

2018 BIONOMICS
ANNUAL REPORT







02	VISION
03	CHAIRMAN'S LETTER
04	CEO AND MANAGING DIRECTOR'S REPORT
12	INTELLECTUAL PROPERTY PORTFOLIO
13	BOARD OF DIRECTORS
15	MANAGEMENT
16	DIRECTORS' REPORT
32	ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
73	INDEPENDENT AUDIT REPORT
78	SHAREHOLDER INFORMATION
80	COMPANY PARTICULARS

IMPROVE
THE LIVES
OF PEOPLE
WHO SUFFER
FROM
ANXIETY,
DEPRESSION,
PTSD,
PAIN &
MEMORY LOSS
THROUGH EFFECTIVE
TREATMENT

CHAIRMAN'S LETTER

**DEAR SHAREHOLDERS**

Once again I am delighted to report a year of solid progress for Bionomics as it pursues its major programs for neurological and psychiatric disorders, and builds a pipeline of innovative therapies based on our proprietary drug discovery technologies. For patients, our work aims to help those

with difficult-to-treat disorders such as anxiety, depression, Post Traumatic Stress Disorder (PTSD) and cognitive dysfunction and agitation linked to Alzheimer's disease and other conditions.

The flagship program of our novel ion channel therapeutics pipeline revolves around our BNC210 program. BNC210 is a first-in-class, proprietary, orally active, negative allosteric modulator of the $\alpha 7$ nicotinic acetylcholine receptor in development for the treatment of anxiety, panic disorder, PTSD and agitation. Among the clinical highlights, in April 2018 we completed recruitment into our Phase 2 clinical trial of BNC210 in PTSD. In May 2018 we commenced a Phase 2 trial in elderly patients suffering from Agitation.

In partnership with MSD (Merck Sharpe & Dohme Corp, a subsidiary of Merck & Co. Inc. Kenilworth NJ, USA) we are pursuing a program targeting cognitive dysfunction associated with Alzheimer's disease and other conditions. In early 2017 MSD dosed the first subject in a Phase 1 clinical trial, triggering a \$US10 million milestone payment from MSD.

Our CEO, Deborah Rathjen will expand on these programs and our emerging pipeline in her report.

In the expensive realm of drug discovery and development, it is tempting to try to be 'all things to all people' by pursuing programs across multiple compounds for multiple indications. But capital is never infinite, so we made the difficult decision to seek to monetise our non-core oncology programs BNC101 and BNC105. While both candidates continue to be highly promising, the Bionomics board concluded that further development would best be maximised in the hands of a larger entity and we continue to forge ahead with our divestment plans. While progress on this divestment program has been slower than we would have liked, we are already benefiting from cost savings related to stopping further internal spend on our oncology programs and are happy to report keen interest in the assets and hope to update shareholders in the near future.

The company is building on our major strategy review of 2017, which resulted in a more streamlined and focused organisation. We made the difficult decision to close our San Diego office, consolidating our research functions at our Adelaide base. With completion of the Phase 1 BNC101 trial in patients with metastatic colon cancer further reductions in headcount have been made. The resultant cost savings will bolster our financial position but importantly, they have not detracted from our ability to undertake the divestment process.

Financially we enter the fiscal year 2019 in a sound position, with cash of \$24.93 million. This healthy cash balance partly reflects the receipt of a \$6.788 million R&D incentive refund from the Australian government in January 2018. On this note, we were pleased to see the government recognise biotech innovation by excluding clinical trials from a new \$4 million a year cap on R&D rebates for companies with turnover below \$20 million.

The period also saw Bionomics added to the OTCQX Composite and International indices. The OTCQX is the top tier of three markets for over-the-counter (OTC) securities operated by the OTC Markets Group. For companies to qualify to be traded on OTCQX, they must meet high financial standards, follow best practice corporate governance and demonstrate compliance with US security laws.

Bionomics' progress has been recognised by investment banking analysts following the stock, including Bell Potter, Shaw & Partners and Blue Ocean Equity in Australia and H.C. Wainwright, Hardman & Co and Edison Research overseas.

Our clinical progress and financial health has not come about by chance. On behalf of the board I extend my thanks to Dr Rathjen and the entire Bionomics team for their tireless work throughout the year.

We are also fortunate to have an expert and committed board, with our other directors Peter Turner, David Wilson and Alan Fisher bringing decades of healthcare, investment banking and commercial experience to the table.

But most of all, I would like to thank our 5000 or so shareholders large and small for your ongoing support.

We look forward to providing a further update on progress at our upcoming AGM.

Yours faithfully

Errol De Souza

Chairman and Non-Executive Director

CEO AND MANAGING DIRECTOR'S REPORT

**DEAR SHAREHOLDERS**

The 2017-2018 year was a very productive year for the company as we progressed development of our therapeutic candidate BNC210 which is in development for the treatment of anxiety, panic, Post Traumatic Stress Disorder (PTSD) and Agitation associated with anxiety

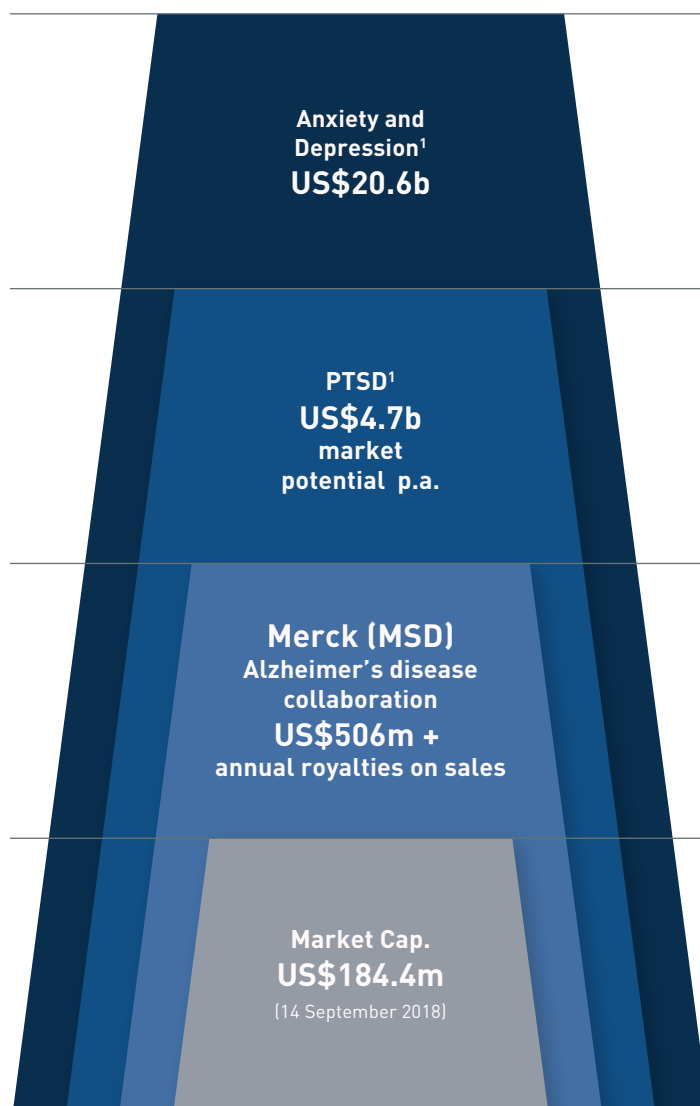
and dementia in elderly patients. We also continued to support our important, validating collaboration with MSD (Merck & Co, Kenilworth, New Jersey) resulting in the successful completion of the research component of the collaboration as MSD now undertakes clinical development of a therapeutic candidate for the treatment of cognitive dysfunction in Alzheimer's disease and other conditions. Although most investors eyes are on BNC210 and our MSD collaboration, Bionomics did not neglect its robust, emerging pipeline, continuing to work towards the identification of new and truly innovative therapeutic candidates for the treatment of serious Central Nervous System (CNS) disorders.

Our CNS focussed pipeline gives Bionomics "multiple shots on goal" as we head towards a number of anticipated value accretive catalysts in fiscal year 2019. These short-term catalysts include:

- Phase 2 clinical trial results for BNC210 for the currently recruiting trial in Agitation in hospitalised, elderly patients
- The identification of additional CNS therapeutic candidates for partnering and/or internal development.

This progress for Bionomics occurred against a backdrop of M&A activity within the industry and a number of acquisitions of companies within the Australian sector by large, global players. For ASX listed companies this highlighted the value gap between market capitalisation and inherent value. Bionomics CNS programs all target areas where there is a significant market opportunity attractive to both large Pharma and specialty CNS Pharma companies.

Fiscal year 2018 also marked a year of transition for Bionomics to a pure CNS company. This meant taking some difficult decisions as we closed our San Diego operations and oncology operations in Adelaide. We also downsized in other areas of the business to bring about greater efficiency and reduce expenses. These changes to the business have brought greater focus without impairing our ability to progress our business objectives, including the divestment



1. Eligible Patient Annual US Market Potential:

PTSD+MDD+BP+Panic+SAD+Agitation+GAD: PTSD 3.4-4% prevalence >18 yrs., ~25% of patients diagnosed and treated; MDD 6.7% prevalence, ~50% co-morbid anxiety, ~50% diagnosed and treated; BP 2.9% prevalence, 50% co-morbid anxiety (range in literature 25% to 75%), ~50% diagnosed and treated; Panic 2.7% prevalence, ~50% diagnosed and treated; SAD 6.8% prevalence, 15-20% diagnosed and treated; Agitation 3.1% dementia prevalence >40 yrs., ~9% agitation patients diagnosed and treated; GAD 2. 3.1% prevalence, ~25% diagnosed and treated, ~50% of SSRI patients treated are partial responders or relapsers; 3. 2.7% prevalence, ~50% diagnosed and treated. Assumes 5% premium to Trintellix 2016 AWP for 30-day supply of \$380 – compliance adjusted.

of our clinical stage oncology assets BNC101 and BNC105. Bionomics is currently engaged in a number of confidential business discussions on these non-core assets which we believe will lead to favourable outcomes, providing funding for their continued development which will benefit Bionomics' shareholders in the future.

CEO AND MANAGING DIRECTOR'S REPORT



BIONOMICS' FOCUS FOR DRUG DISCOVERY, DEVELOPMENT AND PARTNERING

We have developed a robust pipeline of therapeutic candidates and drug discovery programs that provide multiple shots on goal focused on CNS disorders where patient care could be improved through innovative medicines that address unmet needs.

BIONOMICS' CNS FOCUSED PIPELINE

Program	Mechanism of Action	Indication	Pre-IND	Phase 1 / 2a	Phase 2b	Bionomics' Commercial Rights	US Market Opportunity
BNC210	α7 nicotinic acetylcholine receptor NAM	PTSD	Fully recruited; results reported 2 Oct 2018			WW	• US\$4.7B p.a. • 3.4-4% prevalence >18 yrs • ~25% of patients diagnosed and treated
		Agitation	Phase 2 initiated Q2 2018; results expected Q1 2019			WW	• US\$1.6B p.a. • ~3.1% dementia prevalence >40 yrs • ~9% agitation patients diagnosed and treated
		GAD	Positive Phase 2a data			WW	• US\$2.7B p.a. • 3.1% GAD prevalence • ~25% diagnosed and treated • ~50% of SSRI patients treated are partial responders or have relapsed
		Panic	Positive CCK-4 induced panic data			WW	• US\$4.4B p.a. • 2.7% prevalence • ~50% diagnosed and treated • Assumes 5% premium to Trintellix 2016 AWP for 30-day supply of \$380 – compliance adjusted
MK#	α7 nicotinic acetylcholine receptor PAM	Alzheimer's, Parkinson's	Phase 1 ongoing			WW Merck Partnership	• US\$506M total deal value including upfront and milestones payments • Tiered annual royalties
PAIN, DEPRESSION, MEMORY ENHANCEMENT	undisclosed					WW	

Our pipeline focuses on conditions where we have unique capabilities, through our proprietary technology platform ionX, to identify new approaches and molecules that have the potential to greatly improve the treatment of conditions such as anxiety, PTSD, cognitive dysfunction and pain.



BNC210: A NEXT GENERATION THERAPEUTIC CANDIDATE WITH THE POTENTIAL TO TREAT ANXIETY, DEPRESSION, PANIC, PTSD AND AGITATION

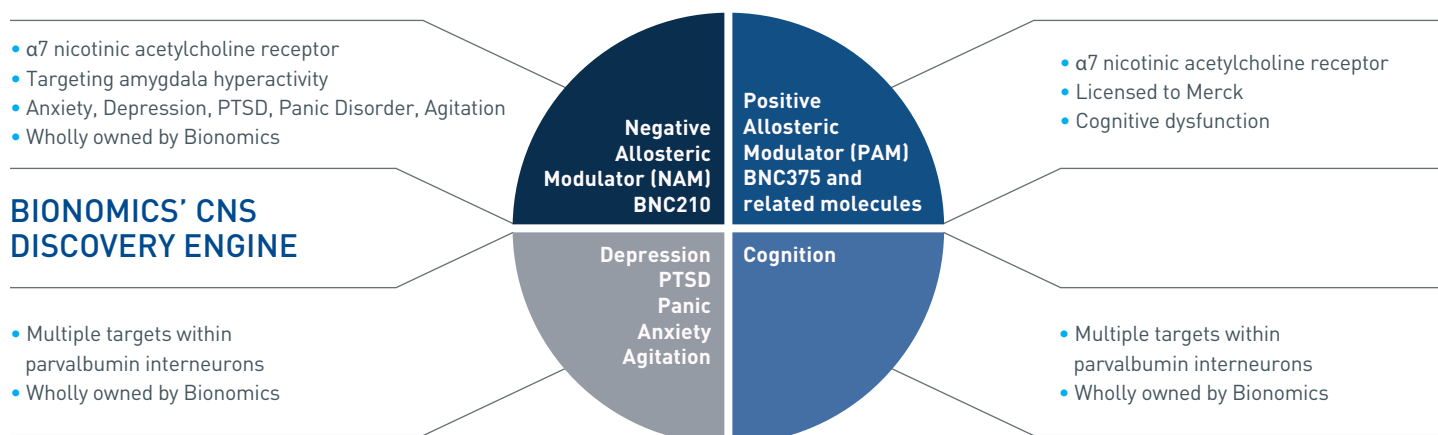
We entered the period with seven completed BNC210 clinical trials all of which have met their primary clinical trial endpoints. These trials established solid foundational data for the PTSD and Agitation clinical trials that will be the most important catalysts for Bionomics in the coming months. In particular, results from the clinical trials undertaken in patients with Generalised Anxiety Disorder (GAD) and in healthy volunteers suffering induced panic attacks, indicate that BNC210 may decrease symptoms within the major symptom clusters of avoidance, intrusive memories, arousal and reactivity, measured by the Clinician Administered PTSD Symptom Scale (CAPS-5), the instrument used to measure efficacy in PTSD trials, including the Bionomics RESTORE trial.

On 9 July, Bionomics announced that all 193 patients enrolled in the RESTORE trial had completed their treatment phase of the study. Just to re-cap some of the main features of the trial, the RESTORE trial is a randomised, double-blind, placebo-controlled Phase 2 clinical trial that enrolled adult patients diagnosed with PTSD at 26 sites across the United States and Australia. As previously mentioned, the primary endpoint of the trial is a decrease in PTSD symptoms as measured CAPS-5. Secondary endpoints being measured in the trial include a decrease in symptoms of anxiety as measured by the Hamilton Anxiety Rating Scale (HAM-A) and symptoms of depression as measured by the Montgomery and Asberg Depression Rating Scale (MADRS). It is pleasing to report that both the recruitment and treatment phases of this comprehensive international Phase 2 clinical trial were completed on time, confirming the ability of Bionomics to efficiently undertake large, multi-centre clinical trials in the neuroscience area.

With all patients now off the study, attention is focused on ensuring that all patient information has been entered correctly into the database. Once quality control procedures have been completed, the data will be unblinded and analysed and the results will be reported to the company. We anticipate that data will be forthcoming late in third quarter, calendar year 2018.

BNC210 works by subtly down-modulating, through an allosteric mechanism, the activity of an ion channel located in the brain - the $\alpha 7$ nicotinic acetylcholine receptor. This normalises the effect of a neurotransmitter (acetylcholine) that has been linked to the symptoms of anxiety and depression, as well as to stress-induced behaviours. One of the important sites in the brain rich in this receptor is the amygdala, the brain's emotional centre. Through the Phase 2 GAD trial we gained an even greater understanding of the effect of BNC210 on neural circuitry controlling amygdala activation, arousal and reactivity and this deeper understanding of the biology has led to an ever-increasing appreciation of the commercial potential of BNC210. US market research conducted by Bluestar BioAdvisors on behalf of Bionomics supports our enthusiasm for BNC210 which we believe represents a game changer for patients whose treatment is complex and oftentimes ineffective.

In layperson's terms, BNC210 has been shown to be well tolerated and not sedating, while lacking the addiction risks posed by the widely-used benzodiazepine class of drugs. It also doesn't impair memory and has a rapid onset of action. The non-sedative nature of BNC210 makes it a potential treatment for elderly patients suffering anxiety and during 2018 Bionomics identified agitation in the elderly as the setting for a new Phase 2 clinical trial.

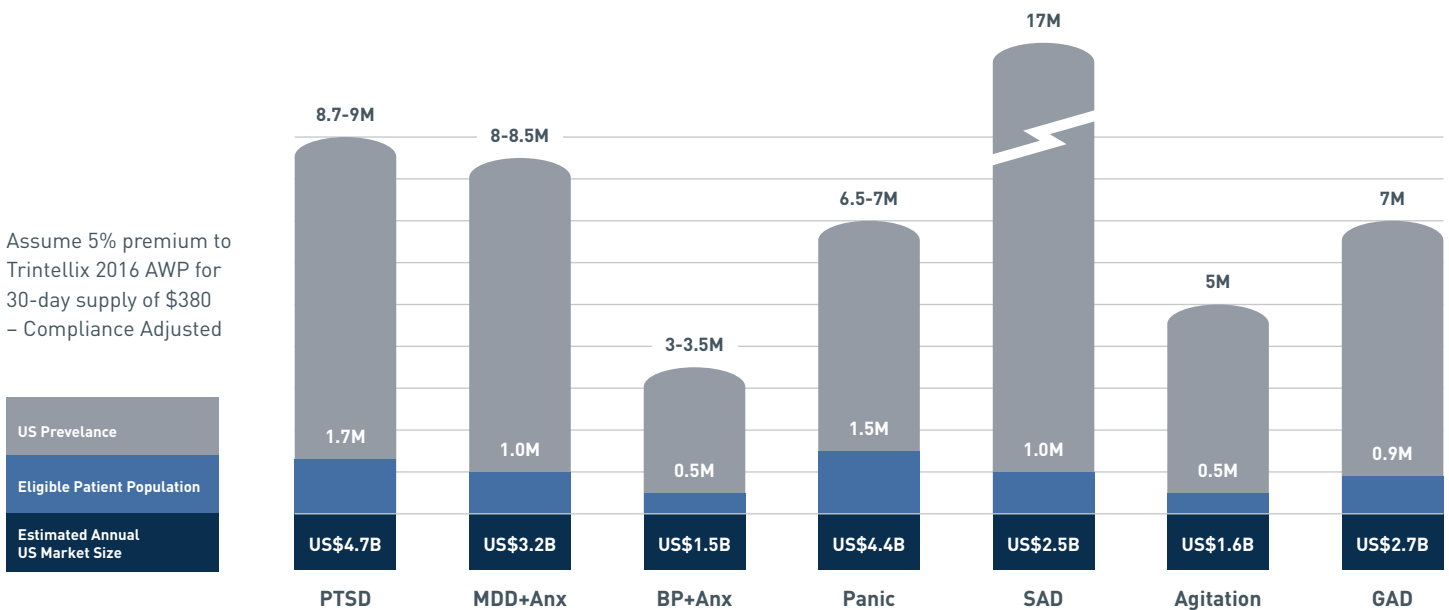




HUMAN CLINICAL DATA INDICATES BNC210 MAY IMPACT MULTIPLE PTSD SYMPTOM CLUSTERS MEASURED BY CAPS-5



BNC210 TARGETS MULTI-BILLION DOLLAR MARKETS WITH UNMET NEED: US MARKET POTENTIAL



- Innovative, first-in-class
- Unmet need in large patient population
- Advancement in care
- Limited branded competition
- Ability to achieve large market share

1 3.4-4% prevalence →18yrs., ~25% of patients diagnosed and treated
 2 6.7% prevalence, ~50% co-morbid anxiety, ~50% diagnosed and treated
 3 ~2.9% prevalence, 50% co-morbid anxiety (range in literature 25 to 75%), ~50% diagnosed and treated
 4 ~2.7% prevalence, ~50% diagnosed and treated
 5 ~6.8% prevalence, 15-20% diagnosed and treated
 6 ~3.1% dementia prevalence →40yrs., ~9% agitation patients diagnosed and treated
 7 3.1% GAD prevalence, assumes ~25% diagnosed and treated, ~50% of SSRI patients treated are partial responders or relapsers

Major Depressive Disorder (MDD), Bipolar Disorder (BP), Social Anxiety Disorder (SAD), Generalised Anxiety Disorder (GAD), Anxiety (Anx).

CEO AND MANAGING DIRECTOR'S REPORT



BNC210: POTENTIAL IN THE TREATMENT OF AGITATION IN THE ELDERLY

In May 2018 we commenced a Phase 2 clinical trial for BNC210, aimed at treating agitation in the elderly in the hospital setting.

The randomised, double-blinded, placebo-controlled trial will recruit about 40 patients across Australian geriatric wards in hospitals. Over a short five-day treatment period, the trial will monitor the resolution of agitation as well as the safety and tolerability of BNC210.

Agitated behavioural disturbance in elderly patients is a major unmet clinical problem, causing distress to both the patients and other patients and interfering with therapeutic procedures. There are no approved treatments

for agitation in the elderly, with the use of benzodiazepines and antipsychotics extremely restricted because of the risks of falls, strokes and even sudden death. In any event, it is estimated that only 9% of patients suffering agitation receive any drug treatment.

The trial is designed for rapid recruitment, with first trial results expected in the first quarter of calendar year 2019.

Bionomics drew attention, through its social media outreach, to the New York Times article published in March 2018 entitled "A Quiet Drug Problem Among the Elderly" highlighting the addiction problems associated with the use of anti-anxiety treatments by older people and the increase in benzodiazepine associated deaths in this patient population. Articles such as this reinforce our determination to find solutions for the safe treatment of anxiety and agitation.



BNC210 rapidly inhibits Amygdala activation in 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 is associated with Agitation.

BNC210 HAS THE POTENTIAL FOR THE TREATMENT OF AGITATION

OUR IMPORTANT RELATIONSHIP WITH MSD

Amongst the significant achievements of 2017 was the initiation of a first clinical trial of a candidate therapy for the treatment of cognitive dysfunction associated with Alzheimer's disease by our collaborator MSD (Merck Sharpe & Dohme Corp, a subsidiary of Merck & Co. Inc. Kenilworth NJ, USA). The milestone achievement triggered a US\$10 million payment to Bionomics from MSD. This payment further validates Bionomics' proprietary drug discovery technology and capabilities. Our strong collaboration with MSD, one of the leading pharmaceutical companies in the world, is exemplified on multiple fronts. Of course, the research and license agreement signed in 2014 is an important element. To recap on the details of that agreement – Bionomics received an upfront payment of US\$20 million

and is eligible to receive up to US\$506 million for reaching pre-defined research and clinical development milestones. In addition, our agreement includes eventual undisclosed royalties on product sales.

The entry of the therapeutic candidate into a clinical trial is an important advance providing validation of our drug discovery platform to identify high quality therapeutic candidates as well as our strategic approach to partner selected assets within our robust pipeline. The portfolio of products under our collaboration with MSD are designed to address cognitive dysfunction in a number of debilitating CNS conditions, and Alzheimer's disease is of chief importance amongst these as there remains an urgent need for effective treatments. In addition to our collaboration, MSD have been a shareholder of Bionomics since October 2015.

CEO AND MANAGING DIRECTOR'S REPORT



Bionomics and MSD have partnered for the last five years to present an Annual Symposium covering new developments in neuroscience research. In October 2017 the Symposium covered topics under the theme of 'Feelings and Forgetting' that included Post Traumatic Stress Disorder (PTSD), sleep and Alzheimer's disease. The Symposium presentations, from a stellar group of Australian and overseas experts, were extremely well received. Presenters included:

- Professor Steve Williams, IoPPN Kings College London & Maudsley Hospital on MR Neuroimaging to Facilitate the Drug R&D Process - from Mouse to Man.
- Professor Ole Isaacson, Professor of Neurology & Neuroscience, Harvard Medical School on Novel Concepts from Human Cell Biology and Genetics for Neurodegenerative Disease Treatments

- Dr Richard Hargreaves, Corporate Vice President Neuroscience & Imaging, Celgene on Seeing the Problems and Devising Solutions for Neurodegenerative Disease.

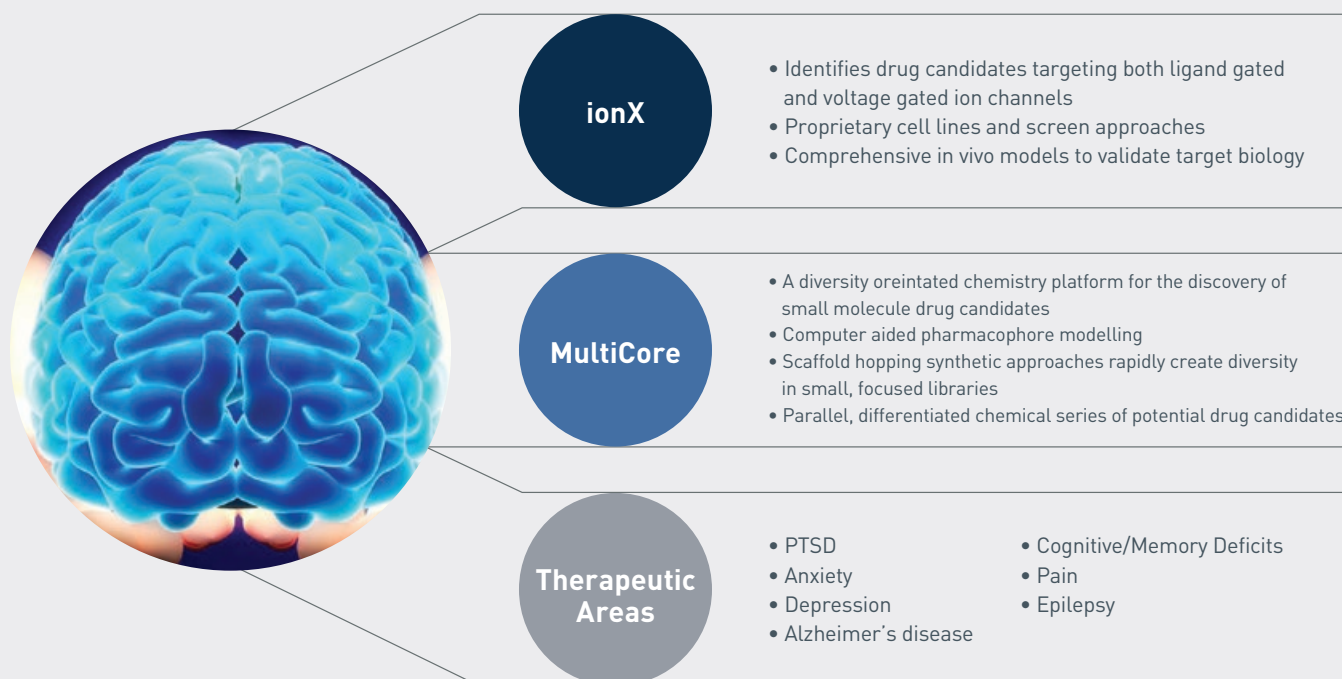
We were very pleased that Ben Thorner, Senior Vice President and Head of Business Development and Licensing for Merck Research Labs at MSD could join us for this event which was held in conjunction with AusBiotech's national conference.

In October 2018 representatives from Bionomics and MSD will again convene for the 6th Annual Frontiers of Neuroscience Symposium. We are delighted that MSD's Dr Darryle Schoepp, Vice President Neuroscience Discovery is scheduled to be our keynote speaker.

A RICH PIPELINE WITH MULTIPLE SHOTS ON GOAL

Bionomics is developing a robust pipeline of future therapeutic candidates in its core CNS therapeutic areas and leveraging its proprietary technologies in the drug discovery process. We are far from a "one trick pony"! With recent scientific developments, several new targets from Bionomics' early discovery efforts are now able to be further investigated. We are working towards the identification of new therapeutic candidates for internal development and/or partnering in 2019.

OUR PROPRIETARY PLATFORM TECHNOLOGIES AND CNS THERAPEUTIC FOCUS



CEO AND MANAGING DIRECTOR'S REPORT



GETTING THE WORD OUT

During the year different ways of delivering our message have provided opportunities to promote BNC210 and our innovative pipeline.

PTSD and anxiety continue to be in the news and among the recent news coverage and a report by The Economist on the aftermath of the Grenfell Tower disaster in London, with "the local arm of the National Health indicating that up to 11,000 people may end up suffering from mental health problems. Most will be cases of PTSD, but others will suffer from anxiety and depression....". This year Channel 9 covered Bionomics' BNC210 PTSD efforts reporting from the veterans' perspective. Channel 9 also aired a report on Bionomics' Agitation clinical trial.

Analyst coverage of Bionomics has broadened. We have been active in presenting Bionomics in forums such as the ASX Listed companies Adelaide breakfast in March 2018.

We have also taken Bionomics' story global. In April we hosted two Key Opinion Leader's events in New York and London. The New York event featured a keynote presentation by Professor Murray Stein, a distinguished professor of psychiatry and family medicine at University of California,

San Diego. Prof. Stein has wide involvement in treating patients with PTSD, anxiety and trauma related disorders.

The London event was chaired by Professor Allan Young, Director at the Centre for Affective Disorders in the Department of Psychological Medicine, Institute of Psychiatry, Psychology and Neuroscience at King's College. Prof. Young is rated as one of the world's leading scientific minds in psychiatry and psychology, according to the respected Thomson Reuters Highly Cited Researchers List in 2014.

During 2017 our work on BNC210 was presented to the PTSD State of the Science Summit, hosted by the US Army Medical Research and Materiel Command in West Virginia. The Company was one of the subject matter experts selected to participate in the invitation-only event by a committee of PTSD drug treatment stakeholders.

In July 2018, Bionomics presented at the Neurotech session of the 13th Annual Bioshares Biotech Summit in Queenstown New Zealand.

CEO AND MANAGING DIRECTOR'S REPORT



“AS WELL AS AGITATION TRIAL RESULTS, SHAREHOLDERS CAN EXPECT PROGRESS ON THE MONETISATION OF THE ONCOLOGY ASSETS.”

MONETISING THE ONCOLOGY ASSETS

As we indicated in last year's report, finite resources mean that it's not possible to continue to develop our clinical stage cancer assets BNC101 and BNC105. These programs are also no longer part of our core strategy which is focused on CNS disorders.

In October 2017, initial data from the Phase 1 clinical trial of BNC101 in patients with metastatic colon cancer became available. The data are very encouraging and strongly supportive of the ongoing monetisation process.

Also, new pre-clinical data generated through a grant-funded collaboration with scientists at the University of South Australia demonstrates that BNC105 is more potent than competing products in development in relation to treatment of acute myeloid leukaemia. Both BNC101 and BNC105 data sets were presented at the American Association for Cancer Research (AACR) annual conference in April 2018.

As indicated earlier, Bionomics has an ongoing process for the divestment of the two oncology assets with multiple confidential discussions in progress. We anticipate an outcome that will deliver value for shareholders.

OUTLOOK

With a 30 June, 2018 cash balance of \$24.93 million and with the support of the MSD partnership, Bionomics is well placed to advance its current BNC210 clinical trials in PTSD and Agitation, which build on the positive top-line results from the GAD trial delivered in October 2016.

As well as Agitation trial results, shareholders can expect progress on the monetisation of the oncology assets. We also anticipate progress in our partnered program by our partner MSD in financial year 2019.

The rewards are great if we get it right and we look forward to an eventful financial year 2019.

Finally, I thank all shareholders for their ongoing support. I also thank Bionomics' staff who share a determination to achieve success in these programs.

INTELLECTUAL PROPERTY PORTFOLIO



WE ARE THE OWNER OF RECORD OF 125 ISSUED PATENTS ACROSS 63 FAMILIES AND 102 PENDING PATENT APPLICATIONS ACROSS 38 FAMILIES FILED IN EUROPE, THE UNITED STATES AND ASIA. THE BIONOMICS PATENT PORTFOLIO INCLUDES:

Through the worldwide Patent Cooperation Treaty (PCT) mechanism, Bionomics and its related companies were granted 16 patents this financial year, 21 PCT patent applications entered the national and regional phases of examination, 2 PCT patent applications and 11 provisional patent applications were filed.

10

patent families covering BNC210 and congeners and their use in the treatment of anxiety and other disorders

19

patent families covering BNC105 and congeners and their use in the treatment of cancer

12

patent families covering BNC101 and its use in targeting cancer stem cells

7

patent families covering BNC164 and congeners and their use in the treatment of autoimmune disease

3

patent application covering chronic pain

2

patent families covering Parkinson's Disease and related disorders

10

patent families covering discoveries made utilising Bionomics' technology platforms

BOARD OF DIRECTORS

**DR ERROL DE SOUZA PhD****CHAIRMAN AND NON-EXECUTIVE DIRECTOR**

Dr De Souza is a leader in the development of therapeutics for treatment of central nervous system (CNS) disorders. He is currently President and CEO of Neuropore Therapies Inc., and is the former President and CEO of US biotech companies Biondi Inc. (NASDAQ:BIOD), Archemix Corporation and Synaptic Pharmaceutical Corporation (NASDAQ:SNAP). Dr De Souza formerly held senior management positions at Aventis Pharmaceuticals, Inc. (now Sanofi) and its predecessor Hoechst Marion Roussel Pharmaceuticals, Inc. Most recently, he was Senior Vice President and Site Head of US Drug Innovation and Approval (R&D), at Aventis, where he was responsible for the discovery and development of drug candidates through Phase 2a clinical trials for CNS and inflammatory disorders. Prior to Aventis, he was a co-founder and Chief Scientific Officer of Neurocrine Biosciences (NASDAQ:NBIX). Dr De Souza has served on multiple editorial boards, National Institutes of Health (NIH) Committees and is currently a Director of several public and private companies.

**DR DEBORAH RATHJEN****BSc (Hons), PhD, MAICD, FTSE****CEO AND MANAGING DIRECTOR**

Dr Rathjen joined Bionomics in 2000 from Peptech Limited, where she was General Manager of Business Development and Licensing. Dr Rathjen was a co-inventor of Peptech's TNF technology and leader of the company's successful defence of its key TNF patents against a legal challenge by BASF. Dr Rathjen has significant experience in company building and financing, mergers and acquisitions, therapeutic product research and development, business development, licensing and commercialisation. Dr Rathjen has been recognised both in Australia and internationally through awards and honours including the 2004 AusBiotech President's Medal, 2006 Flinders University Distinguished Alumni Award, 2009 BioSingapore Asia Pacific Biotechnology Woman Entrepreneur of the Year, 2009 Regional Finalist Ernst & Young – Entrepreneur of the Year, 2014 Woman Executive of the Year BioPharma Industry Awards. In 2015 Dr Rathjen was included in the Top 50 most influential Australian business women by The Australian newspaper.

**MR PETER TURNER****BSc, MBA, GAICD****NON-EXECUTIVE DIRECTOR**

Mr Turner is a former senior executive with global experience in CSL, a large multinational organisation in the biopharmaceutical industry. He has been an Executive Director and COO of CSL and was the founding President of CSL Behring working in Europe and the United States from 2000 to 2011. Mr Turner provided strategic, technical and commercial leadership and was responsible for the integration of large company acquisitions in Europe, the United States and Japan. He has been responsible for significant company re-structuring and turnaround and has overseen thirteen new product launches in the United States and Europe and more in other jurisdictions. During his tenure overseas sales grew from US\$140 million to \$3.4 billion. Mr Turner is a Non-Executive Director of Virtus Health and the Chair of NPS MedicineWise. He is a former Chair of Ashley Services Group.

BOARD OF DIRECTORS



MR DAVID WILSON
NON-EXECUTIVE DIRECTOR

Mr Wilson is Chairman and founding partner of WG Partners and has over 30 years' experience in investment banking in the City of London. Previously Mr Wilson was CEO of Piper Jaffray Ltd, where he also served as Global Chairman of Healthcare and on the Group Leadership Team. Mr Wilson has held senior positions at ING Barings as Joint Head of UK Investment Banking Group, Deutsche Bank as Head of Small Companies Corporate Finance and UBS as Head of Small Companies Corporate Broking. Mr Wilson currently serves as Non-Executive Director of Bionomics Limited and was previously Senior Independent Director of Optos plc prior to its successful sale of Nikon Corporation for c.\$400m as well as a Non-Executive Director of BerGenBio AS.



MR ALAN FISHER
BCom, FCA, MAICD
NON-EXECUTIVE DIRECTOR

Mr Fisher has extensive and proven experience in restoring and enhancing shareholder value. He spent 24 years at world-leading accounting firm Coopers & Lybrand as Lead Advisory Partner where he headed and grew the Melbourne Corporate Finance Division. Following this tenure Alan developed his own business as a corporate advisor and for the past 21 years has specialised in M&A, business restructurings, strategic advice and capital raisings for small cap companies. He is currently Non-Executive Chairman of Centrepont Alliance Limited and IDT Australia Limited and Non-Executive Director and Chair of the Audit and Risk Committees of Thorney Technology Limited. He is also the Managing Director of Fisher Corporate Advisory and DMC Corporate. Mr Fisher holds a Bachelor of Commerce from Melbourne University, is a Fellow of the Institute of Chartered Accountants Australia, a member of the Australian Institute of Company Directors.

MANAGEMENT



DR DEBORAH RATHJEN
BSc (Hons), PhD, MAICD, FTSE
CEO AND MANAGING DIRECTOR

Dr Rathjen joined Bionomics in 2000 from Peptech Limited, where she was General Manager of Business Development and Licensing. Dr Rathjen was a co-inventor of Peptech's TNF technology and leader of the company's successful defence of its key TNF patents against a legal challenge by BASF. Dr Rathjen has significant experience in company building and financing, mergers and acquisitions, therapeutic product research and development, business development, licensing and commercialisation. Dr Rathjen has been recognised both in Australia and internationally through awards and honours including the 2004 AusBiotech President's Medal, 2006 Flinders University Distinguished Alumni Award, 2009 BioSingapore Asia Pacific Biotechnology Woman Entrepreneur of the Year, 2009 Regional Finalist Ernst & Young - Entrepreneur of the Year, 2014 Woman Executive of the Year BioPharma Industry Awards. In 2015 Dr Rathjen was included in the Top 50 most influential Australian business women by The Australian newspaper.



MR JACK MOSCHAKIS
BEC, DIPLaw (BAB) NSW, GDipBA, FCIS
LEGAL COUNSEL AND COMPANY SECRETARY

Mr Moschakis brings a depth of legal knowledge with over 25 years' experience as a legal practitioner. He has worked in senior legal / company secretary roles in the South Australian electricity industry for over 10 years and has expertise in energy law and energy related commercial and contractual matters. His most recent position was at mining company Rex Minerals Ltd where he worked as a legal consultant. Prior to this, Mr Moschakis worked at Thomsons Lawyers, now part of the national law firm of Thomson Geer, as an energy and infrastructure consultant. Mr Moschakis holds a Bachelor of Economics (Adelaide), Diploma in Law (BAB-NSW) and Graduate Diploma in Business Administration (Adelaide). He is a Fellow of the Institute of Chartered Secretaries / Governance Institute of Australia, Member of the Law Society of South Australia, the Association of Corporate Counsel and the Licensing Executive Society of Australia & New Zealand.



MR STEVEN LYDEAMORE
BBus, MBA, CPA, GAICD
CHIEF FINANCIAL OFFICER

Mr Lydeamore is a Certified Practising Accountant with 25 years' international pharmaceutical experience. He has senior executive experience spanning Asia Pacific, Europe, Latin America and North America in finance, business development, mergers and acquisitions, sales and marketing, manufacturing and research and development. Mr Lydeamore worked in various finance roles for F.H. Faulding & Co. Limited in Australia over a ten year period followed by four years in the United States at Mayne Pharma (USA) Limited. For the eleven years prior to joining Bionomics, Mr Lydeamore worked for Apotex Inc., the largest Canadian-owned pharmaceutical company, most recently as President, Apobiologix. Mr Lydeamore holds a Bachelor of Business (Applied Economics) (Deakin) and a Master of Business Administration (RMIT). He is a member of CPA Australia and Licensing Executives Society (U.S.A. and Canada), Inc. and a Graduate of the Australian Institute of Company Directors.

DIRECTORS' REPORT



Your Directors present their report on the financial statements of the Group for the year ended 30 June 2018, comprising the parent entity Bionomics Limited (Bionomics) and its subsidiaries. In compliance with the *Corporations Act 2001*, the Directors report as follows:

Directors

The following persons were Directors of Bionomics during the period and up to the date of this report:

- Dr Errol De Souza, Non-Executive Director and Chairman
- Dr Deborah Rathjen, Chief Executive Officer and Managing Director
- Mr David Wilson, Non-Executive Director
- Mr Peter Turner, Non-Executive Director
- Mr Alan Fisher, Non-Executive Director

The Directors held office during the whole of the financial year and since the end of the financial year.

Principal Activities

The principal activities of the Company and its controlled entities (the Group) during the period include the discovery and development of novel drug candidates focused on the treatment of central nervous system (CNS) disorders.

Operating Results

Consolidated revenue for the year to 30 June 2018 decreased by 79% to \$3,953,990. Other income for the year to 30 June 2018 decreased by 12% to \$8,502,456 and primarily relates to the Research and Development (R&D) Tax Incentive, foreign government grants and interest income. This compared with revenue of \$18,606,356 and other income of \$9,645,501 for the year to 30 June 2017. The operating loss after tax of the Group for the year to 30 June 2018 was \$25,085,564 compared with the prior year after tax loss of \$6,749,615.

The cash position at 30 June 2018 was \$24,930,461 with restricted cash of \$550,000 and \$384,000 classified as current and non-current other financial assets respectively (2017: \$42,873,656 with restricted cash of \$550,000 and \$384,000 classified as current and non-current other financial assets respectively).

The financial performance of key operating segments of Drug discovery and development and Contract services are included in Note 4.

Review of Operations

Bionomics is a global, clinical-stage biopharmaceutical company, leveraging our proprietary platform technologies to discover and develop a deep pipeline of best-in-class, novel drug candidates focused on ion channel mediated disorders of the Central Nervous System (CNS).

Ion Channel Expertise to Drive Growth

Our ionX and MultiCore drug discovery platforms are validated through our partnership with Merck & Co., or MSD as it is known outside the US and Canada and both platforms serve as a source of significant competitive advantage in addressing underserved therapeutic areas including anxiety, PTSD, agitation, depression, pain and Alzheimer's disease.

Our Important Relationship with MSD Continues to Make Progress

During FY18 Bionomics successfully completed its collaborative research activities with MSD (known as Merck & Co., Inc., Kenilworth NJ, USA in the US and Canada). MSD is presently progressing a candidate therapy for the treatment of cognitive dysfunction in Alzheimer's disease through a Phase 1 clinical program. The next milestone is anticipated to be initiation of a Phase 2 clinical trial. The portfolio of products under our collaboration with MSD are designed to address cognitive dysfunction in important CNS indications, and Alzheimer's disease is of chief importance among these as there remains an urgent need for new treatments.

Under the 2014 agreement, MSD funds all early-stage and clinical development of any candidate within the collaboration and is responsible for worldwide commercialisation. Bionomics previously received US\$20 million in upfront payments, a US\$10 million Phase 1 initiation milestone payment and additional research payments and is eligible to receive up to an additional US\$465 million for MSD reaching predefined milestones, plus eventual undisclosed royalties on any product sales.

In October 2017 MSD and Bionomics hosted its annual joint Symposium in Adelaide, Australia focused on Frontiers in Neuroscience Research: Feelings and Forgetting. Symposium speakers included some of the world's most respected experts in the fields of brain imaging and neurodegenerative disease. Attendees also benefited from reports on latest advances in the science and treatment options for PTSD, including an update on Bionomics' therapeutic candidate BNC210. Presentations from MSD focused on the discovery and development of treatments for Sleep Disorders and Alzheimer's disease. The successful Symposium was well attended by researchers, medical personnel and patient support groups as well as investors and life science analysts. The symposium was closed by Mr Ben Thorner, Senior Vice President, Global Business Development & Licensing at MSD. The 6th Annual Symposium will again be held in October 2018 in Adelaide.

Recent Clinical Developments Have Progressed BNC210 to Near-term Catalysts with a Phase 2 Trial in Agitation Commenced and the Treatment Phase in the Phase 2 PTSD Trial Completed.

BNC210, is a novel, orally-administered, first-in-class, negative allosteric modulator of the $\alpha 7$ nicotinic acetylcholine receptor, in development for the treatment of anxiety, panic, agitation, and PTSD with a rapid onset of action and improved safety and

DIRECTORS' REPORT



tolerability compared to currently marketed products including benzodiazepines, anti-depressants and anti-psychotics, providing a compelling therapeutic profile in areas of significant unmet clinical need.

To date BNC210 has been evaluated in 7 completed clinical trials that investigated efficacy, safety and tolerability, target engagement and proof of biology. BNC210 has demonstrated efficacy in suppressing panic attack symptoms and in Generalised Anxiety Disorder (GAD) patients BNC210 demonstrated rapid onset of anxiolytic activity following a single administration. In the 7 completed clinical trials BNC210 has met all primary endpoints.

The Phase 2 PTSD trial, which was conducted in Australia and the US, completed enrolment in April 2018 and in July 2018 Bionomics reported that all patients had completed the treatment phase of the trial. The trial is anticipated to read-out data in late third quarter of calendar year 2018.

In May 2018 Bionomics initiated a Phase 2 clinical trial of BNC210 in elderly patients with agitation in the hospital setting. The trial, designed for short treatment and rapid recruitment, will evaluate the effect of BNC210 on the resolution of agitation in hospitalised elderly patients and assess the safety and tolerability of BNC210 in this patient population. It will recruit approximately 40 elderly patients in specialist geriatric hospital wards across Australia, and is a randomised, double-blind, placebo-controlled design with a 5-day treatment period. Recruitment is ongoing with read-out of data anticipated in the first quarter of calendar year 2019.

If successfully developed BNC210 represents a paradigm shift in the treatment of anxiety disorders including GAD and Panic Disorder, conditions characterised by high levels of co-morbid anxiety such as bipolar disorder and major depressive disorder as well as trauma and stress-related disorders such as PTSD and Agitation in the elderly.

Strong Market Opportunity for BNC210

Market research commissioned by Bionomics and conducted by market research firm Bluestar BioAdvisors indicates that the US market opportunity for BNC210 in PTSD is estimated to be US\$4.7 billion p.a. and that the US market for treatment of Agitation in Alzheimer's disease is estimated to be US\$1.6 billion p.a. Bluestar BioAdvisors is continuing its work for Bionomics on the broader US market opportunity in Agitation in the elderly, beyond Alzheimer's disease which may result from other forms of dementia as well as anxiety. PTSD and Agitation are anticipated to provide a more rapid path to market for BNC210 than either GAD or Panic Disorder, with the potential for FDA Fast Track or Breakthrough designations with positive Phase 2 data.

Strategic Realignment to Focus on Ion Channel Assets

In FY18 the decision was made to divest our clinical stage oncology drugs BNC105 and BNC101 and these assets are

undergoing a formal monetisation process. Numerous parties are in active due diligence and we anticipate a value accretive outcome.

Several developments and new data have contributed to interest. On October 31, 2017 Bionomics announced that the BNC101 Phase 1 clinical trial in patients with metastatic colon cancer was fully recruited. BNC101 is an anti-LGR5 humanised monoclonal antibody being developed to treat solid cancers. It aims to prevent or delay tumour recurrence by targeting LGR5, a cancer stem cell marker that is over-expressed in metastatic colorectal cancers and other solid tumour types. LGR5 is also thought to regulate cancer cell adhesion. The recommended Phase 2 dose level of 15 mg/kg was confirmed.

New data on both programs were presented to the American Association for Cancer Research (AACR) in Chicago on 16 and 17 April 2018. In the case of BNC101, Bionomics reported evidence of target engagement and pharmacodynamic markers of activity in patients enrolled in the Phase 1 clinical trial. New preclinical 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, for the treatment of acute myeloid leukaemia a potential new indication for BNC105.

Outlook

With Bionomics' transition to a pure CNS company, BNC210 and our robust pipeline of preclinical programs are our major areas of focus. Bionomics is in a strong position to fund its current BNC210 clinical trials and to support our important relationship with MSD. Progress over FY18 has led to important near-term milestone catalysts for the Company. BNC210 Phase 2 PTSD clinical trial data are anticipated in late third quarter CY2018. BNC210 Phase 2 Agitation in the Elderly clinical trial data are anticipated in the first quarter of CY2019. In addition to evaluating BNC210 partnering, we continue to evaluate opportunities to broaden the development of BNC210.

Bionomics also continues to progress a number of early stage ion channel programs targeting pain, depression, cognition, PTSD and epilepsy, with identification of a potential therapeutic candidate anticipated in the second half of CY2018.

Bionomics has an ongoing process to monetise its oncology programs, BNC101 and BNC105, as the company completes its transition to a focused CNS disorders company and anticipate that the outcomes will be value accretive for shareholders.

Dividends

The Directors do not propose to make any recommendation for dividends for the current financial year. There were no dividends declared in respect of the previous financial year.

DIRECTORS' REPORT

**Significant Changes in the State of Affairs**

There were no significant changes in the Group during the financial year.

Subsequent Events

No other matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the results of the operations of the Group.

Likely Developments and Expected Results of Operations

The Group will continue to undertake drug discovery and clinical development and will seek to commercialise the outcomes.

Environmental Regulation

The Group is subject to environmental regulations and other licenses in respect of its facilities in Australia and France. The Group is subject to regular inspections and audits by responsible State and Federal authorities. The Group was in compliance with all the necessary environmental regulations throughout the year ended 30 June 2018 and no related issues have arisen since the end of the financial year to the date of this report.

INFORMATION ON DIRECTORS**Dr ERROL DE SOUZA** PhD

Chairman – Non-Executive Director since 28 February 2008 and Non-Executive Chairman from 1 September 2016

Experience and Expertise

Dr De Souza is a leader in the development of therapeutics for treatment of CNS disorders. He is currently President and CEO of Neuropore Therapies Inc. and is the former President and CEO of US biotech companies Bidel Inc. (NASDAQ:BIOD), Archemix Corporation and Synaptic Pharmaceutical Corporation (NASDAQ:SNAP). Dr De Souza formerly held senior management positions at Aventis Pharmaceuticals, Inc. (now Sanofi) and its predecessor Hoechst Marion Roussel Pharmaceuticals, Inc. Most recently he was Senior Vice President and Site Head of US Drug Innovation and Approval (R&D) at Aventis, where he was responsible for the discovery and development of drug candidates through Phase IIa clinical trials for CNS and inflammatory disorders. Prior to Aventis, he was a co-founder and Chief Scientific Officer of Neurocrine Biosciences (NASDAQ:NBIX) and Head of CNS Diseases at DuPont Merck Pharmaceuticals. Dr De Souza has served on multiple editorial boards, National Institutes of Health (NIH) Committees and is currently a Director of several public and private companies.

Current Directorships (in addition to Bionomics Limited)

Listed: Director of Catalyst Biosciences Inc. (NASDAQ:CBIO)

Former Listed Directorships in Last Three Years

Bidel Inc. (NASDAQ:BIOD)

Special Responsibilities

Member of Audit and Risk Management Committee

Member of the Nomination and Remuneration Committee

Interests in Shares and Options at Date of Report

366,698 ordinary shares in Bionomics Limited

500,000 unlisted options over ordinary shares in Bionomics Limited

Dr DEBORAH RATHJEN BSc (Hons), PhD, MAICD, FTSE

Chief Executive Officer and Managing Director

Director since 18 May 2000

Experience and Expertise

Dr Rathjen joined Bionomics in 2000 from Peptech Limited, where she was General Manager of Business Development and Licensing. Dr Rathjen was a co-inventor of Peptech's TNF technology and leader of the company's successful defence of its key TNF patents against a legal challenge by BASF. Dr Rathjen has significant experience in company building

DIRECTORS' REPORT



and financing, mergers and acquisitions, therapeutic product research and development, business development, licensing and commercialisation. Dr Rathjen has been recognised both in Australia and internationally through awards and honours including the 2004 AusBiotech President's Medal, 2006 Flinders University Distinguished Alumni Award, 2009 BioSingapore Asia Pacific Biotechnology Woman Entrepreneur of the Year, 2009 Regional Finalist Ernst & Young, Young Entrepreneur of the Year, and 2014 Woman Executive of the Year BioPharma Industry Awards. In 2015 Dr Rathjen was included in the Top 50 most influential Australia business women by The Australian newspaper.

Current Directorship (in addition to Bionomics Limited)

Listed: Chair of BiOasis Technologies, Inc. (TSX.V:BTI).

Former Listed Directorships in Last Three Years

None

Special Responsibilities

Chief Executive Officer and Managing Director

Interests in Shares and Options at Date of Report

2,550,901 ordinary shares in Bionomics Limited
1,265,000 unlisted options over ordinary shares in Bionomics Limited

Mr DAVID WILSON

Non-Executive Director
Director since 16 June 2016

Experience and Expertise

Mr Wilson is Chairman and founding partner of WG Partners and has over 30 years' experience in investment banking in the City of London. Previously Mr Wilson was CEO of Piper Jaffray Ltd, where he also served as Global Chairman of Healthcare and on the Group Leadership Team. Mr Wilson has held senior positions at ING Barings as Joint Head of UK Investment Banking Group, Deutsche Bank as Head of Small Companies Corporate Finance and UBS as Head of Small Companies Corporate Broking. Mr Wilson currently serves as Non-Executive Director of Bionomics Limited and was previously Senior Independent Director of Optos plc prior to its successful sale of Nikon Corporation for c.\$400m as well as a Non-Executive Director of BerGenBio AS.

Current Directorships (in addition to Bionomics Limited)

Listed: Nil

Former Listed Directorships in Last Three Years

Optos plc

Special Responsibilities

Member of Audit and Risk Management Committee
Member of the Nomination and Remuneration Committee

Interests in Shares and Options at Date of Report

200,000 ordinary shares in Bionomics Limited
500,000 unlisted options over ordinary shares in Bionomics Limited

Mr PETER TURNER BSc, MBA, GAICD

Non-Executive Director
Director since 16 June 2016

Experience and Expertise

Mr Turner is a former senior executive with global experience in CSL, a large multinational organisation in the biopharmaceutical industry. He has been an Executive Director and COO of CSL and was the founding President of CSL Behring working in Europe and the United States from 2000 to 2011. Mr Turner provided strategic, technical and commercial leadership and was responsible for the integration of large company acquisitions in Europe, the United States and Japan. He has been responsible for significant company re-structuring and turnaround and has overseen thirteen new product launches in the United States and Europe and more in other jurisdictions. During his tenure, overseas sales grew from US\$140 million to \$3.4 billion. Mr Turner is a Non-Executive Director of Virtus Health and the Chair of NPS MedicineWise. He is a former Chair of Ashley Services Group.

Current Directorships (in addition to Bionomics Limited)

Listed: Director, Virtus Health Limited (ASX:VRT) (since June 2013)

Former Listed Directorships in Last Three Years

Chair: Ashley Services Group Limited (ASX:ASH) (July 2014 to October 2015)

Special Responsibilities

Chair of Nomination and Remuneration Committee

Interests in Shares and Options at Date of Report

200,000 ordinary shares in Bionomics Limited
400,000 unlisted options over ordinary shares in Bionomics Limited

DIRECTORS' REPORT



Mr ALAN FISHER BCom, FCA, MAICD
Non-Executive Director
Director since 1 September 2016

of Australia, Member of the Law Society of South Australia,
Member of the Association of Corporate Counsel and member of
the Licensing Executives Society of Australia & New Zealand.

Experience and Expertise

Mr Fisher has extensive and proven experience in restoring and enhancing shareholder value. He spent 24 years at world-leading accounting firm Coopers & Lybrand as Lead Advisory Partner where he headed and grew the Melbourne Corporate Finance Division. Following this tenure, he has spent the last 21 years acting independently as a corporate advisor and professional director specialising in M&A, strategic advice, business restructurings and capital raisings. Mr Fisher holds a Bachelor of Commerce from Melbourne University, is a Fellow of the Institute of Chartered Accountants Australia, a member of the Australian Institute of Company Directors.

Current Directorships (in addition to Bionomics Limited)

Listed: Non-Executive Chair of Centrepoin Alliance Limited (ASX:CAF) and IDT Australia Limited (ASX:IDT),
Non-Executive Director and Chairman of the Audit and Risk Committee of Thorney Technologies Limited (ASX:TEK).

Former Listed Directorships in Last Three Years

Nil

Special Responsibilities

Chair of Audit and Risk Management Committee
Member of Nomination and Remuneration Committee

Interests in Shares and Options at Date of Report

Nil ordinary shares in Bionomics Limited
500,000 unlisted options over ordinary shares in
Bionomics Limited

Mr JACK MOSCHAKIS BEc, Dip Law (BAB) NSW, GDipBA, FCIS
Legal Counsel and Company Secretary

Experience and Expertise

Mr Moschakis brings a depth of legal knowledge with over 25 years' experience as a legal practitioner. He has worked in senior legal / company secretary roles in the South Australian electricity industry for over 10 years and has expertise in energy law and energy related commercial and contractual matters. His most recent position was at mining company Rex Minerals Ltd where he worked as a legal consultant. Prior to this, Mr Moschakis worked at Thomsons Lawyers, now part of the national law firm of Thomson Geer, as an energy and infrastructure consultant. Mr Moschakis holds a Bachelor of Economics (Adelaide), Diploma in Law (BAB) NSW and Graduate Diploma in Business Administration (Adelaide). He is a Fellow of the Institute of Chartered Secretaries / Governance Institute

DIRECTORS' REPORT

**MEETINGS OF DIRECTORS**

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a director or committee member).

	MEETINGS OF DIRECTORS		MEETINGS OF AUDIT AND RISK MANAGEMENT (ARM) COMMITTEE		MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE	
	Held	Attended	Held	Attended	Held	Attended
Dr Errol De Souza	8	8	4	4	5	5
Dr Deborah Rathjen ¹	8	8	4	4	5	4
Mr David Wilson	8	8	4	4	5	5
Mr Peter Turner ²	8	8	4	4	5	5
Mr Alan Fisher	8	8	4	4	5	5

¹ Attends ARM Committee, Nomination and Remuneration Committee by invitation

² Attends ARM Committee by invitation

REMUNERATION REPORT

This remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of the Company's Key Management Personnel (KMP) for the financial year ended 30 June 2018. The term 'KMP' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity (the Group), directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

1. Key Management Personnel
2. Remuneration Policy
3. Relationship Between the Remuneration Policy and Company Performance
4. Remuneration of Key Management Personnel
5. Key Terms of Service Agreements

1. Key Management Personnel (KMP)

NON-EXECUTIVE DIRECTORS	POSITION
Dr Errol De Souza	Chairman
Mr David Wilson	Non-Executive Director
Mr Peter Turner	Non-Executive Director
Mr Alan Fisher	Non-Executive Director
EXECUTIVE DIRECTOR	
Dr Deborah Rathjen	Chief Executive Officer and Managing Director
OTHER KMP	
Dr Jens Mikkelsen	Chief Scientific Officer (to 31 July 2018)
Dr Paul Rolan	Consultant Medical Officer Clinical Neuroscience
Mr Jack Moschakis	Legal Counsel & Company Secretary
Mr Steven Lydeamore	Chief Financial Officer (from 10 August 2017)
Mr Stephen Birrell	Interim Chief Financial Officer (from 22 May 2017 to 9 August 2017)

Except as noted, the above persons held their current position for the whole of the financial year and since the end of the financial year.

DIRECTORS' REPORT



1. Remuneration Policy

Non-Executive Director Remuneration Policy

The Non-Executive Directors' fee pool is reviewed from time to time, taking into account comparable remuneration data for the biotechnology sector provided by an independent remuneration consultancy. Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit that is approved by shareholders. The current aggregate Non-Executive Directors' fee pool limit is \$500,000 per annum and was approved by shareholders on 14 November 2012. This amount (or some part of it) is to be divided among the non-executive directors as determined by the Board and reflecting the time and responsibility related to the Board and committees. The Group does not provide for retirement allowances to its Non-Executive Directors.

Base board fees increased in September 2017 from \$120,000 to \$140,000 per annum for the Chairman, the first increase since 2013, and from \$65,000 to \$70,000 per annum for the other Non-Executive Directors being the first increase since 2011. The fees are inclusive of any statutory Australian superannuation contributions. The additional fee for the Chair of the Audit and Risk Management Committee and the Chair of the Nomination and Remuneration Committee respectively was reduced from \$15,000 to \$10,000 per annum.

The total fees paid to Non-Executive Directors for the year ended 30 June 2018 was \$363,186 compared to the aggregate directors' fee pool limit of \$500,000.

From 1 July 2018, fees for the Chairman are \$154,000 per annum and \$77,000 per annum for the other Non-Executive Directors (inclusive of superannuation), with no change in Committee Chair fees.

The reason for the increases was to bring directors fees into line with biotechnology market practice. Survey data was provided by an independent remuneration consultancy.

Non-Executive Directors may receive share options on their initial appointment to the Board or at other such times, as approved by shareholders.

Any value that may be attributed to options issued to Non-Executive Directors is not included in the shareholder approved aggregate limit of directors' fees. There were no share options granted to Non-Executive Directors during the year.

Executive Remuneration Policy and Framework

The objective of the Group's executive remuneration policy and framework is to ensure that the Group can attract and retain high calibre executives capable of managing the Group's operations and achieving the Group's strategic objectives and focus these executives on outcomes necessary for success.

The executives total remuneration package framework comprises:

- Base pay and benefits, including superannuation and other entitlements;
- Performance incentives paid as shares, share options, cash or a combination thereof; and
- Equity awards through participation in the Bionomics employee equity plans.

The combination of these comprises the executive KMP's total remuneration.

The Board reviews and approves the base pay, benefits, incentive payments and equity awards of the Chief Executive Officer and Managing Director and other executives reporting directly to the Chief Executive Officer and Managing Director. The Board took advice on executive remuneration from an independent remuneration consultancy during the year.

Base Pay and Benefits

Executives receive their base pay and benefits structured as a Total Fixed Remuneration (TFR) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion. Superannuation (or local equivalent) is included in TFR. There are no guaranteed base pay increases in any executive contract.

Base pay and benefit levels are reviewed annually, and an assessment made against market comparable positions. Factors taken into account in determining remuneration include levels of remuneration in other biotechnology companies, a demonstrated record of performance, internal relativities, and the company's capacity to pay. An executive's base pay and benefit levels may also be reviewed if the position's accountabilities increase in scope and impact.

During the year there were no increases in Total Fixed Remuneration provided to the Chief Executive Officer and Managing Director or KMP.

Performance Incentives

Executive positions have no pre-determined bonus or equity opportunity; however, performance incentives may be awarded at the end of the performance review cycle upon achievement of specific Board approved (i) individual, and (ii) company-related KPIs with a weighting of 50% each.

Following a performance evaluation against these KPIs, the amount of possible incentive payable to each executive is determined by the Board based on the Chief Executive Officer's recommendation, and to the Chief Executive Officer by the Board based on the Board's assessment of her performance.

The Board determines whether the incentive award should be in share options, shares and/or cash. In this financial year the Board determined that the maximum short-term incentive (STI)

DIRECTORS' REPORT



potential should be 22.5% for the Chief Executive Officer and Managing Director and 15% for KMP as listed below, 50% paid in cash and 50% in shares. The number of shares to be awarded will be calculated by multiplying the executive's fixed pay by the

incentive award percentage, multiplying this by 50% to determine the value to be paid in shares, and dividing this by the 5-day volume weighted average price (VWAP) of shares prior to the grant date of 14 August 2018. Details are below.

KMP	POSITION	NUMBER OF ORDINARY SHARES	SHARE VALUE [\$]	CASH VALUE [\$]	REMUNERATION % PERFORMANCE RELATED	REMUNERATION % NOT PERFORMANCE RELATED
Deborah Rathjen	Chief Executive Officer & Managing Director	64,444	30,482	30,482	12.46	87.54
Jack Moschakis	Legal Counsel & Company Secretary	35,518	16,800	16,800	9.72	90.28
Steven Lydeamore	Chief Financial Officer	34,091	16,125	16,125	8.34	91.66

The allocation of bonus shares to the Chief Executive Officer and Managing Director is subject to shareholder approval at the 2018 AGM.

The Board continues to review the performance assessment and incentive structure to ensure it remains effective.

Equity Awards

Equity awards for executives and employees are provided by a combination of equity plans that include the:

- Employee Share Plan;
- Employee Share Plan (\$1,000 Plan);
- Employee Share Option Plan; and
- Employee Equity Plan

Participation in these plans is at the Board's discretion and no individual has an ongoing contractual right to participate in a plan or to receive any guaranteed benefits. For key appointments, an initial allocation of equity may be offered as a component of their initial employment agreement. The structure of equity awards is under the active review of the Nomination & Remuneration Committee to ensure it meets good corporate practice for a company of Bionomics' size, nature and company lifecycle.

Employee Share Plan (ESP)

The ESP was approved by shareholders at the November 2014 Annual General Meeting. It may involve the Company providing an interest-free limited recourse loan to eligible employees to purchase shares under this ESP. The Company takes security over the Shares to secure repayment of the loan. The purpose of this ESP is to provide eligible employees with an incentive to remain with the Company and to improve the longer-term performance of the Company and its returns to shareholders. The issue price will be determined by the Board at its sole discretion, with the intention to base it on market value at the time.

No shares were issued to employees under the ESP during this financial year or to the date of this report.

Employee Share Plan (\$1,000 Plan)

All executives and staff, excluding Directors, are eligible to participate in the Bionomics Employee Share Plan (\$1,000 Plan). The objective of the \$1,000 Plan is to assist in the attraction and retention of employees of the Company, and to provide encouragement to become shareholders. An annual allocation of up to \$1,000 of shares may be granted and taxed on a concessional basis. Shares are granted under the \$1,000 Plan for no consideration and are escrowed for 3 years while participants are employed by the Company.

None were issued during this financial year or to the date of this report.

Employee Share Option Plan (ESOP)

Options may have been granted under the ESOP which was last approved by shareholders at the 2014 Annual General Meeting. This has now been superseded by the Employee Equity Plan (see page 24). All executives and staff were eligible to participate in the ESOP. The objective of the ESOP was to assist in the recruitment, reward, retention and motivation of employees of the company. Options are granted under the ESOP for no consideration. More particularly, the ESOP was utilised to award options to executives if they achieve specified KPIs. It may also be used for shareholder approved Non-Executive Director grants in addition to cash fees. The exercise price of options granted under the ESOP must be not less than the market price at the time the decision is made to invite a participant to apply for options. The exercise price is calculated as the volume-weighted average price (VWAP) of the shares in the 7 days preceding the approval to grant the options.

DIRECTORS' REPORT



Employee Equity Plan (EEP)

The EEP replaces the Employee Share Option Plan that was previously approved by shareholders at the Company's Annual General Meeting in 2014. The EEP was approved by shareholders at the 2017 Annual General Meeting and was drafted to reflect changes to the income tax legislation governing employee share schemes, governance changes in respect of the type of equity instruments that are granted to employees and directors, the circumstances in which they are granted, and to provide administrative flexibility. The underlying purpose of the EEP is to align employees' and directors' interests with shareholders' interests by providing them with equity as part of their remuneration arrangements. This will enable the Company to attract and retain top-level employees and directors. The procurement and retention of first class executives and employees capable of managing the Company's operations and achieving the Company's strategic objectives is always a difficult task for a relatively young company, without an earnings history, such as Bionomics. In order to compete with well-established companies, the Board considers the Company essentially has one of two choices: either offer higher cash remuneration or issue equity under a plan such as the EEP. The EEP enables the Board to award different types of equity instruments tailored to specific application. These can include Rights to acquire shares contingent on meeting specified performance metrics, Options to acquire shares on payment of an exercise price, Rights and/or Options that are contingent on remaining in employment, among others.

3. Relationship Between the Remuneration Policy and Company Performance

The Company's remuneration policy aligns executive reward with the interests of shareholders. The primary focus is on growth in shareholder value through the achievement of research, development, regulatory and commercial milestones. The performance goals are not necessarily linked to financial performance measures typical of companies operating in other market segments.

Share options, shares and/or cash bonuses are granted to executive KMP based on their level of key performance indicator (KPI) achievement. Achievement of KPIs should result in increases in shareholder value.

Bionomics' approach to its remuneration framework ensures:

- Executives focus on meaningful KPIs;
- The best performers receive higher reward;
- Executives must continue to perform to realise value; and
- Executive reward is aligned with shareholder interests.

KPIs may include (but are not limited to) successful negotiations of commercial contracts, achieving key research, development and regulatory milestones, and ensuring the availability of adequate capital to achieve stated objectives.

There is no direct link between the determination of fixed pay and the Company's financial performance (specifically, revenue and net (loss)/profit included in the table below) or share price.

The calculation of the annual incentive award for executive KMP is by reference to the achievement of specific milestones and targets approved by the Board. Milestones and targets generally relate to:

- Efficiently conducting the Company's development programs;
- Executing Bionomics' partnership strategy, both new and existing;
- Demonstrating the power of Bionomics' discovery capabilities; and
- Maintaining adequate capital reserves.

These KPIs have been established to support the Company achieving its overall objectives. Executive KMP have 50% of their performance incentives tied to the achievement of corporate goals and the remaining 50% is tied to the achievement of individual goals.

In last year's Remuneration Report, it was reported that incentive remuneration for the 2017 Financial Year was not finalised during the year and therefore the results would be reported this year. The Board determined that for FY2017 executive KMP incentive payments would be settled through the issue of Options under the ESOP rather than cash. The number of options granted are below.

KMP	POSITION	NUMBER OF OPTIONS
Deborah Rathjen*	Chief Executive Officer & Managing Director	75,000*
Jack Moschakis	Legal Counsel & Company Secretary	41,750
Stephen Birrell	Interim Chief Financial Officer	20,000

* Approved by Shareholders at the 2017 AGM

DIRECTORS' REPORT



Important milestones directly related to Board approved FY18 key performance indicators achieved by Bionomics' executives included:

1. Completion of enrolment in a BNC210 Phase 2 Clinical Trial for PTSD;
2. Achieving Board specified scientific targets;
3. Achieving Board specified corporate targets.

The Board determined that for FY2018 executive KMP incentive payments would be settled through the issue of 50% Shares under the ESOP and 50% cash, the details of which are shown in the table on page 23.

The tables below set out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2018.

	30 JUNE 2018 \$	30 JUNE 2017 \$	30 JUNE 2016 \$	30 JUNE 2015 \$	30 JUNE 2014 \$
Revenue	3,953,990	18,806,356	8,143,288	6,827,277	19,921,506
Net (Loss) / Profit before tax	(26,246,699)	(6,227,039)	(17,324,118)	(17,277,206)	3,946,945
Net (Loss) / Profit after tax	(25,085,564)	(6,749,615)	(16,592,410)	(16,949,405)	3,206,616

	30 JUNE 2018 CENTS	30 JUNE 2017 CENTS	30 JUNE 2016 CENTS	30 JUNE 2015 CENTS	30 JUNE 2014 CENTS
Share price at start of year	40.0	28.0	41.5	55.0	34.0
Share price at end of year	53.0	40.0	28.0	41.5	55.0
Dividends paid	-	-	-	-	-
Basic earnings per share	(5.0)	(1.0)	(3.0)	(4.0)	1.0
Diluted earnings per share	(5.0)	(1.0)	(3.0)	(4.0)	1.0

4. Remuneration of Key Management Personnel

The following tables show details of the remuneration received by the Directors and the executive KMP of the Group for the current and previous financial years.

Directors and Other Key Management Personnel – 2018

NAME	SHORT-TERM BENEFITS		POST-EMPLOYMENT	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS	TOTAL \$
	CASH SALARY AND FEES \$	NON-MONETARY BENEFITS \$	SUPER-ANNUATION \$	ANNUAL AND LONG SERVICE LEAVE \$	OPTIONS \$	
Dr Errol De Souza	135,815	-	-	-	-	135,815
Dr Deborah Rathjen	498,222	-	21,719	61,181	10,620	591,742
Mr David Wilson	68,954	-	-	-	-	68,954
Mr Peter Turner	71,614	-	6,803	-	-	78,417
Mr Alan Fisher	73,059	-	6,941	-	-	80,000
Mr Steven Lydeamore	382,979	-	19,910	42,400	-	445,289
Mr Jack Moschakis	325,314	-	21,645	28,079	11,853	386,891
Dr Paul Rolan	80,000	-	-	-	-	80,000
Dr Jens Mikkelsen	62,063	-	-	-	-	62,063
Mr Stephen Birrell	20,901	-	1,986	1,470	5,678	30,035
	1,718,921	-	79,004	133,130	28,151	1,959,206

DIRECTORS' REPORT



Directors and Other Key Management Personnel – 2017

NAME	SHORT-TERM BENEFITS		POST-EMPLOYMENT	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS	TOTAL
	CASH SALARY AND FEES \$	NON-MONETARY BENEFITS \$	SUPER-ANNUATION \$	ANNUAL AND LONG SERVICE LEAVE \$	OPTIONS \$	
Dr Errol De Souza	122,878	-	-	-	35,191	158,069
Dr Deborah Rathjen	441,523	64,980	19,616	12,790	30,866	569,775
Mr David Wilson	65,000	-	-	-	33,653	98,653
Mr Peter Turner	65,749	-	6,246	-	33,653	105,648
Mr Alan Fisher	58,333	-	5,542	-	35,191	99,066
Mr Trevor Tappenden	25,977	-	2,468	-	-	28,445
Mr Jack Moschakis	282,694	-	19,616	2,426	16,324	321,060
Dr Jens Mikkelsen	262,868	15,029	16,346	-	-	294,243
Mr Anthony Colasin	401,299	-	-	-	21,121	422,420
Ms Melanie Young	254,631	10,122	16,701	-	3,635	285,089
Mr Stephen Birrell	17,843	-	1,695	-	6,088	25,626
	1,998,795	90,131	88,230	15,216	215,722	2,408,094

5. Key Terms of Service Agreements

Remuneration and other terms of employment for the Chief Executive Officer and Managing Director and the other executive KMP are formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below:

Dr Deborah Rathjen, Chief Executive Officer and Managing Director

- Term of agreement – 5 years commencing 15 August 2015.
- Total remuneration package, to be reviewed annually by the Board
- Payment of termination benefit on early termination by the employer without cause equal to six months' salary. In the event of redundancy, purchase or merger of Bionomics by a third party resulting in a material diminution in duties, an additional six months' salary will be paid

Mr Jack Moschakis, Legal Counsel and Company Secretary

- Term of agreement – open, commencing 4 May 2015
- Total remuneration package to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board
- Payment of termination benefit on early termination by the employer without cause equal to six months' salary. In the event of redundancy, purchase or merger of Bionomics by a third party resulting in a material diminution in duties, six months' salary will be paid

Mr Steven Lydeamore, Chief Financial Officer

- Term of agreement – open, commencing 10 August 2017
- Total remuneration package to be reviewed annually by the Chief Executive Officer and Managing Director and approved by the Board
- Payment of termination benefit on early termination by the employer without cause equal to six months' salary. In the event of purchase or merger of Bionomics by a third party resulting in a material diminution in duties, six months' salary will be paid

Dr Paul Rolan, Consultant Medical Officer Clinical Neuroscience

- Term of agreement - From 1 February 2017 – 30 June 2018 (through the University of Adelaide) and directly from 1 July 2018 to 30 October 2018
- Part-time Consulting

Dr Jens Mikkelsen, Chief Scientific Officer

- Term of agreement - Consultancy Agreement up to 31 July 2018
- Part-time Consulting

Mr Stephen Birrell, Interim Chief Financial Officer

- Term of agreement - from 22 May 2017 to 10 August 2017 (otherwise employed as Group Financial Controller).
- Total Remuneration package increased for this period.
- Payment of termination benefit on early termination by the employer without cause equal to three months' salary.

DIRECTORS' REPORT

**Share-Based Payments**

Share-based payment benefits are provided to employees via the Bionomics ESOP, EEP and the ESP. There were no share-based payments under the ESP during the financial year.

The market value of shares issued to employees for no cash consideration under the ESP and the EEP is recognised as an employee benefits expense with a corresponding increase in equity when the employees become unconditionally entitled to the shares.

The Bionomics EEP was approved by the Board and Shareholders in 2017. Employees eligible to participate in the plan are those who have been a full-time or part-time employee of the Group for a period of not less than six months or a director of the Company.

Options are granted under the ESOP (prior to approval of the EEP by shareholders at the 2017 AGM) and Options under the EEP are issued for no consideration and vest equally over five years, provided a person remains employed subject to good leaver

provisions (death, retrenchment or retirement). Equities issued under the EEP vest at the time of grant or upon satisfaction of conditions stipulated by the Board at that time, if any.

The amounts disclosed as remuneration relating to options are the assessed fair values at grant date of those options allocated equally over the period from grant date to vesting date. Fair values at grant date are determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting criteria, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Incentive options are issued at the discretion of the Board and vest immediately. There are no subsequent performance conditions attached to incentive options.

The terms and conditions of each grant of options affecting remuneration of directors and other KMP in this or future reporting periods are as follows:

GRANT DATE	EXPIRY DATE	REVISED EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE	VESTING DATE
Granted in Prior Periods				
17-Dec-13	17-Dec-18	\$0.3301	\$0.4647	17-Dec-13
04-Dec-14	04-Dec-19	\$0.5643	\$0.2705	04-Dec-14
27-Apr-15	27-Apr-21	\$0.5029	\$0.2146	27-Apr-16
27-Apr-15	27-Apr-22	\$0.5029	\$0.2315	27-Apr-17
27-Apr-15	27-Apr-23	\$0.5029	\$0.2466	27-Apr-18
27-Apr-15	27-Apr-24	\$0.5029	\$0.2601	27-Apr-19
27-Apr-15	27-Apr-25	\$0.5029	\$0.2722	27-Apr-20
24-Dec-15	24-Dec-20	\$0.4211	\$0.1567	24-Dec-15
30-Dec-15	30-Dec-21	\$0.5102	\$0.1617	30-Dec-16
30-Dec-15	30-Dec-22	\$0.5102	\$0.1772	30-Dec-17
30-Dec-15	30-Dec-23	\$0.5102	\$0.1912	30-Dec-18
30-Dec-15	30-Dec-24	\$0.5102	\$0.2038	30-Dec-19
30-Dec-15	30-Dec-25	\$0.5102	\$0.2152	30-Dec-20
28-Nov-16	28-Nov-21	\$0.3743	\$0.2080	28-Nov-16
28-Nov-16	28-Nov-22	\$0.2613	\$0.2505	28-Nov-17
28-Nov-16	28-Nov-23	\$0.2613	\$0.2621	28-Nov-18
28-Nov-16	28-Nov-24	\$0.2613	\$0.2721	28-Nov-19
28-Nov-16	28-Nov-25	\$0.2613	\$0.2810	28-Nov-20
28-Nov-16	28-Nov-26	\$0.2613	\$0.2890	28-Nov-21
28-Nov-16	28-Nov-22	\$0.6000	\$0.1166	
28-Nov-16	28-Nov-23	\$0.6000	\$0.1166	

DIRECTORS' REPORT



GRANT DATE	EXPIRY DATE	REVISED EXERCISE PRICE	FAIR VALUE PER OPTION AT GRANT DATE	VESTING DATE
Granted in Prior Periods (cont.)				
28-Nov-16	28-Nov-24	\$0.6000	\$0.1166	
28-Nov-16	28-Nov-25	\$0.6000	\$0.1166	
28-Nov-16	28-Nov-26	\$0.6000	\$0.1166	
Granted in Current Period				
05-Sep-17	05-Sep-22	\$0.4400	\$0.2839	05-Sep-17
24-Nov-17	24-Nov-22	\$0.4400	\$0.1416	24-Nov-17
29-Mar-18	29-Mar-24	\$0.7549	\$ 0.2300	29-Mar-19
29-Mar-18	29-Mar-25	\$0.7549	\$ 0.2525	29-Mar-20
29-Mar-18	29-Mar-26	\$0.7549	\$ 0.2758	29-Mar-21
29-Mar-18	29-Mar-27	\$0.7549	\$ 0.2945	29-Mar-22
29-Mar-18	29-Mar-28	\$0.7549	\$ 0.3114	29-Mar-23
29-Mar-18	29-Mar-24*	\$0.7549	\$ 0.2300	29-Mar-19

* Dependent on fulfillment of the performance criteria

Options granted under the EEP or ESOP carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of Bionomics.

During the year, and since the end of the year to the date of this report, Options were issued to the following KMP under the EEP.

Directors and Other Key Management Personnel – 2018

NAME	NUMBER GRANTED	DATE GRANTED	TOTAL FAIR VALUE* \$	NUMBER VESTED	% OF GRANT VESTED	% OF GRANT FORFEITED
Mr Steven Lydeamore	400,000	29 Mar 2018	109,136	-	-	-
Mr Steven Lydeamore**	400,000	29 Mar 2018	92,000	-	-	-
Dr Deborah Rathjen	75,000	24 Nov 2017	10,620	75,000	100	-

* Dependent on the date the Options were issued and the exercise price

** Dependent on fulfillment of the performance criteria

During the year the following key management personnel exercised options that were granted to them as part of their compensation.

NAME	NUMBER OF OPTIONS EXERCISED	NUMBER OF ORDINARY SHARES ISSUED	AMOUNT PAID \$	AMOUNT UNPAID \$
Dr Errol De Souza	100,000	100,000	29,760	-
Dr Deborah Rathjen	65,000	65,000	18,499	-
Mr Peter Turner	100,000	100,000	31,300	-

DIRECTORS' REPORT

**Fully Paid Ordinary Shares of Bionomics Limited**

	BALANCE AT 1 JULY 2017 NUMBER	GRANTED AS COMPENSATION NUMBER	RECEIVED ON EXERCISE OF OPTIONS NUMBER	NET OTHER CHANGE NUMBER	BALANCE AT 30 JUNE 2018 NUMBER	BALANCE HELD NOMINALLY NUMBER
Dr Errol De Souza	266,698	-	100,000	-	366,698	-
Dr Deborah Rathjen	2,485,901	-	65,000	-	2,550,901	1,065,000
Mr David Wilson	200,000	-	-	-	200,000	200,000
Mr Peter Turner	100,000	-	100,000	-	200,000	-
Mr Alan Fisher	-	-	-	-	-	-
Mr Jack Moschakis	-	-	-	-	-	-
Mr Steven Lydeamore	-	-	-	100,000	100,000	-

Share options of Bionomics Limited

	BALANCE AT 1 JULY 2017 NUMBER	GRANTED AS COMPENSATION NUMBER	EXERCISED NUMBER	NET OTHER CHANGE NUMBER	BALANCE AT 30 JUNE NUMBER	BALANCE VESTED AND EXERCISABLE AT 30 JUNE 2018 NUMBER	OPTIONS VESTED DURING YEAR NUMBER
Dr Errol De Souza	600,000	-	(100,000)	-	500,000	100,000	100,000
Dr Deborah Rathjen	1,255,000	75,000	(65,000)	-	1,265,500	315,000	200,000
Mr David Wilson	500,000	-	-	-	500,000	100,000	100,000
Mr Peter Turner	500,000	-	(100,000)	-	400,000	-	100,000
Mr Alan Fisher	500,000	-	-	-	500,000	100,000	100,000
Mr Jack Moschakis	250,000	41,750	-	-	291,750	141,750	91,750
Mr Steven Lydeamore	-	800,000	-	-	800,000	-	-

All share options issued to KMP during the financial year were made in accordance with the provisions of the ESOP or the EEP. The number granted to KMP in the above table and in total during the year was 0.18% and 0.32% respectively of common shares outstanding.

During the financial year, 265,000 options were exercised by KMP at a weighted average exercise price of \$0.30 per option for 265,000 ordinary shares in Bionomics Limited. No amounts remain unpaid on the options exercised during the financial year at year end.

Further details of the employee share option plan and of share options granted during the 2018 and 2017 financial years are contained in Note 22 to the financial statements.

Other Transactions with Directors and Other Key Management Personnel

Bionomics has strong disciplines to avoid any real or perceived conflict of interest with respect to related party

transactions. Prospective related party transactions are reviewed by the Board excluding directors associated with the prospective transaction. Related party directors must have no involvement in the evaluation, negotiation or management of transactions in which they have an interest. Full disclosure is made in the Annual Report. The Company will continue to assess any prospective agreements on an arm's length basis.

During the year the Company contracted with WG Partners LP ("WG Partners"), related party to Mr David Wilson. This transaction is arm's length within the meaning of Section 210 of the Corporations Act 2001 and therefore shareholder approval is not required. Under the contract between the Company and WG Partners, WG Partners provides Bionomics with general financial advisory services in Europe and the US for a retainer of A\$10,000 per month (plus GST), terminable on one months' notice.

DIRECTORS' REPORT



OTHER INFORMATION

Shares Under Option

Information relating to shares under option is set out in section 4 of the Remuneration Report. The total number of shares under option at 30 June 2018 was 9,512,920 under the Employee Share Option Plan and 800,000 under the Employee Equity Plan, a total of 10,312,920. This is a total of 2.13% of common shares outstanding as at 30 June 2018.

Shares Issued on the Exercise of Options

1,296,870 ordinary shares of Bionomics were issued during the year ended 30 June 2018 on the exercise of options granted under the Bionomics ESOP.

Warrants

In December 2016 the Company issued 16,082,988 warrants at an exercise price of \$0.5938, being the second tranche in connection with a private placement to US equity holders. These warrants are exercisable at the discretion of the holder and exchangeable for 16,082,988 ordinary shares.

The Company issued 24,124,484 warrants in December 2015 being the first tranche in connection with the private placement to US equity holders, exchangeable for 24,124,484 ordinary shares at a fixed price of \$0.5938.

The company previously issued 988,843 warrants exchangeable for 988,843 ordinary shares at a fixed price (\$345,232 at \$0.5288 and 643,611 at \$0.54) in connection with a USD Loan or a lower number of shares for nil consideration, with the number of shares calculated based on a formula which takes into account the movement in the share price of the Company from the date of issue to date of exercise of the warrant.

Insurance of Officers

During the financial year, the Company paid a premium to insure the Directors and Officers (D&O) of the Company. Under the terms of this policy the premium paid by the Company is not permitted to be disclosed.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the D&O in their capacity as D&O of the Company, and any other payments arising from liabilities incurred by the D&O in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the D&O or the improper use by the D&O of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-Audit Services

The Company may decide to employ the external auditor on assignments additional to their statutory audit duties where the external auditor's expertise and experience with the Group are important.

Details of the amounts paid to the external auditor for audit and non-audit services provided during the year are set out in Note 28 to the financial statements.

The Board has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for external auditors imposed by the *Corporations Act 2001*.

External Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327B of the *Corporations Act 2001*.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 31.

This Directors' report is signed in accordance with a resolution of directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

Errol De Souza
Chairman

16 August 2018

Deborah Rathjen
Chief Executive Officer and
Managing Director

16 August 2018

AUDITOR'S INDEPENDENCE DECLARATION

**Deloitte.**

Deloitte Touche Tohmatsu
ABN 74 490 121 060
11 Waymouth Street
Adelaide, SA, 5000
Australia

Phone: +61 8 8407 7000
www.deloitte.com.au

16 August 2018

The Board of Directors
Bionomics Limited
31 Dalglish Street
THEBARTON SA 5031

Dear Board Members

Bionomics Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Bionomics Limited.

As lead audit partner for the audit of the financial statements of Bionomics Limited for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Penny Woods
Partner

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



TABLE OF CONTENTS

FINANCIAL STATEMENTS

PG 33

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

PG 34

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PG 35

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PG 36

CONSOLIDATED STATEMENT OF CASH FLOWS

PG 37

NOTES TO THE FINANCIAL STATEMENTS

PG 72

DIRECTORS' DECLARATION

PG 73

INDEPENDENT AUDIT REPORT

This financial statement covers both Bionomics Limited ("Bionomics") as an individual entity (Note 32) and the Group consisting of Bionomics and its subsidiaries. A description of the nature of the Group's operations and its principal activities is included throughout the Annual Report and the Directors' Report. The financial statement is presented in Australian dollars.

Bionomics is a company limited by shares, incorporated and domiciled in Australia. It is listed on the Australian Securities

Exchange (ASX) (ASX:BNO) and its registered office is 31 Dalgleish Street, Thebarton, SA 5031.

Through the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All press releases, financial statements and other information are available on our website www.bionomics.com.au.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



	NOTE	30 JUNE 2018 \$	30 JUNE 2017 \$
CONTINUING OPERATIONS			
Revenue	5	3,953,990	18,606,356
Other income	5	8,502,456	9,645,501
EXPENSES			
Research and development expenses	6	(25,246,525)	(24,223,275)
Administration expenses		(5,345,287)	(5,725,863)
Unrealised foreign currency (loss)/gain		(3,903,945)	874,223
Occupancy expenses		(1,416,637)	(2,594,778)
Compliance expenses		(712,746)	(838,976)
Gain/(loss) on disposal of assets		(20,206)	-
Finance expenses		(2,057,799)	(1,970,227)
LOSS BEFORE TAX		(26,246,699)	(6,227,039)
Income tax (expense)/benefit	7	1,161,135	(522,576)
LOSS AFTER TAX		(25,085,564)	(6,749,615)
Other Comprehensive Income, Net of Income Tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		502,141	(114,093)
Total Comprehensive Loss for the Year		(24,583,423)	(6,863,708)
LOSS PER SHARE FROM CONTINUING OPERATIONS			
	NOTE	2018	2017
Basic Loss per share	30	(\$0.05) (5 cents)	(\$0.01) (1 cent)
Diluted Loss per share	30	(\$0.05) (5 cents)	(\$0.01) (1 cent)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018



	NOTE	30 JUNE 2018 \$	30 JUNE 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	8	24,930,461	42,873,656
Trade and other receivables	10	712,643	1,354,809
Other financial assets	9	550,000	550,000
Inventories	11	490,090	425,742
Research and development incentives receivable		8,269,118	8,537,919
Other assets	12	968,011	736,295
TOTAL CURRENT ASSETS		35,920,323	54,478,421
NON-CURRENT ASSETS			
Property, plant and equipment	14	2,744,155	2,617,675
Goodwill	15	12,469,535	12,264,122
Other intangible assets	16	13,547,816	14,330,844
Other financial assets	9	384,000	384,000
TOTAL NON-CURRENT ASSETS		29,145,506	29,596,641
TOTAL ASSETS		65,065,829	84,075,062
CURRENT LIABILITIES			
Trade and other payables	17	5,859,857	3,672,573
Borrowings	18	5,696,255	8,495,873
Provisions	19	1,503,562	1,594,410
Other financial liabilities	21	137,600	106,441
Other liabilities	20	87,351	19,509
TOTAL CURRENT LIABILITIES		13,284,625	13,888,806
NON-CURRENT LIABILITIES			
Other payables	17	363,636	341,703
Borrowings	18	15,736,333	10,013,645
Provisions	19	37,882	47,545
Deferred tax liabilities	7	3,003,389	4,771,162
Contingent consideration	33	15,682,109	14,558,628
TOTAL NON-CURRENT LIABILITIES		34,823,349	29,732,683
TOTAL LIABILITIES		48,107,974	43,621,489
NET ASSETS		16,957,855	40,453,573
EQUITY			
Issued capital	22	135,211,955	134,536,428
Reserves	23	13,098,497	14,112,877
Accumulated losses		(131,352,597)	(108,195,732)
Equity Attributable to Owners of the Company		16,957,855	40,453,573

THE ABOVE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING NOTES.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



	ISSUED CAPITAL \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	SHARE-BASED PAYMENTS RESERVE \$	ACCUMU- LATED LOSSES \$	TOTAL EQUITY \$
BALANCE AT 30 JUNE 2016	134,392,813	5,174,632	6,041,406	(101,446,117)	44,162,734
Loss for the period	-	-	-	(6,749,615)	(6,749,615)
Exchange differences on translation of foreign operations	-	(114,093)	-	-	(114,093)
Total Comprehensive Income	-	(114,093)	-	(6,749,615)	(6,863,708)
Recognition of share-based payments	-	-	503,652	-	503,652
Issue of ordinary shares and warrants, net of transaction costs	-	-	2,507,280	-	2,507,280
Issue of ordinary shares under Employee Share Option Plan	143,615	-	-	-	143,615
BALANCE AT 30 JUNE 2017	134,536,428	5,060,539	9,052,338	(108,195,732)	40,453,573
Loss for the period	-	-	-	(25,085,564)	(25,085,564)
Exchange differences on translation of foreign operations	-	502,141	-	-	502,141
Total Comprehensive Income	-	502,141	-	(25,085,564)	(24,583,423)
Recognition of share-based payments	-	-	537,259	-	537,259
SBP cost of exercised options	264,373	-	(264,373)	-	-
Recognition of cancelled options	-	-	(1,789,407)	1,789,407	-
Prior year tax entries	-	-	-	139,292	139,292
Issue of ordinary shares under Employee Share Option Plan	411,154	-	-	-	411,154
BALANCE AT 30 JUNE 2018	135,211,955	5,562,680	7,535,817	(131,352,597)	16,957,855

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



	NOTE	30 JUNE 2018 \$	30 JUNE 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Research and development incentives received		8,196,353	9,505,189
Receipts from customers		5,498,757	19,907,614
Payments to suppliers and employees		(32,218,600)	(28,836,986)
Tax paid		-	(65,677)
Interest paid		(1,929,303)	(1,949,982)
Net Cash (Used In)/Generated By Operating Activities	29(b)	(20,452,793)	(1,439,842)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		568,741	1,201,451
Payments for purchases of property, plant and equipment		(487,495)	(247,511)
Proceeds from disposals		-	-
Net Cash Generated By Investing Activities		81,246	953,940
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(154,584)	(2,324,659)
Proceeds from borrowings		2,377,649	100,000
Net proceeds from share issues		411,154	143,615
Net Cash Generated By/(Used In) Financing Activities		2,634,219	(2,081,044)
Net (Decrease)/Increase In Cash and Cash Equivalents		(17,737,328)	(2,566,946)
Cash and cash equivalents at the beginning of the financial year		42,873,656	45,450,382
Effects of exchange rate changes on the balance of cash held in foreign currencies		(205,867)	(9,780)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	29(a)	24,930,461	42,873,656

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



TABLE OF CONTENTS

38	NOTE 1: GENERAL INFORMATION	55	NOTE 18: BORROWINGS
38	NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	56	NOTE 19: PROVISIONS
46	NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS	56	NOTE 20: OTHER LIABILITIES
46	NOTE 4: SEGMENT INFORMATION	56	NOTE 21: OTHER FINANCIAL LIABILITIES
48	NOTE 5: REVENUE AND OTHER INCOME	57	NOTE 22: ISSUED CAPITAL
48	NOTE 6: EXPENSES	62	NOTE 23: RESERVES
49	NOTE 7: INCOME TAXES	62	NOTE 24: FINANCIAL INSTRUMENTS
51	NOTE 8: CASH AND CASH EQUIVALENTS	67	NOTE 25: KEY MANAGEMENT PERSONNEL COMPENSATION
51	NOTE 9: OTHER FINANCIAL ASSETS	67	NOTE 26: COMMITMENTS FOR EXPENDITURE
51	NOTE 10: TRADE AND OTHER RECEIVABLES	68	NOTE 27: EVENTS OCCURRING AFTER REPORTING DATE
52	NOTE 11: INVENTORIES	68	NOTE 28: REMUNERATION OF AUDITORS
52	NOTE 12: OTHER ASSETS	68	NOTE 29: CASH FLOW INFORMATION
52	NOTE 13: SUBSIDIARIES	69	NOTE 30: LOSS PER SHARE
53	NOTE 14: PROPERTY, PLANT AND EQUIPMENT	69	NOTE 31: RELATED PARTY TRANSACTIONS
53	NOTE 15: GOODWILL	70	NOTE 32: PARENT ENTITY INFORMATION
54	NOTE 16: OTHER INTANGIBLE ASSETS	71	NOTE 33: CONTINGENT CONSIDERATION
55	NOTE 17: TRADE AND OTHER PAYABLES	71	NOTE 34: CONTINGENT LIABILITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 1: GENERAL INFORMATION

Bionomics Limited (the Company) is a listed public company incorporated in Australia. The address of its registered office and principal place of business is as follows:

31 Dalgleish Street
Thebarton, South Australia, 5031
Tel: 08 8354 6100

Principal Activities

The principal activities of the Company and its controlled entities (the Group) during the period include the discovery and development of novel drug candidates focused on the treatment of serious central nervous system disorders and cancer by leveraging proprietary platform technologies.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of the Group.

(i) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards (AASB). Compliance with AASB ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on 14 August 2018

(ii) Basis of Preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date. Fair value for measurement and/

or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 (IFRS 2), leasing transactions that are within the scope of AASB 117 (IAS 17), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 (IFRS 2) or value in use in AASB 136 (IAS 36).

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for that asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(iii) Application of New and Revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has resulted in no significant changes to the consolidated entity's accounting policies.

New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective.

Standards and Interpretations in Issue Not Yet Adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



STANDARD	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 9 Financial Instruments	1 January 2018	30 June 2019
AASB 15 Revenue from Contracts with Customers, 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15, 2016-3 Amendments to Australian Accounting Standards Clarifications to AASB 15	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020

Impact of New and Revised Requirements

Management is currently assessing the potential impact of the following standards:

AASB 9 'Financial Instruments' (December 2009), and the relevant amending standards

AASB 9 applies to annual periods beginning on or after 1 January 2018. The Directors of the Company anticipate that the application of AASB 9 in the future is not anticipated to have a material impact on amounts reported, based on current transactions, in respect of the Group's financial assets and financial liabilities, but will affect disclosures made in the Group's consolidated financial statements.

AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15, and AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15

AASB 15 applies to annual periods beginning on or after 1 January 2018. The Directors of the Company anticipate that the application of AASB 15 in the future will not have a material impact on the amounts reported, based on current transactions, but will affect disclosures made in the Group's consolidated financial statements.

AASB 16 'Leases'

AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The accounting model for lessees will require lessees to recognise all leases on balance sheet, except for short-term leases and leases of low value assets.

AASB 16 applies to annual periods beginning on or after 1 January 2019. The Directors of the Company anticipate that the application of AASB 16 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of AASB 16 until the Group performs a detailed review.

(iv) Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(b) Foreign Currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

(c) Revenue Recognition

Revenue is recognised when the amounts of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria related to the type of revenues has been satisfied. The Group enters into collaboration agreements that comprise of up front payments in connection with out-licensing activities and research funding, milestone payments based on development achieved by our collaborators, sales and royalties based on net sales. For these agreements, the Group applies revenue recognition criteria to the separately identifiable components of a single transaction. The total arrangement consideration is allocated to separately identifiable components by reference to their fair values. Revenue for the periods presented included license revenues, contract services revenues, and rental income.

- (i) License revenues in connection with out-licensing of the Group's patents and other intellectual property to our collaborators are recognised when the following criteria have been met:
 - The Group has transferred to the buyer the significant risks and rewards of ownership of the patents and intellectual property, and

- The Group does not retain either the continuing managerial involvement to the degree usually associated with ownership or the effective control over the patent and intellectual property.

Where the above criteria are not met, up-front payments received in connection with out-licensing activities would be deferred. All up-front license payments so far received have been recognised upon receipt.

- (ii) For milestone receipts the Group's collaboration partners may be obligated to make certain payments as they achieve certain specified milestones in the further development of the licensed property.
- (iii) Contract service revenue relates to the provision of scientific services for a fee and is recognised when the services are rendered. The Group's collaboration agreements contemplate its involvement in the ongoing research and development of its partnered drug candidates, for which the Group is paid fees for the services rendered. Revenue from such contracts to provide services is recognised as services are being rendered. In addition, the Group may enter into separate arrangements to undertake certain contract services work for a fee and such fees are recognised by reference to the proportion of the total cost of performing the services to the total fee.
- (iv) Rental income is recognised on a straight line basis over the term of the lease.

(d) Government Research and Development Incentives

Government grants, including Research and Development incentives, are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Grants relating to cost reimbursements are recognised as other income in profit or loss in the period when the costs were incurred or when the incentive meets the recognition requirements (if later).

(e) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and Deferred Tax for the Year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Tax Consolidation Legislation

Bionomics and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation effective 31 December 2005.

The head entity, Bionomics, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Bionomics also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(f) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 (IAS 12) 'Income Taxes' and AASB 119 (IAS 19) 'Employee Benefits' respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 (IFRS 2) 'Share-based Payment' at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 (IFRS 5) 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139 (IFRS 39), or AASB 137 (IFRS 37) 'Provisions, Contingent Liabilities and Contingent Assets' respectively, as appropriate, with the corresponding gain or loss being recognised in profit or loss, respectively.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(g) Impairment of Tangible and Intangible Assets Other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

A CGU is the smallest identifiable group of assets that generates cash flow that are largely independent of cash flows from other assets or group of assets. The cash generating units are defined as a research program that has the potential to be commercialised at some point in the future. Achievement of certain milestones within the research program will determine when a CGU comes into existence.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

(i) Inventories

Consumables are stated at the lower of cost and net realisable value.

(j) Property, Plant and Equipment

Land is stated at cost less any impairment losses if applicable and is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



Building, plant and equipment are stated at cost less accumulated depreciation or accumulated impairment losses, where applicable.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the diminishing value or straight-line methods, depending on the type of asset. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

The depreciation rates for each class of depreciable assets are:

- Buildings 25 years
- Plant and equipment 20 – 40%
- Equipment under lease 3 – 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(k) Financial Assets

Financial assets are classified into the following specified categories: 'held-to-maturity' investments and 'receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Held-to-Maturity Investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(ii) Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'.

Interest income is recognised by applying the effective interest rate, except for short term receivables when the effect of discounting is immaterial.

(iii) Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment

at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(l) Intangible Assets

(i) Intellectual Property

Acquired intellectual property is recognised as an asset at cost and amortised over its useful life. There is currently no internally generated intellectual property that has been capitalised. Intellectual property with a finite life is amortised on a straight line basis over that life. Intellectual property with an indefinite useful life is subjected to an annual impairment review. There is currently no intellectual property with an indefinite life.

Current useful life of all existing intellectual property is in the range of 5 to 20 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

(ii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see Note 2(f) above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(iii) Intangible Assets Acquired in a Business Combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(m) Research and Development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised as an expense when it is incurred. Expenditure on development activities are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project. At year end there are currently no capitalised development costs.

(n) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

(o) Employee Benefits

(i) Short-term and Long-term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(ii) Retirement Benefits Costs

Retirement benefits are contributions made to employee superannuation funds and are charged as expenses when incurred. These contributions are made to external

superannuation funds and are not defined benefits programs. Consequently, there is no exposure to market movements on employee superannuation liabilities or entitlements.

(iii) Share-based Payments

Share-based compensation benefits are provided to employees via the Bionomics Employee Equity Plan (EEP).

The fair value of shares issued to employees for no cash consideration under the EEP is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and recognised on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

The disclosure in the Remuneration Reports and Note 22 relates to the former ESOP and the EEP. The Bionomics EEP was approved by the Board and shareholders in 2017. Staff eligible to participate in the plan are those who have been a full-time or part-time employee of the Group for a period of not less than six months or a Director of the Group. Options are granted under the plan for no consideration and vest equally over five years, unless they are bonus options which vest immediately. The amounts disclosed as remuneration relating to options are the assessed fair values at grant date of those options allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option and the vesting criteria.

(p) Borrowings (Other Financial Liabilities)

(i) Warrants

Warrants issued by the Group in connection with bank loans or issued capital are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Where the warrants do not meet the definition of equity, they are initially measured at fair value with a corresponding reduction to the associated borrowings if associated with bank loans or as an allocation of proceeds received if associated with a share issue. Subsequent to initial recognition, the liability is fair valued until the warrant is issued, with gains or losses recognised in the profit or loss. See Note 21 for further details.

(ii) Other Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



(iii) Classification

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(q) Borrowing Costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(r) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(s) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are deducted directly from equity.

(t) Earnings/(Loss) per Share

(i) Basic Earnings/(Loss) per Share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) after income tax attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings/(Loss) per Share

Diluted earnings/(loss) per share adjusts the figures used in the determination of basic earnings per share to take

into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to options.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flow arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of our consolidated financial statements requires the Group to make estimates and judgments that can affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the financial statements. The Group analyses the estimates and judgments and base estimates and judgments on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may vary from the estimates. The significant accounting policies are detailed in Note 2 for the year ended 30 June 2018. Summarised below are the accounting policies of particular importance to the portrayal of the financial position and results of operations and that require the application of significant judgment or estimates by management.

Impairment of Goodwill and Other Intangible Assets

The Group assesses annually, or whenever there is a change in circumstances, whether goodwill or other intangible assets may be impaired. Determining whether goodwill and other intangible assets are impaired requires an estimation of the value in use of the cash generating units to which goodwill or other intangible assets have been allocated. The value in use calculation is judgmental in nature and requires the Group to make a number of estimates including the future cash flows expected to arise from the cash generating units based on actual current market deals for drug compounds within the cash generating unit and over a period covering drug discovery, development, approval and marketing as well as, a suitable discount rate in order to calculate present value. The cash flow projections are further weighted based on the observable market comparables probability of realising projected milestone and royalty payments. When the carrying value of the cash generating unit exceeds its recoverable amount, the cash generating unit is considered impaired and the assets in the cash generating unit are written down to their recoverable amount. Impairment losses are recognised in the

consolidated statement of profit or loss and other comprehensive income. A detailed valuation was performed as of 30 June 2018 and each computed fair value (based on a value-in-use model) of our cash generating unit was in excess of the carrying amount respectively. As a result of this evaluation, it was determined that no impairment of goodwill or other intangible assets existed at 30 June 2018.

Contingent Consideration

As a result of the acquisition of Eclipse Therapeutic, Inc. (Eclipse) during the year ended 30 June 2013, the Group determines and recognises at each reporting date the fair value of the additional consideration that may be payable to Eclipse security holders due to potential royalty payments based on achieving late-stage development success or partnering outcomes based on Eclipse assets. Such potential earn-out payments are recorded at fair value and include a number of significant estimates including adjusted revenue projections and expenses, probability of such projections and a suitable discount rate to calculate present value.

NOTE 4: SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the nature of work processes performed. The Group's reportable segments under AASB 8 are:

- Drug discovery and development is the discovery, development and commercialisation of compounds to match a target product profile; and
- Contract services is the provision of scientific services on a fee for service basis to both external and internal customers.

Information regarding these segments is presented below.

(a) Segment Revenues and Results

The following is an analysis of the Group's revenue and results by reportable operating segment for the following periods:

	SEGMENT REVENUE YEAR ENDED		SEGMENT PROFIT YEAR ENDED	
	30 JUNE 2018 \$	30 JUNE 2017 \$	30 JUNE 2018 \$	30 JUNE 2017 \$
Drug discovery and development	1,195,238	16,417,428	(17,706,864)	(1,128,304)
Contract services	7,088,515	5,754,121	1,854,721	325,019
	8,283,753	22,171,549	(15,852,143)	(803,285)
Less: Intercompany revenue included in contract services	(4,530,295)	(3,722,308)	-	-
Corporate	200,532	157,115	200,532	157,115
	3,953,990	18,606,356	(15,651,611)	(646,170)
Interest income			574,904	1,203,748
Corporate financing expenses			(2,031,784)	(1,931,235)
Corporate administration expenses			(9,138,208)	(4,853,382)
Loss Before Income Tax (Continuing Operations)			(26,246,699)	(6,227,039)

Revenue reported above for Contract services includes intersegment sales. There were no intersegment sales for the other reportable segment. Segment profit represents the result for each segment without allocation of central administration expenses and investment and other revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 4: SEGMENT INFORMATION CONT

(b) Segment Assets and Liabilities

The following is an analysis of the Group's assets and liabilities by reportable operating segment:

	30 JUNE 2018 \$	30 JUNE 2017 \$
ASSETS		
Drug discovery and development	20,636,193	42,279,000
Contract services	7,469,574	5,760,733
	28,105,767	48,039,733
Corporate	36,960,062	36,035,329
Total Assets	65,065,829	84,075,062
LIABILITIES		
Drug discovery and development	3,597,172	2,267,126
Contract services (excluding intercompany liabilities)	2,917,952	2,753,546
Corporate	41,592,850	38,600,817
Total Liabilities	48,107,974	43,621,489

The Board receive information on liabilities for the Group as a whole as well as liability information for the Contract services segment.

The Board receive information on non-current assets for the Group as a whole as well as non-current asset information for the Contract services segment. Additions to non-current assets:

	30 JUNE 2018 \$	30 JUNE 2017 \$
Contract services	87,649	87,096
Drug discovery and development	399,846	160,415
	487,495	247,511

(c) Other Segment Information

The segment result above has been determined after including the following items:

	30 JUNE 2018 \$	30 JUNE 2017 \$
DEPRECIATION AND AMORTISATION YEAR ENDED		
Drug discovery and development	1,412,840	1,511,247
Contract services	254,970	231,383
	1,667,810	1,742,630

(d) Revenue from Major Products and Services

The following is an analysis of the Group's external revenue from its major products and services:

	30 JUNE 2018 \$	30 JUNE 2017 \$
Contract services	2,558,220	5,375,625
Drug discovery and development	1,195,238	13,073,615
Corporate	200,532	157,116
	3,953,990	18,606,356

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 4: SEGMENT INFORMATION CONT

(e) Geographical Information

The Group operates in three geographical areas, Australia, France and United States of America. The Group's external revenue and information about its non-current assets by geographical segment are detailed below:

	REVENUE FROM EXTERNAL CUSTOMERS YEAR ENDED		NON-CURRENT ASSETS YEAR ENDED	
	30 JUNE 2018	30 JUNE 2017	30 JUNE 2018	30 JUNE 2017
	\$	\$	\$	\$
Australia	1,395,770	15,628,250	26,946,189	27,274,500
France	2,558,220	2,978,106	2,199,317	2,297,886
USA	-	-	-	24,255
	3,953,990	18,606,356	29,145,506	29,596,641

(f) Information about Major Customers

Included in revenues for the drug discovery and development segment is \$1,119,163 (2017: \$13,066,771) from one party. No other customer contributed 10% or more to the Group's revenue for both 2018 and 2017.

	2018	2017
	\$	\$
NOTE 5: REVENUE AND OTHER INCOME		
Revenue		
Contract services	3,753,458	5,375,625
Royalties	-	13,073,615
Rent income	200,532	157,116
	3,953,990	18,606,356
Other Income from Continuing Operations		
Interest income	574,904	1,203,748
Foreign government grants	1,358,745	1,542,463
Government Research and Development Incentives (i)	6,568,807	6,899,290
	8,502,456	9,645,501

- (i) The Government Research and Development Incentives include cash refunds provided by the Australian Government for 43.5% (2017: 43.5%) of eligible research and development expenditures by Australian entities having a tax loss and less than A\$20 million in revenue. The grants are calculated at the end of the fiscal year to which they relate, based on the expenses incurred in and included in the fiscal year's Australian income tax return after registration of the research and development activities with the relevant authorities. There are no unfulfilled conditions or other contingencies attaching to the Government Research and Development Incentive. Potentially eligible overseas expenditure awaiting government approval pending review of applications submitted during the year ended 30 June 2018 has been excluded from the calculation of the Research and Development Incentive and if approved, will result in an additional receipt of approximately \$1.3m (2017: \$5k).

	2018	2017
	\$	\$
NOTE 6: EXPENSES		
Loss before income tax benefit includes the following specific expenses:		
Finance Expenses		
- Interest expense on bank and other loans	1,725,937	1,810,388
- Interest expense on contingent consideration	331,862	158,992
- Interest obligations under finance leases	-	847
	2,057,799	1,970,227

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



	2018 \$	2017 \$
NOTE 6: EXPENSES CONT.		
Depreciation and Amortisation		
- Building	133,926	121,383
- Plant and equipment	254,534	162,609
- Equipment under lease	20,017	172,605
	408,477	456,597
Amortisation of Non-Current Assets		
- Intellectual property	1,259,333	1,286,033
Rental Expense on Operating Leases		
- Minimum lease payments	996,957	1,110,502
Employment Benefit Expenses of:		
- Wages and salaries	7,895,161	6,873,276
- Superannuation	515,365	434,791
- Share-based payments	537,259	503,652
	8,947,785	7,811,719
Unrealised foreign currency loss/(gain)	3,903,945	(874,223)
Gain/(Loss) on Disposal of Assets		
- Plant and equipment	20,206	-

NOTE 7: INCOME TAXES	2018	2017
(a) Income Tax Recognised in Profit or Loss	\$	\$
Current Tax		
In respect of the current year *	467,343	670,133
In respect of the prior year	-	65,677
	467,343	735,810
Deferred Tax		
Recognised in current year	(1,628,478)	(213,234)
	(1,628,478)	(213,234)
Total Income Tax (Benefit)/Expense	(1,161,135)	522,576

*In the current year this liability has been reduced by the withholding tax (\$650,613) associated with the milestone payment received.

(b) Reconciliation to Accounting Loss	2018	2017
	\$	\$
Loss from continuing operations	(26,246,699)	(6,227,039)
Tax at the Australian tax rate of 30% (2017: 30%)	(7,873,725)	(1,868,111)
Tax Effect of Non-Deductible / Non-Assessable Amounts		
Foreign exchange reversed on consolidation	216,127	(127,606)
Amortisation of intangibles	101,893	-
Exempt income from government assistance	(1,970,642)	(2,440,421)
Entertainment	2,942	3,915
Contingent consideration	120,917	1,349,224
Share-based payments	161,178	151,095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 7: INCOME TAXES CONT.	2018	2017
(b) Reconciliation to Accounting Loss cont.	\$	\$
Research and development expenditure	4,530,212	4,704,800
Warrant revaluation loss/(gain)	-	431,329
Other non-assessable income	-	(1,547)
Temporary differences not recorded as an asset	954,289	(54,667)
Tax losses not recorded	2,457,708	416,281
Effect of different tax rates in other jurisdictions	137,967	(64,362)
Effect of unused tax losses, in the current period	-	(1,977,354)
	(1,161,135)	522,576

(c) Net Deferred Tax Liability Recognised	2018	2017
Net deferred tax liability is attributable to the following deferred tax asset/(liability) items:	\$	\$
Property, plant & equipment denominated in EUR	(526,612)	(514,543)
Intangibles denominated in EUR	(37,191)	(56,293)
Intangibles denominated in USD	(2,678,943)	(4,600,501)
Tax losses denominated in USD	239,357	400,175
	(3,003,389)	(4,771,162)

(d) Movement in Net Deferred Tax Liability	2018	2017
	\$	\$
Opening balance	(4,771,162)	(5,127,277)
Recognised in income	1,628,478	213,234
Recognised in equity	139,295	142,881
Closing Balance	(3,003,389)	(4,771,162)

(e) Net Deferred Tax Asset Not Recognised	2018	2017
	\$	\$
Revenue tax losses	19,744,914	15,460,023
Net timing difference	4,166,589	3,156,007
	23,911,503	18,616,030

Deferred tax assets have not been recognised in respect to these items as it is not probable at this time that future taxable profits will be available against which the Group can utilise the benefit.

(f) Tax Consolidation

Relevance of tax consolidation to the Group

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Bionomics is the head entity in the tax-consolidated group. Tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 8: CASH AND CASH EQUIVALENTS

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to items in the Consolidated Statement of Financial Position as follows:

	2018	2017
	\$	\$
Current		
Cash at bank and on hand	24,697,755	42,450,973
Deposits at call	232,706	422,683
	24,930,461	42,873,656

The weighted average interest rate on these deposits is 2.42% per annum (2017: 2.4% per annum).

	2018	2017
	\$	\$
NOTE 9: OTHER FINANCIAL ASSETS		
Restricted deposits held as security and not available for use	934,000	934,000
Disclosed in the Financial Statement as:		
Current assets	550,000	550,000
Non-current assets	384,000	384,000
	934,000	934,000

The Group holds two restricted term deposits of \$550,000 and \$384,000 as security for a loan (Note 18(ii)) and as security for a bank guarantee respectively that are not available for use. The interest rate on these deposits is 2.54% (2017: 2.7%) and maturity dates are 2 July 2018 and 18 March 2019 respectively (2017: 2 January 2018 and 23 September 2017 respectively).

	2018	2017
	\$	\$
NOTE 10: TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	563,716	825,312
GST and Value Added Tax (VAT) receivables	129,588	133,954
Other	19,339	395,543
	712,643	1,354,809

The average credit period on sales of services is 60 days. No interest is charged on trade receivables for the first 60 days from the date of the invoice. Thereafter, interest is charged at 2% per annum on the outstanding balance. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The Group has not recognised an allowance for doubtful debts.

Before accepting any new customer, the Group reviews the quality of the customer, and this is reviewed prior to commencing new major work. Of the trade receivables balance at the end of the 2018 year, the Group's largest customer measured by revenue, Merck, represented 0% of the total balance of trade receivables (2017: Merck 43% of the total balances).

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts (which include interest accrued after the receivable is more than 60 days outstanding) are still considered recoverable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 10: TRADE AND OTHER RECEIVABLES CONT.	2018	2017
Age of receivables that are past due but not impaired	\$	\$
60-90 days	102,252	-
90-120 days	24,675	226
Total	126,927	226
Average age (days)	45	48

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Typically, the concentration of credit risk is limited due to the fact that the customer base is large and unrelated, except as noted above.

NOTE 11: INVENTORIES	2018	2017
Current	\$	\$
Consumables	490,090	425,742

NOTE 12: OTHER ASSETS	2018	2017
Current	\$	\$
Prepayments	953,288	733,665
Accrued income	14,723	2,630
	968,011	736,295

NOTE 13: SUBSIDIARIES

Details of the Group's subsidiaries at the end of the reporting period are as follows:

			PERCENTAGE OWNED (%)	
ENTITY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	2018	2017
Head Entity				
Bionomics Limited	Research and Development	Australia	N/A	N/A
Subsidiaries of Bionomics Limited				
Neurofit SAS	Contract Research Organisation	France	100	100
Iliad Chemicals Pty Limited	Asset owner	Australia	100	100
Bionomics, Inc.	Research and Development	United States	100	100
PC SAS	Contract Research Organisation	France	100	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 14: PROPERTY, PLANT AND EQUIPMENT	FREEHOLD LAND AT COST \$	BUILDING AT COST \$	PLANT AND EQUIPMENT AT COST \$	EQUIPMENT UNDER FINANCE LEASE AT COST \$	TOTAL \$
Cost at 30 June 2016	264,140	1,921,066	3,087,886	592,387	5,865,479
Additions	-	53,484	194,027	-	247,511
Disposals	-	-	-	-	-
Foreign currency exchange differences	(1,176)	(8,562)	(2,516)	-	(12,254)
Cost at 30 June 2017	262,964	1,965,988	3,279,397	592,387	6,100,736
Additions	-	5,141	482,354	-	487,495
Disposals	-	-	(106,402)	-	(106,402)
Foreign currency exchange differences	16,879	126,197	35,324	-	159
Cost at 30 June 2018	279,843	2,097,325	3,690,672	592,387	6,660,227
Accumulated Depreciation at 30 June 2016	-	(203,409)	(2,427,239)	(399,765)	(3,030,413)
Depreciation (Note 6)	-	(121,383)	(162,609)	(172,605)	(456,597)
Disposals	-	-	-	-	-
Foreign currency exchange differences	-	738	3,211	-	3,949
Accumulated Depreciation at 30 June 2017	-	(324,054)	(2,586,637)	(572,370)	(3,483,061)
Depreciation (Note 6)	-	(133,926)	(254,534)	(20,017)	(408,477)
Disposals	-	-	66,281	-	66,281
Foreign currency exchange differences	-	(10,806)	(80,009)	-	(90,815)
Accumulated Depreciation at 30 June 2018	-	(468,786)	(2,854,899)	(592,387)	(3,916,072)
Net Carrying Amounts at 30 June 2017	262,964	1,641,934	692,760	20,017	2,617,675
Net Carrying Amounts at 30 June 2018	279,843	1,628,540	835,773	-	2,744,155

Non-Current Assets Pledged as Security

Refer to Note 18 for information on non-current assets pledged as security by the Group.

NOTE 15: GOODWILL	\$
Carrying Amount at 30 June 2016	12,441,333
Additions	-
Foreign currency exchange differences	(177,211)
Carrying Amount at 30 June 2017	12,264,122
Additions	-
Foreign currency exchange differences	205,413
Carrying Amount at 30 June 2018	12,469,535

a) Impairment Tests

There are two cash generating units (CGUs), Drug discovery and development, and Contract services. These are the same as the operating segments identified in Note 4. Management tests annually whether goodwill or indefinite life intangibles have suffered any impairment, in accordance with the accounting policy stated in Note 2(l)(i) and (l)(ii), Note 2(g) respectively. For the purpose of impairment testing all goodwill is allocated to the Drug discovery and development CGU.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



Determining whether goodwill or intangibles are impaired requires an estimation of the value in use of the CGUs to which goodwill or indefinite life intangibles have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value over the expected life cycle of the commercialisation of the assets - in line with the average patent life and development cycle of the drug compound. A post-tax discount rate of 15% has been used.

Allocation of Goodwill to group CGU's	2018	2017
The carrying amount of goodwill was allocated to the following CGU's:	\$	\$
Drug discovery and development	12,469,535	12,264,122
Contract services	-	-

Drug Discovery and Development

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on observable market comparables for drug compounds within the CGU over a period of twenty years covering drug discovery, development, approval and marketing, and a post-tax discount rate of 15% per annum (2017: 15% per annum). The cash flow projections are weighted based on the observable market comparables probability of realising projected milestone and royalties payments.

Management believes that the application of discounted cash flows of observable market comparables for one drug compound is reasonable to be applied to other compounds within the CGU at their respective development phases.

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

No growth rates have been included in the forecast. As the full discovery and development lifecycle has been taken into account with the cashflows, no terminal value has been used.

NOTE 16: OTHER INTANGIBLE ASSETS

Intellectual Property

The acquired intellectual property includes the Company's Multicore technology, its BNC101 drug candidate and its BNC105 drug candidate. Each item is carried at its fair value as at its date of acquisition, less accumulated amortisation charges. The remaining amortisation periods for each item are between 5 and 20 years. There is currently no internally generated intellectual property capitalised.

	\$
Gross Carrying Amount at 30 June 2016	24,796,588
Additions	-
Foreign currency exchange differences	(582,956)
Gross Carrying Amount at 30 June 2017	24,213,632
Additions	-
Foreign currency exchange differences	786,684
Gross Carrying Amount at 30 June 2018	25,000,316
Accumulated Amortisation Amount at 30 June 2016	(8,733,633)
Amortisation (Note 6)	(1,286,033)
Foreign currency exchange differences	136,878
Accumulated Amortisation Amount at 30 June 2017	(9,882,788)
Amortisation (Note 6)	(1,259,333)
Foreign currency exchange differences	(310,379)
Accumulated Amortisation Amount at 30 June 2018	(11,452,500)
Net Carrying Amount 30 June 2017	14,330,844
Net Carrying Amount 30 June 2018	13,547,816

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



	2018 \$	2017 \$
NOTE 17: TRADE AND OTHER PAYABLES		
Current		
Trade payables	3,607,199	1,900,212
Accrued expenses	2,252,658	1,772,361
	5,859,857	3,672,573
Non-Current		
Other payables	363,636	341,703

The average credit period on purchases of goods is 45 days. No interest is paid on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

	2018 \$	2017 \$
NOTE 18: BORROWINGS		
Unsecured – at Amortised Cost		
Commercial bill (i)	550,000	550,000
Bank Overdraft	23,052	-
Secured – at Amortised Cost		
Equipment mortgage (ii)	597,480	404,138
Bank loan (iii)	20,262,056	17,555,380
	21,432,588	18,509,518
Loan Movement Schedule		
Opening Balance – 1 July	18,509,518	21,168,554
Drawdown on Bank Loan	2,026,206	-
Equipment mortgages	351,443	-
Repayments	(154,584)	(2,027,027)
FX Movements	700,005	(632,009)
Closing Balance – 30 June	21,432,588	18,509,518
Disclosed in the financial statements as:		
- Current liabilities	5,696,255	8,495,873
- Non-current liabilities	15,736,333	10,013,645
	21,432,588	18,509,518

- (i) The rolling commercial bill line is secured by a restricted deposit of \$550,000 (2017: \$550,000) and shown in Note 9.
- (ii) The equipment mortgage loans are for equipment (which secure the loans) and have an interest rate of 5.53% and have terms of three to five years (2017: three to five years).
- (iii) Bank loan is a secured US \$15.0 million (2017: US\$13.5 million) borrowing. The loan bears interest at a rate of 9.0% (2017: 8.9%) and repayable in equal instalments over 33 months. The loan is collateralised by substantially all of the Group's assets, other than intellectual property. The loan further contains customary conditions of borrowing, events of default and covenants, including covenants that restrict the ability to dispose of assets, merge with or acquire other entities, incur indebtedness and make distributions to holders of capital stock. Should an event of default occur, including the occurrence of a material adverse change, the Group could be liable for immediate repayment of all obligations under the loan agreement. There were no breaches of covenants as of 30 June 2018.

The unused facilities available at 30 June 2018 of the Group's bank overdraft is \$25,612 (2017: \$57,712) and equipment finance facility is \$119,966 (2017: \$295,857) There is no unused facility in relation to the commercial bill line.

Interest Rate Risk

The Group's exposure to interest rates and the effective weighted average interest rate by maturity period is set out in Note 24.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



	2018 \$	2017 \$
NOTE 19: PROVISIONS		
Current		
Employee benefits	1,503,562	1,594,410
Non-Current		
Employee benefits	37,882	47,545

	2018 \$	2017 \$
NOTE 20: OTHER LIABILITIES		
Current		
Unearned services income	87,351	19,509

	2018 \$	2017 \$
NOTE 21: OTHER FINANCIAL LIABILITIES		
Current		
Warrants	137,600	106,441
	137,600	106,441
Balance at Beginning of Period	106,441	1,142,320
Warrants value at date of issue	-	-
Conditional warrants initial value	-	(2,507,280)
Change in value recognised in profit or loss	31,159	1,471,401
Balance at End of Period	137,600	106,441

Refer Note 22(e) for details about the fair value of the warrant.

Warrants

A derivative was recognised in relation to the warrants issued by the Group in connection with the USD loan included in Note 18(iii). These warrants are currently exercisable at the discretion of the holder and exchangeable for either 988,843 (2017: 988,843) ordinary shares at a fixed price [345,232 at \$0.5288 and 643,611 at \$0.54] or a lower number of shares for nil consideration, with the number of shares calculated on the basis of a formula which takes into account the movement in the share price of the Company from the date of issue to date of exercise of the warrant.

The warrants expiry dates are as follows:	NUMBER	EXPIRY DATE
	345,232	Oct-20
	643,611	Nov-19

The warrants were initially measured at fair value in accordance with AASB 139 (IAS 39). The value of the warrants liability is remeasured at each balance date with any movement in valuations recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 22: ISSUED CAPITAL		
(a) Issued and Paid-Up Capital	2018 SHARES	2017 SHARES
Ordinary shares – fully paid	482,753,311	481,456,441
Treasury stock	38,125	38,125
Total	482,791,436	481,494,566

Movements in Ordinary Shares and Treasury Stock (restricted shares issued subject to Employee Share Plan Loan Agreements) respectively, of the Company during the past two years were as follows:

DATE	DETAILS	NUMBER OF SHARES	\$
Ordinary Shares			
30 June 2016	Closing Balance	481,024,321	134,392,813
	Share issue – Employee Share Option Plan option exercise	432,120	143,615
30 June 2017	Closing Balance	481,456,441	134,536,428
	Share issue – Employee Share Option Plan option exercise	1,296,870	675,527
30 June 2018	Closing Balance	482,753,311	135,211,955
Treasury Stock			
30 June 2016	Closing Balance	75,625	-
	Share issue – Employee Share Plan Loan Agreements	(37,500)	-
30 June 2017	Closing Balance	38,125	-
	Share issue – Employee Share Plan Loan Agreements	-	-
30 June 2018	Closing Balance	38,125	-
	Total Issued Capital	482,791,436	135,211,955

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

(b) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.

(c) Option Modification

The terms of the options under the Bionomics Employee Share Option Plan were modified at 30 June 2014 for all options on issue prior to the fully underwritten 1:8 non-renounceable rights issue announced on 4 March 2013. The exercise price for all outstanding options were adjusted under ASX Listing Rule 6.22 and are shown in the table below in this Note 22(d)(i).

(d) Share Options

When exercised, each option is convertible into one ordinary share. The exercise price is based on the weighted average price at which the Company's shares traded on the ASX during the seven trading days immediately before the options are issued.

(i) The Bionomics Employee Share Option Plan and Employee Equity Plan

The terms and conditions of the Bionomics Employee Share Option Plan and Employee Equity Plan are summarised in Note 2(o)(iii). The following options listed are outstanding at reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 22: ISSUED CAPITAL CONT.

GRANT DATE	EXPIRY DATE	REVISED EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Mar-09	Mar-19	\$0.2876	10,000	\$0.12
	Mar-19	\$0.2876	2,120	\$0.12
Jun-09	Jun-18	\$0.2476	4,000	\$0.20
	Jun-19	\$0.2476	4,000	\$0.21
Nov-09	Nov-18	\$0.2976	100,000	\$0.20
	Nov-19	\$0.2976	100,000	\$0.20
Jul-10	Jul-19	\$0.3176	10,000	\$0.19
	Jul-20	\$0.3176	10,000	\$0.20
Nov-10	Nov-18	\$0.3076	100,000	\$0.17
	Nov-19	\$0.3076	100,000	\$0.17
Dec-11	Dec-18	\$0.5156	80,000	\$0.36
	Dec-19	\$0.5156	100,000	\$0.37
	Dec-20	\$0.5156	100,000	\$0.39
	Dec-21	\$0.5156	100,000	\$0.40
Mar-12	Mar-19	\$0.5026	5,000	\$0.30
	Mar-20	\$0.5026	5,000	\$0.32
	Mar-21	\$0.5026	5,000	\$0.34
	Mar-22	\$0.5026	5,000	\$0.35
Jun-12	Jun-19	\$0.3356	8,000	\$0.17
	Jun-20	\$0.3356	8,000	\$0.18
	Jun-21	\$0.3356	8,000	\$0.19
	Jun-22	\$0.3356	8,000	\$0.20
Dec-12	Dec-19	\$0.3176	100,000	\$0.19
	Dec-20	\$0.3176	100,000	\$0.20
	Dec-21	\$0.3176	100,000	\$0.21
	Dec-22	\$0.3176	100,000	\$0.22
	Dec-18	\$0.3176	5,000	\$0.21
	Dec-19	\$0.3176	5,000	\$0.22
	Dec-20	\$0.3176	5,000	\$0.23
	Dec-21	\$0.3176	5,000	\$0.24
	Dec-22	\$0.3176	5,000	\$0.25
May-13	May-19	\$0.3745	64,000	\$0.22
	May-20	\$0.3745	64,000	\$0.24
	May-21	\$0.3745	64,000	\$0.25
	May-22	\$0.3745	64,000	\$0.26
	May-23	\$0.3745	64,000	\$0.27
Aug-13	Aug-18	\$0.3301	31,250	\$0.38
Oct-13	Oct-19	\$0.6014	15,000	\$0.46
	Oct-20	\$0.6014	15,000	\$0.48
	Oct-21	\$0.6014	15,000	\$0.50
	Oct-22	\$0.6014	15,000	\$0.52
	Oct-23	\$0.6014	15,000	\$0.54
Dec-13	Dec-18	\$0.7224	100,000	\$0.33
	Dec-18	\$0.3301	55,000	\$0.46
	Dec-19	\$0.7224	100,000	\$0.36
	Dec-19	\$0.6875	4,000	\$0.37
	Dec-20	\$0.7224	100,000	\$0.39
	Dec-20	\$0.6875	4,000	\$0.39

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 22: ISSUED CAPITAL CONT.

GRANT DATE	EXPIRY DATE	REVISED EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Dec-13 [cont.]	Dec-21	\$0.7224	100,000	\$0.41
	Dec-21	\$0.6875	4,000	\$0.42
	Dec-22	\$0.7224	100,000	\$0.43
	Dec-22	\$0.6875	4,000	\$0.44
	Dec-23	\$0.6875	4,000	\$0.46
Oct-14	Oct-19	\$0.5643	128,500	\$0.35
Dec-14	Dec-19	\$0.5643	75,000	\$0.27
Apr-15	Apr-21	\$0.5029	19,000	\$0.21
	Apr-22	\$0.5029	19,000	\$0.23
	Apr-23	\$0.5029	19,000	\$0.25
	Apr-24	\$0.5029	19,000	\$0.26
	Apr-25	\$0.5029	19,000	\$0.27
May-15	May-21	\$0.4246	288,600	\$0.24
	May-22	\$0.4246	288,600	\$0.25
	May-23	\$0.4246	288,600	\$0.27
	May-24	\$0.4246	288,600	\$0.28
	May-25	\$0.4246	288,600	\$0.29
Jul-15	Jul-20	\$0.4341	131,000	\$0.20
	Jul-21	\$0.4341	15,000	\$0.22
	Jul-21	\$0.4152	3,000	\$0.23
	Jul-22	\$0.4341	15,000	\$0.24
	Jul-22	\$0.4152	3,000	\$0.24
	Jul-23	\$0.4341	15,000	\$0.25
	Jul-23	\$0.4152	3,000	\$0.26
	Jul-24	\$0.4341	15,000	\$0.26
	Jul-24	\$0.4152	3,000	\$0.27
	Jul-25	\$0.4341	15,000	\$0.28
	Jul-25	\$0.4152	3,000	\$0.28
Oct-15	Oct-21	\$0.4575	5,000	\$0.30
	Oct-22	\$0.4575	5,000	\$0.32
	Oct-23	\$0.4575	5,000	\$0.34
	Oct-24	\$0.4575	5,000	\$0.35
	Oct-25	\$0.4575	5,000	\$0.37
	Oct-20	\$0.4211	85,500	\$0.29
Dec-15	Dec-20	\$0.4211	60,000	\$0.16
	Dec-21	\$0.5389	100,000	\$0.15
	Dec-22	\$0.5389	100,000	\$0.17
	Dec-23	\$0.5389	100,000	\$0.18
	Dec-24	\$0.5389	100,000	\$0.19
	Dec-25	\$0.5389	100,000	\$0.20
	Dec-21	\$0.5102	50,000	\$0.16
	Dec-22	\$0.5102	50,000	\$0.18
	Dec-23	\$0.5102	50,000	\$0.19
	Dec-24	\$0.5102	50,000	\$0.20
	Dec-25	\$0.5102	50,000	\$0.22
May-16	May-22	\$0.3200	58,000	\$0.18
	May-23	\$0.3200	58,000	\$0.20
	May-24	\$0.3200	58,000	\$0.21

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 22: ISSUED CAPITAL CONT.

GRANT DATE	EXPIRY DATE	REVISED EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
May-16 (cont.)	May-25	\$0.3200	58,000	\$0.22
	May-26	\$0.3200	58,000	\$0.23
Nov-16	Nov-23	\$0.2600	4,000	\$0.24
	Nov-24	\$0.2600	4,000	\$0.25
	Nov-25	\$0.2600	4,000	\$0.26
	Nov-26	\$0.2600	4,000	\$0.27
	Nov-21	\$0.3743	290,000	\$0.21
	Nov-22	\$0.2613	200,000	\$0.25
	Nov-23	\$0.2613	200,000	\$0.26
	Nov-24	\$0.2613	200,000	\$0.27
	Nov-25	\$0.2613	200,000	\$0.28
	Nov-26	\$0.2613	200,000	\$0.29
	Nov-22	\$0.3130	100,000	\$0.25
	Nov-23	\$0.3130	200,000	\$0.27
	Nov-24	\$0.3130	200,000	\$0.27
	Nov-25	\$0.3130	200,000	\$0.28
	Nov-26	\$0.3130	200,000	\$0.28
	Nov-22	\$0.3820	5,000	\$0.22
	Nov-23	\$0.3820	5,000	\$0.24
	Nov-24	\$0.3820	5,000	\$0.25
	Nov-25	\$0.3820	5,000	\$0.26
	Nov-26	\$0.3820	5,000	\$0.27
	Nov-22	\$0.6000	225,000	\$0.19
	Nov-23	\$0.6000	225,000	\$0.20
	Nov-24	\$0.6000	225,000	\$0.22
	Nov-25	\$0.6000	225,000	\$0.23
	Nov-26	\$0.6000	100,000	\$0.23
Dec-16	Dec-21	\$0.3743	35,000	\$0.19
Sep-17	Sep-22	\$0.4400	450,550	\$0.28
	Sep-23	\$0.4400	10,000	\$0.31
	Sep-24	\$0.4400	10,000	\$0.32
	Sep-25	\$0.4400	10,000	\$0.34
	Sep-26	\$0.4400	10,000	\$0.35
	Sep-27	\$0.4400	10,000	\$0.36
Oct-17	Oct-23	\$0.4691	40,000	\$0.22
	Oct-24	\$0.4691	40,000	\$0.24
	Oct-25	\$0.4691	40,000	\$0.26
	Oct-26	\$0.4691	40,000	\$0.27
	Oct-27	\$0.4691	40,000	\$0.28
Nov-17	Nov-22	\$0.4400	75,000	\$0.14
Mar-18	Mar-24	\$0.7549	80,000	\$0.23
	Mar-25	\$0.7549	80,000	\$0.25
	Mar-26	\$0.7549	80,000	\$0.28
	Mar-27	\$0.7549	80,000	\$0.29
	Mar-28	\$0.7549	80,000	\$0.31
	Mar-24*	\$0.7549	400,000	\$0.23
			10,312,920	

* Dependent on fulfillment of the performance criteria

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 22: ISSUED CAPITAL CONT.

	2018		2017	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Reconciliation of Employee Share Option Plan:				
Opening Balance at Beginning of Financial Year	11,139,740	\$0.43	9,698,860	\$0.49
Granted during the financial year	1,588,050	\$0.60	3,382,500	\$0.39
Forfeited during the financial year	(10,000)	\$0.43	(542,500)	\$0.47
Exercised during the financial year	(1,276,870)	\$0.31	(432,120)	\$0.30
Expired during the financial year	(1,128,000)	\$0.87	(967,000)	\$0.52
Closing Balance at 30 June	10,312,920	\$0.46	11,139,740	\$0.43

Employee Share Option Plan options exercised during the financial year:

SERIES	NUMBER EXERCISED	EXERCISE PRICE	EXERCISE DATE	SHARE PRICE AT EXERCISE DATE
Jul-08	10,000	\$0.3576	28-Jun-18	\$0.5200
Jul-08	4,000	\$0.3576	29-Jun-18	\$0.5300
Nov-08	100,000	\$0.2976	03-Oct-17	\$0.4700
Nov-08	10,000	\$0.2776	05-Sep-17	\$0.4700
Nov-08	10,000	\$0.2776	05-Sep-17	\$0.4700
Mar-09	2,120	\$0.2876	13-Mar-18	\$0.4750
Nov-09	100,000	\$0.2976	27-Oct-17	\$0.4350
Nov-10	100,000	\$0.3076	27-Oct-17	\$0.4350
Jun-12	4,000	\$0.3356	05-Jun-18	\$0.5650
Jun-12	4,000	\$0.3356	07-Jun-18	\$0.5600
Aug-12	37,500	\$0.2876	14-Jul-17	\$0.4550
Dec-12	65,000	\$0.2846	08-Dec-17	\$0.3950
Dec-12	100,000	\$0.3176	22-Mar-18	\$0.5600
Dec-12	50,000	\$0.3176	27-Mar-18	\$0.5800
Dec-12	50,000	\$0.3176	17-Apr-18	\$0.6050
Dec-12	400,000	\$0.3176	21-Aug-17	\$0.4400
Aug-13	60,000	\$0.3301	22-Mar-18	\$0.5600
Aug-13	31,250	\$0.3301	03-Apr-18	\$0.5700
Jul-15	5,000	\$0.4341	29-Mar-18	\$0.5600
Jul-15	5,000	\$0.4341	07-May-18	\$0.6000
Nov-16	4,000	\$0.2591	22-Mar-18	\$0.5600
Nov-16	100,000	\$0.3130	28-Nov-17	\$0.4000
Nov-16	5,000	\$0.3743	01-May-18	\$0.6050
Nov-16	7,500	\$0.3743	07-May-18	\$0.6000
Sep-17	5,000	\$0.4400	29-Mar-18	\$0.5600
Sep-17	7,500	\$0.4400	07-May-18	\$0.6000
TOTAL	1,276,870			

	2017 NUMBER	2016 NUMBER
Unlisted Options Vested and Exercisable at the Reporting Date	5,924,720	5,840,940

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 22: ISSUED CAPITAL CONT.

(ii) Weighted averages

The weighted average remaining contractual life of any unlisted share options outstanding at the end of the year is 2.90 years (2017: 4.02 years).

The assessed fair value at grant date of options granted during the year ended 30 June 2018 is outlined in the Remuneration Report. The share price at grant date of these options was between \$0.395 and \$0.60 (2017: between \$0.34 and \$0.54). The expected average price volatility of the Company's shares was between 44.2% and 70.0% (2017: between 51.4% and 54%). Expected dividend yield was 0% (2017: 0%) and the average risk-free interest rate used was between 2.23% and 2.6% (2017: between 2.29% and 2.92%).

(e) Warrants

The weighted average remaining contractual life of the unlisted warrants outstanding at the end of the year is 3.2 years (2017: 4.2 years)

Warrants recorded in equity

Details of outstanding warrants as at 30 June 2018 are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER	FAIR VALUE AT GRANT DATE
Dec-15	Dec-20	\$0.5938	24,124,484	\$0.1370
Dec-16	Dec-20	\$0.5938	16,082,988	\$0.1370

Warrants recorded in Other Financial Liabilities (Note 21)

The assessed fair value at 30 June 2018 of warrants granted is \$137,600 (2017: \$106,441). The share price as at 30 June 2018 was \$0.53 (2017: \$0.40). The expected average price volatility of the Company's shares was 50.22% (2017: 67.63%). Expected dividend yield was 0% (2017: 0%) and the average risk free interest rate as at 30 June 2018 was 2.0% (2017: 2.24%).

NOTE 23: RESERVES	2018 \$	2017 \$
Foreign Currency Translation Reserve (a)	5,562,680	5,060,539
Share-based Payments Reserve (b)	7,535,817	9,052,338
Total Reserves	13,098,497	14,112,877

(a) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 2(b). The reserve is recognised in profit or loss when the investment is disposed of.

(b) Share-Based Payments Reserve

The share-based payments reserve is used to recognise the fair value of options and warrants issued over the vesting period. Further information about share-based payments is set out in Note 22.

NOTE 24: FINANCIAL INSTRUMENTS

(a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns whilst maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2017. The capital structure of the Group consists of debt, which includes borrowings (Note 18), cash and cash equivalents (Note 8) and equity attributable to equity holders of the parent, comprising issued capital (Note 22), reserves (Note 23) and retained earnings.

The Group has global operations, primarily conducted through subsidiary companies established in the markets in which the Group trades. None of the Group's entities is subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 24: FINANCIAL INSTRUMENTS CONT.

The Group's policy is to fund the research and development activities and operations through the issue of equity and the commercialisation of intellectual property assets. Project specific borrowings are utilised where appropriate and also minor borrowings for operational assets, as required

	2018 \$	2017 \$
(b) Categories of Financial Instruments		
Financial Assets		
Receivables	8,981,761	9,892,637
Other financial assets	934,000	934,000
Cash and cash equivalents	24,930,461	42,873,656
	38,846,222	53,700,293
Financial Liabilities		
Amortised cost	24,619,183	22,649,744
Contingent consideration at fair value	15,682,109	14,558,628
	40,301,292	37,208,372
Reconciliation to Total Assets		
Financial assets (as above)	38,846,222	53,700,293
Non-financial assets	26,219,607	30,374,769
	65,065,829	84,075,062
Reconciliation to Total Liabilities		
Financial liabilities (as above)	40,301,292	37,208,372
Non-financial liabilities	7,806,682	6,413,117
	48,107,974	43,621,489

(c) Financial Risk Management Objectives

The Board, through the Audit and Risk Management (ARM) Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, Group policies are designed to ensure significant strategic, operational, legal, reputational and financial risks are identified, assessed, and effectively monitored and managed in a manner sufficient for a company of Bionomics' size and stage of development to enable achievement of the Group's business strategy and objectives.

The Group's risk management policies are managed by the key management personnel and are reviewed by the ARM Committee according to a timetable of assessment and review proposed by that committee and approved by the Board.

(d) Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (e) page 64) and interest rates (see (f) page 65).

The Group uses derivative financial instruments to manage its exposure to foreign currency risk, if and when appropriate.

Unless approved by the Chief Executive Officer and Managing Director and ARM Committee, interest rate derivatives are not entered into.

The Group measures market risk exposures using sensitivity analysis. There has been no material change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

There were no derivative financial instruments outstanding as at 30 June 2018 (2017: nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 24: FINANCIAL INSTRUMENTS CONT.

(e) Foreign Currency Risk Management

The Group undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed in accordance with established policies. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting date are as follows:

	LIABILITIES		ASSETS	
	2018 \$	2017 \$	2018 \$	2017 \$
EUR	2,917,953	2,783,829	5,357,899	5,760,733
USD	21,989,949	17,902,620	10,934,417	13,292,465
GBP	446,189	69,644	-	-

Foreign Currency Sensitivity Analysis

The Group is mainly exposed to Euros, US dollars and Pound Sterling (GBP).

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable impact on the profit or equity with the balances being the opposite.

	EUR IMPACT		USD IMPACT		GBP IMPACT	
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Profit or loss	-	2,753 (i)	1,016,883	417,322 (ii)	40,563	6,331 (iv)
Equity	(221,813)	(273,381) (iii)	(11,834)	1,783 (v)	-	-

(i) This is mainly attributable to the exposure outstanding on EUR payables in the Group at the end of the reporting period.

(ii) This is mainly attributable to the exposure to outstanding USD net assets at the end of the reporting period.

(iii) This is as a result of the changes in fair value of the net investment in subsidiaries denominated in Euros, reflected in the foreign currency translation reserve.

(iv) This is mainly attributable to the exposure outstanding on GBP payables in the Group at the end of the reporting period.

(v) This is as a result of the changes in fair value of the net investment in subsidiaries denominated in USD, reflected in the foreign currency translation reserve.

The Group's sensitivity to foreign currency has decreased during the current year mainly due to the mix of net assets held in non-Australian dollar denominated currencies, in particular, the USD net borrowings valued through the profit or loss.

The sensitivity analysis may not represent the quantum of foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. Requirements change during the financial year depending on research and development activities being undertaken and contract research service financial performance.

Forward Foreign Exchange Contracts

It is the policy of the Group to enter into forward foreign currency contracts to cover specific foreign currency payments and receipts when appropriate [such as when there is a legal commitment to pay or receive foreign currency or the Chief Executive Officer and Managing Director has a high degree of confidence (>90%) that a foreign currency exposure will arise].

Under the Group's Treasury Policy, the Chief Financial Officer (CFO) will manage the foreign exchange transaction risk adopting the following guidelines:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 24: FINANCIAL INSTRUMENTS CONT.

- Generally, hedge foreign exchange exposure identified above by entering into a forward currency contract.
- The duration of any forward currency contract(s) will approximate the period in which the net currency exposure arises.
- Recognising the uncertainty that exists in projecting forward foreign currency flows, a maximum net foreign currency exposure position may be held at any point in time.

Due to the long-term nature of the net investment in the Euro and USD denominated wholly owned subsidiaries, the investments will not be hedged into Australian dollars, with the result that the Australia dollar value of the investments will fluctuate with the market rate through the foreign currency translation reserve.

There were no forward foreign currency contracts outstanding as at 30 June 2018 (2017: nil).

(f) Interest Rate Risk Management

The Group is exposed to interest rate risk, only in relation to the cash and cash equivalent balance, as entities in the Group invest funds in both fixed and variable interest rates with various maturities. The Group does not use interest rate swap contracts or forward interest rate contracts.

Interest Rate Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

If interest rates had been 50 basis points higher / (lower) and all other variables were held constant, the Group's:

- Loss for the year ended 30 June 2018 would increase / (decrease) by \$71,611 (2017: increase / (decrease) by \$120,338). This is mainly attributable to the Group's exposure to interest rates on its variable rate deposits.

The Group's sensitivity to interest rates has decreased during the current year mainly due to the reduction in interest rates.

(g) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

As of 30 June 2018, Merck represented 0% of the Group's trade and other receivables (2017: Merck 43%). The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

(h) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board, which has approved an appropriate liquidity risk management framework for management of the Group's short, medium and long term funding. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Included in Note 18 is a listing of additional undrawn facilities that the group has at its disposal to further reduce liquidity risk.

(i) Liquidity and Interest Rate Risk

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 24: FINANCIAL INSTRUMENTS CONT.

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	INTEREST RATE MATURITY					
		LESS THAN 1 MONTH \$	1 – 3 MONTHS \$	3 – 12 MONTHS \$	1 TO 5 YEARS \$	5 + YEARS \$	TOTAL \$
2018							
Non-interest bearing		5,859,857	-	-	363,636	-	6,223,493
Variable interest rate instruments	9.0	148,307	291,830	1,306,058	25,025,686	-	26,771,881
Fixed interest rate instruments	4.11	569,109	28,044	126,198	236,004	-	959,355
		6,577,273	319,874	1,432,256	25,625,326	-	33,954,729
2017							
Non-interest bearing		3,672,573	-	-	341,703	-	4,014,276
Variable interest rate instruments	8.90	142,791	280,975	1,257,478	24,094,830	-	25,776,074
Fixed interest rate instruments	4.11	569,109	28,044	126,198	236,004	-	959,355
		4,384,473	309,019	1,383,676	24,672,537	-	30,749,705

(j) Fair Value of Financial Instruments

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The value of other financial assets and liabilities approximate their fair value. The following table gives information about how the fair values of these financial assets and liabilities are determined.

FINANCIAL LIABILITIES	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
	30 JUNE 2018 \$	30 JUNE 2017 \$				
Contingent consideration in a business combination (Note 34)	\$15,682,109	\$14,558,628	Level 3	Discounted cash flow	Discount rate of 25% (pre-tax) and probability adjusted revenue projections.	The higher the discount rate, the lower the value. The higher the possible revenue the higher value.
Warrant (Note 21)	\$137,600	\$106,441	Level 2	Black Scholes model	N/A	N/A

The significant inputs used for Level 3 and disclosed above and the inputs used for Level 2 are disclosed in Note 22(e).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 24: FINANCIAL INSTRUMENTS CONT.

	2018 CONTINGENT CONSIDERATION IN A BUSINESS COMBINATION	2017 CONTINGENT CONSIDERATION IN A BUSINESS COMBINATION
RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS		
Opening Balance	14,558,628	10,489,438
Total gains or losses:		
- in profit or loss	1,123,481	4,069,190
Closing Balance	15,682,109	14,558,628

The carrying value of all other financial assets and liabilities approximate their fair value.

NOTE 25: KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	2018 \$	2017 \$
Short-term employee benefits	1,718,921	2,107,898
Post-employment benefits	79,004	89,965
Other long-term benefits	133,130	15,216
Share-based payments	28,151	269,735
Total Key Management Personnel Compensation	1,959,206	2,482,814

NOTE 26: COMMITMENTS FOR EXPENDITURE

(a) Operating Leases

Operating leases relate to business premises with lease terms of between two and ten years. The building premise leases have options of +2 and +5+5 year terms respectively.

	2018 \$	2017 \$
Non-Cancellable Operating Lease Commitments		
Within one year	1,005,780	996,957
Later than one year but not greater than five	1,853,214	2,675,088
Later than five years	-	-
Minimum Lease Payments	2,858,994	3,672,045

(b) Rental Agreements

The Group sub-lets areas of its facility under agreements that are renewed annually. Rent received from these agreements is treated according to the accounting policy outlined in Note 2(c).

	2018 \$	2017 \$
Future Rental Income Receivable		
Within one year	156,834	153,009
Later than one year but not greater than five	156,834	-
	313,668	153,009

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

**NOTE 27: EVENTS OCCURRING AFTER REPORTING DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the results of the operations of the Group.

NOTE 28: REMUNERATION OF AUDITORS

During the financial year the following services were paid and payable to the external auditor:

Auditor of the Group	2018 \$	2017 \$
Audit or review of financial reports	206,388	162,994

The auditor of Bionomics Limited is Deloitte Touche Tohmatsu.

NOTE 29: CASH FLOW INFORMATION**(a) Cash and Cash Equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2018 \$	2017 \$
Cash and cash equivalents (Note 8)	24,930,461	42,873,656

(b) Reconciliation of Operating (Loss)/Profit to Net Cash Outflow From Operating Activities	2018 \$	2017 \$
(Loss)/Profit for the Year	(25,085,564)	(6,749,615)
Items in (loss)/profit		
Depreciation and amortisation	1,667,810	1,742,630
Share-based payments	537,259	503,652
Gain on asset disposals	-	-
Contingent consideration – accretion interest	331,862	158,992
Contingent consideration – adjustment to inputs	-	4,338,422
Amortisation of borrowing costs	-	28,659
Net unrealised foreign exchange differences	2,126,120	(504,907)
Interest received	(482,590)	(1,203,748)
Warrant mark-to-market	(31,159)	1,471,401
Changes in operating assets and liabilities		
(Increase)/Decrease in receivables	642,166	41,152
Increase in research and development incentive receivables	(268,801)	1,063,436
Decrease/(Increase) in other assets	(231,716)	(96,014)
Increase in inventory	(64,348)	11,500
Decrease in provisions	(81,185)	(6,219)
(Decrease)/Increase in other liabilities	67,842	(43,332)
(Decrease)/Increase in payables	2,187,284	(1,982,617)
Decrease in deferred tax liability	(1,767,773)	(213,234)
Net Cash (Outflows)/Inflows from Operating Activities	(20,452,793)	(1,439,842)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 30: LOSS PER SHARE	2018	2017
Basic Loss per share	(\$0.05) (5 cents)	(\$0.01) (1 cent)
Diluted Loss per share	(\$0.05) (5 cents)	(\$0.01) (1 cent)

The basic and diluted Loss per share amounts have been calculated using the 'Loss after income tax' figure in the consolidated statement of comprehensive income.

	2018 \$	2017 \$
Loss Per Share (Basic and Diluted):		
Loss after tax for the year	(25,085,564)	(6,749,615)

	2018 NUMBER	2017 NUMBER
Weighted Average Number of Ordinary Shares - Basic		
Weighted average number of ordinary shares used in calculating basic loss per share:	482,286,644	481,350,312
Weighted Average Number of Ordinary Shares – Diluted		
Weighted average number of ordinary shares used in calculating basic loss per share	482,286,644	481,350,312
Shares deemed to be issued for no consideration in respect of:		
- Employee options	10,312,920	11,139,740
Weighted Average Number of Ordinary Shares Used in the Calculation of Diluted Loss Per Share	491,113,244	488,067,812

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share.

	2018 NUMBER	2017 NUMBER
Employee options	1,486,340	4,422,240

The warrants issued by the Company (see Note 21) have been excluded from the weighted average number of ordinary shares.

NOTE 31: RELATED PARTY TRANSACTIONS

(a) Parent Entity

The immediate parent and ultimate controlling party of the Group is Bionomics Limited. Interests in subsidiaries are set out in Note 13.

(b) Key Management Personnel

Disclosures relating to compensation of key management personnel are set out in Note 25 and the Directors' Report.

(c) Loans to Directors and Other Key Management Personnel

There were no loans to any Directors of the Company or other key management personnel of the Group during the financial year ended 30 June 2018 (2017: \$0).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 32: PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	YEAR ENDED 30 JUNE 2018 \$	YEAR ENDED 30 JUNE 2017 \$
FINANCIAL POSITION		
Assets		
Current assets	31,560,803	51,332,869
Non-current assets	22,039,448	20,450,466
Total Assets	53,600,251	71,783,335
Liabilities		
Current liabilities	10,176,568	11,321,680
Non-current liabilities	31,191,646	24,355,139
Total Liabilities	41,368,214	35,656,819
Net Assets	12,232,037	36,126,516
Equity		
Issued capital	135,211,955	134,536,429
Accumulated losses	(130,475,788)	(107,411,637)
Reserves	7,495,870	9,001,724
Total Equity	12,232,037	36,126,516
Financial Performance		
Loss for the year	(26,207,236)	(5,464,127)
Other comprehensive income	-	-
Total Comprehensive Income	(26,207,236)	(5,464,127)

(a) Property, Plant and Equipment Commitments

There are no contractual commitments for the acquisition of property, plant or equipment as at 30 June 2018 (2017: Nil).

(b) Contingent Liabilities and Guarantees

The contingent liabilities and guarantees of the parent are the same as disclosed in Note 34 and Note 9 respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018



NOTE 33: CONTINGENT CONSIDERATION

During the year ended 30 June 2013, the Company acquired Eclipse Therapeutics, Inc. (Eclipse) into the wholly owned subsidiary Bionomics, Inc.

Part of the consideration are potential cash earn-outs to Eclipse security holders based on achieving late stage development success or partnering outcomes based on Eclipse assets. Due to the movement in the US dollar, change in projected inputs and unwinding of interest, at 30 June 2018 this was \$15,682,109 (30 June 2017: \$14,558,628).

	2018 \$	2017 \$
Opening Balance	14,558,628	10,489,438
Accretion interest	331,862	158,992
Adjustment for changes in timing of expected revenue projections	-	4,338,422
FX movement	791,619	(428,224)
Closing Balance	15,682,109	14,558,628

NOTE 34: CONTINGENT LIABILITIES

In January 2012, the Company entered into a research and license agreement with Ironwood Pharmaceuticals, Inc., or Ironwood, pursuant to which Ironwood was granted worldwide development and commercialisation rights for BNC210. In November 2014, the parties mutually agreed to terminate this license agreement, reverting all rights to BNC210 back to the Company. Our sole obligation to Ironwood is to pay Ironwood low single digit royalties on the net sales of BNC210, if commercialised. It is not practicable to estimate the future payments of any such royalties that may arise due to the stage of development of BNC210.

DIRECTOR'S DECLARATION

**The Directors declare that:**

- a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- b) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards issued by the International Financial Reporting Standards, as stated in Note 2 to the financial statements;
- c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- d) the Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Errol De Souza
Chairman



Deborah Rathjen
Chief Executive Officer and Managing Director

Dated this 16th day of August 2018

INDEPENDENT AUDIT REPORT



Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
11 Waymouth Street
Adelaide, SA, 5000
Australia

Phone: +61 8 8407 7000
www.deloitte.com.au

Independent Auditor's Report to the members of Bionomics Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bionomics Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- 1) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- 2) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDIT REPORT


Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Carrying value of goodwill, intangible assets and contingent consideration Refer to notes 15, 16 and 33 At 30 June 2018, the Group has goodwill of \$12,469,535, other intangible assets of \$13,547,816 and a contingent consideration of \$15,682,109. Management uses significant judgements and estimates in determining the recoverable amounts of the assets and the fair value of the contingent consideration (which is dependent upon the recoverable amount of the assets). The key assumptions adopted by management in determining the recoverable amounts of the assets and the fair value of the contingent consideration include: - the forecast probabilities of achieving the various phases in the lifecycle of the development of the drug compounds; and - the likelihood of the Group being able to identify partnership opportunities with Pharma companies to further develop their compounds under licencing agreements and the value of anticipated milestones under those agreements.	Our procedures included, but were not limited to: - obtaining an understanding of the key controls associated with the preparation of the models used to assess the recoverable amount of the assets and valuation of the contingent consideration; - agreeing forecast expenditure to Board approved budgets; - assessing in conjunction with our valuations specialists, the forecast probabilities of achieving projected milestones at the various phases in the lifecycle of drug compounds against industry data; - obtaining an understanding of how the Group structures and prices its licencing agreements and benchmarks against other industry participants; - evaluating management's assessment of the current timing of the phases of each of the drug compounds in line with market announcements made by the Group; - assessing the historical accuracy of forecasting by management; - in addition, where current contractual arrangements exist: - assessing the key assumptions for the value of milestones and royalty payments at the various phases against current contractual arrangements; and; - performing sensitivity analysis on the key assumptions; and - assessing the appropriateness of the disclosures included in notes 15, 16 and 33 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, the other information also includes the following documents which will be included in the annual report (but does not include the financial report and our auditor's report thereon): Highlights, Chairman's Report, CEO & Managing Directors report, Intellectual property portfolio, Board of Directors, Management, Corporate Governance Statement and Shareholders' Information which are expected to be made available to us after that date.

INDEPENDENT AUDIT REPORT



Deloitte.

Our opinion on the financial report does not cover the other information and accordingly we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Highlights, Chairman's Report, CEO & Managing Directors report, Intellectual property portfolio, Board of Directors, Management, Corporate Governance Statement and Shareholders' Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDIT REPORT



Deloitte.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 16 of the Directors' Report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Bionomics Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

INDEPENDENT AUDIT REPORT

**Deloitte.***Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Penny Woods
Partner
Chartered Accountants
Adelaide, 16 August 2018

CORPORATE GOVERNANCE STATEMENT



CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement for the 2017/2018 financial year is located on the Company's website under the "About" tab then "Corporate Governance" or by copying the following to a web browser <http://www.bionomics.com.au/about/corporate-governance>

SHAREHOLDER INFORMATION

All shareholder information provided is current as at 17 September 2018.

Substantial Shareholders

Substantial holders in the Company are set out below:

ORDINARY SHARES	NUMBER HELD
BVF Partners L.P, BVFINC. and Mark N. Lampert	49,147,193
Ausbil Investment Management Ltd	39,115,389

Equity Securities

There are 5,899 holders of ordinary shares in Bionomics.

The number of shareholdings held in less than marketable parcels is 387.

Voting Rights

There is one class of quoted equity securities issued by the Company, ordinary, with voting rights attached to the ordinary shares.

One share equates to one vote.

Distribution of Holders of Equity Securities

CATEGORY (SIZE OF HOLDING)	NUMBER OF SECURITY HOLDERS		WARRANTS
	ORDINARY SHARES	UNLISTED OPTIONS	
1 – 1,000	529	0	
1,001 – 5,000	1,859	4	
5,001 – 10,000	954	3	
10,001 – 100,000	2,141	56	
100,001 – and over	416	20	5
	5,899	83	5

SHAREHOLDER INFORMATION CONT.



SHAREHOLDER INFORMATION CONT.

Twenty largest holders of each class of quoted equity securities

The names of the 20 largest holders of each class of quoted equity securities are listed below:

	NAME	ORDINARY SHARES	
		NUMBER HELD	PERCENTAGE OF ISSUED SHARES
1	NATIONAL NOMINEES LIMITED	69,014,731	14.29
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	65,714,018	13.61
3	US REGISTER CONTROL A/C	21,695,080	4.49
4	BELL POTTER NOMINEES LTD (BB NOMINEES A/C)	18,656,750	3.86
5	JP MORGAN NOMINEES AUSTRALIA LIMITED	16,853,532	3.49
6	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	14,169,541	2.93
7	CITICORP NOMINEES PTY LIMITED	13,101,194	2.71
8	CVC LIMITED	10,037,131	2.08
9	LINK 405 PTY LTD	7,918,873	1.64
10	CITICORP NOMINEES PTY LIMITED (COLONIAL FIRST STATE INV A/C)	6,616,891	1.37
11	NEWECONOMY COM AU NOMINEES PTY LIMITED (900 ACCOUNT)	4,877,306	1.01
12	MR MARK RICHARD POTTER + MRS REBECCA AMY POTTER (MARK & REBECCA POTTER A/C)	4,225,000	0.87
13	WELAS PTY LTD (THE WALES FAMILY SUPER A/C)	3,455,357	0.72
14	CHARMED5 PTY LTD	3,050,000	0.63
15	PROVENDORE PTY LTD (THE WILKS SUPER FUND A/C)	3,000,000	0.62
16	BNP PARIBAS NOMINEES PTY LTD (BNPP NYB CLEARING ACC DRP)	2,896,640	0.60
17	LONGFELLOW NOMINEES PTY LTD (NORGARD SUPER FUND A/C)	2,650,000	0.55
18	PLUTEUS (NO 164) PTY LIMITED (FRANK WOLF FAMILY A/C)	2,300,000	0.48
19	LGL TRUSTEES LIMITED (THE KONDA FAMILY A/C)	2,185,000	0.45
20	LEE SANDS NOMINEES PTY LTD (WAYMOUTH PROP NO 1 A/C)	1,650,000	0.34
		274,067,044	56.75

UNQUOTED EQUITY SECURITIES	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options issued pursuant to Bionomics Limited Employee Share Option Plan	9,477,670	83
Options issued pursuant to Bionomics Limited Employee Equity Plan	800,000	1
Warrants exchangeable into Bionomics Limited ordinary shares	41,196,315	5

COMPANY PARTICULARS



Bionomics, a listed public Company, is domiciled and incorporated in Australia.

Bionomics shares are listed on the Australian Securities Exchange under the code BNO.

REGISTERED AND ADMINISTRATIVE OFFICE

31 Dalgleish Street
Thebarton SA Australia 5031

Telephone: +61 8 8354 6100

Facsimile: +61 8 8354 6199

E-mail: info@bionomics.com.au

Web Address: www.bionomics.com.au

SHARE REGISTRY

Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
Adelaide SA Australia 5000

Telephone: 1300 556 161 (within Australia)
+61 3 9415 4000 (outside Australia)

E-mail: web.queries@computershare.com.au

Web Address: www.computershare.com

SOLICITORS

Johnson Winter & Slaterry
211 Victoria Square
Adelaide SA Australia 5000

Latham & Watkins LLP
12670 High Bluff Drive
San Diego CA 92130
USA

AUDITORS

Deloitte Touche Tohmatsu
11 Waymouth Street
Adelaide SA Australia 5000

PATENT ATTORNEYS

Griffith Hack
Level 10, 161 Collins Street
Melbourne VIC Australia 3000

Davies Collison Cave
1 Nicholson Street
Melbourne VIC Australia 3000

Knobbe Martens Intellectual Property Law
12790 El Camino Real
San Diego CA 92130
USA

Bionomics' primary listing is on the Australia Securities Exchange (ASX).

DIRECTORS

Dr Errol De Souza	Chairman
Dr Deborah Rathjen	Chief Executive Officer and Managing Director
Mr Peter Turner	Non-Executive Director
Mr David Wilson	Non-Executive Director
Mr Alan Fisher	Non-Executive Director

SENIOR MANAGEMENT

Dr Deborah Rathjen	Chief Executive Officer and Managing Director
Mr Jack Moschakis	Legal Counsel and Company Secretary
Mr Steven Lydeamore	Chief Financial Officer

SCIENTIFIC ADVISORS

Dr Philippe Danjou MD, PhD
Professor Paul Fitzgerald PhD, MSc
Dr Richard Hargreaves PhD
Dr Tim Harris PhD, D.Sc
Dr Ann Hayes PhD, BSc
Dr Ole Isacson MD
Dr Jose Iglesias MD
Dr Fiona McLaughlin PhD, FSB
Professor Marina Picciotto PhD
Professor Murray B. Stein MD, MPH, FRCP
Dr Fiona Thomson PhD
Professor Steven Williams
Dr Frank Yocca PhD
Professor Allan Young

Bionomics ordinary shares commenced trading on the OTCQX marketplace in the US effective 2 March 2015 under the ticker code "BNOEF".

Investors can find current financial disclosure and real-time Level 2 quotes for Bionomics on www.octmarkets.com

For more information, please visit www.otcmarkets.com



31 DALGLEISH STREET,
THEBARTON, SA
AUSTRALIA, 5031
WWW.BIONOMICS.COM.AU
ABN 53 075 582 740

