

AN UPDATE FOR OUR SHAREHOLDERS

BIONOMICS NOW

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JUNE 2018

LETTER FROM THE CEO

DEAR SHAREHOLDERS

It gives me pleasure to update Bionomics' shareholders on what has been a busy and productive few months, marked by solid ongoing progress in developing our portfolio of novel drug candidates to treat conditions such as anxiety, Alzheimer's disease, chronic pain and post traumatic stress disorder (PTSD).



INVESTOR VALIDATION

In a period of intensifying interest in the Australian biotech sector I am happy to report that our efforts have not gone unnoticed, with Bionomics shares gaining more than 50 % since mid-February.

I'm also pleased to report that we concluded the March quarter in a solid financial position, with a cash position of \$32m, providing a solid foundation for our clinical programs in the second half of the financial year.

Turning to the quarterly results, our net operating cash inflows of \$158,000 reflected cash receipts of \$900,000. Bionomics also received an R&D tax incentive refund of \$6.788m in January. We were pleased to see the recent Federal Budget exempt clinical trials from a newly introduced \$4m annual cap for companies with turnover below \$20m.

I believe that through the R&D Tax Incentive, Australia can retain its global reputation as a centre for medical research, translation and commercialisation.

ALL EYES REMAIN FOCUSED ON BNC210

While there were several developments I would like to bring your attention to, the most visible recent highlight was the completion of recruitment in our Phase 2 clinical trial for PTSD, a difficult to treat condition suffered by approximately one million Australians and an estimated eight million Americans. Completion of trial recruitment found Bionomics attracting strong validation from the investor community, with Bell Potter reiterating a buy recommendation of 92c, stating that Bionomics' stock represented compelling value.

The RESTORE trial aimed to recruit 192 adult patients across multiple sites in Australia and the US, with 193 patients ultimately recruited.

The primary endpoint of the RESTORE trial is a decrease in PTSD symptoms, as measured by a globally accepted scale - the Clinicians Administered PTSD Scale (CAPS-5). Secondary endpoints include a decrease in anxiety and depression symptoms, once again assessed using standard measures.



BNC210 IN A NEW PHASE 2 TRIAL FOR THE TREATMENT OF AGITATION

BNC210 HAS POTENTIAL FOR THE TREATMENT OF AGITATION



In May we announced a new Phase 2 trial of BNC210 for the treatment of agitation in the elderly.

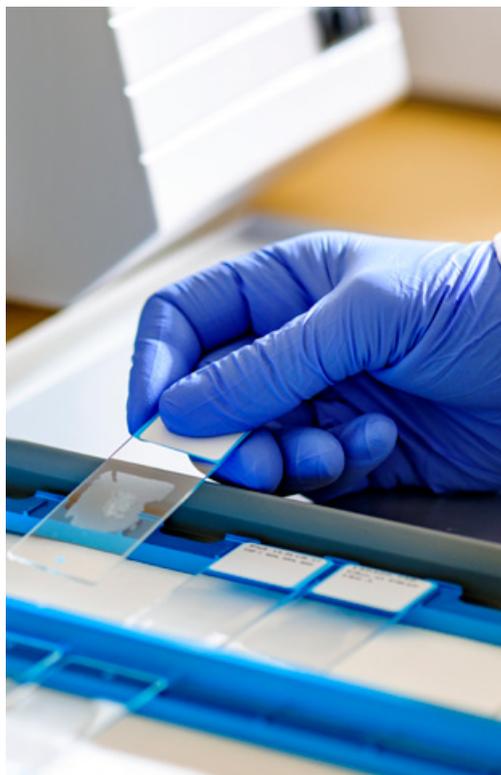
Agitation in elderly patients is a major unmet clinical problem, occurring both in the acute setting in hospitalised patients and chronically in nursing home residents. Without approved treatments for this disturbance in elderly patients, BNC210 may fill a significant unmet clinical need.

Current options include benzodiazepines and antipsychotics which can have severe adverse effects in the elderly including sedation, stroke and sudden death. Their use is heavily restricted.

BNC210 rapidly inhibits Amygdala activation in Generalised Anxiety Disorder (GAD) patients during the performance of anxiety provoking tasks

BNC210 rapidly restores emotional stability after a Panic Attack

Higher prevalence of GAD in the elderly Amygdala activation associated with Agitation



DIVESTMENT OF ONCOLOGY ASSETS

As part of our drive to build shareholder value and remain an agile, and focussed organisation, Bionomics underwent a strategic alignment in the last financial year to focus its capital on our core strengths and competitive advantage in ion channel biology and drug discovery.

The decision was made to divest our clinical stage oncology drugs BNC105 and BNC101.

BNC101 and BNC105 are undergoing a formal monetisation process and we remain confident of a value accretive outcome. New data delivered during the period provide evidence supportive of this process.

These results were presented to the American Association for Cancer Research (AACR) in Chicago on 16 and 17 April. In the case of BNC101, Bionomics has outlined first-in-human evidence of engagement with the target, a protein receptor called LGR5.

New data generated through a grant funded collaboration with scientists at the University of South Australia demonstrate that BNC105 is more potent than competing products in development, in relation to acute myeloid leukaemia.



KOL EVENTS IN LONDON AND NEW YORK

It has been a busy period for getting our message out to the investor and medical communities.

In April this year we hosted two events in New York and London by key opinion leaders (KOL) in the PTSD area, with focus on BNC210.

The New York event featured a keynote by Professor Murray B. Stein, a distinguished professor of psychiatry and family medicine at the University of California, San Diego. Prof Stein also has a wider involvement in treating patients with anxiety and trauma/stress related disorders, including PTSD.

The London event was co-chaired by Professor Allan Young, Director for the Centre for Affective Disorders in the Department of Psychological Medicine, Institute of Psychiatry, Psychology and Neuroscience at King's College London.

Professor Young is ranked as one of the world's leading scientific minds in the field of Psychiatry and Psychology, according to the 2014 Thomson Reuters Highly Cited Researchers list, a mark of exceptional impact.

Keynote presentations were provided at the London event by Dr. Mario F. Juruena, who holds the position of Clinical Senior Lecturer in Translational Psychiatry, at the Centre for Affective Disorders, Institute of Psychiatry, Psychology and Neuroscience, King's College London; as well as by Professor Edgar Jones, PhD, holding the position of Professor at the Institute of Psychiatry, Psychology and Neuroscience, King's College London.

As described by analysts Dr. Joseph Pantginis and Dr. Pete Stavropoulos from H.C. Wainwright and Co., KOL feedback from the New York event pointed to excitement for new potential therapeutics for PTSD, as well as the ability for BNC210 to expand into the anxiety and agitation markets.

As always, feel free to contact me with any questions or comments.

Dr Deborah Rathjen
CEO & Managing Director



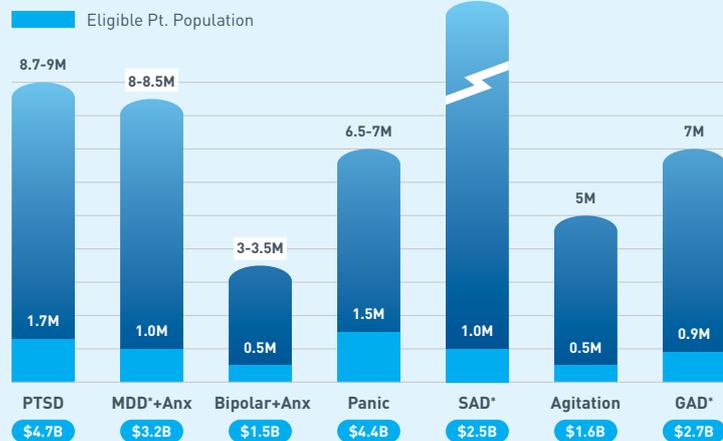
COMMENCEMENT OF BNC210 PHASE 2 CLINICAL TRIAL FOR THE TREATMENT OF AGITATION

Bionomics continues to exemplify BNC210 as a pipeline star candidate, with the announcement in May of the commencement of a Phase 2 clinical trial in elderly patients with agitation in the hospital setting. Agitation in the elderly remains a major unmet clinical problem, with no currently approved therapeutics and currently available options such as benzodiazepines known to have severe adverse side effects including sedation, stroke and sudden death.

Bionomics will recruit approximately 40 elderly patients in specialist geriatric hospitals across Australia, with the trial a randomised, double-blind, placebo-controlled design, and a 5-day treatment period. Importantly, this trial has been designed for a short treatment period, with rapid recruitment and therefore represents a unique opportunity for rapid delivery to market.

THE POTENTIAL US MARKET VALUE OF BNC210

US Prevalence and Revenue Potential



Eligible Patient US Market Potential

Assume 5% premium to Trintellix 2016 AWP for 30-day supply of \$380 — Compliance Adjusted

Figure: The Potential Market Value of BNC210

US market research by Bluestar BioAdvisors (formerly known as Torrey Insights) commissioned by Bionomics, highlights the considerable market potential for BNC210. The research, which involved the input of some 30 clinical key opinion leaders and up to seven health insurers, puts the US market opportunity for PTSD at US\$4.7 billion per annum and agitation at US\$1.6 billion per annum.



ANALYST RESEARCH HIGHLIGHTS

Earlier this year on 16 April, following our announcement of finalised recruitment for the phase 2 safety and efficacy trial of BNC210 for post traumatic stress disorder (PTSD), H.C. Wainwright & Co indicated their positivity around the upcoming Phase 2 PTSD trial readout and indicated a price target of \$2 and reiterated their buy rating.

Following the announcement of the Phase 2 clinical trial of BNC210 in agitation in the elderly, New York's H.C. Wainwright & Co reiterated on 23 May, a buy on Bionomics at \$2 stating

"... when combined with the positive GAD data in hand, partnering potential surrounding BNC210 should increase significantly, in our belief. Furthermore, as the data for the Phase 2 study in the agitation indication are expected in less than a year, we view that study as a further build in potential energy to catalyze a partnering deal with favorable terms to Bionomics..."

- Joseph Pantginis, Ph.D. and Pete Stavropoulos, Ph.D.

Following this announcement of the inclusion of the agitation indication, investment research and advisory company Edison also increased their valuation of Bionomics' shares from \$0.87 per basic share to \$1.02, with their research highlighting how BNC210 may provide a solution to a clinically significant unmet problem.

"Agitation in patients with Alzheimer's disease and other forms of dementia is a significant burden on the healthcare system because of the increased needs of these patients. One study estimated costs of £29,000 to £57,000 per affected patient per year in the UK."

We encourage you to read the reports in full at:

<http://www.bionomics.com.au/investors/analyst-coverage>



SEE BIONOMICS

Bioshares Biotech Summit
27 – 28 July 2018
Queenstown,
New Zealand

20th Annual Global Investment Conference
Sponsored by H.C. Wainwright & Co
4 – 6 September
New York, USA



E-NEWSLETTER

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