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ABN 53 075 582 740

ASX ANNOUNCEMENT
29 January 2021

Quarterly Cashflow Report

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

- The Company issued its Retail Entitlement Offer Booklet to Eligible Retail Shareholders to purchase New Shares at an Offer Price of A$0.04 per New Share based on 1 New Share for every 12.54 Existing Shares. Eligible Retail Shareholders also had the opportunity to apply for Additional New Shares up to 100% of their Entitlement. The Retail Entitlement Offer closed at 5.00pm (Adelaide time) on 15 October 2020 and raised approximately $1.2 million. Eligible retail shareholders applied for approximately 23.5 million shares aggregating to approximately A$0.9 million of New Shares pursuant to their entitlements (representing a take up rate of approximately 74%) and subscribed for a further approximately 38.6 million additional New Shares in excess of their entitlement aggregating to approximately A$1.54 million through the Retail Oversubscription Facility. Applications under the Retail Oversubscription Facility were in excess of the approximately 8.45 million shares or A$338,000 shortfall and were scaled back on a pro-rata basis. Completion of the Retail Entitlement Offer was the final stage of Bionomics' Entitlement Offer which, together with the institutional component, raised approximately A$2,173,320 before costs.
- On 13 October 2020 the Company announced that it had received A$2,919,541 Research and Development Tax Incentive Refund for the 2019/2020 financial year.
- On 19 October 2020 the Company issued its Annual Report ahead of its Annual General Meeting. Shareholders passed all five resolutions considered before the Annual General Meeting held on 20 November 2020.
- Dr Errol De Souza presented at the 3rd Annual Neuropsychiatric Drug Development Summit held 10 – 12 November 2020. The focus of the digital event was on unravelling the complexities of developing truly clinically transformative neuropsychiatric drugs through innovations in clinical trial design and defining better clinical endpoints. Dr Souza presented "BNC210: A Negative Allosteric Modulator of Alpha7 Nicotinic Acetylcholine Receptor in Development for the Treatment of Anxiety, Depression and Post Traumatic Stress Disorder".
- On 19 November 2020 the Company announced that it had entered into an exclusive Agreement to license Bionomics' BNC101 oncology drug candidate to Carina Biotech (Carina), for the development of Chimeric Antigen Receptor T cell (CAR-T) therapy, which harnesses the body's immune system to fight cancer. BNC101 is a first-in-class humanized monoclonal antibody to LGR5, which is overexpressed in cancer stem cells within solid tumours including colorectal, breast, pancreatic, ovarian, lung, liver and gastric cancers and has the potential to guide CAR-T therapeutic development. Under the worldwide, exclusive License Agreement, Carina will fund all research and development activities. Bionomics is eligible to receive up to A$118 million in clinical and development milestones plus royalty

payments if Carina fully develops and markets the new therapy. In the event that Carina sub-licenses the BNC101 CAR-T treatment, Bionomics is eligible to share in the sub-licensing revenues in early clinical development and receive a substantial double-digit portion of the revenues in later stages of clinical development.

- Research and development expenditure increased to $1.174 million from A$0.766 million compared with the previous quarter, that is, an increase of 53%. Details of the research and development activities are summarised in the **Activity Report** below.

Upcoming Milestones:

- Completion of the human 7-day dosing pharmacokinetic (PK) study and determination of the BNC210 dose for the proposed Phase 2 post traumatic stress disorder (PTSD) trial.
- Completion of the large scale GMP manufacture of BNC210 Active Pharmaceutical Ingredient (API) for Phase 2.
- Initiation of the GMP manufacture of BNC210 tablets for the Phase 2 clinical trial.
- 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 and anticipates announcing topline data from the recently completed Phase 2 BNC105/nivolumab combination trial in patients with metastatic colorectal cancer in Q2 CY2021.

Activity Report

Bionomics is preparing for a Phase 2 clinical trial in PTSD, projected to commence in mid-2021 using a new solid dose tablet formulation of BNC210, its lead CNS drug candidate.

During Q4 CY2020, an optimised tablet formulation of BNC210 was manufactured in preparation for a human 7-day dosing PK study. In December 2020, the tablets were shipped to Australia ready for the start of the study which will determine the BNC210 dose that will be used in the Phase 2 PTSD trial. In parallel, we started the large scale manufacturing campaign of the BNC210 API that will supply the material for the tablets in the Phase 2 PTSD trial.

Bionomics is also supporting two Investigator-initiated clinical trials of its oncology drug candidate, BNC105, by providing the drug for the trials. The trial of BNC105 in combination with nivolumab in patients with colorectal cancer completed its treatment phase late in Q4 CY2020, while the other trial of BNC105 in combination with ibrutinib continues to enrol patients with chronic lymphocytic leukemia.

For the purpose of Listing Rule 4.7C.3, Directors were paid A$494,000 during the quarter.

AUTHORISED BY THE BOARD

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.

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Appendix 4C

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

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Name of entity

Bionomics Limited

ABN	**Quarter ended ("current quarter")**
53 075 582 740	31 December 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
	(a) Contract services	-	-
	(b) Licence fees received	-	-
1.2	Payments for		
	(a) research and development	(408)	(1,174)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	(23)	(46)
	(e) staff costs	(172)	(429)
	(f) administration and corporate costs	(979)	(2,841)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	(204)	(418)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	2,920	2,920
1.8	Other (provide details if material)		
	(a) Rent received	40	80
	(b) Payments for contract services	-	-
	(c) JobKeeper payment	27	122
	(d) Government cash flow boost	13	50
1.9	**Net cash from / (used in) operating activities**	**1,215**	**(1,732)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 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	(1)	(1)
	(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	17	50
	(d) investments	1	1
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	
2.6	**Net cash from / (used in) investing activities**	**17**	**50**

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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)	1,764	4,345
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	(193)	(230)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1,252)	(1,252)
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**	**319**	**2,863**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,258	4,578
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,215	(1,732)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	17	50
4.4	Net cash from / (used in) financing activities (item 3.10 above)	319	2,863
4.5	Effect of movement in exchange rates on cash held	(69)	(19)
4.6	**Cash and cash equivalents at end of period**	**5,740**	**5,740**

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	5,740	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)**	**5,740**	**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)	494
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** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	(7,867)	(7,867)
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	(7,867)	(7,867)

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:

(i) Bank loans from Silicon Valley Bank and Oxford Finance LLC denominated in USD (AUD 7,671,000), current interest is 8.25%, maturity date is 1 January 2022 and is secured by the Group's assets.

(ii) Equipment mortgages (AUD 196,000) from national Australia with interest rates of 5.20% to 5.55%, with remaining terms of up to 2.5 years and are secured by the equipment being financed.

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,215
	Adjusted for R&D incentive received	(2,920)
	Adjusted Net Cash from/(used in) operating activities	(1,705)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,740
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,740
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.37

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

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

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

Answer:

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

Answer:

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

Answer:

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

Compliance statement

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

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

Date: .....29 January 2021.....

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

Notes

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

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

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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.

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