

7 September 2023

BNO

MS SAMPI SAMPLE & MR SAMPLE
SAMPLES
<SAMPLE SUPER FUND A/C>,
GPO BOX 9999
DARWIN NT 0801

X 9999999999

Dear Shareholder

Bionomics Limited (Nasdaq: BNOX) – Opportunity to participate in the Voluntary Sale Facility

Bionomics Limited (Nasdaq: BNOX) (**Bionomics** or the **Company**) is pleased to inform you that the Company delisted from the official list of the Australian Securities Exchange (**ASX**) on 28 August 2023. Accordingly, the Company's fully paid ordinary shares (**Shares**) are no longer tradeable on the ASX, the Company's sole listing is now on the Nasdaq stock market (**Nasdaq**) and its securities are only tradeable on Nasdaq as American Depositary Shares (**ADS**).

This letter contains further information about the voluntary sale facility through which holders of Shares (**Shareholders**) may elect to exit their Shareholding by having their Shares converted to ADSs, with the ADS to be sold on Nasdaq (without incurring any brokerage or any related costs, levies or fees) with the proceeds of the sale to be remitted to the Shareholder (**Voluntary Sale Facility**).

Shareholders who retained their Shares after 28 August 2023 were issued with a share certificate for their shares (**Share Certificate**), which accompanies this letter. The Share Certificate is proof of ownership of their Shares and should be held in safe-keeping by the Shareholder. If you validly elected to be issued ADS, under the ADS Conversion Facility, your ADS Direct Registration System statement will be sent to you by post by the Company's depositary bank, Citibank, N.A. (**Depositary**).

The information in this letter does not take into account your individual investment objectives, financial situation and needs. The information in this letter is of a general nature and is not financial product advice and should not be relied upon as the sole basis for any investment decision. As a Shareholder, you should consult your financial, legal, tax or other professional advisor in relation to the information contained in this letter and how you should act with respect to your Shares.

1 What is the Voluntary Sale Facility?

Under the Voluntary Sale Facility, Bionomics will facilitate the conversion of your Shares to ADSs and the transfer to Bionomics' appointed sale agent, Baker Young Limited (AFSL 246735, ABN 92 006 690 320) (**Selling Agent**), and the Selling Agent's nominated US Intermediary for the purpose of enabling the sale of the ADSs on Nasdaq.

On a monthly basis, the Company's Australian Share Registry, Computershare Investor Services Pty Limited (**Computershare**), will aggregate the sale elections into batches and the Sale Agent will, at its discretion, effect the sale of the ADSs in each batch on the Company's behalf on Nasdaq. To convert your Shares to ADSs, the Company will facilitate the transfer of Shares from the Shareholders who have elected to participate in the Voluntary Sale Facility to Citicorp Nominees Pty Limited (**Custodian**), the custodian appointed by the Depositary. The Depositary will then issue the relevant number of ADSs to the Selling Agent for each batch to sell on Nasdaq at such price and on such other terms as the Selling Agent reasonably

determines in good faith. The Selling Agent gives no assurance as to the price that will be obtained for the sale of ADSs.

The Voluntary Sale Facility will operate from 7 September 2023 to 8 December 2023, subject to being modified, terminated or suspended by Bionomics at its sole discretion.

The proceeds which you will receive for the sale of your ADSs will be calculated as the pro rata portion that your ADSs bears to the total number of ADSs sold by the Selling Agent through the Voluntary Sale Facility in the batch in which your ADSs are sold, multiplied by the gross proceeds that are received from the sale of all ADSs in the batch in which your ADSs are sold. All Shareholders who participate in the Voluntary Sale Facility will receive the same amount per ADS sold as all other ADSs sold in the same batch as their ADSs.

Sale proceeds will be remitted to you in Australian dollars to the bank account recorded on the Company's share register or by cheque based on the exchange rate at the time of conversion (rounded down to the nearest cent), as soon as practical after the close of the sale period for the batch in which your ADSs are sold. You will not receive interest on any proceeds.

You may provide or update your bank account details by visiting www.computershare.com.au/easyupdate/BNO and follow the prompts.

The Company will pay all brokerage and any related costs, levies or fees associated with the sale of your ADSs on Nasdaq and the remittance of the sale proceeds (including any foreign currency conversion fee) in connection with the Voluntary Sale Facility.

2 How do you participate in the Voluntary Sale Facility?

If you wish to participate in the Voluntary Sale Facility, you must complete and return:

- (a) the enclosed election form (**Sale Election Form**); and
- (b) your Share Certificate,

in accordance with the instructions on the Sale Election Form to Computershare by 5pm on Friday, 8 December 2023 (AEDT) (**Closing Date**). If you elect to participate in the Voluntary Sale Facility, unless you are a custodian or nominee holding Shares on behalf of multiple holders, you can only elect to sell all of your Shares (i.e. you cannot elect to sell just a portion of your Shareholding).

For your election to be valid, you must complete the U.S. Shareholder Confirmation on the Sale Election Form, and if you are U.S. Shareholder or are acting on behalf of a U.S. Shareholder provide the applicable IRS Tax Form. Please read the instructions on the Sale Election Form, and the information within section 7 below relating to 'United States Federal Income Tax Backup Withholding in Connection with the Sale of Shares in the Voluntary Sale Facility'.

By completing and returning the Sale Election Form, you irrevocably authorise each of Computershare, the Depositary and Bionomics to do all things and execute all documents, including to effect any holding adjustment, share transfers, transformation or other transmission or transaction in relation to your holding of Shares, to facilitate the sale of all those Shares by the Selling Agent under the Voluntary Sale Facility.

Bionomics will be entitled to reject any Sale Election Form which is incomplete, incorrect or invalid in any respect. Any decision to reject any acceptance will be final and binding. Bionomics, the Selling Agent and/or Computershare reserve the right to treat any election by a Shareholder as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated in the Sale Election Form, or if made otherwise than in accordance with the Sale Election Form.

Participation in the Voluntary Sale Facility is entirely voluntary and Shareholders are not obliged to sell their securities through the Voluntary Sale Facility.

3 What happens if you do not participate in the Voluntary Sale Facility?

If you do not elect to participate in the Voluntary Sale Facility by the Closing Date, you will retain your Shares as a certificated holding.

If you wish to do so, you can still convert your Shares to ADSs and sell the ADSs on Nasdaq by engaging a US broker or an Australian broker who has an agreement with a US broker that is able to buy or sell ADSs on Nasdaq and instruct them to contact the Depositary by email to arrange for the conversion of their certificated Shares into ADSs. More information on this process can be found on Bionomics' website at <https://ir.bionomics.com.au/ir-resources/share-ownership>.

However, in this circumstance, you will have to pay any applicable fees associated with the conversion and subsequent sale of the ADSs.

4 Timetable for the Voluntary Sale Facility

The timetable for the Voluntary Sale Facility is set out below.

Date	Event
7 September 2023	This letter, accompanied by the Sale Election Form and Share Certificate, is sent to Shareholders containing details of the Voluntary Sale Facility.
7 September 2023	Opening date of the Voluntary Sale Facility.
8 December 2023	Closing Date of the Voluntary Sale Facility.
15 January 2024	Last date for sale proceeds to be sent to participants in the Voluntary Sale Facility

These dates and times are indicative only and subject to change. Bionomics will announce any amendment to those dates and times on its website.

5 Risks of participating in the Voluntary Sale Facility

Bionomics does not make any recommendation or give any advice to you regarding whether or not to participate in the Voluntary Sale Facility and has not considered your investment objectives, financial circumstances or particular needs. You should read the below risks associated with participating in the Voluntary Sale Facility and selling your Shares carefully. If you are in any doubt about whether to participate, please consult your own professional adviser.

If you elect to participate in the Voluntary Sale Facility, your total sale proceeds will depend on the level of buyer demand, buyer pricing constraints, trading volatility in Bionomics' ADSs on Nasdaq, as well as the applicable exchange rate at the time of conversion.

Both the price of ADSs and the A\$:US\$ exchange rate may fluctuate from time to time and accordingly may impact, positively or negatively, the amount of sale proceeds you receive if you sell your Shares through the Voluntary Sale Facility.

6 Restrictions on certain Shareholders

Notwithstanding anything in this letter to the contrary, Shareholders who either:

- (a) are, or have been during the three months prior to completion of the Sale Election Form, an officer or director of the Company, a beneficial owner of Shares representing 10% or more of the voting power of the capital stock of the Company or an “affiliate” of the Company within the meaning of Rule 144 under the US Securities Act of 1933, as amended (**Securities Act**) (each, an **Affiliate**); or
- (b) were issued or acquired Shares from the Company or an Affiliate in transactions other than a public registered offering within a year prior to the completion of the Sale Election Form,

(each of (a) and (b), a **Restricted Shareholder**) will not be eligible to participate in the Voluntary Sales Facility.

7 Tax implications of participating in the Voluntary Sale Facility

This discussion does not address any tax or duty consequences other than:

- (a) Australian income tax consequences to Shareholders that are Australian tax residents from participation in the Voluntary Sale Facility; and
- (b) United States backup withholding for Shareholders from the sale of their Shares through the Voluntary Sale Facility.

This discussion does not address any Australian tax consequences for persons that are not Australian residents for tax purposes nor does it address any US state or local tax consequences or any US federal income tax consequences other than relating to backup withholding. Shareholders should consult their tax advisors regarding any income or other tax consequences which may result from participation in the Voluntary Sale Facility.

This discussion does not purport to provide Shareholders with any tax advice. The Company strongly encourages Shareholders to obtain their own tax advice based on the Shareholder’s particular circumstances before deciding whether to participate in the Voluntary Sale Facility.

Australian income tax consequences

The following is a general description of the Australian income tax consequences for Shareholders who are individuals, complying superannuation funds or private companies and are Australian tax residents, which result from participation in the Voluntary Sale Facility. It is not intended to be a comprehensive statement of the Australian income tax consequences of participating in the Voluntary Sale Facility.

The general description below only applies to Shareholders who hold their Shares on capital account for Australian income tax purposes and are an Australian resident for tax purposes. In particular, it does not apply to:

- Shareholders who buy and sell shares in the ordinary course of business (i.e. Shareholders who hold their Shares on revenue account);
- Shareholders who hold their Shares as trading stock for Australian income tax purposes; or

- Shareholders that are subject to the taxation of financial arrangements rules in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to gains and losses on their Shares.¹

The information is based upon Australian taxation law and practice in effect at the date of this letter.

Sale of Shares through the Voluntary Sale Facility

Each Share in the Company constitutes a separate asset for capital gains tax purposes. Shareholders will need to consider the consequences of the disposal of their Shares which were acquired in different parcels at different times.

A taxing event should not happen to a Shareholder when a Shareholder's Shares convert to ADSs. Accordingly, a Shareholder should not make a capital gain or capital loss as a result of its Shares being converted to ADSs. This is on the basis the Shareholder will continue to be the beneficial owners of the Shares as the ADS Conversion Facility is a bare trustee arrangement.

A Shareholder's cost base or reduced cost base in the ADSs it receives as a consequence of its Shares being converted should be equal to the cost base or reduced cost base of the Shareholder's Shares at the time of the conversion of the Shares into ADSs.

A taxing event should happen to a Shareholder when it disposes of its ADSs on the basis that the Shareholder will cease to be the beneficial owner of its ADSs.

A Shareholder should make a capital gain where the capital proceeds a Shareholder receives in consideration for the disposal are greater than the Shareholder's cost base in the ADSs disposed of. A Shareholder should make a capital loss where the capital proceeds a Shareholder receives in consideration for the disposal are less than the Shareholder's reduced cost base in the ADSs disposed of.

A Shareholder's net capital gain for an income year is included in its assessable income. Broadly, the net capital gain for an income year is the total of the capital gains made during the income year less capital losses incurred in the income year and available net capital losses made in previous income years. That amount may be reduced by further concessions, including the discount capital gains tax provisions.

If a Shareholder is an individual, or the Shareholder holds Shares as trustee of a trust or a complying superannuation fund and the Shareholder has held the Shares (including holding period of ADSs) for at least 12 months before disposal (and has not chosen for indexation to apply, should the choice be available), the discount capital gain provisions apply as follows:

- (a) if the Shareholder is an individual, one half of the capital gain, after offsetting any capital losses, will be included in the Shareholder's assessable income.
- (b) if the Shareholder is a complying superannuation fund, two-thirds of the capital gain, after offsetting applicable capital losses will be included in the fund's assessable income; and
- (c) the CGT discount rules are complex for trusts. However, generally the CGT discount may flow through to presently entitled beneficiaries where the beneficiaries would be entitled to apply the CGT discount.

¹ Note: Division 230 will generally not apply to individuals, unless they have made an election for it to apply to them.

The discount capital gain provisions do not apply to companies.

Certain United States Federal Income Tax Matters

United States Federal Income Tax Backup Withholding in Connection with the Sale of Shares in the Voluntary Sale Facility

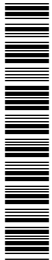
If you are a U.S. Shareholder or are acting on behalf of a U.S. Shareholder, then in order to avoid backup withholding of U.S. federal income tax in respect of the gross cash consideration receivable pursuant to the Voluntary Sale Facility, you must provide a complete IRS Form W-9 or otherwise provide certification that the U.S. Shareholder is exempt from backup withholding. If you are a U.S. Shareholder but you are not a U.S. person, then you must complete an appropriate IRS Form W-8 to avoid backup withholding. If you require an IRS Form W-9 or Form W-8, please contact the Bionomics Information Line on +61 8 8236 8899. These forms are also available on the IRS website at www.irs.gov

For purposes of the Voluntary Sale Facility, a "U.S. Shareholder" is a beneficial owner of Shares (including Shares represented by ADSs) that is, for U.S. federal income tax purposes:

- (a) an individual who is a citizen or resident alien of the United States;
- (b) a corporation or other entity treated as a corporation created or organized under the laws of the United States;
- (c) an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- (d) a trust if:
 - (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust; or
 - (ii) it has a valid election in effect to be treated as a United States person. Shareholders that are, or hold their Shares (including Shares represented by ADSs) through, partnerships and other pass-through entities or arrangements should consult their tax advisors regarding their treatment for purposes of these instructions.

HOLDERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF US FEDERAL INCOME TAX WITHHOLDING AND BACKUP WITHHOLDING, INCLUDING ELIGIBILITY FOR A WITHHOLDING TAX REDUCTION OR EXEMPTION, AND THE REFUND PROCEDURE.

FOR FURTHER INFORMATION PLEASE CONTACT:



Baker Young
GPO Box 1672
Adelaide, South Australia 5001
Australia

Direct: +61 8 8236 8899 (Monday – Friday)
9:00am – 5:00pm (Adelaide time)
Bionomics@bakeryoung.com.au

Yours sincerely

Spyros Papapetropoulos

Dr Spyridon “Spyros” Papapetropoulos
President and Chief Executive Officer