ABN 53 075 582 740

ASX ANNOUNCEMENT
30 July 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 USD 6,818,182 loan facility with Silicon Valley Bank and Oxford Finance LLC, was amended to provide for a deferral of principal repayments for a 6-month period until November 2020 and an extension of the final maturity date of the facility by 6 months to 1 January 2022. In return, Bionomics granted further security to the financiers over its intellectual property portfolio, which was not previously the subject of security to the financiers.
- The Company entered into a Subscription Agreement with Apeiron Investment Group Ltd (Apeiron), the family office of entrepreneur and founder Christian Angermayer to recapitalise the Company and to assist in securing further equity capital. Under the Subscription Agreement, Apeiron agrees to subscribe or procure subscriptions of 135,833,000 Shares at an issue price of A$0.04 per Share to raise A$5,433,320 in two tranches; 81,500,000 shares which were issued to Apeiron on 30 June 2020 and 54,333,000 shares which will be issued upon shareholder approval at the Extraordinary General Meeting of Shareholders (EGM) to be held as a virtual meeting on Wednesday 26 August 2020 at 9am (ACST).

  Apeiron also agrees to underwrite further capital raisings by Bionomics within a fifteen-month-period from the EGM, with the effect that Bionomics will raise at least A$15,000,000 at a minimum issue price of A$0.06 per Share [subject to Foreign Investment Review Board (FIRB) and shareholder approvals].

  As part of the subscription process with Apeiron, and after completion of the second tranche, an entitlement offer will be launched in favour of eligible shareholders (including eligible retail shareholders) providing the opportunity to purchase pro rata up to 54,333,000 shares at A$0.04 per Share at the same price as the Apeiron subscriptions across the two tranches (subject to shareholder approvals and completion of the second tranche).

  If shareholder and FIRB approvals are received, the Company expects to raise a minimum of A$20.4 million in aggregate across several tranches (exact amount depending on take up under the entitlement offer and sale price of the future underwritten offering), which would ensure that the Company has significant funds to progress Phase 2 clinical trials for the treatment of PTSD and other anxiety and stress-related disorders for its lead compound, BNC210, which recently received Fast Track Designation from the U.S. Food and Drug Administration (FDA) for the treatment of Post-Traumatic Stress Disorder (PTSD).

  Upon satisfaction of Aperion's underwriting obligations, and subject to the Company raising the additional A$15,000,000, Apeiron will be granted 150,000,000 Warrants. Each Warrant grants Apeiron the right to be issued one further Share in Bionomics at an exercise price of A$0.06. If all Warrants are issued and exercised, Bionomics will receive a further A$9,000,000 in the period 15 to 36 months after the EGM.

- The Company announced the online publication of its paper entitled *Cholinergic Modulation of Disorder-Relevant Neural Circuits in Generalized Anxiety Disorder* in the peer-reviewed journal *Biological Psychiatry*. This paper describes the results of a placebo-controlled functional magnetic resonance imaging (fMRI) study conducted at the Institute of Psychiatry, Psychology and Neuroscience (IOPPN) at King's College London (KCL) which evaluated the effects of BNC210 treatment on brain responses to images of "fearful faces" in 24 Generalized Anxiety Disorder (GAD) patients. Treatment with Bionomics' proprietary compound, BNC210 significantly reduced amygdala reactivity to fearful faces relative to placebo and, similar to lorazepam, reduced connectivity between the amygdala and the anterior cingulate cortex network. The data demonstrated for the first time that the aberrant function of anxiety disorder-relevant neural circuits can be beneficially altered by BNC210 and support the potential for cholinergic modulation as a novel target for anxiolytic pharmacotherapy. The demonstration of anti-anxiety potential of BNC210 in GAD patients supports our investigations into PTSD.
- An experimental Phase 2 clinical trial of Bionomics cancer drug candidate, BNC105, in combination with Bristol-Myers Squibb's nivolumab (OPDIVO®) completed recruitment of patients with metastatic colorectal cancer. Final results from the trial are projected for early 2023. The trial, MODULATE, is being sponsored by the Australasian Gastro-Intestinal Trials Group (AGITG) and supported by Bristol-Myers Squibb. It is being conducted at 16 clinical oncology sites around Australia.
- Dr Errol De Souza continues in the role of Executive Chairman from 22 June 2020 to 30 June 2021 under a new Consultancy Agreement.
- Cash balance at 30 June 2020 was A$ 4.58 million (31 March 2020: A$4.65 million) with net operating cash outflow during the quarter ended 30 June 2020 of A$2.48 million.
- Cash receipts for the quarter ending 30 June 2020 related to licensing revenue A$47,000 (31 March 2020: A$0.997 million being revenue from contract services).
- Research & development expenditure increased to A$0.745 million from A$0.70 million compared with the previous quarter, that is, an increase of 6.4%. Details of the research & development activities are summarised in the **Activity Report** below.

Upcoming Milestones:

- The EGM to approve the Apeiron transaction to be held as a virtual meeting on Wednesday 26 August 2020 at 9am (ACST).
- Entitlement offer launched in September 2020 (subject to shareholder approvals at EGM and completion of the second tranche) in favour of eligible shareholders to purchase pro rata up to 54,333,000 shares at A$0.04 per Share.
- Bionomics expects to initiate manufacturing-related activities BNC210 tablets in Q3 CY 2020 for use in its proposed Phase 1 Pharmacokinetic (PK) trial in healthy volunteers to commence in late Q3 CY2020 and second Phase 2 PTSD trial to commence in Q2 CY2021.
- 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.

Activity Report

Bionomics is progressing its lead CNS drug candidate, BNC210, towards a Phase 2 clinical trial in PTSD. During Q2 CY2020, the key activity focussed on continuing to develop an optimal solid dose formulation of BNC210 to improve its exposure in clinical trial subjects. To achieve this, Patheon (Oregon, US) manufactured four newly optimised spray dried dispersion formulations into tablets for

evaluation in a dog pharmacokinetic (PK) study. PK data from the dog study are anticipated in late Q3 CY2020.The aim of this study is to select the best tablet formulation to take into a human multiple dosing PK study.

A contract manufacturing organisation has been selected to manufacture a large scale batch of BNC210 Active Pharmaceutical Ingredient (API), as well as BNC210 tablets for the human multiple dosing PK trial and the Phase 2 PTSD trial. Manufacturing will commence is early Q3 2020.

Bionomics is also supporting two Investigator-initiated clinical trials of its oncology drug candidate, BNC105, by providing drug for the trials. One trial is in combination with OPDIVO® in patients with colorectal cancer, and the other is in combination with Ibrutinib in patients with chronic lymphocytic leukemia.

For the purpose of Listing Rule 4.7C.3, Directors were paid $158,000 during the quarter.

AUTHORISED BY THE BOARD

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 (α7) 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	**Quarter ended ("current quarter")**
53 075 582 740	30 June 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
	(a) Contract services	-	3,590
	(b) Licence fees received	47	47
1.2	Payments for		
	(a) research and development	(745)	(5,526)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	(11)	(146)
	(e) staff costs	(144)	(895)
	(f) administration and corporate costs	(1,305)	(4,776)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	59
1.5	Interest and other costs of finance paid	(467)	(1,429)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	7,288
1.8	Other (provide details if material)		
	(a) Rent received	39	157
	(b) Payments for contract services	-	(3,619)
	(c) Government assistance Covid-19	109	109
1.9	**Net cash from / (used in) operating activities**	**(2,477)**	**(5,141)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(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	32	264
	(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)	-	
	Net cash outflow from disposal of French operations		
	(c) payment of costs	(59)	(153)
	(d) cash balance disposed of	-	(801)
2.6	**Net cash from / (used in) investing activities**	**(27)**	**(199)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,260	3,260
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	(749)	(7,382)
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**	**2,511**	**(4,122)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,651	13,985
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,477)	(5,141)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(27)	(199)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,511	(4,122)
4.5	Effect of movement in exchange rates on cash held	(80)	55
4.6	**Cash and cash equivalents at end of period**	**4,578**	**4,578**

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	4,578	4,651
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)**	**4,578**	**4,651**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Director fees)	158
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Director Fees are paid from the pool of fees approved by shareholders at the 2012 AGM

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	(9,953)	(9,953)
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	(9.953)	(9.953)
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, current interest is 8.25%, maturity date is 1 January 2022 and is secured by the Group's assets. Note, a six months interest only period applies from 1 May 2020.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,477)
	Less: one off payment relating to the Silicon Valley Bank and Oxford Bank loan for a six months interest only period from 1 May 2020 and extension of loan maturity by six months to 1 January 2022	220
	Adjusted net cash from / (used in) operating activities	(2,257)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4.578
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	4,578
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.03
	Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	

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

8.6.1 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:

8.6.2 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:

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

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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 July 2020.....

Authorised by: .....BY THE BOARD.....
(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.