



CREATING INNOVATIVE THERAPIES FOR CNS DISORDERS.

**ANNUAL GENERAL MEETING
EXECUTIVE CHAIRMAN'S PRESENTATION**

**BNO (Australia: ASX)
BNOEF (USA: OTCQX)**

14 November 2018

Central Nervous System (CNS)

Safe Harbor Statement

Factors Affecting Future Performance

This presentation contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Any statements contained in this presentation that relate to prospective events or developments, including, without limitation, statements made regarding Bionomics' drug candidates (including BNC210, BNC105 and BNC101), its licensing agreement with Merck & Co. and any milestone or royalty payments thereunder, drug discovery programs, ongoing and future clinical trials, and timing of the receipt of clinical data for our drug candidates are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions are intended to identify forward-looking statements.

There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including unexpected safety or efficacy data, unexpected side effects observed in clinical trials, risks related to our available funds or existing funding arrangements, our failure to introduce new drug candidates or platform technologies or obtain regulatory approvals in a timely manner or at all, regulatory changes, inability to protect our intellectual property, risks related to our international operations, our inability to integrate acquired businesses and technologies into our existing business and to our competitive advantage, as well as other factors. Results of studies performed on our drug candidates and competitors' drugs and drug candidates may vary from those reported when tested in different settings.

Subject to the requirements of any applicable legislation or the listing rules of any stock exchange on which our securities are quoted, we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this presentation.

Bionomics Overview

- Global, clinical stage biopharmaceutical company leveraging proprietary platform technologies, ionX and MultiCore, to discover and develop a deep pipeline of novel drug candidates targeting ion channels in CNS disorders
- Strategic partnership with Merck & Co., (MSD):
 - Cognition therapeutic candidate entered clinical development and triggered US\$10M milestone payment in deal valued up to US\$506M in upfront, research and milestone payments plus additional royalties on net sales of licensed drugs
 - Merck & Co equity investment in October 2015
- Lead non-partnered candidate, BNC210, is a novel, orally-administered, first-in-class, negative allosteric modulator of the $\alpha 7$ nicotinic acetylcholine receptor, in development for anxiety, panic and agitation:
 - Positive data from Phase 2 trial in Generalised Anxiety Disorder (GAD) patients reported in September 2016
 - Phase 2 trial in Post Traumatic Stress Disorder (PTSD) did not reach primary endpoint reported in October 2018. Evidence of antidepressant and anxiolytic effects on components of CAPS-5
 - Phase 2 trial in Agitation ongoing in Australia with data anticipated in 1Q, CY2019
- Robust pipeline of first-in-class ion channel programs

Global License and Collaboration Agreement with Merck & Co in Cognition Provides Ongoing Validation

- Validates ionX and MultiCore drug discovery platforms, with ongoing discussions on new programs
- Partnership with Merck & Co in cognition generated US\$20M in upfront payment in 2014, research funding 2014-2017 and US\$10M first clinical milestone in February 2017
- Deal valued up to US\$506M in upfront, research and milestone payments plus additional royalties on net sales of licensed drugs
- Next key inflection point expected in 1H19



- Agreement covers research on BNC375 and related compounds
- BNC375 demonstrated potent memory enhancing properties in animal models – both episodic and working memory improved
- Targeting cognitive impairment in Alzheimer's and Parkinson's and other conditions

FY18 and YTD in Review – Key Developments

- July 2017 – Added to QTCQX Composite
- August 2017 – Full Year results. CNS focused operations in Australia and France with US shut down
- October 2017 – Formal process commenced to out-license oncology assets
- January 2018 - \$6.7m R&D tax incentive refund, reflecting continuing cash and tax efficient funding of our Australian costs
- February 2018 – Half Year results
- May 2018 – Commencement of BNC210 Agitation trial
- August 2018 – Full Year results
- October 2018 – BNC210 PTSD trial results – primary endpoint not achieved
- November 2018 – Leadership changes, strategic review, recapitalisation

Leadership Changes and Strategic Review

Leadership Changes

- As you know, I have been Bionomics' non-executive Chairman since July 2016 and have assumed the role of Executive Chairman effective 9 November 2018
 - Mr Alan Fisher will assume the role of Lead Director in the event I am subject to a conflict of interest or other incapacity
- Dr Deborah Rathjen has retired as Managing Director effective the same day but will continue as CEO until 31 January 2019
 - Dr Rathjen's departure arrangements are in line with her existing contract disclosed to shareholders in the Annual Report
 - We thank Dr Rathjen for her many years of dedication to Bionomics, its science and its people
- Mr Steven Lydeamore has resigned as CFO to pursue another opportunity and will depart on 23 November 2019. Bionomics' former CFO, Mr Stephen Birrell, has been appointed interim CFO

Strategic Review

- Bionomics has appointed Greenhill & Co to conduct a thorough review of strategic options for the company, to ensure the company can maximise strategic flexibility ahead of possible news events around 1Q19 relating to both the BNC210 Agitation trial and the MSD cognition partnership
- No decisions have been made at this time, pending developments, but the Board considers it prudent to be ready to respond promptly as required

Recapitalisation Update

- As previously announced, over the past several days Bionomics, through Shaw Stockbroking and Bell Potter as joint lead managers (“JLMs”), offered up to 5% of Bionomics’ issued capital to institutional investors at the same price as BVF had agreed to pay for its 10% of \$0.1637 per share (“BVF Placement”)
- Based on feedback from the brokers, and weak market conditions, the Board has determined that demand from institutions is insufficient to justify proceeding with the offer
- Therefore, the placement component of the Recapitalisation announced on 9 November will now consist solely of the BVF Placement
- BVF has exercised its top-up right under the Placement Agreement to acquire additional shares up to a total holding of 19.99% of Bionomics on a post-placement basis, if available within Bionomics’ placement capacity, resulting in the allocation of a further 12,072,580 shares at the same price
- The total Placement therefore consists of 60,169,738 new shares for total proceeds of \$9,849,786
- Bionomics shares resumed trading at the opening of the market this morning following completion of the placement

Recapitalisation Update – SPP

- Bionomics intends to proceed with the SPP as announced
- Final pricing and terms for the SPP will be announced on 22 November 2018
- Bionomics' present intention is that the SPP should proceed on the same terms as announced on 9 November, that is:
 - Entitlement to purchase up to \$15,000 of new Bionomics shares per holder
 - Price of \$0.155 per share, representing a discount of 5.3% to the price paid by BVF
 - Subject to scale-back such that the overall SPP will not exceed 2.5% of the post-placement issued capital of Bionomics

Financial Overview – Post Recapitalisation

- Pro Forma \$27.1m Cash and cash equivalents as at 31 October 2018, assuming SPP is fully subscribed
- Pro Forma Net Cash as at 31 October 2018 increased by (maximum) \$12.0m, providing enhanced flexibility to reduce or eliminate external debt in future
- October 2018 pro forma monthly pre-financing cash burn substantially reduced as previously stated
 - Monthly cost saving of personnel reductions (\$150k)
 - Monthly reduction in other expenditures (\$100k)
- BNC210 R&D cost savings from ceasing activities other than agitation (\$2m)
- Net cash runway extended to mid 2020

Bionomics Outlook

- Bionomics continues to adapt its strategy, leadership, capital structure and cost base dynamically in response to clinical data and market conditions
- While we have seen some disappointments, particularly in relation to the BNC210 PTSD trial, we have taken decisive action to protect our remaining assets and preserve the future potential value they may deliver to shareholders
- We have also taken hard decisions on leadership and cost changes which in aggregate have materially reduced our cash burn rate, and along with stabilization of our cash position through the successful placement and SPP we are better positioned us to optimise shareholder value under all foreseeable outcomes of forthcoming key inflection points
- This includes creating the potential to retire our debt during FY19, improving the company's resilience and protecting shareholder value against unforeseen downside scenarios
- Once again, we thank you for your ongoing support and we look forward to taking any questions