



ABN 53 075 582 740

ASX ANNOUNCEMENT

19 November 2021

Update on Possible Capital Distribution

Bionomics Limited (ASX:BNO, OTCQB:BNOEF) (**Bionomics** or **Company**), a clinical-stage biopharmaceutical company, today announced that it has determined not to proceed with making a contemplated capital distribution to shareholders in connection with the Company's right to receive royalty interests under the 2014 Research Collaboration and License Agreement with Merck Sharp & Dohme Corp. (known as Merck & Co. in the United States) ("**Merck**"), as amended, relating to BNC375 and related compounds (the "**Merck Collaboration Agreement**").

The Company had previously advised that it was considering making a capital distribution to shareholders (see announcement to ASX dated 2 August 2021 titled "**Bionomics Announces Planned Capital Distribution to Shareholders**") in connection with the proposed U.S. Initial Public offering (see announcement to ASX dated 2 August 2021 titled "**Bionomics Announces Plans to Conduct U.S. Initial Public Offering**"). The Company has investigated the feasibility of making a capital distribution through its work with external advisers and the Board has now determined that it would not be in the best interest of shareholders to execute a transaction in connection with the Company's royalty interests under the Merck Collaboration Agreement (the **Transaction**).

A number of factors were considered in reaching this determination. In particular, the Board considered the costs associated with implementing a Transaction, the financial impact on the Company (resulting from the accounting treatment associated with the Transaction), the potential financial outcome for some shareholders (because of the tax treatment associated with the Transaction), the attractiveness of the Transaction to shareholders and the likelihood of executing a Transaction prior to the proposed U.S. Initial Public offering (see announcement to ASX dated 2 August 2021 titled "**Bionomics Announces Plans to Conduct U.S. Initial Public Offering**").

Released on authority of the Executive Chairman.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Bionomics Limited

Bionomics (ASX:BNO, OTCQB:BNOEF) is a clinical-stage biopharmaceutical company developing novel, allosteric ion channel modulators designed to transform the lives of patients suffering from

serious central nervous system ("CNS") disorders with high unmet medical need. Bionomics is advancing its lead product candidate, BNC210, an oral proprietary selective negative allosteric modulator of the $\alpha 7$ nicotinic acetylcholine receptor, for the acute treatment of Social Anxiety Disorder ("SAD") and chronic treatment of Post-Traumatic Stress Disorder ("PTSD"). Beyond BNC210, Bionomics has a strategic partnership with Merck & Co., Inc (known as MSD outside the United States and Canada) with two drugs in early-stage clinical trials for the treatment of cognitive deficits in Alzheimer's disease and other central nervous system conditions.

www.bionomics.com.au

Factors Affecting Future Performance

This announcement contains "forward-looking" statements. All statements contained in this announcement that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding the possibility of conducting a registered initial public offering in the United States.

These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from our expectations expressed or implied by the forward-looking statements, including, but not limited to, the following: we may determine not to conduct a registered initial public offering on the time frame that we currently expect or at all, due to a number of potential, but important factors, including conditions in the U.S. capital markets, negative global economic conditions, potential negative developments in our clinical trials or research programs, other negative developments in our business or unfavorable legislative or regulatory developments.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this announcement. Any such forward-looking statements represent management's estimates as of the date of this announcement. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, except as required by applicable laws, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this announcement.