



ABN 53 075 582 740

# **BIONOMICS LIMITED**

## **ASX Results Announcement, Directors' Report and Financial Statements – 30 June 2014**

Lodged with the ASX under Listing Rule 4.3A

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## BIONOMICS LIMITED

Year ended 30 June 2014

(previous corresponding period: year ended 30 June 2013)

### Results for Announcement to the Market

					\$
<b>Cash and cash equivalents as at 30 June 2014</b>					
from 30 June 2013	decreased by	53%	to		10,501,307
<b>Net operating and investing cash outflows for the period</b>	increased by	17%	to		12,562,482
<b>Revenue</b> from ordinary activities	increased by	133%	to		27,545,996
<b>Profit</b> from ordinary activities after tax attributable to members	increased by	132%	to		3,206,616

### NTA Backing

	<u>2014</u>	<u>2013</u>
Net tangible asset backing per ordinary share	6.9 cents	5.9 cents

### Explanation of cash and cash equivalents position as at 30 June 2014:

The closing cash and cash equivalents position was in line with expectations and reflects the Company's continued investment in research and development. Upfront payments of US\$20 million from Merck have been received since 30 June 2014 as announced under the Research Collaboration and License agreement on 24 June 2014.

### Explanation of net movement in operating and investing cash outflows:

The net movement includes an increase in core R&D expenditure on the Company's clinical program BNC105, the progression of the BNC101 cancer stem cell program and the continued development of the product pipeline.

### Explanation of revenue from ordinary activities:

Revenue consists of payments under Bionomics' agreement with Merck announced on 24 June 2014, contract service revenue of Bionomics' wholly-owned European subsidiary Neurofit SAS, rental and interest income received as a result of ordinary activities and other income including the R&D Tax Incentive.

### Explanation of net profit from ordinary activities after tax:

The Company's maiden profit is a result of the licensing of the BNC375 program to Merck & Co announced on 24 June 2014. For further detail, refer to the attached Directors' Report and audited Financial Statements.

### Dividends/Distributions

Bionomics Limited does not propose to pay any dividend for the year ended 30 June 2014.



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**ASX ANNOUNCEMENT**  
**19 August 2014**

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## **BIONOMICS REPORTS FULL YEAR FINANCIAL RESULTS**

**Adelaide, Australia:** Bionomics Limited (ASX:BNO) (ADR:BMICY) today announced its financial results for the 12 months to 30 June 2014.

### **Key Points – Financial**

- Cash at 30 June 2014 was \$10,501,307, a decrease of \$11,950,782 over the 30 June 2013 balance.
- Revenue for the period was \$27,545,996, compared with \$11,825,956 for the period to 30 June 2013.
- The operating profit after tax of the Group for the period was \$3,206,616 which was a result of the licensing of the BNC375 program to Merck & Co announced on 24 June 2014 and reflects the Company's continued execution of its business plan.

### **Corporate and R&D Highlights**

The signing of two agreements with the global Pharmaceutical company Merck & Co (known as MSD outside the US and Canada) for programs within Bionomics' neuroscience pipeline were significant achievements in 2013-2014.

The first partnership, announced on 31 July 2013, centred on Bionomics' pain program. Under the option and license agreement with Merck, Bionomics may earn up to US\$172 million in option fees and clinical and development milestones in addition to royalties on product sales.

On 24 June 2014 Bionomics and Merck announced a second partnership, an exclusive Research Collaboration and License Agreement for Bionomics' BNC375 research program targeting cognitive dysfunction associated with Alzheimer's disease and other central nervous system conditions.

Under the agreement, Merck will fund all research and development, including clinical development, and will be responsible for worldwide commercialisation of any products from the collaboration. Bionomics will receive upfront payments totalling US\$20 million and is eligible to receive up to US\$506 million for achievement of certain research and clinical development milestones in addition to undisclosed royalties on any product sales.

With this latest partnership Bionomics is continuing to deliver on its business model of strategic partnering for the development and commercialisation of selected programs within its pipeline. Bionomics' goal is to work with its partners to bring innovative medicines to patients where a large unmet need exists.

In 2010 the estimated worldwide costs of dementia, including direct and indirect costs of care, was US\$604 billion with an estimated 35.6 million people worldwide affected by dementia. This is expected to double every 20 years reaching 65.7 million in 2030 and 115.4 million in 2050. In the US alone an estimated 5.3 million people have Alzheimer's disease including

14% of people over 71 years of age. (Source: *Business Insights, May 2011, Advances in Alzheimer's Disease Drug Discovery: Innovations, challenges, and future directions*)

The global pain treatment market recorded sales of US\$22 billion in 2010. However, as patent expiries loom, the global market value is anticipated by some analysts to contract to US\$18.7 billion by 2016. Within the global pain market the neuropathic pain market is expected to grow from US\$2.4 billion in 2010 to reach US\$3.6 billion by 2020. (Source: *The Pain Outlook to 2013, Scrip Business Insights 2011*)

Key highlights of Bionomics' oncology pipeline included:

- In February 2014 Bionomics announced results from the Phase I clinical trial of its BNC105 drug candidate in women with ovarian cancer after completing the enrolment of 15 patients for the Phase I portion of the trial during 2013. Ten patients have achieved a positive response according to the RECIST 1.1 and/or GCIG CA125 criteria. The results support continued development of BNC105 in the ovarian cancer setting.
- In March 2014 Bionomics announced results of its international clinical trial of BNC105 in patients with kidney cancer which had spread beyond the kidney. The Phase 2 trial recruited 129 patients who had failed previous treatment with Tyrosine Kinase Inhibitors. Patients received either Afinitor (Novartis) or BNC105 in combination with Afinitor. The DISRUPTOR-1 trial was ground breaking in demonstrating potential biomarkers that enable selection of patients for future clinical trials.
- In April 2014 AACR provided the opportunity to present the latest data in a number of Bionomics' programs:
  - US researchers led by Dr Alan Eastman at Dartmouth College presented data indicating that BNC105 is an excellent candidate for clinical trial in patients with chronic lymphocytic leukemia (CLL).
  - Bionomics presented the latest data on BNC101, which is in development for the treatment of colorectal cancer, pancreatic cancer and other solid tumour types. BNC101 has now completed formal toxicology studies and Bionomics is targeting the initiation of a Phase I clinical trial in 2015.
  - Work on a fore-runner to Bionomics latest cancer drug candidate BNC420, BL-011256, was also presented. BNC420 is a novel VEGFR3 selective inhibitor, which suppresses tumour lymphatics and lymph node metastasis in an animal model of melanoma.
- In February 2014 Bionomics was pleased to announce that its partner, the CRC for Cancer Therapeutics had received a further \$34 million over six years as an extension to the Australian Government's Cooperative Research Centre initiative. During the extension, the collaboration will focus on new treatments for childhood cancers, metastasis and cancer stem cells.

## **Outlook**

With its first recorded profit, Bionomics is well financed having received payments under the agreement with Merck & Co announced on 24 June 2014, and with an anticipated \$7.5 million to be received from the Federal Government R&D Tax Incentive in addition to the \$10.5 million cash held at 30 June 2014.

The Company will focus on its important relationship with Merck in pain and cognition to bring new treatments to patients suffering chronic pain and sufferers of Alzheimers Disease, Parkinson's disease and ADHD which are amongst the disorders where cognitive impairment is a significant problem.

Bionomics will continue to execute its partnership strategy across its portfolio of oncology and neuroscience programs, whilst progressing clinical and preclinical development of its drug candidates including BNC101 and BNC420.

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**About Bionomics Limited**

Bionomics (ASX: BNO) (ADR: BMICY) is a leading international biotechnology company which discovers and develops innovative therapeutics for cancer, central nervous system and immune diseases. Bionomics has small molecule product development programs in the areas of cancer, anxiety, Alzheimers Disease, pain, epilepsy and multiple sclerosis. BNC105, which is undergoing clinical development for the treatment of cancer, is based upon the identification of a novel compound that potently and selectively restricts blood flow within tumours. Bionomics' partner Ironwood Pharmaceuticals is developing BNC210 (IW-2143) which exhibits anxiolytic activity without side effects associated with benzodiazepines, a drug class used to treat anxiety, in preclinical models. Both compounds offer blockbuster potential if successfully developed.

Bionomics' discovery and development activities are driven by its three technology platforms: Angene®, a drug discovery platform which incorporates a variety of genomics tools to identify and validate novel angiogenesis targets (involved in the formation of new blood vessels). MultiCore® is Bionomics' proprietary, diversity orientated chemistry platform for the discovery of small molecule drugs. ionX® is a set of novel technologies for the identification of drugs targeting ion channels for diseases of the central nervous system. The CSCRx platform is utilized in the discovery and characterisation of compounds which target cancer stem cells.

For more information about Bionomics, visit [www.bionomics.com.au](http://www.bionomics.com.au)

**Factors Affecting Future Performance**

*This announcement contains "forward-looking" statements within the meaning of the United States' Private Securities Litigation Reform Act of 1995. Any statements contained in this announcement that relate to prospective events or developments, including, without limitation, statements made regarding Bionomics' development candidates BNC105, IW-2143 (BNC210), BNC101 and BNC375, our acquisition of Eclipse Therapeutics and ability to develop products from their platform, its licensing deal with Ironwood Pharmaceuticals, drug discovery programs and pending patent applications are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will" and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause actual results or events to differ materially from those indicated by these forward-looking statements, including risks related to our available funds or existing funding arrangements, a downturn in our customers' markets, our failure to introduce new products or technologies in a timely manner, Ironwood's decisions to continue or not continue development of IW-2143, regulatory changes, risks related to our international operations, our inability to integrate acquired businesses and technologies into our existing business and to our competitive advantages, as well as other factors. Results of studies performed on competitors products may vary from those reported when tested in different settings. Subject to the requirements of any applicable legislation or the listing rules of any stock exchange on which our securities are quoted, we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this announcement.*