

Bionomics Limited

ABN 53 075 582 740

Entitlement Offer

1-for-6 non-renounceable pro rata entitlement offer of fully paid ordinary shares in Bionomics Limited
at \$0.145 per New Share

The Entitlement Offer closes at 5.00pm (Adelaide time) on Tuesday 30 March 2021

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

If you are an Eligible Shareholder, this is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both documents should be read in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission.

If you have any questions in relation to Entitlement Offer please contact your professional advisor. You can also contact the Bionomics Offer Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AEDT) during the Entitlement Offer Period.

IMPORTANT NOTICES

This Offer Booklet has been prepared by Bionomics Limited (ABN 53 075 582 740) and is dated 8 March 2021. Capitalised terms in this Section have the meaning given to them in this Offer Booklet.

The Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Booklet should be read in its entirety before you decide to participate in the Entitlement Offer. This Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPay® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Offer Booklet.

No overseas offering

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Booklet does not constitute an offer to Ineligible Shareholders. This Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Bionomics to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Bionomics with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct Act 2013* (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States disclaimer

None of the information in this Offer Booklet or the Entitlement and Acceptance Form that will accompany this Offer Booklet when it is despatched to Eligible Shareholders constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet (or any part of it), the accompanying ASX announcements nor the Entitlement and Acceptance Form when that is to be made available, may be released or distributed directly or indirectly, to U.S. Persons.

The Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by U.S. Persons or by persons (including nominees or custodians) who are acting for the account or benefit of a U.S. Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

Definitions and time

Defined terms used in this Offer Booklet are contained in Section 9. All references to time are to the time in Adelaide (Australia), unless otherwise indicated.

Foreign exchange

All references to "\$" are AUD unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. Section 8 provides for a general guide to the Australian income tax, GST and stamp duty implications of the Entitlement Offer for Eligible Shareholders. The guide does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. Bionomics recommends that you consult your professional tax advisor in connection with the Entitlement Offer.

Privacy

Bionomics collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Bionomics.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Bionomics (directly or through the Share Registry). Bionomics collects, holds and will use that information to assess your Application.

Bionomics collects your personal information to process and administer your shareholding in Bionomics and to provide related services to you. Bionomics may disclose your personal information for purposes related to your shareholding in Bionomics, including to the Share Registry, Bionomics' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisors, and to ASX and regulatory bodies. You can obtain access to personal information that Bionomics holds about you. To make a request for access to your personal information held by (or on behalf of) Bionomics, please contact Bionomics through the Share Registry.

Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of South Australia, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Offer Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Offer Booklet may not be relied upon as having been authorised by Bionomics or any of its officers.

Past performance

Investors should note that Bionomics' past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Bionomics' future performance, including Bionomics' future financial position or share price performance.

Future performance

This Offer Booklet contains certain forward-looking statements, including statements with respect to the financial condition, results of operations, projects and business of Bionomics, certain plans and objectives of the management of Bionomics, projected earnings, revenue, growth, commodity prices, outlook, plans and strategies and the future strategies and results

of Bionomics and the opportunities available to it, the integration process and the timing and amount of synergies, the timing and outcome of the Entitlement Offer and the use of proceeds as well as guidance regarding future financial results for Bionomics' business. These statements relate to expectations, beliefs, intentions or strategies regarding the future. Forward looking statements may be identified by the use of words like 'anticipate', 'believe', 'aim', 'estimate', 'expect', 'intend', 'may', 'plan', 'project', 'will', 'should', 'seek' and similar expressions. These forward-looking statements reflect views and assumptions with respect to future events as of the date of this Offer Booklet. However, they are not guarantees of future performance. They involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Bionomics, nor any other person, gives any representation, warranty, assurance or guarantee, express or implied, as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Offer Booklet, or that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Bionomics and its directors and management. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Applicants should consider the forward-looking statements contained in this Offer Booklet in light of those disclosures. Except as required by law or regulation (including ASX Listing Rules), Bionomics undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Risks

Refer to Section 7 of this Offer Booklet for a summary of general and specific risk factors that may affect Bionomics.

Trading New Shares

Bionomics will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Bionomics or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional advisor.

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1 Summary of the Entitlement Offer

| Equity Raising | |
|--|--|
| Your entitlement | 1 New Share for every 6 Existing Shares held on the Record Date |
| Offer Price | \$0.145 |
| Oversubscription Facility | Eligible Shareholders will have the opportunity to apply for additional New Shares up to 100% of their Entitlement |
| Total shares to be issued | Approximately 140,922,476 New Shares |
| Gross proceeds (assuming 100% take-up) | Up to approximately \$20,000,000 before costs |

2 Key dates for the Entitlement Offer

| Event | Date |
|---|--|
| Announcement of the Entitlement Offer | Monday 8 March 2021 |
| “Ex” date | Wednesday 10 March 2021 |
| Record Date for determining Entitlement to subscribe for New Shares | [6.30pm] (Adelaide time), Thursday 11 March 2021 |
| Dispatch Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders | Tuesday 16 March 2021 |
| Entitlement Offer opens | Tuesday 16 March 2021 |
| Closing Date for Entitlement Offer | 5.00pm (Adelaide time), Tuesday 30 March 2021 |
| Issue of New Shares | Thursday 8 April 2021 (before noon) |
| Normal trading of New Shares commences | Friday 9 April 2021 |

This timetable is indicative only and subject to change without notice. Times are Adelaide times.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Subject to the requirements of the Corporations Act, ASX Listing Rules and any other applicable laws, Bionomics reserves the right to amend this timetable at any time, including extending the Entitlement Offer Period or accepting late Applications, either generally or in particular cases, and to withdraw the Entitlement Offer, without notice. Any extension of the Closing Date may have a consequential effect on the issue date of New Shares.

Bionomics also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies will be returned in full to Applicants (without interest).

Enquiries

If you have any doubt about whether you should participate in the Entitlement Offer, you should seek advice from your professional advisor before making any investment decision.

If you have any questions on how to complete the Entitlement and Acceptance Form or how to take up your Entitlement, please call the Bionomics Offer Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the Entitlement Offer Period. Alternatively, you can access information about the Entitlement Offer online at www.bionomics.com.au or www.asx.com.au.

Note that you can access an electronic copy of your personalised Entitlement and Acceptance Form for by visiting www.investorcentre.com/au and logging in as an Investor Centre member or using the “Single holding” option.

3 Letter from the Chairman

8 March 2021

Dear Shareholder,

Bionomics is pleased to invite you to participate in a 1-for-6 non-renounceable pro rata entitlement offer of new fully paid ordinary shares in Bionomics (**New Shares**) at an offer price of \$0.145 per New Share (**Offer Price**) (**Entitlement Offer**).

The Entitlement Offer provides Eligible Shareholders with the opportunity to purchase in pro rata up to approximately 140,922,476 New Shares at the Offer Price of \$0.145 per New Share. The Offer Price represents a discount of 44% to TERP.¹ The Offer Price also represents a discount of 48% to the closing price of Bionomics shares on Friday 5 March 2021 being \$0.28.

The Entitlement Offer is not underwritten.

This Entitlement Offer follows the raise of \$15,991,634 through the issue of 110,287,131 fully paid ordinary shares at an issue price of \$0.145 per share, from North American and European institutional and sophisticated investors. The Offer Price is the same as the issue price under this institutional offering.

Funds raised pursuant to the Entitlement Offer will be used to part fund the second Phase 2 trial by Bionomics in post-traumatic stress disorder (**PTSD**) and general working capital purposes.

Oversubscription Facility

The Entitlement Offer allows Eligible Shareholders who accept their Entitlement in full to apply for additional New Shares in excess of their Entitlement up to a maximum of the number of additional New Shares equal to 100% of their Entitlement (**Oversubscription Facility**). There is no guarantee that Applicants under this Oversubscription Facility will receive all or any of the additional New Shares they apply for under the Oversubscription Facility.

Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer. Bionomics retains the flexibility to scale back Applications for additional New Shares at its discretion (refer to Section 5 of this Offer Booklet for more information).

Additional New Shares will be issued at the Offer Price of \$0.145 per New Share. If there is an oversubscription for additional New Shares through the Oversubscription Facility, Eligible Shareholders will receive additional New Shares on a pro-rata basis having regard to their holdings as at the Record Date. If any shortfall remains after the allocation to Eligible Shareholders as provided above, the Directors may place the resulting shortfall within three months of the Closing Date.

¹ The Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which Bionomics shares should trade after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Bionomics shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by adjusting for the bonus-element of the Entitlement Offer based on the closing price of Bionomics shares on 5 March 2021.

In accordance with ASX Listing Rules, any Directors participating in the Entitlement Offer will not be applying for any additional New Shares under the Oversubscription Facility.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradeable on the ASX or otherwise transferable. This means that Eligible Shareholders who do not take up their Entitlements will not receive any value for those Entitlements and their proportionate economic interest in Bionomics will be diluted.

Company progress

We are extremely pleased with the progress that we have made over the past year in turning around the Company and getting BNC210 back on track with our novel tablet formulation for the treatment of post-traumatic stress disorder (PTSD) which has been granted Fast Track designation by the FDA (define?). With the dose of BNC210 now selected, we have initiated manufacturing of the tablets, clinical site selection and regulatory filings in preparation for a Phase 2b trial with BNC210 in PTSD patients projected for mid-2021. We are pleased to be able to offer all our current shareholders the opportunity to purchase shares at the same discounted price as was offered to new investors in the recently oversubscribed Private Placement of approximately \$16 million which along with the proposed Entitlement Offer will provide us with the funds necessary for BNC210 development.

Some key highlights over the last few months include the following (see announcements for details):

- November 19, 2020: **Bionomics Licenses Oncology Drug Candidate BNC101 to Carina Biotech for CAR-T Therapy Development**
- January 4, 2021: **Bionomics Initiates 7-Day Dosing Pharmacokinetic Study of BNC210 Tablet Formulation**
- January 18, 2021: **Publication of Positive BNC210 Phase 2a Data in Generalized Anxiety Disorder Patients**
- January 20, 2021: **Treatment of Colorectal Cancer Patients in Phase 2 BNC105/Nivolumab Combination Clinical Trial Completed – Topline Data in 2Q2021**
- February 9, 2021: **\$16 Million Capital Raise to Progress BNC210 PTSD Trial**
- February 11, 2021: **Novamind Announces Strategic Investment in Bionomics to Support PTSD Clinical Trial**
- February 17, 2021: **Bionomics & EmpathBio Memorandum of Understanding to determine feasibility of BNC210 & EMP-01 (MDMA) trial**
- February 22, 2021: **Positive BNC210 7-Day Dosing Pharmacokinetic Study Exceeds Blood Exposure Projected for PTSD Trial**
- February 26, 2021: **Bionomics' Half-Year Report**
- March 2, 2021: **Completion of Placement (announced on February 9) & Cleansing Notice**

Other information

This Offer Booklet contains important information, including:

- instructions on how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates;
- information regarding the personalised Entitlement and Acceptance Form that will accompany this Offer Booklet when it is despatched to Eligible Shareholders (and which will detail your Entitlement) to be completed in accordance with the instructions in this Offer Booklet and your personalised Entitlement and Acceptance Form; and
- instructions on how to take up all or part of your Entitlement via BPay® or by cheque.

The Entitlement Offer is scheduled to close at 5.00pm (Adelaide time) Tuesday 30 March 2021.

You should read this Offer Booklet carefully and in its entirety before making your investment decision. In particular, you should read and consider the risks in the 'Key risks' included in Section 7 of this Offer Booklet, which summarise some of the key risks associated with an investment in Bionomics. If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional advisor to evaluate whether or not to participate in the Entitlement Offer.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

If you decide to take this opportunity to increase your investment in Bionomics, please ensure that before 5.00pm (Adelaide time) on Tuesday 30 March 2021 you have paid your Application Monies, preferably via BPay® pursuant to the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Offer Booklet when it is dispatched to you, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Share Registry by 5.00 pm (Adelaide time) on Tuesday 30 March 2021.

For further information on the Entitlement Offer you can contact the Bionomics Offer Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia)] between 8.30am and 5.00pm (AEDT) during the Entitlement Offer Period.

On behalf of the Board of Bionomics, I encourage you to consider this investment opportunity and thank you for your ongoing support of Bionomics.

Yours faithfully

Dr Errol De Souza
Executive Chairman
Bionomics Limited

4 Summary of options available to you

If you are an Eligible Shareholder, you may take one of the following actions:

- (a) take up all of your Entitlement and also apply for additional New Shares under the Oversubscription Facility;
- (b) take up all of your Entitlement but not apply for any additional New Shares under the Oversubscription Facility;
- (c) take up part of your Entitlement and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements; or
- (d) do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a shareholder that is not an Eligible Shareholder, you are an **"Ineligible Shareholder"**. Ineligible Shareholders are not entitled to participate in the Entitlement Offer.

| Options available to you | Key considerations |
|--|--|
| Take up all of your Entitlement, and if you do so, you may apply for additional New Shares under the Oversubscription Facility | You may elect to purchase New Shares at the Offer Price (see Section 5 for instructions on how to take up your Entitlement). If you take up all of your Entitlement, you may also apply for additional New Shares under the Oversubscription Facility up to a maximum of the number of additional New Shares equal to a further 100% of your Entitlement. There is no guarantee that you will be allocated any additional New Shares under the Oversubscription Facility. |
| Take up part of your Entitlement | <p>If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Oversubscription Facility.</p> <p>If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up.</p> <p>If you do not take up your Entitlement in full, you will have your percentage holding in Bionomics reduced as a result of dilution by the shares issued under the Entitlement Offer.</p> |

| Options available to you | Key considerations |
|--|--|
| <p>Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements</p> | <p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlements to participate in the Entitlement Offer are non-renounceable, which means they are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</p> <p>If you do not take up your Entitlement, you will have your percentage holding in Bionomics reduced as a result of dilution by the shares issued under the Entitlement Offer.</p> |

5 How to apply

5.1 *Overview of Entitlement Offer*

Bionomics proposes to raise up to approximately \$20,000,000 before costs under this Entitlement Offer. Under the Entitlement Offer, Bionomics is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 6 Existing Shares held at 6.30pm (Adelaide time) on 11 March 2021 at the Offer Price of \$0.145 per New Share.

Under the Entitlement Offer, Eligible Shareholders are being sent this Offer Booklet, together with a personalised Entitlement and Acceptance Form, and are being invited to take up all or part of their Entitlement. In addition, Eligible Shareholders who take up their full Entitlement may also participate in the Oversubscription Facility by applying for additional New Shares equal in number up to a maximum of 100% of their Entitlement, at the Offer Price.

The Entitlement Offer is non-renounceable and not underwritten.

5.2 *Entitlement Offer*

The Entitlement Offer opens on 16 March 2021. The Offer Booklet will be despatched on that date, along with a personalised Entitlement and Acceptance Form, to Eligible Shareholders. The Entitlement Offer is expected to close at 5.00pm (Adelaide time) on Tuesday 30 March 2021.

The Entitlement Offer constitutes an offer to Eligible Shareholders, who are invited to apply for 1 New Share for every 6 Existing Shares held on the Record Date. The Offer Price represents a discount of 48% to the closing price of Bionomics shares on Friday 5 March 2021 being \$0.28.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on ASX, nor can they be sold, transferred or otherwise disposed of.

The Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows entitlement offers to be made without a prospectus, provided certain conditions are satisfied.

As a result, this offer is not being made under a prospectus and it is important for Eligible Shareholders to read and understand the information on Bionomics and the Entitlement Offer made publicly available by Bionomics, prior to taking up all or part of their Entitlement. In particular, please refer to Bionomics' interim and annual reports and other announcements made available at www.asx.com.au (including Bionomics' statutory report for the financial year ended 30 June 2020 released to ASX on 28 August 2020 and half yearly financial report for the half financial year ended 31 December 2020 released to ASX on 26 February 2021) and all other parts of this Offer Booklet carefully before making any decisions in relation to your Entitlement.

5.3 *Eligibility of Shareholders*

The Entitlement Offer is being offered to all Eligible Shareholders only.

Eligible Shareholders are Shareholders who:

- (a) are registered as holders of Existing Shares as at 6.30pm (Adelaide time) on the Record Date;
- (b) have a registered address on Bionomics' share register in Australia or New Zealand;

- (c) are not in the United States and are not a U.S. person (including nominees or custodians) acting for the account or benefit of a U.S. Person; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who do not satisfy the above criteria are Ineligible Shareholders.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by either BPay® or cheque, bank draft or money order, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Bionomics has determined that it is unreasonable to extend the Entitlement Offer to Ineligible Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

Note: If you purchase Shares on-market prior to the Record Date, the Shares will not be recorded on the Bionomics' share register until settlement has occurred. If settlement of this parcel of Shares occurs after the Record Date then there will be no Entitlement attributable to those Shares to participate in the Entitlement Offer.

5.4 Your Entitlement

A personalised Entitlement and Acceptance Form setting out your Entitlement (calculated as 1 New Share for every 6 Existing Shares held on the Record Date with fractional entitlements rounded up to the nearest whole number of New Shares) will accompany this Offer Booklet when it is despatched to Eligible Shareholders. Eligible Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent an Entitlement and Acceptance Form for each separate registered holding, and you will have separate Entitlements for each separate registered holding.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Oversubscription Facility. Eligible Shareholders may apply for additional New Shares equal in number to up to a maximum of 100% of their Entitlement. There is no guarantee that such Shareholders will receive the number of additional New Shares applied for under the Oversubscription Facility, if any. Additional New Shares will only be allocated to Eligible Shareholders under the Oversubscription Facility if available and then only if and to the extent that Bionomics so determines, in its absolute discretion. Any scale-back will be applied by Bionomics in its absolute discretion.

5.5 Options available to you

The number of New Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form that will accompany this Offer Booklet when it is despatched to you.

Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Oversubscription Facility (refer to Section 5.6);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to Section 5.7); or

- (c) allow their Entitlement to lapse (refer to Section 5.8).

Bionomics reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is 5.00pm (Adelaide time) on Tuesday, 30 March 2021 (however, that date may be varied by Bionomics in accordance with ASX Listing Rules).

5.6 Taking up all of your Entitlement or taking up all of your Entitlement and participating in the Oversubscription Facility

If you wish to take up all or part of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment must be received by no later than 5.00pm (Adelaide time) on 30 March 2021. If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Oversubscription Facility. Eligible Shareholders may apply for additional New Shares equal in number to up to a maximum of 100% of their Entitlement. If you apply for additional New Shares under the Oversubscription Facility, your Application Monies must include payment for as many additional New Shares as you are applying for.

For example, if you are an Eligible Shareholder who holds 600 Shares at the Record Date, then your Entitlement and right to apply for additional New Shares under the Oversubscription Facility would be as follows:

| Existing Shares held at the Record Date | 600 |
|---|---|
| Entitlement ratio | 1 New Share for every 6 Existing Shares held at the Record Date |
| Entitlement to New Shares | 100 |
| Maximum additional New Shares you can apply for under the Oversubscription Facility | 100 |
| Total number of New Shares you can apply for | 200 |

Application Monies received by Bionomics in excess of the amount in respect of your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares as your Excess Amount will pay for in full, subject to the maximum number of additional New Shares Eligible Shareholders may apply for under the Oversubscription Facility described above and any scale-back Bionomics may determine to implement, in its absolute discretion, in respect of additional New Shares. Bionomics' decision on the number of additional New Shares to be allocated to you will be final.

If you apply for additional New Shares under the Oversubscription Facility and if your Application is successful (in whole or in part), your additional New Shares will be issued to you at the same time that other New Shares are issued under the Entitlement Offer. Additional New Shares will only be allocated to Eligible Shareholders if available. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares. If your Application Monies includes an Excess Amount for additional New Shares which you are not ultimately allocated, you will be refunded in respect of those additional New Shares that you included payment for but were not allocated.

Refund amounts, if any, will be paid in Australian dollars by cheque sent by ordinary post to your address as recorded on Bionomics' share register as soon as practicable after close of the Entitlement Offer.

If there are excess oversubscription applications, Bionomics reserves the right to scale back applications for additional New Shares in its absolute discretion. In the event of a scale-back, the difference between the application monies received, and the number of additional New Shares allocated to you multiplied by the Offer Price of \$0.145 will be refunded following allotment. No interest will be paid on any application monies received and returned.

5.7 *Taking up part of your Entitlement and allowing the balance to lapse*

If you wish to take up part of your Entitlement, payment for the number of New Shares you wish to be allocated must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. If Bionomics receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment will be treated as an Application for as many New Shares as your Application Monies will pay for in full and any excess will be refunded to you (without interest). Alternatively your application may not be accepted.

If you do not take up your Entitlement in full, any part of your Entitlement which you do not take up will lapse and you will not receive any New Shares under the Entitlement Offer in respect of that part of your Entitlement.

5.8 *Allowing your full Entitlement to lapse*

If you do not wish to accept any of your Entitlement, do not take any further action and your full Entitlement will lapse.

5.9 *Consequences of not accepting all or part of your Entitlement*

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by Eligible Shareholders under the Oversubscription Facility. The Directors also reserve the right to place any Shares not subscribed for by Eligible Shareholders at their discretion within three months of the Closing Date.

By allowing part or all of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement in full and you will not receive any value for any part of your Entitlement which lapses. Your interest in Bionomics will also be diluted.

5.10 *Payment*

Payment should be made using BPay® if possible. New Zealand shareholders who do not have an Australian bank account will be able to pay by cheque, bank draft or money order (see below at Section 5.12).

Cash payments will not be accepted. Receipts for payment will not be issued.

Bionomics will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Excess Amount received by Bionomics may be treated as an application to apply for as many additional New Shares as your Excess Amount will pay for in full, subject to the maximum number of additional New Shares Eligible Shareholders may apply for under the Oversubscription Facility described in Section 5.6 above and any scale-back Bionomics may determine to implement, in its absolute discretion, in respect of additional New Shares. Bionomics' decision on the number of additional New Shares to be allocated to you will be final.

Any refunds in respect of Application Monies will be made as soon as practicable after the close of the Entitlement Offer. No interest will be paid to Applicants on any Application Monies received or refunded.

5.11 Payment by BPay®

For payment by BPay®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPay® if you are the holder of an account with an Australian financial institution that supports BPay® transactions.

If you are paying by BPay®, please make sure you use the specific Biller Code and your unique Customer Reference Number (CRN) on the back of your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you inadvertently use the same CRN for more than one of your Entitlements, you will be deemed to have applied only for New Shares on the Entitlement to which the CRN applies.

Please note that by paying by BPay®:

- (a) you do not need to submit your personalised Entitlement and Acceptance Form but are taken to have made the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 5.13; and
- (b) if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of as many New Shares as your Application Monies will pay for.

It is your responsibility to ensure that your BPay® payment is received by the Share Registry by no later than 5.00pm (Adelaide time) on 30 March 2021. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment.

5.12 If you are unable to pay by BPay®

Bionomics encourages payments by BPay® if possible.

To pay by cheque, bank draft or money order you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Bionomics Limited" and crossed "Not Negotiable".

It is your responsibility to ensure that your payment by cheque is received by the Share Registry by no later than 5.00pm (Adelaide time) on Tuesday 30 March 2021. You must ensure cleared funds are held in your account as your cheque will be banked as soon as practicable after it is received. Please note that you should consider postal and cheque clearance timeframes in meeting this deadline.

Your cheque, bank draft or money order must be:

- (a) for an amount equal to \$0.145 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian dollars drawn on an Australian branch of a financial institution. Payment cannot be made in New Zealand dollars. New Zealand resident shareholders must arrange for payment to be made in Australian dollars.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed as soon as it is received. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your Application may not be accepted.

If you make payment via cheque, you should mail your completed personalised Entitlement and Acceptance Form together with the cheque to:

Computershare Investor Services Pty Limited
GPO BOX 505
Melbourne Victoria 3001
Australia

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Bionomics' registered or corporate offices or other offices of the Share Registry.

5.13 *Entitlement and Acceptance form is binding*

A payment made through BPay® or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. Bionomics' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By making a payment by BPay® or by completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet, and Bionomics' constitution;
- (c) you authorise Bionomics to register you as the holder(s) of New Shares allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age (if you are a natural person) and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) once Bionomics receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPay®, you may not withdraw your application or funds provided except as allowed by law;
- (g) you agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPay®, at the Offer Price per New Share;

- (h) you authorise Bionomics, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Bionomics; and
 - (ii) each of Bionomics and its respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (j) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (k) the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (l) this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Bionomics and is given in the context of Bionomics' past and ongoing continuous disclosure announcements to ASX;
- (m) you have read and understand the statement of risks in the 'Key risks' section (Section 7) of this Offer Booklet, and that investments in Bionomics are subject to risk;
- (n) neither Bionomics nor its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisors, warrants or guarantees the future performance of Bionomics, nor do they guarantee any return on any investment made pursuant to the Entitlement Offer;
- (o) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (p) you authorise Bionomics to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) you represent and warrant (for the benefit of Bionomics and its related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- (r) you represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- (s) you represent and warrant (for the benefit of Bionomics and its related bodies corporate and affiliates) that you are an Eligible Shareholder and are not in the United States and are not a U.S. Person (including nominees or custodians) acting

for the account or benefit of a U.S. Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;

- (t) you acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act or under the laws of any state or other jurisdiction of the United States and that, accordingly, the Entitlements may not be taken up or exercised by a U.S. Person, and the New Shares may not be offered or sold, directly or indirectly, in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;
- (u) you acknowledge that you are subscribing for the Entitlements and the New Shares in an “offshore transaction” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (v) you have not and will not send any materials relating to the Entitlement Offer to any U.S. Person;
- (w) you agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in standard (regular way) brokered transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a U.S. Person; and
- (x) you make all other representations and warranties set out in this Offer Booklet.

5.14 Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable in any Australian State or Territory for subscribing for New Shares under the Entitlement Offer or for additional New Shares under the Oversubscription Facility.

5.15 Notice to Nominees and Custodians

The Entitlement Offer is being made to all Eligible Shareholders. Nominees with registered addresses in the eligible jurisdictions may also be able to participate in the Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Shareholder.

Nominees and custodians who hold Existing Shares as nominees or custodians will have received, or will shortly receive, a letter from Bionomics. Nominees and custodians should carefully consider the contents of that letter and note, in particular, that the Entitlement Offer is not available to, and they must not purport to accept the Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Shareholder; or
- (b) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Entitlement Offer to, any U.S. Person.

Bionomics is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws. Bionomics is not able to advise on foreign laws.

5.16 *Withdrawal of the Entitlement Offer*

Subject to applicable law, Bionomics reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case Bionomics will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Bionomics will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Bionomics.

5.17 *Risks*

Eligible Shareholders should be aware that an investment in Bionomics involves risks. The key risks identified by Bionomics are set out in Section 7 of this Offer Booklet.

5.18 *Enquiries*

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Bionomics Offer Information Line on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the Entitlement Offer Period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional advisor.

Note that you can access an electronic copy of your personalised Entitlement and Acceptance Form for by visiting www.investorcentre.com/au and logging in as an Investor Centre member or using the “Single holding” option.

6 Effect on Bionomics

6.1 Purpose and use of funds

Bionomics is raising funds under the Entitlement Offer for the following purposes:

- (a) to part fund Bionomics' BNC210 Phase 2b Clinical trial for the treatment of PTSD, which recently received Fast Track Designation from the U.S. Food and Drug Administration for the treatment of PTSD; and
- (b) general working capital purposes.

The maximum gross proceeds of the Entitlement Offer will be up to approximately \$20,000,000 assuming all Eligible Shareholders fully participate in the Entitlement Offer. If all Eligible Shareholders do not fully participate in the Entitlement Offer, the proceeds of the Entitlement Offer will be less than approximately \$20,000,000 unless all shortfall is taken up under the Oversubscription Facility or otherwise placed by the Directors within three months of the Closing Date.

Regardless of the quantum raised under the Entitlement Offer, the proceeds of the Entitlement Offer will be applied towards the uses set out above.

6.2 Financial Impact

The Entitlement Offer will increase Bionomics' net assets by an amount equal to the net proceeds of the Entitlement Offer.

The table below shows on a pro forma basis Bionomics' financial position following completion of the Entitlement Offer (assuming the maximum amount is raised under the Entitlement Offer). This information is pro forma in nature and provides an illustrative indication of the effect of the Entitlement Offer had it occurred as at 31 December 2020. It is presented in abbreviated form and does not include all the disclosures that are ordinarily provided in financial statements prepared in accordance with the Corporations Act. It should be read in conjunction with the other disclosures in this Offer Booklet, including those set out in Section 7.

| | Actual 31 December 2020 | Share Placement | Entitlement Offer (100% take-up) | Costs | Pro forma 31 December 2020 |
|----------------------------------|--|----------------------------|---|---------------------|---|
| Current Assets | | | | | |
| Cash and cash equivalents | \$ 5,739,547 | \$15,991,634 | \$ 20,433,755 | \$ (150,000) | \$ 42,014,942 |
| Other Current Assets | \$ 935,453 | \$- | \$ - | \$ - | \$ 935,453 |
| Total Current Assets | \$ 6,675,000 | \$15,991,634 | \$ 20,433,755 | \$ (150,000) | \$ 42,950,389 |
| Total Non-Current Assets | \$ 23,453,358 | \$- | \$ - | \$ - | \$ 23,453,358 |
| Total Assets | \$ 30,128,358 | \$15,991,634 | \$ 20,433,755 | \$ (150,000) | \$ 66,403,747 |
| Total Current Liabilities | \$ 9,080,401 | \$- | \$ - | \$ - | \$ 9,080,401 |

| | Actual 31 December 2020 | Share Placement | Entitlement Offer (100% take-up) | Costs | Pro forma 31 December 2020 |
|--------------------------------------|-------------------------------|--------------------|--|--------------|----------------------------------|
| Total Non-Current Liabilities | \$ 4,967,497 | \$- | \$ - | \$ - | \$ 4,967,497 |
| Total Liabilities | \$ 14,047,898 | \$- | \$ - | \$ - | \$14,047,898 |
| Net Assets | \$ 16,808,460 | \$15,991,634 | \$ 20,433,755 | \$ (150,000) | \$ 53,083,849 |
| Total Equity | \$ 16,080,460 | \$15,991,634 | \$ 20,433,755 | \$ (150,000) | \$ 53,083,849 |

Notes:

For the purpose of this pro forma balance sheet, it has been assumed that the costs and expenses of the Entitlement Offer will amount to approximately \$150,000. The actual level of costs will depend upon a number of factors including the level of participation by and mix of investors in the Entitlement Offer.

6.3 *Effect on capital structure*

The effect of the Entitlement Offer is set out below, assuming that the maximum number of New Shares are issued under the Entitlement Offer (subject to rounding and determination of entitlements) and no options are exercised or other Shares issued.

| | Number of Shares | Number of unlisted options (1) | Number of warrants (2) |
|---|---------------------|-----------------------------------|---------------------------|
| Balance at the date of this Offer Booklet | 735,247,559 | 21,332,050 | 16,082,988 |
| Share Placement (occurred on 2 March 2021) | 110,287,131 | | |
| Warrants issued pursuant to the Subscription Agreement with Apeiron dated 1 June 2020 | | | 150,000,000 |
| Maximum to be issued under the Entitlement Offer | 140,922,446/7? | - | - |
| Total Securities on issue after the Entitlement Offer | 986,457,127 | 21,322,050 | 166,082,988 |

(1) Details of unlisted options:

There are 21,332,050 unlisted options with expiry dates ranging from 26 March 2021 to 20 October 2025 and exercise prices ranging from \$0.0306 to \$0.713 as detailed on pages 20 to 23 of Bionomics' half-year 31 December 2020 financial report.

(2) Details of warrants:

| Expiry Date | Exercise Price | Number |
|------------------|----------------|---|
| 10 December 2021 | \$0.582 | 16,082,988 exercisable into 16,082,988 Shares |
| 26 August 2023 | \$0.06 | 150,000,000 exercisable into 150,000,000 Shares |

6.4 Potential effect on control

The potential effect the Entitlement Offer will have on the control of Bionomics, and the consequences of that effect, will depend on a number of factors, including investor demand and the extent to which Eligible Shareholders take up their Entitlements under the Entitlement Offer. Having regard to the composition of Bionomics' share register, the information contained in the substantial shareholder notices released to ASX and the terms of Entitlement Offer, the potential effects that the Entitlement Offer will have on the control of Bionomics and the consequences of that effect, are summarised below:

- (a) If all Eligible Shareholders take up their Entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of Bionomics.
- (b) If some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer, this could result in a dilution of those Eligible Shareholders' interests and the interests of Eligible Shareholders who accept their Entitlements increasing.
- (c) The proportional interests of Shareholders with registered addresses outside Australia and New Zealand (and other ineligible Shareholders) will be diluted because such Shareholders are not entitled to participate in the Entitlement Offer.
- (d) Shareholders who have accepted their Entitlement in full and that apply for Additional Shares under the Oversubscription Facility under the Entitlement Offer may increase their interests beyond their Entitlement. This could result in the dilution of holdings of those who failed to accept their Entitlements in full and those who failed to apply for Additional Shares.

Overall, Bionomics does not believe that any person will increase their voting power in Bionomics in a way that will have a material impact on the control of Bionomics or Bionomics' future direction or prospects.

7 Key risks

7.1 Introduction

An investment in Bionomics is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Offer Booklet and to consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Booklet.

There are specific risks which relate directly to the business. In addition, there are other general risks, many of which are largely beyond the control of Bionomics and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of Bionomics and the market price of the New Shares.

The following is not intended to be an exhaustive list of the risk factors to which Bionomics is exposed.

7.2 Company specific

- (a) **Incurred significant losses to date and anticipate incurring significant losses in the foreseeable future**

Bionomics is a clinical-stage biopharmaceutical company and the Board expects Bionomics to continue to incur losses for the foreseeable future. The Board anticipates that the rate at which Bionomics incurs losses will increase as it continues

its development of, seeks regulatory approval for and, if approved, begins commercialisation of BNC210 for the treatment of PTSD. If BNC210 fails in clinical trials or does not gain regulatory approval, or if any of Bionomics' drug candidates, if approved, fail to achieve market acceptance or adequate market share, Bionomics may never generate revenue or become profitable.

(b) **Failure of Bionomics to raise capital**

Bionomics' capital requirements will depend on numerous factors. Research and development costs and pursuit of its business plan will reduce Bionomics' cash reserves, which may not be replaced through future operations, should these prove unsuccessful or perform below expectations. Bionomics would in such cases be dependent on seeking additional capital elsewhere, whether through equity, debt or joint venture financing. Failure to raise capital now or in the future may raise a "going concern" issue.

Bionomics is likely to require further financing and to undertake future capital raisings. There is a risk that Bionomics may fail to raise sufficient capital to develop and implement its business plan in the future. General instability and uncertainty in the global economic environment means that equity funding may be difficult to obtain and the Directors may form the view that any fundraising activities should be deferred.

The Board can give no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of Bionomics. No assurance can be given that Bionomics will be able to procure sufficient funding at the relevant times on terms acceptable to it.

Any additional future equity financing will dilute the shareholdings of Shareholders and any debt financing, if available, may involve restrictions on Bionomics' operating activities and business strategy. If Bionomics is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or scale back its business plans or research and development plans, as the case may be which could have a material adverse effect on Bionomics' activities.

(c) **Research and development success**

Bionomics' drug candidates and compounds in its discovery, preclinical and clinical pipeline are in varying stages of development and will require substantial clinical development, testing and regulatory approval prior to commercialisation. It may be several more years before these drug candidates receive regulatory approval, if ever. If any of Bionomics' drug candidates fail to become approved drugs, its business, financial condition, results of operations and prospects may be adversely affected and the trading price of Bionomics' securities may decline.

The commercialisation of Bionomics' "off strategy" preclinical central nervous system (CNS) assets and clinical oncology assets is dependent on out-licensing activities which may or not be successful. If successful, out-licensing revenue will be milestone driven payments and/or royalties if the drug candidate reaches the necessary sales revenue thresholds.

Bionomics' collaboration with Merck & Co (known as **MSD** outside the U.S. and Canada) to develop drug candidates targeting cognitive dysfunction associated with Alzheimer's disease and other CNS conditions is dependent on MSD completing all preclinical and clinical development and obtaining and maintaining regulatory approval for the applicable drug candidates from the U.S. Food & Drug Administration (**FDA**). If such drug candidates are advanced through clinical trials

and receive regulatory approval from the FDA, MSD will be responsible for commercialisation. Thus, the potential for Bionomics to obtain future development milestone payments and, ultimately, generate revenue from royalties on sales of such collaboration drugs depends entirely on successful development, regulatory approval, marketing and commercialisation by its collaboration partner.

(d) **Operations**

Bionomics is highly dependent on the principal members of its senior management and scientific staff, the loss of whose services could adversely affect the achievement of its development objectives. Bionomics could also experience difficulty attracting and retaining such employees in the future. Competition for qualified personnel in the biotechnology and pharmaceuticals fields is intense due to the limited number of individuals who possess the skills and experience required by the industry. As such, Bionomics could have difficulty attracting experienced personnel and may be required to expend significant financial resources in its employee recruitment and retention efforts.

Bionomics also relies on third parties, such as contract laboratories, Contract Research Organisations (**CROs**), Contract Manufacturing Organisations (**CMOs**), medical institutions, academic institutions and clinical investigators to conduct its manufacturing, preclinical studies and clinical trials. While Bionomics will have agreements governing these third parties' activities, Bionomics only controls certain aspects of their activities and has limited influence over their actual performance. The third parties with whom Bionomics contracts for manufacturing and execution of preclinical studies and clinical trials play a significant role in the conduct of these studies and trials and the subsequent collection and analysis of data. Although Bionomics relies on these third parties to conduct its manufacturing, preclinical and clinical trials, it remains responsible for ensuring that each of its manufacturing activities, preclinical studies and clinical trials are conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and Bionomics' reliance on third parties does not relieve it of these responsibilities.

Bionomics' internal computer systems and those of its third-party CROs and other contractors and consultants are vulnerable to damage from computer viruses, unauthorised access, natural disasters, terrorism, war and telecommunication and electrical failures. While Bionomics has not experienced any such system failure, accident or security breach to date, if such an event were to occur, it could result in a material disruption of Bionomics' programs.

The COVID-19 pandemic has not affected Bionomics' preclinical or clinical operations to date, but the Board cannot rule out that it may impact Bionomics' operations in the future. The timely completion of clinical trials in accordance with their protocols depends, among other things, on Bionomics' ability to enrol a sufficient number of suitable patients who remain in the study until its conclusion. If Bionomics experiences delays, as a result of the pandemic or otherwise, in completing its clinical trials, such delays could result in increased costs, delays in advancing its drug development, delays in testing the effectiveness of its drug candidates or termination of the clinical trials altogether.

(e) **Insurance risks**

Bionomics insures its operations in accordance with industry practice. However, in certain circumstances, Bionomics' insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business,

financial condition and results of Bionomics. Insurance against all risks associated with research and development and clinical trials may not always be available and where available the costs can be prohibitive.

(f) **Reliance on key personnel**

Bionomics' business relies on a number of key executives and officers. If any of the key executives or officers leave Bionomics, this may have an adverse effect on its operations, financial position and/or performance.

7.3 Industry specific

(a) **Regulatory approval risks**

The research, testing, manufacturing, labelling, approval, selling, import, export, marketing and distribution of drug and biological products are subject to extensive regulation by the FDA and comparable regulatory authorities in other jurisdictions, which regulations differ from country to country. Neither Bionomics nor any of its collaboration partners are permitted to market any drugs or biological products until Bionomics receives regulatory approval from the FDA or comparable authority. Marketing authorisation can be a lengthy, expensive and uncertain process.

A number of nonclinical studies and clinical trials will be required for approval by the FDA and comparable authorities, and the time required to obtain approval typically takes many years following the commencement of clinical trials and depends upon numerous factors. The FDA and comparable authorities have substantial discretion in the approval process and Bionomics may encounter matters with the FDA or comparable authorities that requires Bionomics to expend additional time and resources and delay or prevent the approval of its drug candidates. Despite the time and expense exerted, failure can occur at any stage.

This lengthy approval process, as well as the unpredictability of the results of clinical trials, may result in Bionomics' failure to obtain regulatory approval to market any of its drug candidates, which would significantly harm its business, financial condition, results of operations and prospects.

In addition, even if Bionomics obtains approval, regulatory authorities may approve any of its drug candidates for fewer or more limited indications than it requests, may not approve the price it intends to charge for its drugs, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that does not include the labelling claims necessary or desirable for the successful commercialisation of any future drug. Any of the foregoing scenarios could harm the commercial prospects for Bionomics' drugs.

(b) **Safety and Efficacy Risks**

Clinical trials often fail to demonstrate safety and efficacy of the drug candidate studied for the target indication. Most drug candidates that commence clinical trials are never approved as drugs. If Bionomics' drug candidates are not shown to be both safe and effective in clinical trials, it will not be able to obtain regulatory approval or commercialise these drug candidates. In such case, Bionomics would need to develop other compounds and conduct associated preclinical studies and clinical trials, as well as consider the potential need for additional financing, which would have a material adverse effect on its business, financial condition, results of operations and prospects.

(c) **Manufacturing or Formulation Risks**

As drug candidates are developed through to late stage clinical trials towards approval and commercialisation, it is common that various aspects of the development program, such as manufacturing methods and formulation, are altered along the way in an effort to optimise processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause Bionomics' drug candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the altered materials. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of drug candidates or jeopardise Bionomics' or its collaborators' ability to commence drug sales and generate revenue.

(d) **Risks in Obtaining Regulatory Approvals across Jurisdictions**

Sales of Bionomics' approved drugs will be subject to regulatory requirements governing clinical trials and regulatory approval, and Bionomics plans to seek regulatory approval to commercialise its drug candidates in the United States and other countries. Clinical trials conducted in the United States may not be accepted by regulatory authorities in other countries and regulatory approval in one country does not ensure approval in any other country, while a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory approval process in others.

(e) **Unexpected Drug Side Effects and Related Risks**

Undesirable side effects caused by Bionomics' drug candidates could cause Bionomics or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA or comparable regulatory authority. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential drug liability claims. In addition, these side effects may not be appropriately recognised or managed by the treating medical staff. Bionomics expects to have to train and/or inform medical personnel using its drug candidates to understand the side effect profiles for its clinical trials and upon any commercialisation of any of its drug candidates. Inadequate training or information in recognising or managing the potential side effects of Bionomics' drug candidates could result in patient injury or death. Any of these occurrences may significantly harm Bionomics' business, financial condition and future prospects.

If any of Bionomics' drug candidates receive marketing approval, and Bionomics or others later identify undesirable side effects caused by such drugs, a number of potentially significant negative consequences could result, including:

- regulatory authorities may withdraw their approval of the drug;
- Bionomics may be required to recall a drug or change the way such drugs are administered to patients;
- additional restrictions may be imposed on the marketing or the manufacturing of the particular drug;
- Bionomics may be required to implement changes to the manufacturing processes for the drug or any component thereof;

- regulatory authorities may require the addition of labelling statements, such as a “black box” warning or a contraindication;
- Bionomics may be required to implement a risk evaluation and mitigation strategy, or REMS, or create a medication guide outlining the risks of such side effects for distribution to patients;
- Bionomics could be sued and held liable for harm caused to patients;
- the drug may become less competitive; and
- Bionomics' reputation may suffer.

Any of the foregoing events could also prevent Bionomics from achieving market acceptance of the particular drug candidate, and, if approved, and result in loss of significant revenues, which would materially and adversely affect its results of operations and business.

(f) **Risk of Misconduct or Non-Compliance with Regulatory Standards**

Bionomics is exposed to the risk that its employees, independent contractors, clinical investigators, CROs, CMOs, consultants, vendors and collaboration partners may engage in fraudulent conduct or other illegal activities. It is not always possible to identify and deter misconduct by employees and other third parties, and the precautions Bionomics may take to detect and prevent misconduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting itself from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations.

(g) **Ongoing Regulatory Risks**

Any regulatory approvals that Bionomics receives for its drug candidates may be subject to limitations on the approved indicated uses for which the drug may be marketed or the conditions of approval, or contain requirements for potentially costly post-market testing and surveillance to monitor the safety and efficacy of the drug candidate.

Later discovery of previously unknown problems with Bionomics' drug candidates, including side effects of unanticipated severity or frequency, or with its third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of its drug candidates, withdrawal of the drug from the market, or voluntary or mandatory drug recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA or other regulatory authorities to approve pending applications or supplements to approved applications filed by Bionomics or suspension or revocation of approvals;
- drug seizure or detention, or refusal to permit the import or export of Bionomics' drug candidates; and
- injunctions or the imposition of civil or criminal penalties.

The FDA and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of Bionomics' drug candidates. Bionomics cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or other jurisdictions. If Bionomics is slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if it is not able to maintain regulatory compliance, Bionomics may lose any marketing approval that it may have obtained and may not achieve or sustain profitability.

(h) **Intellectual Property Rights and Enforcement Risks**

Bionomics' success will depend, in part, on its ability to obtain and maintain intellectual property rights in the United States and other countries, successfully defend its intellectual property rights against third party challenges and successfully enforce its intellectual property rights to prevent third party infringement. Bionomics relies upon a combination of patents, trade secret protection and confidentiality agreements.

Bionomics' ability to protect any of its drug candidates and technologies from unauthorised or infringing use by third parties depends in substantial part on its ability to obtain and maintain valid and enforceable patents in both the United States and other countries. Although Bionomics' patent portfolio includes patents and patent applications in the United States, Europe, Canada and Australia, the scope of coverage provided by these patents varies from country to country.

There can be no assurance that Bionomics will discover or develop patentable drugs or processes or that patents will issue from any pending patent applications owned or licensed by it or any patent applications it may own or license in the future, or if issued, that the breadth of such patent coverage will be sufficient. Bionomics cannot guarantee that claims of issued patents owned or licensed to it, either now or in the future, are or will be held valid or enforceable by the courts or, even if unchallenged, will provide Bionomics with exclusivity or commercial value for its drug candidates or technology or any significant protection against competitive drugs or prevent others from designing around Bionomics' claims.

Further, if Bionomics encounters delays in regulatory approvals, the period of time during which it could market any future drugs under patent protection could be reduced. Bionomics will incur significant ongoing expenses in maintaining its patent portfolio. Should Bionomics lack the funds to maintain its patent portfolio or to enforce its rights against infringers, it could be adversely impacted. Even if claims of infringement are without merit, any such action could divert the time and attention of management and impair Bionomics' ability to access additional capital or cost it significant funds to defend.

(i) **Reimbursement Risk**

The availability and adequacy of coverage and reimbursement by governmental healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payers are essential for most patients to be able to afford drugs such as Bionomics' drug candidates, assuming approval. Bionomics' ability to achieve acceptable levels of coverage and reimbursement for drugs by governmental authorities, private health insurers and other organisations will have an effect on its ability to successfully commercialise, and attract additional collaboration partners to invest in the development of its drug candidates. Bionomics cannot be sure that coverage and reimbursement in the United States, the European

Union, Australia or elsewhere will be available for any drug that it may develop, and any reimbursement that may become available may be decreased or eliminated in the future.

If reimbursement is not available or is available only at limited levels, Bionomics may not be able to successfully commercialise its drug candidates, and may not be able to obtain a satisfactory financial return on drugs that it may develop.

7.4 General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Bionomics' activities, as well as on its ability to fund those activities.

(b) **Competition risk**

The industry in which Bionomics is involved is subject to domestic and global competition. Although Bionomics will undertake all reasonable due diligence in its business decisions and operations, Bionomics has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of Bionomics' projects and business. To the extent that there are new entrants or changes in strategy by existing competitors, Bionomics' competitive position may be impacted by consequent adverse effects on the operating and financial performance of Bionomics' projects and business.

(c) **Market for Shares**

The price of the New Shares is subject to uncertainty and there can be no assurance that an active market for Bionomics' Shares will continue after the Entitlement Offer. The price at which the New Shares trade on ASX may be higher or lower than the issue price of the New Shares offered under this Entitlement Offer and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and Bionomics have no control, such as movements in exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in Bionomics' Shares will continue or that the price of the New Shares will increase. There may be relatively few or many potential buyers or sellers of Bionomics' Shares on ASX at any given time. This may increase the volatility of the market price of the New Shares. It may also affect the prevailing market price at which Shareholders are able to sell their New Shares. This may result in Shareholders receiving a market price for their New Shares that is above or below the price that Shareholders paid.

(d) **Market conditions**

Share market conditions may affect the value of Bionomics' Shares regardless of Bionomics' operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;

- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- pandemic or global health crises; and
- terrorism or other hostilities.

The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biopharmaceutical stocks in particular. Neither Bionomics nor the Directors warrant the future performance of Bionomics or any return on an investment in Bionomics.

(e) **Taxation**

The acquisition and disposal of New Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the New Shares are urged to obtain independent financial advice about the consequences of acquiring New Shares from a taxation viewpoint and generally. To the maximum extent permitted by law, Bionomics, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for New Shares under this Entitlement Offer.

7.5 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Bionomics or by investors in Bionomics. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Bionomics and the value of the New Shares offered under this Entitlement Offer. Therefore, the New Shares to be issued pursuant to the Entitlement Offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in Bionomics is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares.

7.6 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

7.7 Allotment

Bionomics has applied for quotation of the New Shares on ASX in accordance with ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Bionomics will repay all Application Monies (without interest).

Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Entitlement Offer will take place on Thursday 8 April 2021 (before noon). Application Monies will be held by Bionomics on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that the New Shares allotted under the Entitlement Offer will commence trading on a normal basis on Friday 9 April 2021.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

7.8 Reconciliation

The Entitlement Offer is a complex process and in some instances investors may believe they own more Shares than they actually do or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Bionomics may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders receive their full Entitlement. The price at which these additional New Shares would be issued, if required, is the Offer Price.

Bionomics also reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

7.9 No underwriting

The Entitlement Offer is not underwritten.

7.10 Continuous Disclosure

Bionomics is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Bionomics is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Bionomics has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Bionomics shares. That information is available to the public from ASX.

7.11 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

7.12 Not investment advice

This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Bionomics is not licensed to provide financial product advice in respect of the New Shares. The information contained in this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Bionomics' other periodic statements and continuous disclosure announcements lodged with ASX.

8 Australian taxation considerations

8.1 General

Set out below is a general guide to the Australian income tax, GST and stamp duty implications of the Entitlement Offer for Eligible Shareholders. The guide applies only to Eligible Shareholders:

- (a) who are Australian tax resident individuals, companies or complying superannuation entities;
- (b) that hold their Existing Shares, New Shares or additional New Shares acquired under the Oversubscription Facility on capital account (and not as trading stock or otherwise on revenue account);
- (c) who did not acquire their Shares through an employee share scheme; and
- (d) are not subject to the taxation of financial arrangement regime in relation to their Shares.

The guide does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax or financial advice. It does not purport to be a complete analysis of the potential Australian tax consequences of the Entitlement Offer and is intended as a general guide to the Australian tax implications. Eligible Shareholders should seek advice from an appropriate professional advisor in relation to the Australian tax implications of the Entitlement Offer based on their own individual circumstances. Neither Bionomics, nor any of its officers, employees or advisors, accept any responsibility or liability in respect of the taxation consequences associated with the Entitlement Offer.

The comments below are based on the Australian tax law as it applies as at the date of the Offer Booklet. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial interpretations of law after this time. The comments do not address any tax issues which may arise in any country other than Australia.

8.2 Issue of Entitlement

The issue of the Entitlement to holders of Existing Shares will not in itself result in any amount being included in the assessable income of an Eligible Shareholder.

8.3 Exercise of Entitlement and applying for additional New Shares

An Eligible Shareholder will not derive any assessable income, or make any capital gain or capital loss at the time of exercising their Entitlement under the Entitlement Offer or acquiring additional New Shares under the Oversubscription Facility.

For CGT purposes, New Shares will be taken to have been acquired on the day that an Eligible Shareholder exercises their Entitlement and additional New Shares will be taken to have been acquired on the date the additional New Shares were issued to the Eligible Shareholder. The cost base of each New Share and additional New Share will include the Offer Price payable for each New Share and additional New Share respectively plus certain incidental costs the Eligible Shareholder incurs in acquiring the New Shares and additional New Shares.

8.4 Lapse of Entitlement

As an Eligible Shareholder will not pay for or receive any consideration for any Entitlement that is not taken up and lapses, there should be no income tax implications for an Eligible Shareholder in these circumstances.

8.5 Taxation in respect of dividends on New Shares

Subject to satisfying the holding period rule (requiring shares to be held at risk for at least 45 days after acquisition), where necessary, any future dividends or other like distributions made in respect of New Shares or additional New Shares will be subject to the same income taxation treatment as dividends or other like distributions made on Existing Shares held in the same circumstances. No withholding should be required from any dividend or other like distribution if you have provided your tax file number or Australian Business Number to Bionomics.

8.6 Disposal of New Shares or additional New Shares

The disposal of New Shares or additional New Shares will constitute a disposal of an asset for CGT purposes.

On disposal of New Shares or additional New Shares, an Eligible Shareholder will make a capital gain if the capital proceeds received on disposal exceed the cost base of the New Shares or additional New Shares. An Eligible Shareholder will make a capital loss if the capital proceeds are less than the reduced cost base of the New Shares or additional New Shares.

Eligible Shareholders that are individuals (other than certain temporary residents), trustees or complying superannuation entities and that have held their New Shares or additional New Shares for 12 months or more are generally entitled to apply the applicable CGT discount percentage to reduce the capital gain (after offsetting capital losses). The CGT discount percentage is 50% for Australian resident individuals and trustees, and 33.33% for complying superannuation entities.

For the purpose of determining whether the New Shares have been held for 12 months or more, Eligible Shareholders will be taken to have acquired them when they exercise their Entitlement under the Entitlement Offer. Additional New Shares will be taken to have been acquired when the additional New Shares were issued under the Oversubscription Facility.

Eligible Shareholders that make a capital loss on disposal of New Shares or additional New Shares can only use that loss to offset other capital gains i.e. the capital loss cannot be offset against taxable income on revenue account. However, if the capital loss cannot be used in a particular income year it can be carried forward to use in future income years, subject, in the case of a corporate or trustee Eligible Shareholder, to certain loss utilisation tests which may need to be satisfied.

If you sell your New Shares or additional New Shares off market, you may be required by the purchaser to declare that you are an Australian tax resident or that the shares are not indirect Australian real property interests, to prevent withholding from the proceeds. Shares will be indirect Australian real property interests where you hold at the time of sale, or have held for at least 12 months in the 24 months preceding the sale, a non-portfolio interest in Bionomics and more than half of the underlying assets of Bionomics are represented by Australian real property (including leases and mining rights).

8.7 GST

The taking up of the New Shares and additional New Shares will be classified as a “financial supply” for Australian GST purposes. Accordingly, Australian GST will not be payable in respect of amounts paid for the acquisition of the New Shares or additional New Shares. There may be a restriction on the entitlement of GST registered Eligible Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares or additional New Shares acquired under the Oversubscription Facility.

8.8 *Stamp duty*

Stamp duty will not be payable by an Eligible Shareholder in respect of the taking up and any subsequent transfer of New Shares or additional New Shares.

9 Glossary

In this Offer Booklet, the following terms have the following meanings:

| Term | Definition |
|---------------------------------|--|
| \$ or A\$ or AUD or dollars | Australian dollars (unless otherwise specified) |
| Apeiron | Apeiron Investment Group Ltd. |
| Applicant | an Eligible Shareholder who has submitted a valid Application |
| Application | an application to subscribe for New Shares under the Entitlement Offer |
| Application Monies | monies received from applicants in respect of their Applications |
| Approved U.S. Shareholders | those Shareholders (including those persons on whose account or for whose benefit such Shareholders are acting, as applicable) as at the Record Date that are located in the United States and that are “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) |
| ASIC | Australian Securities and Investments Commission |
| ASX | ASX Limited (ABN 98 008 624 691) or the financial products market operated by that entity known as the Australian Securities Exchange |
| ASX Listing Rules | the official listing rules of ASX |
| Bionomics | Bionomics Limited (ABN 53 075 582 740) |
| CGT | capital gains tax |
| Closing Date | 5.00pm (Adelaide time) on Tuesday 30 March 2021. This is the final date that Eligible Shareholders can take up some or all of their Entitlement |
| Corporations Act | <i>Corporations Act 2001</i> (Cth) |
| Directors | the directors of Bionomics |
| Eligible Shareholder | is defined in Section 5.3 |
| Entitlement | the entitlement to subscribe for 1 New Share for every 6 Existing Shares held on the Record Date by Eligible Shareholders |
| Entitlement and Acceptance Form | the Entitlement and Acceptance Form accompanying this Offer Booklet upon which an Application can be made |
| Entitlement Offer | the non-renounceable pro-rata offer to Eligible Shareholders to subscribe for 1 New Share for every 6 Existing Shares of which the Shareholder is the registered |

| Term | Definition |
|---------------------------|---|
| | holder on the Record Date, at the Offer Price pursuant to this Offer Booklet |
| Entitlement Offer Period | the period commencing on the opening date of the Entitlement Offer, as specified in the “Key Dates for the Entitlement Offer” in Section 2, and ending on the Closing Date |
| Excess Amount | is defined in Section 5.6 |
| Existing Share | a Share on issue on the Record Date |
| FDA | the U.S. Food and Drug Administration. |
| GST | Australian Goods and Services Tax (currently 10%) |
| Ineligible Shareholder | a Shareholder who is not an Eligible Shareholder |
| New Shares | the Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Oversubscription Facility |
| Offer Booklet | this booklet dated 8 March 2021 |
| Offer Price | \$0.145 per New Share |
| Oversubscription Facility | the facility described in Section 5.6 under which Eligible Shareholders may apply for additional New Shares in excess of their Entitlement |
| PTSD | post-traumatic stress disorder |
| Record Date | the time and date for determining which Shareholders are entitled to an Entitlement under the Entitlement Offer, being at 6.30pm (Adelaide time) Thursday 11 March 2021 |
| Section | a section of this Offer Booklet |
| Share | a fully paid ordinary Bionomics share |
| Share Registry | Computershare Investor Services Pty Limited (ACN 078 279 277) or any other person appointed as registry by Bionomics from time to time |
| Shareholder | the registered holder of an Existing Share |
| U.S. or United States | has the meaning given to that term in Rule 902(l) under the U.S. Securities Act |
| U.S. Person | has the meaning given to that term in Rule 901(k) under the U.S. Securities Act |
| U.S. Securities Act | <i>U.S. Securities Act of 1933</i> |

10 Corporate directory

Bionomics

Bionomics Limited
31 Dalglish Street
Thebarton SA 5031

Legal Advisor

Johnson Winter & Slattery
Level 9, 211 Victoria Square
Adelaide SA 5000

Share Registry

Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA 5000