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ASX ANNOUNCEMENT
2 June 2020

Recapitalisation Led by Sophisticated Life Sciences Investor - Apeiron Investment Group Ltd

- **Approximately A\$20-A\$22 million¹ total funding to progress BNC210 development for the treatment of PTSD and other anxiety and stress-related disorders (subject to shareholder and FIRB approvals; exact amount depends upon the take up under entitlement offer)**
- **Potential entitlement offer for eligible shareholders (including eligible retail shareholders) with opportunity to purchase shares at the same price as Apeiron**

Bionomics Limited (ASX: BNO, OTCQB:BNOEF) (**Bionomics** or **Company**), a clinical stage biopharmaceutical company, today announced that it has entered into a Subscription Agreement, with Apeiron Investment Group Ltd (**Apeiron**), the family office of entrepreneur and founder Christian Angermayer with a strong focus, amongst others, on life sciences, to recapitalise the Company and to assist in securing further equity capital (**Subscription Agreement**). A summary of the Subscription Agreement is set out below.

Apeiron has made significant investments in several European and U.S. based biotech companies over the last few years, with a special focus on the development of novel treatments for various mental health disorders like treatment-resistant depression, anxiety and Post Traumatic Stress Disorder (**PTSD**), all diseases with a high unmet medical need.

Under the Subscription Agreement, Apeiron agrees to subscribe or procure subscriptions² of 135,833,000 Shares at an issue price of A\$0.04 per Share to raise A\$5,433,320 (to proceed in two tranches of 81,500,000 and 54,333,000 shares, the second being subject to shareholder approval). Apeiron also agrees to underwrite further capital raisings by Bionomics within a fifteen-month-period from the Extraordinary General Meeting of Shareholders (**EGM**) to be convened, with the effect that Bionomics will raise up to A\$15,000,000 at a minimum issue price of A\$0.06 per Share [subject to Foreign Investment Review Board (**FIRB**) and shareholder approvals].

As part of the subscription process with Apeiron, and after completion of the second tranche, an entitlement offer will be launched in favour of eligible shareholders (including eligible retail shareholders) providing the opportunity to purchase in pro rata up to 54,333,000 shares at A\$0.04

¹ All references in this release to "A\$" are to Australian dollars

² Apeiron may procure other persons to subscribe for part of its subscription obligation with Bionomics' prior consent. References in this announcement to Apeiron subscriptions or shareholdings include subscriptions by and shareholdings of such persons.

per Share and hence at the same price as the Apeiron subscriptions across the two tranches (subject to shareholder approvals and completion of the second tranche).

If shareholder and FIRB approvals are received, the Company expects to raise approximately A\$20.4-A\$22 million in aggregate across several tranches (exact amount depending on take up under the entitlement offer), which would ensure that the Company has significant funds to progress Phase 2 clinical trials for the treatment of PTSD and other anxiety and stress-related disorders for its lead compound, BNC210, which recently received Fast Track Designation from the U.S. Food and Drug Administration (**FDA**) for the treatment of PTSD.

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

Bionomics' Executive Chairman Dr Errol De Souza said "We are pleased to have secured the support of a world-class and like-minded life science investor of the quality of Apeiron. I have no doubt that their expertise in investing in mental health companies will make a significant contribution to Bionomics as we continue to progress BNC210 for the treatment of PTSD and other anxiety and stress-related disorders. The funding will ensure that we can initiate our second Phase 2b clinical trial in PTSD, which the Board believes will provide shareholders the best prospects to realise value in the Company. In the meantime, we will continue to actively pursue monetisation and potential licensing of all our assets in order to secure non-dilutive funding and maximise shareholder value."

Apeiron founder Mr Christian Angermayer said "PTSD and other mental health disorders are enormous burdens for those that live with them. Around 8% of people will develop PTSD at some point in their lives, and up to 30% will meet the diagnostic criteria for an anxiety disorder. In short, the unmet need is massive with hundreds of millions of people suffering from those diseases. Through Apeiron, I support numerous promising drug candidates, for example the psychedelics being developed by my biotech platform ATAI Life Sciences. However, it is important to remember that there is no such thing as a "one-size-fits-all" drug – we need to think broadly and creatively. That is why I am enthusiastically supporting Bionomics as a value-add shareholder. Bionomics' lead drug BNC210 has already received Fast Track Designation from the FDA and I am confident of the strong potential of the upcoming Phase 2 PTSD trial to drive value for both patients and shareholders."

Details of the agreement

The recapitalisation will commence with the issue within Bionomics' existing placement capacity of 81,500,000 Shares at A\$0.04 per Share to Apeiron, raising A\$3,260,000 (**First Placement**). Following completion of the First Placement, Apeiron will be invited to nominate a director to the Board of Bionomics. Apeiron (or Apeiron and investors procured by it) will own approximately 13% of Bionomics following completion of the First Placement. Apeiron's ongoing rights to maintain this appointment will be subject to it maintaining a minimum 10% shareholding [together with other subscribers under the First Placement, the Second Placement (see below) or subscribers procured by Apeiron pursuant to its underwriting obligations as described below].

After completion of the First Placement, Bionomics will then call an Extraordinary General Meeting of Shareholders (**EGM**) seeking approval to place a further 54,333,000 Shares at A\$0.04 per Share to Apeiron or investors procured by Apeiron, raising A\$2,173,000 (**Second Placement**). Subject to shareholder approval and completion of the Second Placement, Apeiron (or Apeiron and investors procured by it) will own 19.9% of Bionomics. Following completion of the Second Placement, Apeiron will be invited to nominate a second director to the Board of Bionomics. Apeiron's ongoing rights to

maintain this appointment will be subject to it and subscribers under the First Placement and Second Placement and subscribers procured by Apeiron pursuant to its underwriting obligations maintaining a minimum shareholding of 17.5% after the Second Placement, increasing to 20% 17 months after the date of the EGM.

At the EGM shareholders will also be asked to approve:

- the issue of Shares under the First Placement for the purposes of ASX Listing Rule 7.4 to “refresh” Bionomics’ placement capacity;
- the appointment of the director nominated by Apeiron after completion of the First Placement to the Bionomics Board;
- Apeiron increasing its voting power in Bionomics above 20% as a result of: (1) any participation in an entitlement offer to be made by Bionomics shortly following the EGM; (2) subscriptions for Shares as part of its obligation to underwrite further Bionomics share offerings; and (3) the issue of the Warrants, and the issue of Shares upon exercise of the Warrants;³
- an increase in the maximum Bionomics director remuneration pool from A\$500,000 to A\$750,000 (to reflect the addition of two Directors to the Board); and
- any other approvals that Bionomics or Apeiron require.

As stated earlier, following completion of the Second Placement, Bionomics proposes to conduct an entitlement offer of up to 54,333,000 Shares giving eligible shareholders (including eligible retail shareholders) an opportunity to subscribe pro rata for Shares at the same price as the Second Placement Shares - A\$0.04 per Share. It is not intended that this offer will be underwritten.

Following completion of the Second Placement, Bionomics intends to raise a further A\$15,000,000 within 15 months of the date of the EGM. In any case, subject to the terms of the Subscription Agreement, Apeiron has guaranteed to underwrite further raises at \$0.06 per Share, but if prevailing market conditions, share price and investor demand allow, the Company with support from Apeiron intends to raise at higher valuations to minimise dilution.

After the Company has raised this additional A\$15,000,000, either from investors or Apeiron, Bionomics will issue 150,000,000 Warrants to Apeiron.

The Warrants will be issued on customary terms and entitle Apeiron to subscribe for up to 150,000,000 Bionomics Shares at an Exercise Price of A\$0.06 per Warrant. The Warrants may be exercised by Apeiron within 36 months of the date of the EGM.

Apeiron’s obligations to underwrite further Bionomics capital raisings are subject to Foreign Investment Review Board approval.

Further details of the Subscription Agreement arrangements will be included in the materials for the EGM to be provided to Shareholders.

AUTHORISED BY THE BOARD

³ Bionomics will obtain a report from a duly qualified independent expert for inclusion in the meeting documentation for the purposes of this resolution stating whether or not in its opinion the transaction is fair and reasonable.

FOR FURTHER INFORMATION PLEASE CONTACT:

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About Bionomics Limited

Bionomics (ASX: BNO) is a global, clinical stage biopharmaceutical company leveraging its proprietary platform technologies to discover and develop a deep pipeline of best in class, novel drug candidates. Bionomics' lead drug candidate BNC210 is a novel, proprietary negative allosteric modulator of the alpha-7 ($\alpha 7$) nicotinic acetylcholine receptor. Beyond BNC210, Bionomics has a strategic partnership with MSD (known as Merck & Co in the US and Canada) and a pipeline of pre-clinical ion channel programs targeting pain, depression, cognition and epilepsy.

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), its licensing agreements with MSD 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.