

**ASX Code: BNO Price: \$0.048 12 Mth Target Price: \$0.15 Rating: Buy (Spec)**

## Business Summary

Bionomics Limited (BNO) is an Australian biotechnology company focused on the discovery and development of cancer, central nervous system disorders such as anxiety, depression and Alzheimer's Disease. BNO partners with pharmaceutical companies to get the drugs through the later stages of development and into the market.

**Drug discovery and development** This division consists of (i) BNC101 is anti-cancer stem cell candidate which it is in preparation for IND filing and Phase I clinical trial initiation anticipated in 2014. (ii) BNC105 is being developed as a Vascular Disrupting Agent (VDA) for treatment of cancer. BNC105 Phase 2 renal cancer biomarker data was presented at the European Society for Medical Oncology Congress in Spain and a peer-reviewed scientific publication on this work was accepted for publication by the journal Clinical Cancer Research. (iii) BNC420 is an orally administered tyrosine kinase inhibitor. BNC420 suppressed the development of tumour lymph vessels, the growth of regional metastatic tumours and the spread of tumours to the draining lymph nodes. Iv) BNC164 is a potent small molecule ion channel inhibitor with immunomodulator potential in preclinical development for mild to moderate psoriasis as well as other inflammatory diseases such as uveitis and inflammatory bowel disease.

**Contract services** Contract services is the provision of scientific services on a fee for service basis to both external and internal customers. 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.

## Latest Research

### BNC210 Granted Fast Track

The FDA has granted Fast Track designation to BNO's BNC210 product for Post-Traumatic Stress Disorder (PTSD) and other Trauma-related disorders. The timing of the decision is in line with our expectations and management guidance. Under Fast Track, BNC210 will be eligible for certain benefits which would shorten the FDA review time on NDA (New Drug Application) filing. These include priority review (which shortens the review time to 6 months vs. standard 10 months) and a rolling BLA submission and review process (which enables BNO to submit sections of the NDA for review, rather than waiting for all sections to complete). The grant of this designation highlights both the unmet need in PTSD (only 2 FDA approved drugs) and the potential of BNC210 with its novel mechanism of action to treat it. Importantly the basis of BNO's application was the better safety and tolerability profile of BNC210 vs. the two FDA approved PTSD drugs (SSRIs – Zoloft from Pfizer and Paxil from GSK) and efficacy as seen in animal models and the Phase 2 GAD and PTSD trials (effect on amygdala activation, anxiety, hyperarousal, fear extinction etc.). The grant of Fast Track therefore in our view further de-risks the asset and its development path forward for PTSD. BNO is now progressing the new solid dose formulation of BNC210 towards Phase 2b trials in PTSD (BPe 1HCY21). Recently, a Phase 1 study showed that the solid dose formulation was able to overcome the limitation of liquid formulation and achieve adequate blood levels to be effective in PTSD. BNO is now working on

optimising the solid dose formulation, ahead of trialling it in Phase 1 multiple ascending dose study. We est. that the preparatory work and

## Snapshot

Date	2 June 2020
Market Cap.	\$26m
Shares on issue	544.7m
12 Month High	\$0.14
12 Month Low	\$0.03

## Rating

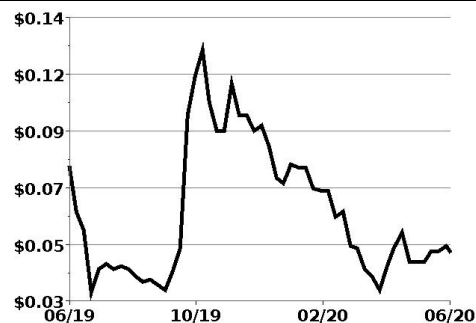
Rating	Buy (Spec)
12 Mth Target Price	\$0.15
Capital Gain	200.0%
Gross Yield	NA%
Implied Total Return	200.0%

## Investment Fundamentals

FYE 30 Jun		2019A	2020F	2021F	2022F
Profit	\$m	-17.1	-19.2	1.9	-16.3
Profit (norm)*	\$m	-17.1	-19.2	1.9	-16.3
EPS*	¢	-3.3	-3.0	0.3	-2.0
EPS Growth	%	0.0	0.0	0.0	0.0
P/E*	x	0.0	0.0	19.7	0.0
P/E Relative	%	0.0	0.0	0.0	0.0
DPS	¢	0.0	0.0	0.0	0.0
Yield	%	0.0	0.0	0.0	0.0
Franking	%	0.0	0.0	0.0	0.0

\* Adjusted for goodwill and unusual items  
Source: Based on Bell Potter estimates

## Share Price Chart



## Total Return on \$10,000 Investment



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# COMPANY PROFILE

## BELL POTTER

GICS - Pharm/Biotech

Bionomics Limited

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Phase 2 PTSD trial would cost ~US\$17m. BNO will need to secure additional funding (which is next step) to fund future development and manufacturing for BNC210 in PTSD. The grant of Fast Track

is likely to be an incremental positive in that process too.

For more information see full research report 6 Nov 2019.

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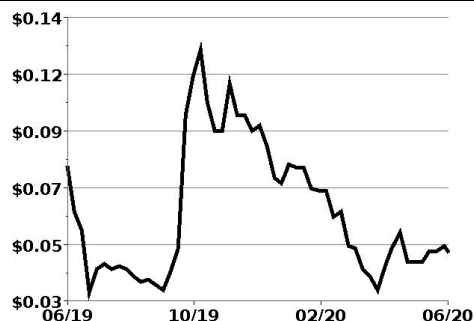
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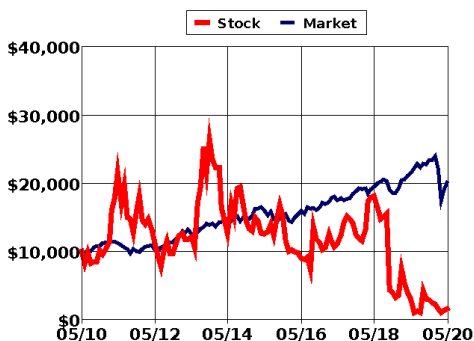
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Source: Based on Bell Potter estimates

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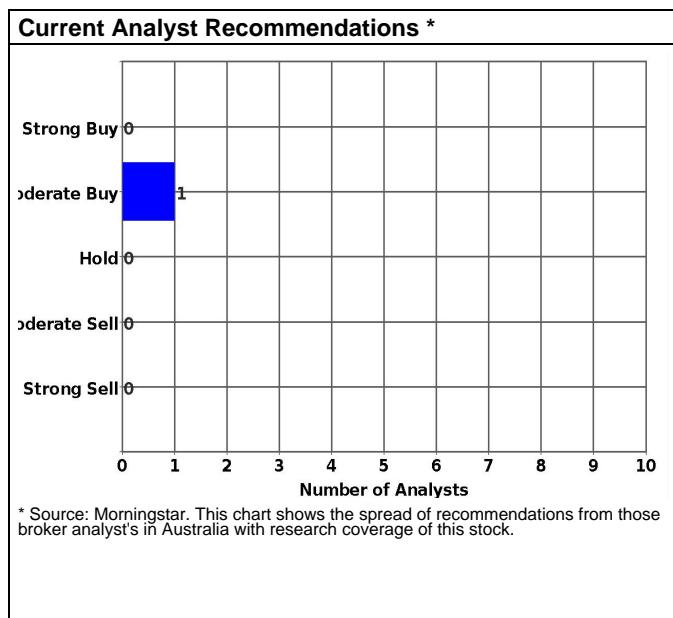
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Profit & Loss (\$000)					
	2015A	2016A	2017A	2018A	2019A
Sales Revenue	6,629	6,983	5,376	3,753	3,824
Total Revenue ex. Int.	15,668	20,501	27,048	11,882	11,359
<b>EBITDA</b>	<b>-16,188</b>	<b>-14,719</b>	<b>-3,718</b>	<b>-23,096</b>	<b>-13,286</b>
Depreciation & Amort.	-1,713	-1,938	-1,743	-1,668	-1,708
Goodwill Amortisation	--	--	--	--	--
EBIT	-17,902	-16,656	-5,461	-24,764	-14,994
Net Interest	85	-668	-766	-1,483	-2,082
Profit Before Tax	-17,817	-17,324	-6,227	-26,247	-17,076
Income Tax	328	715	-523	1,161	237
Outside Equity Int.	--	--	--	--	--
<b>Profit after Tax</b>	<b>-17,489</b>	<b>-16,609</b>	<b>-6,750</b>	<b>-25,086</b>	<b>-16,839</b>
Significant Items after Tax	540	--	--	--	7,170
<b>Reported Profit after Tax</b>	<b>-16,949</b>	<b>-16,609</b>	<b>-6,750</b>	<b>-25,086</b>	<b>-9,669</b>
Preferred Dividends	--	--	--	--	--

Cash Flow (\$000)					
	2015A	2016A	2017A	2018A	2019A
Receipts from Customers	27,503	8,080	19,908	5,499	5,067
Funds from Operations	-2,117	-23,150	-8,929	-26,720	-20,216
<b>Net Operating Cashflow</b>	<b>4,936</b>	<b>-15,360</b>	<b>-1,440</b>	<b>-20,453</b>	<b>-15,582</b>
Capex	-846	-197	-248	-487	-99
Acquisitions & Investments	-391	--	--	--	--
Sale of Invest. & Subsid.	--	--	--	--	--
<b>Net Investing Cashflow</b>	<b>-297</b>	<b>1,104</b>	<b>954</b>	<b>81</b>	<b>198</b>
Proceeds from Issues	269	28,222	144	411	10,100
Dividends Paid	--	--	--	--	--
<b>Net Financing Cashflow</b>	<b>12,289</b>	<b>33,202</b>	<b>-2,081</b>	<b>2,634</b>	<b>4,352</b>
Net Increase Cash	16,928	18,947	-2,567	-17,737	-11,032
Cash at Beginning	9,567	26,513	45,450	42,874	24,930
Exchange Rate Adjust.	17	-9	-10	-206	87
<b>Cash at End</b>	<b>26,513</b>	<b>45,450</b>	<b>42,874</b>	<b>24,930</b>	<b>13,985</b>

Ratios and Substantial Shareholders						
	2015A	2016A	2017A	2018A	2019A	
<b>Profitability Ratios</b>						
EBITDA Margin	%	-244.20	-210.77	-69.16	-615.33	-347.40
EBIT Margin	%	-270.05	-238.52	-101.58	-659.76	-392.06
Net Profit Margin	%	-263.83	-237.84	-125.56	-668.33	-440.30
Return on Equity	%	-54.71	-39.14	-16.68	-147.93	-95.15
Return on Assets	%	-24.42	-17.36	-6.39	-36.34	-28.30
<b>Debt/Safety Ratios</b>						
Net Debt/Equity	%	-36.85	-54.53	-60.23	-19.82	17.59
Interest Cover	x	211.54	-24.95	-7.12	-16.70	-7.20
<b>Top 5 Substantial Shareholders</b>						
BVF Partners L.P					9.0%	

Balance Sheet (\$000)					
	2015A	2016A	2017A	2018A	2019A
Cash & Equivalent	26,558	45,450	42,874	24,930	13,985
Receivables	1,064	11,003	9,893	713	887
Inventories	410	439	426	490	665
Other Current Assets	9,849	1,194	1,286	9,787	9,595
<b>Current Assets</b>	<b>37,881</b>	<b>58,086</b>	<b>54,478</b>	<b>35,920</b>	<b>25,132</b>
Prop. Plant & Equipment	3,451	2,835	2,618	2,744	2,507
Intangibles	27,416	26,705	26,595	26,017	25,636
Other Non-Current Assets	9,849	1,194	1,286	9,787	9,979
<b>Non-Current Assets</b>	<b>31,251</b>	<b>29,924</b>	<b>29,597</b>	<b>29,146</b>	<b>28,527</b>
Total Assets	69,132	88,010	84,075	65,066	53,659
Interest Bearing Debt	14,778	22,311	18,510	21,570	17,099
Other Liabilities	22,388	23,266	25,112	26,538	18,862
<b>Total Liabilities</b>	<b>37,166</b>	<b>45,577</b>	<b>43,621</b>	<b>48,108</b>	<b>35,961</b>
Net Assets	31,966	42,433	40,454	16,958	17,698
Share Capital	111,990	134,393	134,536	135,212	144,944
Reserves	6,543	11,216	14,113	13,098	13,620
Retained Earnings	-86,567	-103,176	-108,196	-131,353	-140,866
Outside Equity Int.	--	--	--	--	--
<b>Total Shareholders Equity</b>	<b>31,966</b>	<b>42,433</b>	<b>40,454</b>	<b>16,958</b>	<b>17,698</b>



Principals & Directors	
<b>Principals</b>	
Company Secretary	Mr Jack Moschakis
<b>Directors</b>	
Mr Alan David Fisher(Non-Executive Director)	
Mr Peter John Turner(Non-Executive Director)	
Dr Errol De Souza(Executive Chairman,Executive Director)	
Mr David Ian Wilson(Non-Executive Director)	
Mr Mitchell D Kaye(Non-Executive Director)	

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