



ABN 53 075 582 740

# **BIONOMICS LIMITED**

ASX Preliminary Final Report –  
30 June 2009

Lodged with the ASX under Listing Rule 4.3A

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## **ASX ANNOUNCEMENT 28 August 2009**

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### **BIONOMICS' 2008/2009 PRELIMINARY FINAL RESULTS**

Bionomics Limited (ASX: BNO) today announced its preliminary financial results for the year ended 30 June 2009.

In line with expectations, Bionomics' cash position at 30 June 2009 was \$4,757,000. Revenues for the period, excluding grant income, were \$4,296,496 and the Company incurred a loss for the period of \$ 6,862,000.

Revenues for the year include receipts under Bionomics' agreement with Merck Serono which can be expected to become more substantial as licensed compounds progress through clinical development and to market. In addition, revenues from contract research services provided by Bionomics' wholly owned European subsidiary, Neurofit, increased by 108% to \$1,943,000.

In 2008/2009 Bionomics increased investment in its key development programs, BNC105 for the treatment of cancer and BNC210 for the treatment of anxiety. Both programs have progressed in line with projections, with BNC105 to enter into Phase II clinical trial in the US in patients with kidney cancer and BNC210 undergoing a Phase I study at the Royal Adelaide Hospital. Research and development (R&D) expenses for the year were \$8,104,000, compared to \$7,624,000 in the previous year.

As a result of tight cost controls and careful costs management, non R&D expenses, including administration, financing costs, occupancy and compliance, were reduced by 27% relative to last financial year.

#### **OPERATIONAL HIGHLIGHTS**

Highlights in 2008/2009 included:

- **September 2008** – Latest BNC210 data presented at a major European conference. Results show that BNC210 is effective in treating anxiety in three animal models and that BNC210 acts for longer than Valium (diazepam), the most commonly prescribed anxiety treatment. Preclinical safety studies confirm the suitability of oral delivery of BNC210.
- **January 2009** - Cash position boosted following exercise of BNOOB options. IB Life Sciences Fund became a substantial shareholder.
- **April 2009** – Bionomics' anti-cancer compound BNC105 receives recognition in SMART 100 Index.
- **April 2009** - New BNC105 data reported at a major US cancer research conference:
  - BNC105 now shown to be an effective anti-cancer agent in animal models of six human tumour classes: head and neck, brain, prostate, breast, colon and lung.
  - In contrast to many of the current chemotherapeutic drugs, BNC105 is not susceptible to common mechanisms of cancer resistance.
  - New data shows that BNC105 delays the growth of throat cancer when used as a single agent in an animal model of human disease. It also effectively combines with radiation therapy to generate an enhanced anti-tumour response.
  - In a model of human lung cancer, BNC105 effectively combines with the cytotoxic agent cisplatin to generate an enhanced anti-tumour response.
- **May 2009** – Significant clinical milestones in both anxiety and cancer programs reported :

- BNC210 was approved to enter Phase I clinical trial. The first trial was initiated in June 2009.
- BNC105 Phase I clinical trial data reported at the American Society of Clinical Oncology (ASCO).

## OUTLOOK

The achievement of two key milestones in the clinical development of BNC105 – meeting the objectives of the Phase I clinical trial and engaging with the Hoosier Oncology Group to conduct the first Phase II clinical trial of BNC105 in patients with kidney cancer - combined with the initiation of the first clinical trial of BNC210, have marked a year of very solid progress. Bionomics is in the very strong position of having two highly differentiated products in development which address large and highly attractive markets.

Key milestones for the company in the second half of calendar year 2009 are the completion of the ongoing Phase I clinical trial of anti-anxiety drug BNC210 and initiation of the planned BNC105 kidney cancer trial in association with the Hoosier Oncology Group.

Bionomics is well positioned to deliver on its key objectives of advancing its clinical development programs in cancer and anxiety and of securing additional major partnerships in line with its business strategy.

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## FOR FURTHER INFORMATION PLEASE CONTACT:

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### **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 press release that relate to prospective events or developments, including, without limitation, statements made regarding Bionomics' business are deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "projects," "forecasts," "will", "aim" 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 further downturn in our customers' markets, our failure to introduce new products or technologies in a timely manner, 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. 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 obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.*

### **About Bionomics Limited**

Bionomics (ASX:BNO) discovers and develops innovative therapeutics for cancer and diseases of the central nervous system. Bionomics has small molecule product development programs in the areas of cancer, anxiety, epilepsy and multiple sclerosis. Bionomics' most advanced program, the Vascular Disruption Agent (VDA) program for cancer, is based upon the identification of a novel compound, BNC105 that potently and selectively restricts blood flow to tumours. Bionomics' discovery and development activities are driven by its three technology platforms: Angene®, the company's angiogenesis target and drug discovery platform, incorporates a variety of genomics tools to identify and validate novel angiogenesis targets. 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.

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

## BIONOMICS LIMITED

year ended 30 June 2009

(previous corresponding period: year ended 30 June 2008)

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### Results for Announcement to the Market

				\$
<b>Cash and cash equivalents as at 30 June 2009</b> from 30 June 2008	decreased by	24.3%	to	4,757,200
<b>Net operating and investing cash outflows</b> for the period	decreased by	24.0%	to	4,809,649
<b>Revenue</b> from ordinary activities	decreased by	18.3%	to	4,296,496
<b>Loss</b> from ordinary activities after tax attributable to members	increased by	43.4%	to	6,862,299

#### Explanation of cash and cash equivalents position as at 30 June 2009:

Closing cash and cash equivalents position reflects Bionomics' sound funding position which will support the ongoing development programs in cancer and anxiety.

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

The decrease in net cash outflows was due primarily to a 27% reduction in expenditure on non R&D activities. The large decline in grant revenue was more than offset by the increase in receipts from customers.

#### Explanation of revenue from ordinary activities:

Revenue consists of R&D payments under Bionomics' development agreement with Merck Serono, royalties on licensed epilepsy diagnostic tests, contract service revenue of Bionomics' wholly-owned European subsidiary Neurofit SAS, rental income and interest income received as a result of our ordinary activities. Last financial year revenue included an upfront payment from Merck Serono and a milestone payment from Genmab. Leaving these payments aside, year on year revenue increased by 115%. Government grants are separately classified under other income.

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

The loss was in line with Directors' and Management expectations.

#### Dividends/Distributions

Bionomics Limited does not propose to pay any dividends for the year ended 30 June 2009.

# **BIONOMICS LIMITED**

## **Preliminary Final Report – 30 June 2009**

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**BIONOMICS LIMITED**  
**Consolidated Income Statement**  
for the year ended 30 June 2009

		<b>Consolidated</b>	
	<b>Note</b>	<b>2009</b>	<b>2008</b>
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>	<b>2</b>	4,296,496	5,256,963
Other Income	2	311,291	1,825,165
<b>Expenses</b>	<b>3</b>		
Administrative		1,752,309	2,755,153
Financing costs		283,047	313,434
Occupancy		1,032,460	1,048,839
Compliance		335,633	483,285
Research and development		8,103,521	7,624,371
<b>Loss before tax</b>		(6,899,183)	(5,142,954)
Income tax benefit		36,884	359,037
<b>Loss for the year attributable to the equity holders of the parent</b>		(6,862,299)	(4,783,917)
		<b>2009</b>	<b>2008</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted loss per share	4	(2.8)	(2.1)

**BIONOMICS LIMITED**  
**Consolidated Balance Sheet**  
as at 30 June 2009

	Note	Consolidated	
		2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		4,757,200	6,280,480
Trade and other receivables		775,439	2,314,931
Inventories		122,400	79,462
Other assets		232,466	181,625
<b>TOTAL CURRENT ASSETS</b>		5,887,505	8,856,498
<b>NON-CURRENT ASSETS</b>			
Other financial assets		0	0
Property, plant and equipment		8,379,180	8,617,832
Intangible assets		10,458,001	10,839,070
Deferred Tax Asset		0	0
<b>TOTAL NON-CURRENT ASSETS</b>		18,837,181	19,456,902
<b>TOTAL ASSETS</b>		24,724,686	28,313,400
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,517,313	1,867,864
Borrowings		529,016	572,168
Provisions		635,603	369,517
Other liabilities		108,991	241,350
<b>TOTAL CURRENT LIABILITIES</b>		2,790,923	3,050,899
<b>NON-CURRENT LIABILITIES</b>			
Other payables		50,000	50,000
Borrowings		3,164,869	3,535,583
Provisions		24,326	149,493
Deferred tax liability		0	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		3,239,195	3,735,076
<b>TOTAL LIABILITIES</b>		6,030,118	6,785,975
<b>NET ASSETS</b>		18,694,568	21,527,425
<b>EQUITY</b>			
Issued capital	5	59,969,571	56,098,888
Reserves		3,346,598	3,187,839
Accumulated losses		(44,621,601)	(37,759,302)
<b>TOTAL EQUITY</b>		18,694,568	21,527,425

**BIONOMICS LIMITED**  
**Consolidated Cash Flow Statement**  
for the year ended 30 June 2009

	<b>2009</b>	<b>Consolidated</b>	<b>2008</b>
	<b>\$</b>		<b>\$</b>
<b>Cash flows from operating activities</b>			
Grants received incl GST	330,135		2,497,281
Receipts from Customers incl GST	5,589,454		3,371,455
Payments to suppliers and employees incl GST	(10,622,665)		(12,067,401)
	(4,703,076)		(6,198,665)
Borrowing costs	(283,047)		(313,434)
<b>Net cash outflow from operating activities</b>	<b>(4,986,123)</b>		<b>(6,512,099)</b>
<b>Cash flows from investing activities</b>			
Interest received	286,821		568,765
Payments for the purchase of intangibles	(3,666)		0
Payments for purchases of property, plant & equipment	(106,681)		(385,816)
<b>Net cash inflow from investing activities</b>	<b>176,474</b>		<b>182,949</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issues – net of expenses	3,739,382		103,095
Proceeds from borrowings	26,814		150,000
Repayment of borrowings	(440,680)		(460,822)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>3,325,516</b>		<b>(207,727)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(1,484,133)</b>		<b>(6,536,877)</b>
Cash and cash equivalents at the beginning of the year	6,280,480		12,821,006
Effect of exchange rate changes on the balances of cash held in foreign currency	(39,147)		(3,649)
<b>Cash and cash equivalents at the end of the year</b>	<b>4,757,200</b>		<b>6,280,480</b>

**BIONOMICS LIMITED****Consolidated Statement of Recognised Income and Expense**for the year ended 30 June 2009

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	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Exchange differences on translation of foreign operations	(49,301)	71,841
Revaluation reserve	97,413	148,483
<b>Net income recognised directly in equity</b>	<b>48,112</b>	<b>220,324</b>
Loss for the year	(6,862,299)	(4,783,917)
<b>Total recognised income and expense for the year attributable to equity holders of the parent</b>	<b>(6,814,187)</b>	<b>(4,563,593)</b>

## BIONOMICS LIMITED

Notes to the Financial Statements  
for the year ended 30 June 2009

### NOTE 1: Segment Information

#### Primary reporting format – business segments

Bionomics Limited discovers and develops innovative therapeutics in the areas of cancer, multiple sclerosis, anxiety and epilepsy, and operates in one primary business segment – drug discovery and development.

NOTE 2: REVENUE AND OTHER INCOME	Consolidated	
	2009	2008
	\$	\$
<b>Revenue</b>		
Revenue from rendering of services	1,942,887	935,625
License fees	0	3,253,908
Royalties	161,364	81,112
Collaboration Income	1,395,424	0
Interest received/receivable on bank deposits	286,821	568,765
Rent received or receivable	237,816	227,183
Other revenue	272,184	190,370
	<u>4,296,496</u>	<u>5,256,963</u>
<b>Other income</b>		
Commercial Ready grant	188,437	1,771,603
EMDG grant	122,854	53,562
	<u>311,291</u>	<u>1,825,165</u>

NOTE 3: EXPENSES	Consolidated	
	2009	2008
	\$	\$
Loss before income tax expense includes the following specific expenses:		
Financing costs		
- Interest paid/payable on bank & other loans	271,618	306,017
- Interest obligations under finance leases	11,429	7,417
	<u>283,047</u>	<u>313,434</u>
Depreciation:		
- Administrative plant and equipment	55,490	56,750
- Scientific plant and equipment	105,434	173,024
- Building fit outs	207,524	132,052
- Refrigeration plant and equipment	24,293	29,166
- Building	139,161	212,119
	<u>531,902</u>	<u>603,111</u>
Amortisation of non-current assets		
- Intellectual property	501,726	479,275
Rental expense on operating leases		
- Minimum lease payments	106,766	168,312
Employment benefit expenses of:		
- Wages and salaries	2,717,032	3,042,595
- Superannuation	418,215	204,776
- Share-based payments	241,738	257,863
	<u>3,376,985</u>	<u>3,505,234</u>
Foreign currency loss/(gain)	<u>(45,217)</u>	<u>0</u>

Cost of sales	337,621	213,059
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**NOTE 4: Loss per share**

	Full Year	
	2009 Cents	2008 Cents
Basic loss per share	(2.8)	(2.1)
Alternative loss per share	(2.7)	(1.4)

	Full Year	
	2009 Number	2008 Number
<b>Weighted average number of shares used as the Denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	242,977,517	225,310,399
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating alternative earnings per share	252,961,530	269,259,428

**NOTE 5: CONTRIBUTED EQUITY**

Movements in ordinary shares of the Company during the past two years were as follows:

Date	Details	Number of shares	Issue price	\$
<b>1 July 2007</b>	<b>Opening balance</b>	<b>220,369,237</b>		<b>52,834,493</b>
	Share issue – directors’ fees in lieu of cash	197,884	\$0.2931	58,000
	Share issue – salaries in lieu of cash	232,002	\$0.2931	68,000
	Share issue - BNOOA options exercise	21,963	\$0.5000	10,955
	Share issue – ESOP option exercise	294,000	\$0.2400	70,560
	Share issue – ESOP option exercise	80,000	\$0.2150	17,200
	Share issue – ESOP option exercise	14,000	\$0.2700	3,780
	Share issue – ESOP option exercise	3,000	\$0.3000	900
	Share issue – salaries in lieu of cash	92,105	\$0.3800	35,000
	Share issue – bonus shares for purchase of Iliad Chemicals Pty Ltd	13,636,364	\$0.2200	3,000,000
<b>30 June 2008</b>	<b>Closing balance</b>	<b>234,940,555</b>		<b>56,098,888</b>
	Share issue – directors’ fees in lieu of cash	291,727	\$0.3437	100,267
	Share issue - BNOOB options exercise	18,200,000	\$0.2200	4,004,000
	Share issue – ESOP option exercise	100,000	\$0.1300	13,000
	Share issue – ESOP option exercise	47,750	\$0.1600	7,640
	Share issue – ESOP option exercise	10,000	\$0.2150	2,150
	Share issue – ESOP option exercise	5,000	\$0.2400	1,200
	Share issue – ESOP option exercise	15,000	\$0.2700	4,050
	Share issue – unlisted option exercise	100,000	\$0.2766	27,660
	Share issue – ESP	89,559	\$0.3465	31,036
	Less capital raising costs – BNOOB exercise	0	0	(320,320)
<b>30 June 2009</b>	<b>Closing balance</b>	<b>253,799,591</b>		<b>59,969,571</b>

**NOTE 6: ACCUMULATED LOSSES**

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	(37,759,302)	(32,975,385)
Net loss for the year	(6,862,299)	(4,783,917)
Balance at the end of the year	<u>(44,621,601)</u>	<u>(37,759,302)</u>

**BIONOMICS LIMITED**  
**Supplementary Appendix 4E information**

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**NTA Backing**

	<u>2009</u>	<u>2008</u>
Net tangible asset backing per ordinary share	3.2 cents	4.5 cents

Audit Note: This report is based on financial statements which are in the process of being audited