



ABN 53 075 582 740

ASX ANNOUNCEMENT
30 January 2020

Quarterly Cashflow Report

Bionomics Limited (ASX:BNO, OTCQB:BNOEF), a global, clinical stage biopharmaceutical company, today released its Appendix 4C - Quarterly Cashflow Report. During the quarter:

- the Company announced that the U.S. Food and Drug Administration (FDA) granted Fast Track designation to BNC210 for the treatment of Post-Traumatic Stress Disorder (PTSD).
- the Company received A\$5,183,291.69 R&D Tax Incentive Refund for the 2018/2019 financial year.
- the Annual General Meeting of the Company was held on Wednesday 20 November 2019 and Directors Dr Errol De Souza and Mr Alan Fisher were re-elected and Mr Mitchell Kaye was elected. The Remuneration Report was approved by shareholders and the Spill Resolution was withdrawn.
- Dr Errol De Souza's role as Executive Chairman was extended from 21 November 2019 for a period of 6 months, pending the recruitment of a new CEO. The Company has appointed a recruitment firm to identify suitable candidates for the role of CEO.
- the Company accepted an offer from Domain Therapeutics ("Domain") for the purchase of Bionomics' two wholly owned subsidiaries, Neurofit SAS ("Neurofit") and PC SAS ("Prestwick Chemical"), which operate as contract research companies in France. The sale price of €1,810,028.97 is the amount of intercompany debt owed by Bionomics to the subsidiaries for the scientific research conducted by them on Bionomics drug candidates and this debt will be assumed by Domain upon acquisition of the Companies. The offer from Domain is subject to satisfaction of a number of conditions precedent, including entering into definitive contractual documentation satisfactory to both parties and regulatory approval.
- We continue to assess the strategic options for partnering and portfolio prioritisation whilst protecting our major assets and conserving cash. The feasibility of funding a second clinical trial of BNC210 for the treatment of PTSD using the novel solid dose formulation is being assessed.

The Company continues to advance other pre-clinical assets in its research pipeline.

- Cash balance at 31 December 2019 was \$9.39 million (30 September 2019: \$9.36 million) with net operating cash outflow during the quarter ended 31 December 2019 of \$1.97 million.
- Cash receipts for the quarter ending 31 December 2019 mainly related to receipts from customers totalling \$1.55 million (30 September 2019: \$1.03 million) and Tax Incentive Refund of \$ 5.1 million.
- Research & development costs decreased by 45% compared with the previous quarter.

Upcoming Milestones:

- The completion of the sale of the French subsidiaries Neurofit and Prestwick to Domain Therapeutics is expected mid Q1 CY2020
- CEO recruitment is expected to be completed in Q2 CY2020
- Bionomics is working towards optimisation of its BNC210 tablets for use in its proposed second Phase 2 PTSD Trial.
- Whilst the internal focus and current R&D spend is restricted to CNS programs, Bionomics continues limited activities to maximize the value of its legacy oncology programs BNC101 and BNC105 through external funding of clinical development and divestment/out-licensing.

AUTHORISED BY DR ERROL DE SOUZA - EXECUTIVE CHAIRMAN

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Bionomics Limited

Bionomics (ASX: BNO) is a global, clinical stage biopharmaceutical company leveraging its proprietary platform technologies to discover and develop a deep pipeline of best in class, novel drug candidates. Bionomics' lead drug candidate BNC210, currently in Phase 2 for the treatment of agitation, is a novel, proprietary negative allosteric modulator of the alpha-7 ($\alpha 7$) nicotinic acetylcholine receptor. Beyond BNC210, Bionomics has a strategic partnership with Merck & Co., Inc (known as MSD outside the United States and Canada).

www.bionomics.com.au

Factors Affecting Future Performance

This announcement contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Any statements contained in this announcement that relate to prospective events or developments, including, without limitation, statements made regarding Bionomics' drug candidates (including BNC210, BNC101 and BNC105), its licensing agreements 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Bionomics Limited

ABN

53 075 582 740

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,554	2,593
1.2 Payments for		
(a) research and development	(1,453)	(4,079)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(45)	(105)
(e) staff costs	(222)	(587)
(f) administration and corporate costs	(1,170)	(2,550)
1.3 Dividends received (see note 3)		-
1.4 Interest received	5	46
1.5 Interest and other costs of finance paid	(305)	(688)
1.6 Income taxes paid		-
1.7 Government grants and tax incentives	5,183	7,288
1.8 Other (provide details if material)		
(a) Rent received	39	79
(b) Payments for contract services	(1,619)	(2,599)
1.9 Net cash from / (used in) operating activities	1,967	(602)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(7)
	(d) investments		(52)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	44	47
	(d) investments	-	550
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	42	538

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,037)	(4,598)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(2,037)	(4,598)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,363	13,985
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,967	(602)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	42	538
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,037)	(4,598)
4.5	Effect of movement in exchange rates on cash held	53	65
4.6	Cash and cash equivalents at end of period	9,388	9,388

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,388	9,363
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,388	9,363

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 (Director Fees)
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

135

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	12,600	12,600
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The loan facility relates to a US dollar borrowing from Silicon Valley Bank and Oxford Finance LLC, effective interest 9.0% and secured by substantially all of the Group's assets, other than intellectual property.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities	1,967
Less: Government Grants and Tax Incentives	(5,183)
Adjusted cash from / (used in) operating activities (Item 1.9)	(3,216)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	9,388
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	9,388
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.9

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:30 January 2020.....

Authorised by: Dr Errol De Souza, Executive Chairman.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.