For personal use only

ABN 53 075 582 740

**ASX ANNOUNCEMENT**
**23 October 2020**

# Quarterly Cashflow Report

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

- Mr Aaron Weaver was appointed as a Non-Executive Director to the Board of Bionomics Limited from 6 July 2020. Mr Weaver is the nominee of Apeiron Investment Group Ltd (**Apeiron**) under the Subscription Agreement dated 1 June 2020 between the Company and Apeiron. Under that Agreement, Apeiron will subscribe or procure the subscription of, approximately A$20-A$22 million in total funding to progress BNC210 development for the treatment of post-traumatic stress disorder (**PTSD**).
- Following the amendment to the US Bank Loan facility that occurred during May 2020 to defer principal repayment until November 2020 and extend final maturity until 1 January 2022, Bionomics' management became aware that the final payment under the original loan facility had not been accounted for appropriately resulting in an understatement of non-current bank borrowings. The omission resulted in the failure to accrue for this liability. There is no impact on the current cash position or the fundraising strategy to advance the tablet formulation of BNC210 to Phase 2 clinical trials for the treatment of PTSD. To rectify this omission, the Board restated the affected comparative financial information, which appears in the Company's FY2020 Financial Statements.
- On 17 August 2020 the ASX expressed concern over the change in the price of Bionomics' securities from a low of $0.083 to a high of $0.115 over the last few days and the significant increase in the volume of Bionomics' securities traded on 14 August 2020 and 17 August 2020. The Company advised the ASX that it was unaware of any information which, if known by some in the market, could explain the recent trading in its securities and continues to comply with its continuous disclosure obligations.
- On 26 August 2020 the Company held its General Meeting seeking approval for 7 Resolutions, namely: Resolution 1, Approval for the first placement of 81,500,00 shares to Apeiron; Resolution 2, Approval for the second placement of 54,333,000 shares to Apeiron; Resolution 3, Approval for the acquisition of a relevant interest by Apeiron and Christian Angermayer of up to 52%; Resolution 4, Approval for the issue of up to 250,000,000 shares under further offer underwriting arrangements; Resolution 5, Confirmation of the appointment of Mr Aaron Weaver as a Director of the Company; Resolution 6, Increase in the pool of fees for Non-Executive Directors from $500,000 per annum to $750,000 per annum and Resolution 7, Approval of proposed issue of 12,000,000 Options to Dr Errol De Souza. Shareholders of the company passed all seven resolutions considered before the General Meeting.
- On 27 August 2020 the ASX expressed concern over the change in the price of Bionomics' securities from a low of $0.13 to a high of $0.16 on 27 August 2020 and the significant

increase in the volume of Bionomics' securities traded that day. The Company advised the ASX that it was unaware of any information which, if known by some in the market, could explain the recent trading in its securities and continues to comply with its continuous disclosure obligations.

- On 28 August 2020 the Company announced its financial results for the year ended 30 June 2020 and its Directors Report.
- On 9 September 2020 the Company announced that Dr Errol De Souza would participate and give a presentation to the H.C. Wainwright 22nd Annual Global Investment Conference from 14 – 16 September 2020, a Virtual Conference with approximately 440 life science / healthcare companies registered to present over three days.
- On 15 September 2020 the Company provided updates on the development of BNC210 which has been granted Fast Track Designation by the US Food and Drug Administration for the treatment of PTSD and other trauma-related and stress-related disorders and on the ongoing collaboration with MSD (a tradename of Merck & Co., Inc., Kenilworth NJ USA) for the treatment of cognitive deficits in Alzheimer's and other disorders. The BNC210 spray dried tablet formulation has been optimised to increase the amount of BNC210 in each tablet and manufacturing of the optimised tablets is underway in preparation of the start of a multiple dosing pharmacokinetic trial in healthy volunteers scheduled for late December 2020/early January 2021. The large scale GMP manufacture of BNC210 drug substance and tablets for the Phase 2b PTSD trial projected for mid-2021 has been contracted. In addition, the Merck & Co. Phase 1 safety clinical trials of the lead molecule in healthy subjects have been completed and there are ongoing plans for further biomarker studies. A backup molecule that showed an improved potency profile in preclinical animal models versus the current lead molecule is advancing into Phase 1 clinical trials.
- On 16 September 2020 the Company released its webcast presentation to the H. C. Wainwright & Co. 22nd Annual Global Investment Conference.
- On 21 September 2020 the Company filed its Appendix 2A following completion of the second placement to Apeiron and other parties of 54,333,000 shares in Bionomics.
- On 23 September 2020 the Company announced that it had been informed by Apeiron that the Foreign Investment Review Board (**FIRB**) had no objection to Aperion acquiring up to a 52% interest in Bionomics Limited. Apeiron agreed as part of increasing its shareholding by up to 52%, to underwrite the issue of up to 250,000,000 shares, provided the offer price is not less than $0.06 and the underwriting obligation does not exceed $15,000,000, subject to shareholder and FIRB approval. Shareholder approval was granted at the General Meeting held on 26 August 2020 and FIRB approval has also been granted.
- On 24 September 2020 the ASX granted a trading halt pending an announcement regarding a capital raising. The same day the Company announced the accelerated pro rata non-renounceable 1:12.54 entitlement offer of new fully paid ordinary shares in the Company to raise approximately A$2,173,320 before costs (**Offer**). The capital raising provides eligible shareholders with the opportunity to acquire new shares at an Offer price of $0.04 per new share being the same price at which shares were issued to Apeiron and others under the first and second placement. This will result in the issue of approximately 54,333,000 new shares. The Company also announced an investor presentation to assist shareholders participate in the Offer, an Appendix 3B setting out the timetable of the Offer, as well as certain statutory notices in relation to the Offer. Entitlements to subscribe for new shares under the Offer are non-renounceable and cannot be traded with each new share ranking equally with existing

For personal use only

shares on issue. The capital raising is not underwritten and funds raised will be used to partly fund a second Phase 2 trial by Bionomics in PTSD.

- On 24 September 2020 the Company appointed two additional directors subject to shareholder approval. Dr Srinivas Rao is the second Board nominee of Apeiron under the Subscription Agreement dated 1 June 2020 between the Company and Apeiron, following completion of the second placement of 54,333,000 shares to Apeiron and other investors. Dr Jane Ryan will replace Mr Peter Turner who has decided not to stand for re-election at the November 2020 AGM. Under the Corporations Act 2001, the Company must have at least two Directors who ordinarily reside in Australia and with Mr Peter Turner announcing that he will retire at the AGM, the Board will be left with one Director ordinarily resident in Australia, namely Mr Alan Fisher. Dr Ryan who resides in Melbourne was selected after a competitive selection process was conducted by the Board.
- On 28 September 2020 the Company announced the successful completion of the institutional component of its 1 for 12.54 pro rata accelerated non-renounceable entitlement offer. The institutional component raised approximately $893,235 before costs of which 407,868 was received before the end of the quarter.
- On 30 September 2020 the Company announced that due to changes to settlement arrangements the new shares issued under the institutional component are expected to commence trading on Wednesday, 7 October 2020.
- Cash balance at 30 September 2020 was $4.26 million (30 June 2020: $4.58 million) with net operating cash outflow during the quarter ended 30 September 2020 of $2.94 million.
- Cash receipts for the quarter ending 30 September 2020 related to rent received $0.04 million and Government assistance Covid-19, $0.13 million (quarter ended 30 June 2020 rent received: $0.04 million and Covid-19 assistance $0.11 million).
- Research & development expenditure increased to $0.766 million from $0.745 million compared with the previous quarter, that is, an increase of 2.9%. Details of the research & development activities are summarised in the **Activity Report** below.

**Upcoming Milestones:**

- The R&D Tax Incentive of approximately $2.9million was received on 13 October 2020 and will be reported in 4Q CY2020.
- The Accelerated Non Renounceable entitlement offer raised approximately $2,173,320 before costs and will be reported 4Q CY2020. The institutional component raised approximately $893,235 before costs of which $407,868 was received before the end of the quarter.
- The AGM, to be held as a virtual meeting, will take place on Friday 20 November 2020 at 9.30am (ACST).
- Bionomics has initiated manufacturing-related activities for BNC210 for use in its proposed Phase 1 pharmacokinetic (PK) trial in healthy volunteers to commence in Q4 CY2020 and second Phase 2 PTSD trial to commence in Q2 CY2021.
- Bionomics continues limited activities to maximise the value of its legacy oncology programs BNC101 and BNC105 through external funding of clinical development and divestment/out-licensing.

For personal use only

## Activity Report

Bionomics is progressing its lead CNS drug candidate, BNC210, towards a repeat Phase 2b clinical trial in PTSD using a solid dose tablet formulation of BNC210.

During Q3 CY2020, an optimised solid dose formulation of BNC210 was selected to take forward for evaluation in a human multiple dosing PK study. The aim of this study is to determine the dosing regimen that will be used in the future Phase 2b trial with the new formulation. The key activities for this quarter focused on commencing manufacturing of the BNC210 tablets for the human multiple dosing PK trial as well as a large scale manufacturing campaign of the Active Pharmaceutical Ingredient (API) that will supply the material for the tablets in the Phase 2b PTSD trial.

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

For the purpose of Listing Rule 4.7C.3, Directors were paid $233,253.87 during the quarter.

**AUTHORISED BY DR ERROL DE SOUZA, EXECUTIVE CHAIRMAN**

**FOR FURTHER INFORMATION PLEASE CONTACT:**

**Bionomics Ltd.**
Jack Moschakis
Legal Counsel & Company Secretary
+61 8 8354 6100
jmoschakis@bionomics.com.au

**About Bionomics Limited**

Bionomics (ASX: BNO, OTCQB:BNOEF) is a global, clinical stage biopharmaceutical company leveraging its proprietary platform technologies to discover and develop a deep pipeline of best in class, novel drug candidates. Bionomics' lead drug candidate BNC210, currently in development for initiation of a second Phase 2 trial for the treatment of PTSD, is a novel, proprietary negative allosteric modulator of the alpha-7 (α7) nicotinic acetylcholine receptor. The U.S. Food and Drug Administration (FDA) has granted Fast Track designation to the BNC210 development program for the treatment of Post-Traumatic Stress Disorder (PTSD) and other trauma-related and stressor-related disorders. Beyond BNC210, Bionomics has a strategic partnership with Merck & Co., Inc (known as MSD outside the United States and Canada).

www.bionomics.com.au

**Factors Affecting Future Performance**

This announcement contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Any statements contained in this announcement that relate to prospective events or developments, including, without limitation, statements made regarding Bionomics' drug candidates (including BNC210, BNC101 and BNC105), its licensing agreements with Merck & Co. and any milestone or royalty payments thereunder, drug discovery programs, ongoing and future clinical trials, and timing of the receipt of clinical data for our drug candidates are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including unexpected safety or efficacy data, unexpected side effects observed in clinical trials, risks related to our available funds or existing funding arrangements, our failure to introduce new drug candidates or platform technologies or obtain regulatory approvals in a timely manner or at all, regulatory changes, inability to protect our intellectual property, risks related to our international operations, our inability to integrate acquired businesses and technologies into our existing business and to our competitive advantage, as well as other factors. Results of studies performed on our drug candidates and competitors' drugs and drug candidates may vary from those reported when tested in different settings.

For personal use only

# Appendix 4C

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

For personal use only

| **Name of entity** | |
|---|---|
| Bionomics Limited | |
| **ABN** | **Quarter ended ("current quarter")** |
| 53 075 582 740 | 30 September 2020 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (3 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | | |
| | (a) Contract services | - | - |
| | (b) Licence fees received | - | - |
| 1.2 | Payments for | | |
| | (a) research and development | (766) | (766) |
| | (b) product manufacturing and operating costs | - | - |
| | (c) advertising and marketing | - | - |
| | (d) leased assets | (23) | (23) |
| | (e) staff costs | (255) | (255) |
| | (f) administration and corporate costs | (1,862) | (1,862) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 3 | 3 |
| 1.5 | Interest and other costs of finance paid | (214) | (214) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (provide details if material) | | |
| | (a) Rent received | 40 | 40 |
| | (b) Payments for contract services | - | - |
| | (c) JobKeeper payment | 95 | 95 |
| | (d) Government cash flow boost | 38 | 38 |
| **1.9** | **Net cash from / (used in) operating activities** | **(2,944)** | **(2,944)** |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | 33 | 33 |
| | (d) investments | - | - |
| | (e) intellectual property | | |
| | (f) other non-current assets | | |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | |
| | Net cash outflow from disposal of French operations | | |
| | (c) payment of costs | - | - |
| | (d) cash balance disposed of | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **33** | **33** |

For personal use only

For personal use only

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (3 months) $A'000 |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,581 | 2,581 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (36) | (36) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **2,545** | **2,545** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 4,578 | 4,578 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (2,944) | (2,944) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 33 | 33 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 2,545 | 2,545 |
| 4.5 | Effect of movement in exchange rates on cash held | 46 | 46 |
| **4.6** | **Cash and cash equivalents at end of period** | **4,258** | **4,258** |

| 5. | **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | **Current quarter $A'000** | **Previous quarter $A'000** |
|---|---|---|---|
| 5.1 | Bank balances | 4,258 | 4,578 |
| 5.2 | Call deposits | | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (provide details) | | |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **4,258** | **4,578** |

| 6. | **Payments to related parties of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 (Director fees) | 233 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | (9,751) | (9,751) |
| 7.2 | Credit standby arrangements | | |
| 7.3 | Other (please specify) | | |
| 7.4 | **Total financing facilities** | (9,751) | (9,751) |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | |

*The loan facility relates to a US dollar borrowing from Silicon Valley Bank and Oxford Finance LLC, current interest is 8.25%, maturity date is 1 January 2022 and is secured by the Group's assets.*

For personal use only

| 8. | Estimated cash available for future operating activities | $A'000 |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (2,944) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 4,258 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 4,258 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | 1.45 |

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

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

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

Answer: *Yes.*

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

Answer: *On 20 October 2020 the Company completed the Retail part of Rights Issue, which was announced 1 October 2020, raising approximately $1.2 million (before costs). Funds received after 30 September 2020 was approximately $1.7 million (before costs).*

*The Company on 13 October 2020 received the Australian Government R&D tax incentive payment of $2.9 million.*

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

Answer: *Yes, as the Company in October 2020 received approximately $4.6 million from the Rights Issue and the R&D tax incentive refund.*

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

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....23 October 2020.....

Authorised by: .....By the Board.....
(Name of body or officer authorising release – see note 4)

For personal use only

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only