less than two.

530

00:20:15,325 --> 00:20:18,545

Yep. So, you know, that's potentially where part of

531

00:20:18,545 --> 00:20:20,865
that bolus would come from, where, you know, you don't have

532
00:20:21,135 --> 00:20:22,745
that ongoing subscription.

533
00:20:22,845 --> 00:20:25,345
So for us, uh, you know, looking at

534
00:20:25,415 --> 00:20:28,065
what the analysts say about, you know, our forecast,

535
00:20:28,645 --> 00:20:29,665
you know, the analysts say

536
00:20:29,665 --> 00:20:33,905
that if we hit about 144,000 prescriptions next calendar

537
00:20:33,935 --> 00:20:35,945
year, you know, they estimate that

538
00:20:36,105 --> 00:20:38,945
that's about a hundred million bucks in, in top line revenue

539
00:20:39,085 --> 00:20:41,585
for us, um, uh, in net sales.

540
00:20:42,125 --> 00:20:43,345
And so, you know,

541
00:20:43,645 --> 00:20:46,385
you can either have 144,000 individual patients

542
00:20:46,385 --> 00:20:49,165
who get one prescription, or you can have half of that

543
00:20:49,165 --> 00:20:52,205

that get their average in the market, which is 1.8 or two,

544

00:20:52,825 --> 00:20:56,845

or you can get a lot less who get every refill, maybe,

545

00:20:56,985 --> 00:20:58,485

you know, six refills, you know,

546

00:20:58,495 --> 00:21:00,125

maybe even more depending on

547

00:21:00,125 --> 00:21:01,165

the time of the year that they come in.

548

00:21:01,225 --> 00:21:04,365

So really the excitement for us from the initial numbers was

549

00:21:04,365 --> 00:21:07,125

that within nine weeks we were hitting that kind

550

00:21:07,125 --> 00:21:10,205

of magical 2000 new patient arrivals per month.

551

00:21:10,475 --> 00:21:13,165

Yeah. And if they continue to compound just at that rate

552

00:21:13,425 --> 00:21:15,165

and we keep them for six fills,

553

00:21:15,425 --> 00:21:16,685

that's our numbers next year.

554

00:21:17,035 --> 00:21:20,125

Yeah. So, you know, this is where the subscription, uh,

555

00:21:20,295 --> 00:21:22,485

model becomes so valuable Yeah.

556

00:21:22,505 --> 00:21:25,125

Is because each month we just pile on a bunch

557

00:21:25,125 --> 00:21:26,605

of new patients and

558

00:21:26,925 --> 00:21:28,565

provided we don't lose the ones that we have,

559

00:21:28,785 --> 00:21:30,725

and our refill rate's now trending at a hundred

560

00:21:30,725 --> 00:21:31,965

percent, so that's not happening.

561

00:21:32,155 --> 00:21:34,885

Yeah. Then it doesn't take very much for you to get to

562

00:21:34,885 --> 00:21:37,285

that 144,000 prescriptions for next year.

563

00:21:37,475 --> 00:21:39,445

Yeah. Uh, really the question for us

564

00:21:39,465 --> 00:21:43,085

as we optimize throughout the year is making sure more,

565

00:21:43,345 --> 00:21:46,205

or most of those are reimbursed prescriptions, make sure

566

00:21:46,205 --> 00:21:48,245

that most people get their refills.

567

00:21:48,245 --> 00:21:50,325

So that continues. And at the end of the year,

568

00:21:50,595 --> 00:21:51,805

hopefully we can kind

569

00:21:51,805 --> 00:21:54,645

of move those folks over into a new set of prescriptions,

570

00:21:54,905 --> 00:21:56,805

you know, and that really is the upside in the model.

571

00:21:57,195 --> 00:21:59,205

Yeah. And, and I, I should have stressed this at,

572

00:21:59,205 --> 00:22:01,605

at the start, this, this is a, uh,

573

00:22:01,845 --> 00:22:03,125

a lifetime kind of treatment.

574

00:22:03,125 --> 00:22:05,085

If you, you know, you stop using it,

575

00:22:05,105 --> 00:22:06,845

but it's not like you use it twice

576

00:22:06,865 --> 00:22:08,645

and then problem solve for life.

577

00:22:08,645 --> 00:22:10,965

Right. You need to continually apply this if you want

578

00:22:10,965 --> 00:22:12,165

to mitigate that sweating.

579

00:22:12,905 --> 00:22:14,325

That's right. And, and, you know,

580

00:22:14,425 --> 00:22:16,165

it sounds terrible from a patient perspective,

581

00:22:16,305 --> 00:22:18,725

but from a pharmaceutical company perspective,

582

00:22:18,875 --> 00:22:20,605

this is a chronic condition.

583

00:22:20,785 --> 00:22:22,765

Uh, we are not gonna cure it with this drug.

584

00:22:23,265 --> 00:22:26,925

Uh, and so we do have a patient, you know, potentially for,

585

00:22:27,065 --> 00:22:29,885

for a long time if our therapy is effective

586

00:22:29,885 --> 00:22:31,205

and it's safe, uh,

587

00:22:31,225 --> 00:22:33,925

and patients, you know, can take it and they can get it.

588

00:22:34,305 --> 00:22:36,245

And that's kind of removing kind

589

00:22:36,245 --> 00:22:38,165

of the compliance, um, aspect.

590

00:22:38,285 --> 00:22:40,485

You know, patients are, are our own worst enemies.

591

00:22:40,505 --> 00:22:42,565

You know, I've, I'm on a couple of different drugs

592

00:22:42,705 --> 00:22:45,205

and many mornings I miss taking them,

593

00:22:45,205 --> 00:22:47,085

which means I have more drugs sitting in

594

00:22:47,085 --> 00:22:48,285

my drawer than I should.

595

00:22:48,905 --> 00:22:50,965

And so even if I'm like, you know, four

596

00:22:50,965 --> 00:22:54,365

or five days late with my prescription each month, you know,

597

00:22:54,365 --> 00:22:56,805

I don't take it for, for four or five days during the month.

598

00:22:56,805 --> 00:22:59,565

Mm-hmm. I lose two prescriptions a year. Right.

599

00:22:59,945 --> 00:23:01,365

So, You know, if I ensure

600

00:23:01,365 --> 00:23:02,965

that the patient at least has the drug, you know,

601

00:23:02,965 --> 00:23:05,045

the best patient, the best drug a patient takes

602

00:23:05,065 --> 00:23:06,165

is the one they actually get.

603

00:23:06,165 --> 00:23:09,325

Right. Yep. So we, we, we give 'em the best possible chance

604

00:23:09,385 --> 00:23:10,925

to, to assist them with their compliance.

605

00:23:11,145 --> 00:23:13,445

Yep. Uh, and up to them, it's, it's up to them to take it

606

00:23:13,445 --> 00:23:14,485

and use it and, and kind

607

00:23:14,485 --> 00:23:16,325

of get the benefit from the drug. Yep.

608

00:23:17,065 --> 00:23:19,765

Um, so you've got all these, I mean, these are,

609

00:23:19,765 --> 00:23:22,005

these are grade A problems to have, but,

610

00:23:22,305 --> 00:23:24,645

but, uh, um, let, let's try

611

00:23:24,645 --> 00:23:26,685

and tick off some of the challenges now that we've gotten

612

00:23:26,705 --> 00:23:28,965

to this stage, OOO of the business.

613

00:23:29,415 --> 00:23:32,285

There is the, I mean, this is a, an issue

614

00:23:32,285 --> 00:23:34,325

that doesn't just impact Americans,

615

00:23:34,745 --> 00:23:36,365

but new geographies are expensive

616

00:23:36,365 --> 00:23:39,645

and risky to, to, to break into, uh, as a company,

617

00:23:39,745 --> 00:23:41,325

you've got a few irons in the fire.

618

00:23:41,705 --> 00:23:44,245

Um, you know, it is a, it is a hit and miss affair,

619

00:23:44,245 --> 00:23:47,045

but you know, as with softer can be incredibly lucrative

620

00:23:47,045 --> 00:23:48,765

when you, when, when things pay off,

621

00:23:49,185 --> 00:23:51,085

how are you thinking about sort of the,

622

00:23:51,145 --> 00:23:54,045

the capital management as you start to be able

623

00:23:54,045 --> 00:23:55,205

to stand on your own feet?

624

00:23:55,205 --> 00:23:56,885

You've got all these revenues coming in,

625

00:23:56,885 --> 00:23:58,365

hopefully pretty sticky revenues,

626

00:23:58,365 --> 00:24:00,245

hopefully pretty high margin revenues,

627

00:24:00,665 --> 00:24:01,805

but the, the, the list

628

00:24:01,805 --> 00:24:05,085

of reinvestment opportunities is as long as your arm.

629

00:24:05,505 --> 00:24:09,685

And, and the real challenge is, is like, well, where,

630
00:24:09,685 --> 00:24:10,965
where do you, where do you sort

631
00:24:10,965 --> 00:24:13,005
of direct, direct your efforts?

632
00:24:13,745 --> 00:24:16,225
And, um, yeah.

633
00:24:16,225 --> 00:24:17,345
And I, well actually, the,

634
00:24:17,345 --> 00:24:18,865
the other angle I was interested in here,

635
00:24:18,865 --> 00:24:21,265
and I, which I thought was, um, uh,

636
00:24:21,275 --> 00:24:24,025
worth digging into a bit, was the idea that you are going

637
00:24:24,025 --> 00:24:26,425
to be doing a lot of little testing and,

638
00:24:26,525 --> 00:24:27,945
and iteration on things.

639
00:24:27,945 --> 00:24:29,465
Like we feel as though this has works,

640
00:24:29,845 --> 00:24:31,305
but it might not in certain areas.

641
00:24:31,445 --> 00:24:32,905
So we'll be pivoting and changing.

642

00:24:33,045 --> 00:24:35,265
And again, I'm, I'm all over the place

643
00:24:35,265 --> 00:24:37,305
with my question here, but I think you, you sort of get

644
00:24:37,305 --> 00:24:38,545
where I'm, I'm coming at here.

645
00:24:38,605 --> 00:24:40,385
How are you thinking about that at the management

646
00:24:40,385 --> 00:24:43,185
and board level, and in terms of effectively scaling

647
00:24:43,565 --> 00:24:44,745
and maximizing fu

648
00:24:44,765 --> 00:24:48,025
and, uh, maximizing this opportunity while building the

649
00:24:48,025 --> 00:24:49,265
foundations for future growth?

650
00:24:50,375 --> 00:24:52,105
Yeah. I, I think, um, you know,

651
00:24:52,105 --> 00:24:53,585
to take your 16 part question,

652
00:24:54,195 --> 00:24:57,585
Sorry, mate, But, uh, you know, goal number one is

653
00:24:57,585 --> 00:25:00,865
to maximize, uh, benefits based on software, right?

654
00:25:00,865 --> 00:25:02,705

Right. So we have to execute well on software.

655

00:25:03,085 --> 00:25:04,825

We have to get that subscription model working.

656

00:25:05,045 --> 00:25:07,505

We have to continue to prove the platform

657

00:25:07,565 --> 00:25:09,105

and we're gonna make money outta software.

658

00:25:09,165 --> 00:25:10,745

Um, that's kind of a primary focus.

659

00:25:10,765 --> 00:25:12,585

So capital allocation, you know,

660

00:25:12,825 --> 00:25:14,465

question number one, you know, it's on software.

661

00:25:15,165 --> 00:25:18,625

Um, what we have seen, you know, in, again, the first couple

662

00:25:18,625 --> 00:25:21,745

of months of, of launch is that the platform is now working.

663

00:25:22,005 --> 00:25:23,385

So, you know, what is the platform?

664

00:25:23,605 --> 00:25:26,705

The platform is a way of setting up your, you know,

665

00:25:26,705 --> 00:25:29,105

insurance so that patients can get your drug.

666

00:25:29,455 --> 00:25:31,105

It's a way of making sure that the,

667

00:25:31,245 --> 00:25:33,865

the patients can get the drug very quickly through a,

668

00:25:33,865 --> 00:25:35,105

you know, centralized, you know,

669

00:25:35,175 --> 00:25:37,025

cost effective way of distribution.

670

00:25:37,495 --> 00:25:38,625

It's a way of making sure

671

00:25:38,625 --> 00:25:40,025

that they get their refuels on time.

672

00:25:40,045 --> 00:25:42,145

And it's a way of making sure that patients

673

00:25:42,525 --> 00:25:43,825

who don't have access to a,

674

00:25:43,905 --> 00:25:45,225

a dermatologist can actually get

675

00:25:45,225 --> 00:25:46,265

your drug through telehealth.

676

00:25:46,415 --> 00:25:48,065

It's kind of that platform,

677

00:25:48,065 --> 00:25:49,705

as we call it, has now been proven.

678

00:25:49,845 --> 00:25:53,065

And so we can potentially take drugs that, you know,

679

00:25:53,085 --> 00:25:55,985
are quite interesting and, and, you know, broadly used,

680
00:25:56,565 --> 00:25:59,105
but only get the average 1.8 fill.

681
00:25:59,365 --> 00:26:00,865
Mm-hmm. You put 'em on our platform

682
00:26:00,865 --> 00:26:01,945
and suddenly they get six.

683
00:26:02,255 --> 00:26:05,705
Yeah. Right. So, you know, a drug that's not very profitable

684
00:26:05,705 --> 00:26:07,905
because of fees or, or insurance arrangements

685
00:26:08,525 --> 00:26:09,945
and they don't get refills.

686
00:26:09,965 --> 00:26:12,305
Mm-hmm. Perfect kind of candidate,

687
00:26:12,305 --> 00:26:13,625
if you like, for our platform.

688
00:26:14,175 --> 00:26:17,465
Yeah. So when it comes to making expansion, you know,

689
00:26:17,465 --> 00:26:19,705
capital decisions, you know, what will go

690
00:26:19,705 --> 00:26:21,945
through our mind is what can be immediately accretive

691
00:26:21,945 --> 00:26:23,065

and leverage the platform.

692

00:26:23,295 --> 00:26:25,825

Yeah. So that's probably not a phase one kind

693

00:26:25,825 --> 00:26:28,465

of really cool, interesting early dermatological asset.

694

00:26:28,775 --> 00:26:30,585

Yeah. It's probably something that's commercial

695

00:26:30,685 --> 00:26:31,905

or soon to be commercial.

696

00:26:32,445 --> 00:26:35,825

Um, you know, we, in the, in the last phase of review, um,

697

00:26:35,885 --> 00:26:37,905

having done all of its studies, uh,

698

00:26:37,925 --> 00:26:39,825

and they're probably things that kind of, you know,

699

00:26:39,935 --> 00:26:42,585

make good sense for us in terms of our capabilities

700

00:26:42,725 --> 00:26:44,725

and where our Salesforce is focused as well.

701

00:26:44,865 --> 00:26:46,285

So, you know, there's,

702

00:26:46,285 --> 00:26:48,605

there's good opportunities in the rare and often space,

703

00:26:48,605 --> 00:26:50,045

and we'd love those and we'd love

704

00:26:50,045 --> 00:26:51,445
to find one that kind of makes sense.

705

00:26:51,745 --> 00:26:54,085
Yep. But there's lots of common skin diseases where,

706

00:26:54,465 --> 00:26:57,965
you know, a bit of, you know, profitability improvement

707

00:26:58,065 --> 00:27:00,965
and, you know, a fair bit of, of refill

708

00:27:01,475 --> 00:27:03,725
improvement would turn a 10,

709

00:27:03,725 --> 00:27:07,365
\$20 million drug into an 8,000 million dollars drug kind

710

00:27:07,365 --> 00:27:10,005
of overnight because it's been put on our platform.

711

00:27:10,005 --> 00:27:11,845
And so that's kind of how we think about it.

712

00:27:12,005 --> 00:27:15,005
I think there will come a time where we will go back into,

713

00:27:15,075 --> 00:27:17,205
into development, but we're gonna have a bunch of revenue

714

00:27:17,205 --> 00:27:20,725
behind us and multiple products before we do that.

715

00:27:21,225 --> 00:27:22,765
Um, because if it's a question

716

00:27:22,765 --> 00:27:24,085
of generating another dollar revenue

717
00:27:24,225 --> 00:27:26,885
or spending another dollar on RD mm, um,

718
00:27:27,005 --> 00:27:28,045
I know where my head's at.

719
00:27:28,185 --> 00:27:29,845
Um, and ultimately that's for the board,

720
00:27:29,845 --> 00:27:31,365
but that's kind of how we think about it.

721
00:27:31,795 --> 00:27:33,365
Yeah. Yeah. Makes perfect sense.

722
00:27:33,385 --> 00:27:35,285
I'm, I'm, I'm gonna dive into some questions now just

723
00:27:35,285 --> 00:27:36,685
so make sure I don't run out of time.

724
00:27:36,985 --> 00:27:39,685
Um, and, uh, just as a reminder

725
00:27:39,685 --> 00:27:41,525
for everyone who's watching on our, our site here,

726
00:27:41,545 --> 00:27:42,605
I'm just gonna go top to bottom.

727
00:27:43,345 --> 00:27:46,605
Um, what happened to the 1 million priority patient list

728
00:27:46,605 --> 00:27:49,365

and the 18,000 IHHS rollout?

729

00:27:49,365 --> 00:27:52,125

These were in commercialization grant chart,

730

00:27:52,125 --> 00:27:53,605

but no further updates have been given.

731

00:27:53,705 --> 00:27:56,245

Are they happening as part of the full commercial rollout?

732

00:27:57,355 --> 00:27:58,485

Yeah, so absolutely.

733

00:27:58,585 --> 00:28:01,565

Um, you know, our targets remain those folks

734

00:28:01,665 --> 00:28:04,645

who have a diagnosis for hyperhydrosis, there's about

735

00:28:05,215 --> 00:28:09,045

3.4 million of those 3.7 million of those in the world, um,

736

00:28:09,225 --> 00:28:11,205

in, in the US with ICD Kent,

737

00:28:11,405 --> 00:28:13,085

ICD 10 codes in the last 12 months.

738

00:28:13,085 --> 00:28:15,445

Mm-hmm. And then the other 6.3 million

739

00:28:15,465 --> 00:28:16,565

is that kind of broader number.

740

00:28:16,705 --> 00:28:18,565

So, you know, we don't know

741

00:28:18,765 --> 00:28:19,965

'cause we can't match them directly,

742

00:28:19,965 --> 00:28:23,405

but a lot of the IHS patients were probably

743

00:28:23,405 --> 00:28:24,525

folks who had a diagnosis.

744

00:28:24,545 --> 00:28:27,365

So we're, we're going after them through our Salesforce,

745

00:28:27,465 --> 00:28:29,085

but also going after them through digital.

746

00:28:29,435 --> 00:28:31,085

Yeah. Um, you know, not surprisingly,

747

00:28:31,085 --> 00:28:33,285

when you have a database of people who've signed up

748

00:28:33,285 --> 00:28:35,805

for information about things, their levels

749

00:28:35,945 --> 00:28:37,205

of responsiveness varies.

750

00:28:37,375 --> 00:28:39,245

Right. So some people jump straight on an

751

00:28:39,245 --> 00:28:40,445

email and it comes into the Gmail.

752

00:28:40,935 --> 00:28:42,005

Other people, you know,

753

00:28:42,005 --> 00:28:43,405

after delving

754

00:28:43,405 --> 00:28:46,205

through 400 emails will find your email and respond to it.

755

00:28:46,665 --> 00:28:48,205

So they all still kind

756

00:28:48,205 --> 00:28:50,325

of require encouragement from a digital perspective.

757

00:28:50,385 --> 00:28:53,325

And they also, you know, will respond to doctors talking

758

00:28:53,325 --> 00:28:54,885

to them about their, their condition.

759

00:28:55,185 --> 00:28:57,005

Mm. So they're all good targets.

760

00:28:57,105 --> 00:28:59,925

The, you know, the 1 million, uh, that are in databases,

761

00:28:59,925 --> 00:29:01,725

they're guys that we're accessing currently and,

762

00:29:01,725 --> 00:29:03,725

and pushing actively through telemedicine.

763

00:29:04,265 --> 00:29:06,365

Um, you know, the good news for us is we don't have

764

00:29:06,365 --> 00:29:07,365

to get a lot of 'em to come up

765

00:29:07,365 --> 00:29:09,005

with a pretty good forecast for next year.

766

00:29:09,425 --> 00:29:13,485

So, you know, get 12 to to 20,000 patients,

767

00:29:13,485 --> 00:29:15,085

which doesn't sound like much in the context

768

00:29:15,185 --> 00:29:16,405

of a million Yeah.

769

00:29:16,405 --> 00:29:19,165

And get a six bills, and we're in a great place.

770

00:29:20,485 --> 00:29:21,885

Excellent. Um, have you started

771

00:29:21,885 --> 00:29:24,805

to see any off-label prescribing for areas like hands, feet,

772

00:29:24,895 --> 00:29:26,245

menopausal, sweating, and,

773

00:29:26,265 --> 00:29:29,165

and how significant could that opportunity be?

774

00:29:30,375 --> 00:29:32,225

Yeah, we, we can ask a little bit about this

775

00:29:32,225 --> 00:29:33,265

and whether we're gonna do studies

776

00:29:33,265 --> 00:29:34,745

ourselves for these indications.

777

00:29:34,745 --> 00:29:37,465

And, and at the moment, uh, we don't have a current plan

778

00:29:37,465 --> 00:29:39,385

to do that, that may change obviously, into the future.

779

00:29:39,965 --> 00:29:42,405

Um, we do know that, that dermatologists are tinkers.

780

00:29:42,665 --> 00:29:43,805

Um, so if they get a drug

781

00:29:43,805 --> 00:29:44,965

that works, they'll kind of use it.

782

00:29:44,975 --> 00:29:46,165

We're obviously only approved

783

00:29:46,165 --> 00:29:48,565

and can only promote for underarm or auxiliary.

784

00:29:48,945 --> 00:29:51,445

Yep. Um, but we do think, you know, that,

785

00:29:51,445 --> 00:29:55,125

that physicians will, uh, look for solutions in, in places

786

00:29:55,265 --> 00:29:57,165

and use whatever products are available for,

787

00:29:57,165 --> 00:29:58,325

for different areas of the body.

788

00:29:58,345 --> 00:30:00,925

So we don't track that directly, um,

789

00:30:00,995 --> 00:30:03,005

because obviously our, our reimbursement

790

00:30:03,005 --> 00:30:04,645

and our, uh, pre, uh,

791

00:30:04,665 --> 00:30:07,005

and our label is, is dedicated to auxiliary,

792

00:30:07,005 --> 00:30:09,845

but you know, 90% of the patients

793

00:30:09,845 --> 00:30:11,565

who have it under their arms have it somewhere else.

794

00:30:12,105 --> 00:30:14,405

So, you know, we wouldn't be surprised if, you know,

795

00:30:14,405 --> 00:30:15,965

they're using a little bit under their arms

796

00:30:15,985 --> 00:30:17,765

and they're using some of it somewhere else.

797

00:30:18,105 --> 00:30:19,925

Um, but it's too early to have,

798

00:30:19,925 --> 00:30:21,325

you know, really good data on that. Yeah.

799

00:30:21,705 --> 00:30:25,325

Yep. Gotcha. Uh, a question on the capital raise, uh,

800

00:30:25,325 --> 00:30:28,405

the comment essentially saying, appreciate the, the urgency

801

00:30:28,425 --> 00:30:30,605

and, and when you go straight to the insto,

802

00:30:30,625 --> 00:30:32,565

it is much faster and it is much, much cheaper.

803

00:30:33,225 --> 00:30:36,645

But fair to say, Matt, you know, some, some, um,

804

00:30:37,165 --> 00:30:39,205

I hate the term, but retail shareholders a little bit

805

00:30:39,205 --> 00:30:41,765

disappointed at having missed out on that.

806

00:30:42,465 --> 00:30:44,205

Do you feel as though, um,

807

00:30:44,505 --> 00:30:47,325

though we'll get a chance at future raisings

808

00:30:47,345 --> 00:30:49,725

or, I, I suppose you're, you're probably pretty cashed up

809

00:30:49,725 --> 00:30:52,325

for the foreseeable future, but is where's the boards in

810

00:30:52,325 --> 00:30:54,085

your head at in terms of, you know,

811

00:30:54,485 --> 00:30:57,645

allowing full participation in these things? Yeah,

812

00:30:57,725 --> 00:30:59,925

I mean, as an ex securities lawyer

813

00:31:00,025 --> 00:31:02,365

and you know, Australian investor,

814

00:31:02,515 --> 00:31:05,765

it's very frustrating from a retail perspective not

815

00:31:05,765 --> 00:31:08,925

to be able to subscribe for things that are listed, uh,

816

00:31:09,025 --> 00:31:10,605

you know, in the same way as institutions do,

817

00:31:10,605 --> 00:31:12,165

because institutions are apparently

818

00:31:12,165 --> 00:31:13,685

smarter than a lot of the investors. But

819

00:31:13,685 --> 00:31:16,005

Sophisticated, I I, I'll make,

820

00:31:16,035 --> 00:31:20,205

I'll make no further comments on as SX rules, and, Um,

821

00:31:20,345 --> 00:31:21,645

but it is, it's a challenge, right?

822

00:31:21,645 --> 00:31:24,325

Yeah. So when you're, you're moving quickly, um, you know,

823

00:31:24,325 --> 00:31:26,325

you can't do a prospectus to,

824

00:31:26,385 --> 00:31:27,765

to raise capital at short notice.

825

00:31:28,225 --> 00:31:29,605

Um, you kind of have to just go

826

00:31:29,605 --> 00:31:31,565

and do it with the, the sophisticated investors.

827

00:31:32,225 --> 00:31:34,885

Um, you know, SSPP is something that we would like to do.

828

00:31:35,145 --> 00:31:38,125

Um, and it was on the, on the list of things, uh,

829

00:31:38,145 --> 00:31:39,365

for consideration this time.

830

00:31:39,385 --> 00:31:42,525

But obviously given the, the macro environment, uh,

831

00:31:42,525 --> 00:31:44,085

we didn't think it was a good time at this time.

832

00:31:44,805 --> 00:31:47,485

I mean, the, the, the harsh reality for us, you know, as,

833

00:31:47,745 --> 00:31:50,845

as directors and shareholders, uh, ourselves, is when

834

00:31:51,005 --> 00:31:53,325

that price went down, it was pretty tempting, uh,

835

00:31:53,325 --> 00:31:56,165

to buy a bunch, um, during the, the machinations

836

00:31:56,165 --> 00:31:57,205

of the tariff wars.

837

00:31:57,345 --> 00:32:00,125

Mm-hmm. Um, and so I think there's still, you know, a lot

838

00:32:00,125 --> 00:32:01,925

of value in the stock price where it is today.

839

00:32:02,425 --> 00:32:04,805

Um, and if we do anything like, you know,

840

00:32:04,885 --> 00:32:07,165

144,000 prescriptions next year and,

841

00:32:07,625 --> 00:32:11,805

and do a hundred million bucks in, in, uh, in sales, then,

842

00:32:11,945 --> 00:32:13,805

you know, we're gonna be a pretty substantial company,

843

00:32:13,945 --> 00:32:15,085

you know, looking at our peers,

844

00:32:15,265 --> 00:32:16,525

you know, at the top end of town.

845

00:32:16,665 --> 00:32:19,125

So that's what we're aiming towards, um,

846

00:32:19,145 --> 00:32:20,485

and that's what we're gonna grow towards.

847

00:32:20,585 --> 00:32:22,565

So, you know, certainly encourage people to continue

848

00:32:22,905 --> 00:32:24,965

to watch us and support us where that is possible.

849

00:32:26,035 --> 00:32:29,095

Yeah. There's probably, this is,

850

00:32:29,095 --> 00:32:30,245

this isn't a question just from me.

851

00:32:30,805 --> 00:32:32,325

I think that from memory, the discount

852

00:32:32,625 --> 00:32:34,405

for the Instore was 7%

853

00:32:34,425 --> 00:32:36,645

or so, so it feels like it's a pretty small

854

00:32:37,005 --> 00:32:39,325

discount, full stop.

855

00:32:39,625 --> 00:32:42,805

But, but particularly so in the, in the, in the, the,

856

00:32:42,805 --> 00:32:44,805

the current environment of, of capital markets,

857

00:32:44,875 --> 00:32:47,125

generally speaking, when, when people are pretty nervous

858

00:32:47,185 --> 00:32:49,085

and uncertainty, you have to, you have

859

00:32:49,085 --> 00:32:50,245

to really sweeten the deal.

860

00:32:50,465 --> 00:32:53,925

So did you get any feedback from, from participants in terms

861

00:32:53,925 --> 00:32:55,245

of, of, of their thoughts?

862

00:32:55,955 --> 00:32:58,605

Yeah, it, it was pretty incredible, both given the timing,

863

00:32:58,745 --> 00:33:01,445

but also given the pricing and structure of the offer.

864

00:33:01,585 --> 00:33:04,565
Mm-hmm. Um, and that's largely a reflection on the fact

865
00:33:04,565 --> 00:33:06,125
that it was massively supported

866
00:33:06,125 --> 00:33:07,605
by our existing shareholders.

867
00:33:07,795 --> 00:33:11,205
Yeah. The large institutions, um, who basically, you know,

868
00:33:11,225 --> 00:33:13,325
had the whole thing done, um, the minute

869
00:33:13,325 --> 00:33:14,645
that we went out the door to do it.

870
00:33:14,825 --> 00:33:17,765
Mm-hmm. Um, and it was, you know, very, very, uh,

871
00:33:17,995 --> 00:33:20,725
supported from a bunch of new institutions, you know,

872
00:33:20,755 --> 00:33:22,605
including some international ones who wanted

873
00:33:22,605 --> 00:33:24,885
to get on board, and we frankly couldn't give them stock.

874
00:33:24,885 --> 00:33:28,525
Mm-hmm. So, um, yeah, I think it's, to your point,

875
00:33:28,525 --> 00:33:31,485
it's really a, a reflection of how well we're going,

876
00:33:31,785 --> 00:33:35,765

you know, what the, the forecast looks like for us, uh,

877

00:33:35,825 --> 00:33:38,605

and then the commitment of our existing shareholders

878

00:33:38,665 --> 00:33:40,965

for which we're very thankful, particularly in

879

00:33:40,965 --> 00:33:44,005

what was just the craziest market, you know, I can recall

880

00:33:44,655 --> 00:33:47,365

since, you know, 2008, really, it was, you know,

881

00:33:47,365 --> 00:33:48,565

it was even crazier than Covid.

882

00:33:48,585 --> 00:33:50,005

At least you knew why Covid was happening.

883

00:33:50,005 --> 00:33:52,805

This one was just, you know, self manufactured.

884

00:33:53,225 --> 00:33:55,165

Yes, yes. And there's a lot to say there.

885

00:33:55,705 --> 00:33:59,045

Um, do you feel as though, I mean, I, I've got,

886

00:33:59,045 --> 00:34:00,405

you've gotta be careful with these things

887

00:34:00,405 --> 00:34:02,885

because the, the answer, the sensible,

888

00:34:03,325 --> 00:34:05,325

rational answer is always, it depends,

889

00:34:05,425 --> 00:34:07,405

but I I I, it seems as though you're,

890

00:34:07,405 --> 00:34:10,965

you're reasonably well cashed up for the foreseeable future.

891

00:34:11,905 --> 00:34:15,885

Um, if there was, uh, I guess,

892

00:34:16,155 --> 00:34:17,325

what am I trying to ask here?

893

00:34:17,865 --> 00:34:20,445

Is there a, is there a, um, a perspective

894

00:34:20,475 --> 00:34:22,525

that sometimes you need to be a bit opportunistic

895

00:34:22,525 --> 00:34:24,725

with these things in a world, for example,

896

00:34:24,725 --> 00:34:27,365

where the share price doubled in the near term, would

897

00:34:27,365 --> 00:34:29,925

that be a temptation to the board to think, well, maybe we,

898

00:34:30,185 --> 00:34:32,725

we could take this opportunity to get some cheaper capital

899

00:34:32,985 --> 00:34:37,125

to, to just further accelerate the, the, um, the, you know,

900

00:34:37,125 --> 00:34:38,485

the prosecution of this opportunity?

901

00:34:38,585 --> 00:34:40,245
Or is it really, it's just like, no, we're,

902
00:34:40,245 --> 00:34:42,645
we are very much done and dusted, you know,

903
00:34:42,645 --> 00:34:44,285
unless something really radical changes.

904
00:34:45,395 --> 00:34:47,365
Yeah. And, and that's kind of what we did, right? Yeah.

905
00:34:47,365 --> 00:34:50,245
So, you know, we'd said to the market, our plan was to,

906
00:34:50,265 --> 00:34:54,125
in June, kind of do a review, pull some levers as to kind of

907
00:34:54,125 --> 00:34:55,605
what was working and what wasn't working,

908
00:34:55,745 --> 00:34:58,285
and then kind of, you know, go hard at, at,

909
00:34:58,345 --> 00:34:59,805
at whatever strategies we thought

910
00:34:59,805 --> 00:35:01,005
were, were most appropriate.

911
00:35:01,065 --> 00:35:03,765
Mm-hmm. Um, I'm going dark here, um mm-hmm.

912
00:35:04,065 --> 00:35:07,645
So, you know, kind of what, what we've seen, um, from

913
00:35:07,645 --> 00:35:10,205

what we did was really about, you know, how do we kind

914

00:35:10,205 --> 00:35:12,405
of put some firepower and go, uh,

915

00:35:12,425 --> 00:35:14,045
and pour fuel on those things

916

00:35:14,045 --> 00:35:15,725
that are working well to move more quickly.

917

00:35:15,985 --> 00:35:17,925
Um, yeah. So we kind of, we kind of did that

918

00:35:18,545 --> 00:35:19,845
in terms of what we do in the future.

919

00:35:20,085 --> 00:35:22,005
I mean, love to see our, our stock price double.

920

00:35:22,065 --> 00:35:23,525
It does give us lots of options.

921

00:35:24,145 --> 00:35:26,485
Um, you know, I think there's lots of opportunities

922

00:35:26,745 --> 00:35:29,325
for products that might go on our platform.

923

00:35:29,345 --> 00:35:31,325
We don't really want to use our cash to do that.

924

00:35:31,415 --> 00:35:34,485
We'll be very kind of, you know, careful about

925

00:35:34,485 --> 00:35:36,765
how we would do those acquisitions if we can kind

926

00:35:36,765 --> 00:35:39,085

of make them backended like we originally did with softer,

927

00:35:39,465 --> 00:35:42,285

um, that would be our preference, uh, to use debt.

928

00:35:42,515 --> 00:35:45,485

That would be our preference, to use our precious cash

929

00:35:45,745 --> 00:35:47,685

to buy things or, or develop things.

930

00:35:47,685 --> 00:35:49,365

That's not our preference. Um, yeah.

931

00:35:49,365 --> 00:35:51,045

Because we need to put that towards softer.

932

00:35:51,065 --> 00:35:54,285

So, you know, with, with market cap growth and,

933

00:35:54,305 --> 00:35:56,685

and success, you know, you, you get rewarded

934

00:35:56,825 --> 00:35:58,205

and you, you have many more options.

935

00:35:58,345 --> 00:36:01,165

Um, I think that's in our future, um, hopefully in the,

936

00:36:01,165 --> 00:36:02,205

in the short to medium term.

937

00:36:02,965 --> 00:36:04,645

Excellent. Excellent. Okay, another question here.

938

00:36:04,645 --> 00:36:08,165

If software's annual revenue reaches 0.7 to 1 billion USD,

939

00:36:08,555 --> 00:36:10,765

will the insurance side reduce total spend

940

00:36:10,785 --> 00:36:14,125

or move to change refills as a second part,

941

00:36:14,245 --> 00:36:15,725

but I'll, I'll put that one to you first.

942

00:36:16,475 --> 00:36:20,165

Cool. Um, so the, the, the payers can't,

943

00:36:20,165 --> 00:36:22,285

the insurance companies can't kind of change

944

00:36:22,305 --> 00:36:23,405

how refills work.

945

00:36:23,585 --> 00:36:26,765

So if you get a prescription for, you know, your first ER

946

00:36:26,765 --> 00:36:29,085

and 11 refills, you know, an insurance company,

947

00:36:29,305 --> 00:36:30,485

you know, can't change that.

948

00:36:30,505 --> 00:36:32,285

That's what the doctors, you know, they,

949

00:36:32,625 --> 00:36:34,885

in some cases there are quantity limits around things,

950

00:36:34,885 --> 00:36:36,245

but they're often around, you know,

951

00:36:36,245 --> 00:36:38,685

what the label says about how you use your drugs.

952

00:36:38,705 --> 00:36:41,285

So some drugs say, you know, use for three months

953

00:36:41,285 --> 00:36:42,645

and then stop or go and see your doctor.

954

00:36:42,865 --> 00:36:45,925

So, um, for us, you know, if we were

955

00:36:45,925 --> 00:36:48,645

to reach a billion dollars in sales with this product, um,

956

00:36:48,715 --> 00:36:50,965

that would be a nice problem to have with insurers

957

00:36:50,965 --> 00:36:52,205

to go back and have a discussion.

958

00:36:52,205 --> 00:36:53,805

We have three year contracts, um,

959

00:36:53,825 --> 00:36:55,525

pretty much all of them, I believe.

960

00:36:56,025 --> 00:36:57,685

Um, and so that decis

961

00:36:57,765 --> 00:36:59,405

discussion's not happening for a while.

962

00:36:59,945 --> 00:37:01,685

Um, but if we do le that level

963

00:37:01,705 --> 00:37:03,685
and we go back for a discussion then,

964

00:37:03,685 --> 00:37:05,285
and that's really just a question of rebates.

965

00:37:05,465 --> 00:37:08,045
So, you know, the thing you gotta think about with,

966

00:37:08,305 --> 00:37:10,525
you know, that sort of level of revenue as well, is

967

00:37:10,525 --> 00:37:13,005
that not all of that burden is born by one,

968

00:37:13,005 --> 00:37:14,085
two, or three funds.

969

00:37:14,265 --> 00:37:16,085
You know, even with the big PBMs,

970

00:37:16,085 --> 00:37:19,085
the pharmaceutical benefit managers, they have, you know,

971

00:37:19,275 --> 00:37:22,605
tens, hundreds of of companies who have tens, hundreds

972

00:37:22,605 --> 00:37:24,045
of plans beneath them.

973

00:37:24,225 --> 00:37:28,325
So anyone plan, you know, might be experiencing, you know,

974

00:37:28,715 --> 00:37:32,525
five, 10, you know, 15 million, \$20 million of kind

975

00:37:32,525 --> 00:37:35,045
of exposure to our drug, which in the context

976
00:37:35,185 --> 00:37:37,205
of things like the GLP ones and,

977
00:37:37,545 --> 00:37:38,725
and some of the other, you know,

978
00:37:38,965 --> 00:37:40,045
oncology drugs are on the market.

979
00:37:40,585 --> 00:37:42,885
We, you know, this, there's 35, 40 drugs

980
00:37:43,395 --> 00:37:45,925
that generate more than a billion dollars that are above us.

981
00:37:46,015 --> 00:37:49,125
Right? Right. So we're very low on the radar, um,

982
00:37:49,385 --> 00:37:50,485
for the payers.

983
00:37:50,485 --> 00:37:52,765
We'd like to get up on the radar, obviously, um,

984
00:37:52,905 --> 00:37:54,765
but at the moment we're, we're below the radar.

985
00:37:55,865 --> 00:37:57,845
You've, you've partially answered the second part

986
00:37:57,845 --> 00:37:59,045
of the question, but I'll, I'll put it

987
00:37:59,045 --> 00:38:00,925

to you anyway in case there's, there's anything to add.

988

00:38:01,185 --> 00:38:03,085

Uh, do the insurance contracts expire?

989

00:38:03,145 --> 00:38:06,165

You said three years, or can they be renegotiated at any

990

00:38:06,165 --> 00:38:08,045

time and result in a lower gross to net?

991

00:38:08,265 --> 00:38:10,925

So I, I guess there is, is there any circumstances in which

992

00:38:10,925 --> 00:38:13,085

that, that negotiation can be brought forward?

993

00:38:13,715 --> 00:38:15,485

Yeah. Not, not without our agreement. Right. Right.

994

00:38:15,485 --> 00:38:17,045

So the reason you have contracts is, you know,

995

00:38:17,045 --> 00:38:19,245

they do certain things and we do certain things, you know,

996

00:38:19,245 --> 00:38:21,805

we give them a rebate depending on what the management of

997

00:38:22,385 --> 00:38:23,805

our drug is in their hands.

998

00:38:24,105 --> 00:38:25,565

You know, you give less management,

999

00:38:25,565 --> 00:38:27,325

I'll give you more rebate, you give me more

1000

00:38:27,325 --> 00:38:28,725
management, I give you less rebate.

1001

00:38:28,745 --> 00:38:30,085
That's kind of how it works. Yep.

1002

00:38:30,865 --> 00:38:34,685
Uh, one from Tom, of the 11,500 dermatologists in the us,

1003

00:38:34,685 --> 00:38:37,165
what percentage are you targeting as prescribers

1004

00:38:37,165 --> 00:38:39,605
of the current and additional Salesforce from the raise?

1005

00:38:40,105 --> 00:38:41,685
And do you have any expected range

1006

00:38:41,685 --> 00:38:44,845
of prescriptions per prescriber per month the

1007

00:38:44,845 --> 00:38:46,165
Salesforce is focused on?

1008

00:38:47,395 --> 00:38:50,885
Yeah. So o of that 11,500 dermatologists, probably about

1009

00:38:51,795 --> 00:38:54,925
four to 5,000 of them are medical derm people.

1010

00:38:54,985 --> 00:38:57,765
Mm-hmm. So they don't, you know, they focus on acne

1011

00:38:57,765 --> 00:38:59,845
and dermatitis and those sorts of medical conditions.

1012

00:39:00,105 --> 00:39:01,285

The other, you know, four

1013

00:39:01,285 --> 00:39:04,445

or 5,000 are doing, you know, Botox and injections

1014

00:39:04,505 --> 00:39:05,685

and fills and that sort of stuff.

1015

00:39:05,945 --> 00:39:09,285

So our universe is, is probably four to 5,000 docs.

1016

00:39:09,705 --> 00:39:13,045

Um, you know, of those four to 5,000 docs, there's probably,

1017

00:39:13,465 --> 00:39:16,165

you know, half that number that write 80%

1018

00:39:16,165 --> 00:39:17,685

of the prescriptions in medical Derm.

1019

00:39:18,385 --> 00:39:21,925

Um, and so what we're able to do in creating kind

1020

00:39:21,925 --> 00:39:25,365

of a territory and indeed a Salesforce map is you figure

1021

00:39:25,425 --> 00:39:28,005

out, you know, based on writing behavior, you know,

1022

00:39:28,005 --> 00:39:29,085

how many patients do they see,

1023

00:39:29,425 --> 00:39:31,245

how many patients have hyperhidrosis?

1024

00:39:31,425 --> 00:39:32,885

Mm. Are they generally busy?

1025

00:39:32,945 --> 00:39:35,325

Do they have other patients who have acne and dermatitis,

1026

00:39:35,325 --> 00:39:37,325

and do they write a lot of prescriptions in those areas?

1027

00:39:37,745 --> 00:39:39,725

You can basically figure out what a busy doc is,

1028

00:39:39,745 --> 00:39:42,525

who has a good target from a, from a patient population.

1029

00:39:42,755 --> 00:39:44,885

Yeah. And then we balance those territories per,

1030

00:39:45,185 --> 00:39:46,325

uh, salesperson.

1031

00:39:46,665 --> 00:39:48,925

So we make sure that, you know, if you're in Manhattan

1032

00:39:49,025 --> 00:39:51,725

and you've got, you know, a thousand docks per square foot,

1033

00:39:52,105 --> 00:39:54,165

you know, that's very different than Arizona, that

1034

00:39:54,165 --> 00:39:55,845

that has a lot more spread out, you know,

1035

00:39:55,845 --> 00:39:57,085

based on a population basis.

1036

00:39:57,465 --> 00:39:59,685

And so we balance those territories by, you know,

1037

00:40:00,105 --> 00:40:01,685

by space and by by numbers.

1038

00:40:02,465 --> 00:40:04,885

Uh, and then really what we look to is making sure that each

1039

00:40:04,945 --> 00:40:07,885

of our, our salespeople who are kind of competitive

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00:40:07,885 --> 00:40:08,925

with each other, obviously.

1041

00:40:09,195 --> 00:40:11,765

Yeah. Um, you know, they wanna produce a multiple on

1042

00:40:11,765 --> 00:40:14,445

what we pay them when, and we've kind of educated the market

1043

00:40:14,445 --> 00:40:17,845

that all in our, our sales folks can earn, you know,

1044

00:40:17,945 --> 00:40:21,165

275,000 bucks or their, or do thereabouts us.

1045

00:40:21,265 --> 00:40:24,525

So, you know, multiples on that is a good, uh, rep

1046

00:40:24,635 --> 00:40:26,805

that provides us a good return on investment.

1047

00:40:27,345 --> 00:40:30,485

Um, and then prescriptions will change over the course of,

1048

00:40:30,865 --> 00:40:31,965

of the launch itself.

1049

00:40:32,145 --> 00:40:34,685

You know, so at the start, it's, it's very much about reach,

1050

00:40:34,785 --> 00:40:37,645

you know, communicating and talking to new docs, uh,

1051

00:40:37,705 --> 00:40:40,085

and then you kind of start to narrow down on frequency,

1052

00:40:40,085 --> 00:40:42,765

which is focusing on those docs who are really productive,

1053

00:40:43,105 --> 00:40:45,085

uh, and then continue to, to reach out

1054

00:40:45,085 --> 00:40:46,685

to new docs to kind of add to the funnel.

1055

00:40:46,825 --> 00:40:48,645

So it's, there's a whole science behind it.

1056

00:40:48,725 --> 00:40:51,485

I won't pretend to, to know how to do a lot of that stuff.

1057

00:40:51,485 --> 00:40:53,325

That's kind of how in Vince's domain,

1058

00:40:53,325 --> 00:40:55,085

and they've done it many times with, you know,

1059

00:40:55,085 --> 00:40:56,165

30 launch products.

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00:40:56,545 --> 00:40:58,205

Um, but it's certainly a very, uh,

1061

00:40:58,275 --> 00:40:59,485

it's a very well trodden path

1062

00:40:59,485 --> 00:41:00,965
and something that the team, uh,

1063

00:41:00,965 --> 00:41:02,645
has managed very successfully in the past.

1064

00:41:03,525 --> 00:41:06,205
Interesting. Interesting. Um, here's one from Mike.

1065

00:41:06,305 --> 00:41:07,765
Um, uh, software seems

1066

00:41:07,765 --> 00:41:09,285
to have made a much stronger start than

1067

00:41:09,285 --> 00:41:11,445
other anticholinergic.

1068

00:41:13,245 --> 00:41:14,965
I butchered that pronunciation, right.

1069

00:41:15,585 --> 00:41:20,045
Antico cholinergic, uh, Rexxar, this question might be hard

1070

00:41:20,045 --> 00:41:22,285
to answer, but how much do you attribute

1071

00:41:22,345 --> 00:41:25,485
to softer being a better product versus a stronger launch

1072

00:41:25,575 --> 00:41:27,965
sales and marketing execution by botanic?

1073

00:41:29,255 --> 00:41:31,505
Yeah. I, I think it's probably a lot of different things.

1074

00:41:31,725 --> 00:41:34,605

Um, so as a product, I think the attributes,

1075

00:41:34,705 --> 00:41:35,845

the efficacy attributes

1076

00:41:35,865 --> 00:41:38,285

and the safety tolerability attributes kind

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00:41:38,285 --> 00:41:41,085

of make it stand apart the way it's applied, obviously

1078

00:41:41,085 --> 00:41:43,245

with the patient, not having to touch the drug

1079

00:41:43,245 --> 00:41:46,205

and apply it just like a normal kind of underarm, um,

1080

00:41:46,205 --> 00:41:47,565

application makes a big difference.

1081

00:41:48,065 --> 00:41:50,485

Um, but I think also the thoughtfulness in kind of how we,

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00:41:50,535 --> 00:41:51,725

we've gone about sales

1083

00:41:51,725 --> 00:41:53,805

and marketing, um, has made a big difference.

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00:41:53,805 --> 00:41:55,805

Like, we haven't kind of gone out there

1085

00:41:55,805 --> 00:41:58,885

and spent a bunch of money on, on TV commercials

1086

00:41:58,885 --> 00:42:00,405
and billboards and those sorts of things

1087
00:42:00,405 --> 00:42:01,725
that we don't think add a lot of value.

1088
00:42:01,725 --> 00:42:05,165
Yeah. Um, we've selected really strong sales representatives

1089
00:42:05,185 --> 00:42:07,205
who come from big companies with great products.

1090
00:42:07,745 --> 00:42:11,405
Uh, we've been very focused in, in doing sorts of promotions

1091
00:42:11,505 --> 00:42:13,725
and, and marketing activities that make sense for us.

1092
00:42:13,985 --> 00:42:17,045
Mm. And we've obviously implemented our digital program,

1093
00:42:17,095 --> 00:42:19,285
which is kind of an, an adjunct to

1094
00:42:19,905 --> 00:42:22,245
our traditional sales approach, um,

1095
00:42:22,465 --> 00:42:24,005
and being very careful about the money

1096
00:42:24,005 --> 00:42:25,005
that we've spent in doing it.

1097
00:42:25,025 --> 00:42:26,405
So we spent money where it makes sense.

1098
00:42:26,825 --> 00:42:29,605

Um, and being careful, uh, about how we've done that.

1099

00:42:29,745 --> 00:42:31,365

So, you know, I think the experience

1100

00:42:31,365 --> 00:42:33,565

of the team is probably the cream on, on the cake there,

1101

00:42:33,565 --> 00:42:36,285

which is having launched, you know, 30 drugs

1102

00:42:36,285 --> 00:42:37,685

between the broader team here.

1103

00:42:38,155 --> 00:42:39,845

They know what it works not to say

1104

00:42:39,845 --> 00:42:41,245

that they do the same thing, uh,

1105

00:42:41,385 --> 00:42:43,125

in the same way, uh, that's not the case.

1106

00:42:43,435 --> 00:42:44,565

Yeah. Uh, but that benefit

1107

00:42:44,585 --> 00:42:46,245

of experience when you get information

1108

00:42:46,245 --> 00:42:50,165

and data from the field, uh, how you interpret that,

1109

00:42:50,185 --> 00:42:53,485

how you react to that, how you are proactive for things

1110

00:42:53,485 --> 00:42:54,965

that might be coming up down the track,

1111

00:42:54,965 --> 00:42:56,405
that makes a massive difference and,

1112

00:42:56,405 --> 00:42:58,045
and that is not easily replaced.

1113

00:42:58,435 --> 00:42:59,845
Yeah. Yeah. Um,

1114

00:42:59,875 --> 00:43:01,685
when did the digital marketing program launch

1115

00:43:01,685 --> 00:43:04,245
and what has been the initial cost per acquisition from

1116

00:43:04,625 --> 00:43:06,005
direct slash digital?

1117

00:43:06,385 --> 00:43:09,005
How did you expect total patient acquisition to be split

1118

00:43:09,005 --> 00:43:11,005
between digital versus sales reps?

1119

00:43:12,365 --> 00:43:14,305
Uh, so I'm definitely not answering the cost

1120

00:43:14,305 --> 00:43:17,865
of customer acquisition question Part, partly

1121

00:43:17,865 --> 00:43:18,865
because it's too early to know.

1122

00:43:18,925 --> 00:43:20,945
But, you know, obviously these things evolve over time.

1123

00:43:21,405 --> 00:43:22,505

Um, so the,

1124

00:43:22,605 --> 00:43:24,465

the program kicked off in the first week of March.

1125

00:43:24,805 --> 00:43:26,545

Um, and, and that program, as I,

1126

00:43:26,645 --> 00:43:28,145

as I mentioned before, evolves.

1127

00:43:28,145 --> 00:43:30,705

So we kind of start with things like social media. Mm-hmm.

1128

00:43:30,765 --> 00:43:33,345

We kind of evolve into, into other things like search

1129

00:43:33,485 --> 00:43:36,985

or direct promotion or, or kind of, you know, keywords

1130

00:43:36,985 --> 00:43:38,585

and those sorts of things all combined.

1131

00:43:39,165 --> 00:43:42,225

Um, so we're in our kind of seventh week, I think,

1132

00:43:42,525 --> 00:43:43,545

at the moment of digital.

1133

00:43:43,925 --> 00:43:45,985

Uh, and already we've done some stuff in terms

1134

00:43:46,005 --> 00:43:48,305

of the patient landing page to optimize that.

1135

00:43:48,725 --> 00:43:52,705

Uh, we've changed, uh, a couple of our, uh, messaging, uh,

1136

00:43:52,805 --> 00:43:54,825

and we've changed a couple of the channels and,

1137

00:43:54,825 --> 00:43:57,305

and index those channels kind of differently in terms of,

1138

00:43:57,565 --> 00:43:59,905

you know, the response that we've seen in the early days.

1139

00:44:00,005 --> 00:44:03,625

So, uh, it, it's, it's very early, you know, we, we are kind

1140

00:44:03,625 --> 00:44:05,225

of intrigued by this digital thing.

1141

00:44:05,245 --> 00:44:06,585

Uh, we don't know how it's gonna work.

1142

00:44:06,805 --> 00:44:09,505

Um, the good news is if it doesn't work as well as,

1143

00:44:09,525 --> 00:44:12,105

as we hope, we've got lots of, you know, sales, you know,

1144

00:44:12,105 --> 00:44:14,265

traditional sales opportunities we can exploit.

1145

00:44:14,765 --> 00:44:16,825

Uh, and we do think that we can kind of get to the numbers

1146

00:44:16,825 --> 00:44:19,465

that we've, uh, the street has out there, you know,

1147

00:44:19,475 --> 00:44:21,185

based on a traditional sales approach.

1148

00:44:21,185 --> 00:44:23,145

Anyway. So, you know, the digital stuff is,

1149

00:44:23,565 --> 00:44:25,745

is definitely an upside, how much of an upside,

1150

00:44:25,935 --> 00:44:27,505

it's just too early to tell at the moment.

1151

00:44:27,645 --> 00:44:29,185

So we're excited about it.

1152

00:44:29,285 --> 00:44:31,885

We think it's potential, you know, as a new way of,

1153

00:44:31,905 --> 00:44:33,085

of engaging patients

1154

00:44:33,085 --> 00:44:35,525

and providing a service is, is kind of untapped.

1155

00:44:35,985 --> 00:44:38,205

Um, and, and we're not gonna kind of stop

1156

00:44:38,205 --> 00:44:41,325

before we know, you know, how big or how good, you know,

1157

00:44:41,325 --> 00:44:43,365

or how efficient or how convenient it can be.

1158

00:44:43,385 --> 00:44:44,885

So we're, we're in the midst of it at the moment,

1159

00:44:44,885 --> 00:44:46,645

but it's a, it's a pretty good learning experience

1160

00:44:46,645 --> 00:44:49,245
and a pretty interesting program that's going at the moment.

1161
00:44:49,785 --> 00:44:53,365
Um, it strikes me as something like very sensible to do.

1162
00:44:53,365 --> 00:44:56,605
Sometimes the market can be pretty unforgiving of companies

1163
00:44:56,605 --> 00:44:58,605
that try certain things and they don't work out

1164
00:44:58,825 --> 00:45:02,045
and, you know, captain hindsight sees, always appears

1165
00:45:02,045 --> 00:45:04,205
to sort of say what a silly thing to, to kind of do.

1166
00:45:04,305 --> 00:45:08,165
Or I, I feel as though for, for my, my standpoint is

1167
00:45:08,835 --> 00:45:11,605
it's only silly when you, when you continue to plow ahead,

1168
00:45:11,605 --> 00:45:13,245
when all evidence suggests you shouldn't.

1169
00:45:13,865 --> 00:45:16,645
Um, until that point though, it's just sort of, I feel

1170
00:45:16,645 --> 00:45:19,845
as though we, we as investors need to be more encouraging

1171
00:45:20,065 --> 00:45:23,965
of, um, prudent experimentation given

1172
00:45:23,965 --> 00:45:26,485

that the upside can be, can be, um, rather,

1173

00:45:26,585 --> 00:45:27,605

rather significant.

1174

00:45:28,145 --> 00:45:29,845

Um, so that's just my 2 cents

1175

00:45:29,845 --> 00:45:31,565

and I take that for what, for what it's worth.

1176

00:45:31,585 --> 00:45:33,845

But I I, I, I feel as though, I think you're

1177

00:45:33,845 --> 00:45:34,845

Right. Yeah. It's, it's I

1178

00:45:34,845 --> 00:45:36,485

think kind of a, a Mel Gibson,

1179

00:45:36,485 --> 00:45:38,005

Braveheart, hold, hold,

1180

00:45:38,635 --> 00:45:39,635

Hold. Um,

1181

00:45:39,635 --> 00:45:41,445

you have to see whether your tactics

1182

00:45:41,445 --> 00:45:44,725

and your strategies are producing fruit, um, because

1183

00:45:44,725 --> 00:45:46,005

otherwise you just flip flop

1184

00:45:46,005 --> 00:45:47,365

and just keep changing things on the fly.

1185

00:45:47,465 --> 00:45:51,325

So yeah. You know, we know enough to invest far enough,

1186

00:45:51,785 --> 00:45:53,285

you know, and give it time to work.

1187

00:45:53,785 --> 00:45:56,005

Um, but if it's not working, we'll definitely change it.

1188

00:45:56,185 --> 00:45:57,925

Um, and the good news is, as I said

1189

00:45:57,925 --> 00:46:00,725

before, you know, if all we did was kind of a sales,

1190

00:46:00,725 --> 00:46:03,125

traditional sales based approach, you know,

1191

00:46:03,125 --> 00:46:04,405

with our subscription model,

1192

00:46:04,405 --> 00:46:06,045

which is really the difference Yeah.

1193

00:46:06,045 --> 00:46:07,365

Then I think we're in pretty good shape.

1194

00:46:08,165 --> 00:46:11,685

I mean, in a perfect world, I, I guess it would, assuming

1195

00:46:11,685 --> 00:46:14,005

that it works really well, you, you would prefer as much

1196

00:46:14,005 --> 00:46:15,605

as possible through the digital channel, right?

1197

00:46:16,235 --> 00:46:18,125
Yeah, absolutely. I mean, it's, there's a lot

1198
00:46:18,125 --> 00:46:19,125
of white space.

1199
00:46:19,145 --> 00:46:21,405
You think about, you know, the target patients of

1200
00:46:21,405 --> 00:46:24,045
that 10 million, you know, only 3.7

1201
00:46:24,045 --> 00:46:25,445
of them are in the doctor's office

1202
00:46:25,585 --> 00:46:27,805
or having had a diagnosis in the last 12 months.

1203
00:46:27,995 --> 00:46:31,405
Yeah. You know, six more than half of that 6.3 million are

1204
00:46:31,405 --> 00:46:34,285
outside that who've either had a diagnosis, you know,

1205
00:46:34,285 --> 00:46:35,485
but more than 12 months ago,

1206
00:46:35,505 --> 00:46:36,525
or they know that something's wrong.

1207
00:46:36,525 --> 00:46:38,845
That is, dunno, it's called hyperhydrosis. Yeah.

1208
00:46:38,845 --> 00:46:41,365
So both for this condition,

1209
00:46:41,365 --> 00:46:43,405

but also for lots of other skin, skin conditions,

1210

00:46:43,485 --> 00:46:47,045

I think it's a really interesting perspective channel.

1211

00:46:47,665 --> 00:46:49,925

Um, you know, and Covid taught us a couple of things, right?

1212

00:46:50,085 --> 00:46:51,165

C Covid taught us

1213

00:46:51,165 --> 00:46:53,445

that you can do business without being in front of people.

1214

00:46:53,715 --> 00:46:55,325

Yeah. Face to face all the time.

1215

00:46:55,465 --> 00:46:57,245

You know, there's some benefits of doing face-to-face,

1216

00:46:57,305 --> 00:47:00,325

but you know, you know, a lot of docs, you know,

1217

00:47:00,325 --> 00:47:03,245

didn't have sales reps in their offices for two years,

1218

00:47:03,345 --> 00:47:05,645

but a lot of drugs got sold during that period time.

1219

00:47:05,645 --> 00:47:08,645

Yes. Right. So we figured out another different way

1220

00:47:08,645 --> 00:47:09,725

of engaging physicians

1221

00:47:09,725 --> 00:47:11,245

and now we're figuring out a different way

1222

00:47:11,245 --> 00:47:12,365

of engaging patients.

1223

00:47:12,945 --> 00:47:14,645

Um, you know, not because of Covid, but

1224

00:47:14,645 --> 00:47:16,125

because there's a better way of doing it

1225

00:47:16,145 --> 00:47:18,925

and kind of capturing them when they're interested in

1226

00:47:18,925 --> 00:47:20,165

something rather than just kind of throwing

1227

00:47:20,165 --> 00:47:21,485

information at them all the time.

1228

00:47:21,715 --> 00:47:23,205

Yeah, makes, makes perfect sense.

1229

00:47:23,625 --> 00:47:25,525

Um, at what point do you consider moving forward

1230

00:47:25,525 --> 00:47:29,965

with BTX 1503 or BTX 20 12 0 4 A

1231

00:47:30,265 --> 00:47:31,405

or would it be a better option

1232

00:47:31,405 --> 00:47:33,645

to acquire another asset similar to ra?

1233

00:47:34,725 --> 00:47:37,285

I think C above. Um, so I think, you know,

1234

00:47:37,305 --> 00:47:39,845
per our earlier conversation, if I have a dollar, you know,

1235
00:47:39,865 --> 00:47:42,525
do I, do I spend that on, on growing software more quickly?

1236
00:47:42,665 --> 00:47:44,965
Do I spend it on acquiring a commercial product

1237
00:47:44,965 --> 00:47:47,885
that can be immediately accretive or do I spend on r

1238
00:47:47,885 --> 00:47:49,605
and d that might produce something in three or four years?

1239
00:47:49,705 --> 00:47:51,205
That's, that's a decision for us.

1240
00:47:52,465 --> 00:47:54,285
Uh, you might not be able to say much here,

1241
00:47:54,285 --> 00:47:55,285
but I'll put it to you anyway.

1242
00:47:55,345 --> 00:47:56,805
Can you, can you tell us anything about

1243
00:47:56,945 --> 00:48:00,565
how things have gone in April in terms of the, um,

1244
00:48:00,665 --> 00:48:03,485
the weekly, uh, customer acquisition rate?

1245
00:48:03,625 --> 00:48:04,965
Is that continued to trend higher?

1246
00:48:05,795 --> 00:48:07,885

Yeah, so I, I can't ask that directly obviously

1247

00:48:08,125 --> 00:48:09,965

'cause it's market sensitive and this is not, you know,

1248

00:48:10,545 --> 00:48:11,685

an announcement the whole market,

1249

00:48:11,785 --> 00:48:14,325

but you, we are, we're going, well, we're very happy

1250

00:48:14,325 --> 00:48:15,445

with how things are trending.

1251

00:48:15,625 --> 00:48:17,485

You know, we will see weeks, you know,

1252

00:48:17,485 --> 00:48:19,165

throughout our whole 52 weeks

1253

00:48:19,185 --> 00:48:20,565

of the year where things are down.

1254

00:48:20,565 --> 00:48:22,605

Right. In fact, we had one, if you look at that graph

1255

00:48:22,605 --> 00:48:25,005

that we released, you know, there was a conference,

1256

00:48:25,085 --> 00:48:27,485

a dermatological, um, conference in one of those weeks,

1257

00:48:27,505 --> 00:48:30,805

in which case our incoming patient acquisition was lower.

1258

00:48:30,945 --> 00:48:31,845

Why? Yeah. Because there was only

1259

00:48:31,895 --> 00:48:33,165
three working days in the week.

1260

00:48:33,315 --> 00:48:34,765
Yeah. You know, we'll, we'll see that

1261

00:48:34,765 --> 00:48:35,965
around the 4th of July week.

1262

00:48:36,285 --> 00:48:38,085
Probably. We'll see that around Thanksgiving and Christmas.

1263

00:48:38,085 --> 00:48:39,685
That's, that's not unusual. Yeah.

1264

00:48:39,715 --> 00:48:42,405
What you wanna see is a general trend up into the right.

1265

00:48:42,705 --> 00:48:45,165
Um, you know, and we, and we're seeing that, um,

1266

00:48:45,265 --> 00:48:47,805
and as I mentioned before, like we only have to get to

1267

00:48:48,385 --> 00:48:51,445
2000 new patient arrivals on a regular basis each month

1268

00:48:51,465 --> 00:48:52,925
and get 'em six prescriptions

1269

00:48:53,425 --> 00:48:56,245
and we hit that 144,000 prescriptions for next year.

1270

00:48:56,545 --> 00:48:57,545
Yep.

1271

00:48:57,865 --> 00:49:00,645

Oh, it's just logged me out. Here we go. One second, Matt.

1272

00:49:01,585 --> 00:49:06,265

Um, come

1273

00:49:06,285 --> 00:49:09,405

on, here we go.

1274

00:49:14,775 --> 00:49:17,875

Um, how do you intend to ensure supply of software's,

1275

00:49:18,075 --> 00:49:20,675

constituent components, the agent, the lid, the pump,

1276

00:49:20,675 --> 00:49:22,395

the bottle, et cetera, from multiple countries?

1277

00:49:22,395 --> 00:49:24,475

In light of, we've kind of touched on this in light

1278

00:49:24,475 --> 00:49:26,715

of potential supply chain and other economic issues brought

1279

00:49:26,715 --> 00:49:29,475

about by the Trump, uh, induced global uncertainty.

1280

00:49:29,815 --> 00:49:31,515

Uh, look, don't, don't feel as though you need

1281

00:49:31,515 --> 00:49:33,195

to answer it if, if you're just gonna repeat yourself

1282

00:49:33,195 --> 00:49:35,035

or is there anything to add there? Buy,

1283

00:49:35,135 --> 00:49:36,315

Buy in advance and be careful

1284

00:49:36,335 --> 00:49:37,555

how you spend your money. Yeah.

1285

00:49:37,695 --> 00:49:41,625

Yep. That's all you can do. Um, in a year's time,

1286

00:49:41,625 --> 00:49:43,945

which channel do you see being stronger for patient

1287

00:49:43,965 --> 00:49:45,105

and prescription generation?

1288

00:49:45,105 --> 00:49:47,065

Dermatological channel or the digital channel?

1289

00:49:48,415 --> 00:49:50,675

No, actually, I mean, I, I'd love for it to be digital,

1290

00:49:50,975 --> 00:49:53,035

um, just because no one's really done that before.

1291

00:49:53,255 --> 00:49:56,235

Um, and I think it's very perspective from a potential cost

1292

00:49:56,235 --> 00:49:59,355

of a customer acquisition, um, perspective. Yep.

1293

00:49:59,615 --> 00:50:03,035

Um, But dunno, um, look forward to being surprised.

1294

00:50:03,035 --> 00:50:04,595

We're gonna put a lot, a lot of effort into the digital

1295

00:50:04,595 --> 00:50:06,475

channel and hopefully that that works out well,

1296
00:50:06,575 --> 00:50:08,675
but we'll, uh, we'll wait and see.

1297
00:50:08,815 --> 00:50:11,515
That's, that's the point of the ex of, of experimentation.

1298
00:50:12,015 --> 00:50:14,355
Um, it is such a dark art though.

1299
00:50:14,355 --> 00:50:16,395
Things like search rankings and the rest of it.

1300
00:50:16,425 --> 00:50:18,435
Like, it's, it's, it's one of those things

1301
00:50:18,435 --> 00:50:19,835
that everyone knows that you should do,

1302
00:50:19,935 --> 00:50:23,155
but how, you know, it's, it's, it's,

1303
00:50:23,155 --> 00:50:24,515
it's easier said than done.

1304
00:50:25,055 --> 00:50:27,765
Um, in a year's time, which channel do you see?

1305
00:50:27,765 --> 00:50:30,765
Uh, no, sorry, in the recent webinar you estimated four

1306
00:50:30,765 --> 00:50:33,885
to \$15 per refill, tariff impact.

1307
00:50:33,885 --> 00:50:35,685
Again, we've touched on this, uh,

1308

00:50:35,685 --> 00:50:38,165
in considering qualifying additional manufacturers,

1309
00:50:38,165 --> 00:50:40,645
are there any US base manufacturers on the short list?

1310
00:50:41,195 --> 00:50:45,735
Yeah, absolutely. Yeah. Uh, last one.

1311
00:50:45,845 --> 00:50:48,335
What is the average net price

1312
00:50:48,355 --> 00:50:49,735
for software achieved this quarter?

1313
00:50:51,075 --> 00:50:52,895
Not disclosed. Not disclosed, Kim.

1314
00:50:53,275 --> 00:50:55,735
So obviously with, as we think about net price,

1315
00:50:55,735 --> 00:50:57,055
there's a couple of things that go into that.

1316
00:50:57,115 --> 00:50:58,455
One of which is kind

1317
00:50:58,455 --> 00:51:00,815
of reimbursed prescriptions versus not reimbursed.

1318
00:51:01,195 --> 00:51:04,295
Um, other things are in the early stages of the year,

1319
00:51:04,805 --> 00:51:08,015
some patients have deductibles that they kind of need

1320
00:51:08,015 --> 00:51:10,295

to pay towards their insurance

1321

00:51:10,355 --> 00:51:12,055

before the insurance covers everything.

1322

00:51:12,055 --> 00:51:13,135

Yeah. So insurance in the US

1323

00:51:13,155 --> 00:51:14,415

is slightly different in that regard.

1324

00:51:14,605 --> 00:51:16,095

There's not a set percentage of

1325

00:51:16,095 --> 00:51:17,295

what they'll pay in some plans.

1326

00:51:17,715 --> 00:51:19,655

Um, you have to pay the first a thousand bucks

1327

00:51:19,655 --> 00:51:20,815

or whatever it is, um,

1328

00:51:20,815 --> 00:51:23,455

before the insurance company will cover either

1329

00:51:23,515 --> 00:51:24,615

all of it or more of it.

1330

00:51:24,905 --> 00:51:26,855

Right. So the, the net sales price

1331

00:51:26,855 --> 00:51:27,935

will vary across the year.

1332

00:51:28,155 --> 00:51:31,455

Um, and so, you know, again, being only two months in

1333

00:51:31,455 --> 00:51:32,775

and not having even a lot

1334

00:51:32,775 --> 00:51:36,295

of the revenue flowing in from payers, it's just too early

1335

00:51:36,435 --> 00:51:37,975

to, to think about net sales

1336

00:51:37,975 --> 00:51:39,255

price on average across the year.

1337

00:51:39,255 --> 00:51:42,535

We've said we're targeting that 400 for reimbursed, um,

1338

00:51:42,815 --> 00:51:44,375

prescriptions and, and that's kind of

1339

00:51:44,375 --> 00:51:46,175

where we are at the moment from a target perspective.

1340

00:51:46,635 --> 00:51:48,375

Gotcha. Uh, I know it's the end

1341

00:51:48,375 --> 00:51:50,415

of the day over in Phoenix, Matt, so I'll let you get back

1342

00:51:50,415 --> 00:51:51,415

to your, to your family.

1343

00:51:51,635 --> 00:51:54,375

Um, the last, the last question I'll have for you is that,

1344

00:51:54,375 --> 00:51:56,655

you know, obviously as in your role you have to speak

1345

00:51:56,655 --> 00:51:57,815

to a lot of analysts

1346

00:51:57,815 --> 00:51:59,975

and investors, stakeholders, this kind of thing.

1347

00:52:00,755 --> 00:52:02,975

Um, and I'm sure I've just thrown at you a bunch of stuff

1348

00:52:02,975 --> 00:52:04,615

that you've had to answer a thousand times.

1349

00:52:05,635 --> 00:52:08,295

What's the question no one asks you that you think

1350

00:52:08,875 --> 00:52:10,095

people should ask you?

1351

00:52:10,165 --> 00:52:11,855

Like what, that you are surprised

1352

00:52:11,855 --> 00:52:14,175

that you don't get asked more of? Yeah,

1353

00:52:14,815 --> 00:52:15,935

I think probably the question is why

1354

00:52:15,935 --> 00:52:17,175

hasn't anyone done this before?

1355

00:52:17,855 --> 00:52:20,895

Hmm. So, you know, from a platform perspective,

1356

00:52:21,115 --> 00:52:22,255

you know, why haven't, why

1357

00:52:22,255 --> 00:52:23,335

aren't they doing what you are doing?

1358

00:52:23,475 --> 00:52:25,655

Mm-hmm. Um, and there's a couple of answers to that, one

1359

00:52:25,655 --> 00:52:27,895

of which is, um, people have tried

1360

00:52:27,995 --> 00:52:29,735

and people have done parts of what we're doing

1361

00:52:29,735 --> 00:52:33,135

before, in fact, um, how in Vince, in, in prior companies,

1362

00:52:33,475 --> 00:52:37,335

um, had a version of this kind of fulfillment, uh, refill,

1363

00:52:37,835 --> 00:52:40,855

you know, ease for the patient to get the drug, uh,

1364

00:52:40,855 --> 00:52:43,055

that they pioneered with Mesis, um,

1365

00:52:43,125 --> 00:52:45,295

back in the 2012, 13 period.

1366

00:52:45,915 --> 00:52:48,855

Um, I think what's different now is, you know, technology.

1367

00:52:49,075 --> 00:52:51,935

Um, so we're able to use technology to,

1368

00:52:52,075 --> 00:52:54,735

to provide things directly to patients

1369

00:52:54,735 --> 00:52:57,095

and communicate with them more efficiently.

1370

00:52:57,775 --> 00:52:59,735

I think the way that we ship products, um,

1371

00:52:59,735 --> 00:53:01,255

particularly in the US we can get stuff

1372

00:53:01,255 --> 00:53:02,735

to your door within 24, 48

1373

00:53:02,735 --> 00:53:03,895

hours, which we couldn't do before.

1374

00:53:04,125 --> 00:53:06,895

Yeah. Uh, I think the way that the insurance company kind

1375

00:53:06,895 --> 00:53:08,495

of now works, there's, there's opportunities

1376

00:53:08,595 --> 00:53:10,615

to kinda leverage that, um, a lot more.

1377

00:53:11,075 --> 00:53:15,415

Uh, and I think if you don't start this way, it's too hard

1378

00:53:15,435 --> 00:53:16,975

to kind of go back and try this

1379

00:53:16,975 --> 00:53:18,215

later on. Right. So if you've got this

1380

00:53:18,405 --> 00:53:19,415

Path dependent, yeah.

1381

00:53:20,955 --> 00:53:23,695

So it's one of those things where, you know, it,

1382

00:53:23,715 --> 00:53:25,485

it takes some, some big Khans

1383

00:53:25,485 --> 00:53:27,205

to go out, you know, and do this.

1384

00:53:27,205 --> 00:53:28,885

First off, you know, we've, we've talked internally,

1385

00:53:28,945 --> 00:53:30,965

do we just launch without a Salesforce and do digital?

1386

00:53:31,195 --> 00:53:34,605

Yeah. That's, that's really, really big step change.

1387

00:53:35,145 --> 00:53:37,325

Um, and something that, we'll, we might have, you know,

1388

00:53:37,325 --> 00:53:38,525

the Khans to do in the future,

1389

00:53:38,825 --> 00:53:40,685

but you know, there's those sorts of things.

1390

00:53:40,685 --> 00:53:43,165

Again, to your point before, you know, experiment and,

1391

00:53:43,425 --> 00:53:46,485

and try things, uh, and then keep doing what's working

1392

00:53:46,545 --> 00:53:48,125

and kind of, you know, continue to tweak.

1393

00:53:48,125 --> 00:53:49,925

That's where we are. It's a very creative team,

1394

00:53:49,925 --> 00:53:51,085

but a very experienced team.

1395

00:53:51,435 --> 00:53:54,325

Yeah. I love that. I, I I I love the, the, the agility,

1396

00:53:54,485 --> 00:53:56,565

I love the thinking the product is, is great.

1397

00:53:56,635 --> 00:53:58,645

It's, it's getting lots of traction, which is great to see.

1398

00:53:58,645 --> 00:53:59,965

And, and as I said to you last time,

1399

00:54:00,125 --> 00:54:02,365

I mean it's always nice from a shareholder perspective

1400

00:54:02,465 --> 00:54:04,805

to sort of see the value of your investment go up,

1401

00:54:04,805 --> 00:54:07,125

but it's even nicer when you're solving real world problems

1402

00:54:07,125 --> 00:54:08,965

for people as well who are suffering some,

1403

00:54:09,315 --> 00:54:10,845

some unpleasant conditions.

1404

00:54:10,865 --> 00:54:12,325

So keep up the great work.

1405

00:54:12,325 --> 00:54:13,525

Thank you so much for your time

1406

00:54:13,665 --> 00:54:15,525

and uh, we'll look to check in again another year

1407

00:54:15,525 --> 00:54:16,725

or so. Super.

1408

00:54:16,745 --> 00:54:18,445

Thanks guys. Appreciate Thanks

1409

00:54:18,445 --> 00:54:19,045

Matt. Cheers.

1410

00:54:19,585 --> 00:54:19,805

Bye.