

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **August 13, 2019**

BIONIK LABORATORIES CORP.
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or
Organization)

000-54717

(Commission File Number)

27-1340346

(IRS Employer Identification No.)

**483 Bay Street, N105
Toronto, ON**

(Address of Principal Executive Offices)

M5G 2C9

(Zip Code)

Registrant's Telephone Number, Including Area Code: **(416) 640-7887**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Not applicable

Trading Symbol

Not applicable

Name of each exchange on which registered

Not applicable

Item 2.02 Results of Operations and Financial Condition.

On August 13, 2019, Bionik Laboratories Corp. issued a press release announcing its financial results for the fiscal quarter ended June 30, 2019.

A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The information in this report (including Exhibit 99.1) is being furnished pursuant to Item 2.02 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. This report will not be deemed an admission as to the materiality of any information herein (including Exhibit 99.1).

Item 9.01 Financial Statements and Exhibits

(d) Exhibits. The exhibit listed in the following Exhibit Index is furnished as part of this Current Report on Form 8-K:

| Exhibit | Description |
|----------------------|-------------------------------|
| 99.1 | Press Release |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 13, 2019

BIONIK LABORATORIES CORP.

By: /s/ Leslie Markow

Name: Leslie Markow

Title: Chief Financial Officer

BIONIK Laboratories' Fiscal Year 2020 Q1 Financial Results Feature 57% Increase in Sales

TORONTO & BOSTON – August 13, 2019 -- BIONIK Laboratories Corp. (OTCQB:BNKL) ("BIONIK" or the "Company"), a robotics company focused on providing rehabilitation and assistive technology solutions to individuals with neurological and mobility challenges from hospital to home, yesterday announced financial results for its first quarter of fiscal year 2020, ended June 30, 2019.

Financial highlights for the first quarter of fiscal year 2020 ended June 30, 2019 and recent weeks include

- Sales increased to \$790,379 for Q1 2020 compared to \$501,333 for Q1 2019.
- Margins increased to 57.5% in Q1 2020 from 49.5% in Q1 2019.

Corporate highlights for the first quarter of fiscal year 2020 ended June 30, 2019 and recent weeks include

- Completed the sale of three InMotion™ Arm therapy robots including the recently released InMotion™ Arm/Hand system to Bionik (China) Medical Technology Co. Ltd. as part of the progressive implementation of our joint venture which we entered into in 2017 and sold five InMotion™ robots to U.S. customers

Management Commentary

Commenting on the quarter, Dr. Eric Dusseux, M.D., BIONIK's Chief Executive Officer, said, "I am very pleased with the excellent progress we made in the U.S. with our next-generation system offering enhanced functionality to support clinical rehabilitation of stroke survivors and those with mobility impairments due to neurological conditions. During last year's second fiscal quarter we shipped three InMotion™ Arm therapy robots to our 2017 joint venture, BIONIK (China) Medical Technology Co., Ltd., and we matched it this quarter by also shipping it three InMotion™ Arm/Hand therapy robots. The robots will be used for testing to support State Drug Administration approval in China. We are very excited by this progress and hope that we will be able to address rehabilitation for the 2.4 million new stroke patients each year in China. Beyond the clinical InMotion™ line of products, through our development program, we also look forward to penetrating the at-home markets in the U.S. and abroad in the future."

BIONIK continues to expect to achieve the following milestones during fiscal year 2020:

- Continue to expand sales channels in North America and abroad.
- Further develop InMotion™ robotic products to serve clinical rehabilitation providers and to provide home-based solutions for extended rehabilitation therapy and mobility enhancement.
- Work with our commercial outsourced manufacturing partner to enhance effectiveness in order to support the expected increase in product demand and introduction of new products.
- Increase sales of service contracts and warranties.

Financial Results

Sales for quarter ended June 30, 2019 were \$790,379, compared with \$501,333 for the quarter ended June 30, 2018. The increase reflects the sale of eight InMotion™ last generation commercial robots during the quarter. In addition, deferred revenue, comprised of training to be provided and extended warranties, increased to \$525,794 at June 30, 2019 from \$467,778 at March 31, 2019, a 12.4% increase, and from \$129,784 at June 30, 2018, a 305.1% increase. The Company believes that extended warranties and training are important and growing parts of its business.

Gross margin for the quarter ended June 30, 2019 was \$454,294 or 57.5%, compared to \$248,170 or 49.5% for the quarter ended June 30, 2018. The higher gross margin has been achieved due to higher average selling prices for the period and the economies of scale deriving from higher volume manufacturing of our robots.

The Company reported a comprehensive loss for the quarter ended June 30, 2019 of \$(2,120,644), or a loss per share of \$(0.55), compared with a comprehensive loss of \$(760,698), or a loss per share of \$(0.44), for the quarter ended June 30, 2018. The higher loss is principally due to a gain on mark to market re-evaluation recorded in the quarter ended June 30, 2018 which decreased the loss in 2018 by \$2,048,697.

BIONIK had cash and cash equivalents of \$530,031 as of June 30, 2019, compared with \$446,779 as of March 31, 2019. The Company's working capital deficit at June 30, 2019 was \$802,997 compared to a working capital surplus of \$479,408 as of March 31, 2019. The working capital deficit at June 30, 2019 is due to convertible loans received by the Company during the quarter being recorded as current liabilities rather than in equity when the loans are converted.

About BIONIK Laboratories Corp.

BIONIK Laboratories is a robotics company focused on providing rehabilitation and mobility solutions to individuals with neurological and mobility challenges from hospital to home. The Company has a portfolio of products focused on upper and lower extremity rehabilitation for stroke and other mobility-impaired patients, including three products on the market and three products in varying stages of development.

For more information, please visit www.BIONIKlabs.com and connect with us on Twitter, LinkedIn, and Facebook.

Forward-Looking Statements

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "should," "would," "will," "could," "scheduled," "expect," "anticipate," "estimate," "believe," "intend," "seek," or "project" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements may include, without limitation, statements regarding (i) the plans and objectives of management for future operations, including plans or objectives relating to the design, development and commercialization of human exoskeletons and other robotic rehabilitation products, (ii) a projection of income (including income/loss), earnings (including earnings/loss) per share, capital expenditures, dividends, pipeline of potential sales, capital structure or other financial items, (iii) the Company's future financial performance, (iv) the market and projected market for our existing and planned products and (v) the assumptions underlying or relating to any statement described in points (i), (ii), (iii) or (iv) above. Such forward-looking statements are not meant to predict or guarantee actual results, performance, events or circumstances, and may not be realized because they are based upon the Company's current projections, plans, objectives, beliefs, expectations, estimates and assumptions, and are subject to a number of risks and uncertainties and other influences, many of which the Company has no control. Actual results and the timing of certain events and circumstances may differ materially from those described by the forward-looking statements as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, the Company's inability to obtain additional financing, the inability to meet listing standards to uplist to a national stock exchange, the significant length of time and resources associated with the development of our products and related insufficient cash flows and resulting illiquidity, the Company's inability to expand the Company's business, significant government regulation of medical devices and the healthcare industry, lack of product diversification, volatility in the price of the Company's raw materials, and the Company's failure to implement the Company's business plans or strategies. These and other factors are identified and described in more detail in the Company's filings with the SEC. The Company does not undertake to update these forward-looking statements.

Bionik Laboratories Corp.
Condensed Consolidated Interim Balance Sheets
(Amounts expressed in US Dollars)

| | As at June 30, 2019 | As at March 31, 2019 (audited) |
|--|------------------------------------|---|
| | \$ | \$ |
| Assets | | |
| Current | | |
| Cash and cash equivalents | 530,031 | 446,779 |
| Accounts receivable, net of allowance for doubtful accounts of \$Nil (March 31, 2018 - \$Nil) | 1,027,012 | 1,523,193 |
| Prepaid expenses and other receivables | 1,194,727 | 1,355,032 |
| Inventories | 582,058 | 405,682 |
| Due from related parties | 19,068 | 18,585 |
| Total Current Assets | <u>3,352,896</u> | <u>3,749,271</u> |
| Equipment | 211,360 | 192,528 |
| Technology and other assets | 4,358,408 | 4,427,722 |
| Goodwill | 22,308,275 | 22,308,275 |
| Total Assets | <u><u>30,230,939</u></u> | <u><u>30,677,796</u></u> |
| Liabilities and Shareholders' Equity | | |
| Current | | |
| Accounts Payable | 1,055,017 | 1,148,852 |
| Accrued liabilities | 1,620,632 | 1,653,233 |
| Convertible Loans | 954,450 | - |
| Deferred revenue | 525,794 | 467,778 |
| Total Current Liabilities | <u>4,155,893</u> | <u>3,269,863</u> |
| Long term | | |
| Term loan | 500,000 | - |
| Total Liabilities | <u>4,655,893</u> | <u>3,269,863</u> |
| Shareholders' Equity | | |
| Preferred Stock, par value \$0.001; Authorized 10,000,000 Special Voting Preferred Stock, par value \$0.001; Authorized; Issued and outstanding - 1 (March 31, 2019 - 1) | - | - |
| Common Shares, par value \$0.001; Authorized - 500,000,000 (March 31, 2019 - 500,000,000); Issued and outstanding 3,702,398 and 156,239 Exchangeable Shares (March 31, 2019 - 3,661,838 and 196,799 Exchangeable Shares) | 3,858 | 3,858 |
| Additional paid in capital | 74,007,056 | 73,719,299 |
| Deficit | (48,478,017) | (46,357,373) |
| Accumulated other comprehensive income | 42,149 | 42,149 |
| Total Shareholders' Equity | <u>25,575,046</u> | <u>27,407,933</u> |
| Total Liabilities and Shareholders' Equity | <u><u>30,230,939</u></u> | <u><u>30,677,796</u></u> |

Bionik Laboratories Corp.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
For the three month periods ended June 30, 2019 and 2018 (unaudited)
(Amounts expressed in U.S. Dollars)

| | Three months ended June 30, 2019 | Three months ended June 30, 2018 |
|---|---|---|
| | \$ | \$ |
| Sales | 790,379 | 501,333 |
| Cost of Sales | 336,085 | 253,163 |
| Gross Margin | <u>454,294</u> | <u>248,170</u> |
| Operating expenses | | |
| Sales and marketing | 583,732 | 542,659 |
| Research and development | 816,523 | 676,743 |
| General and administrative | 841,693 | 979,479 |
| Share-based compensation expense | 287,757 | 595,412 |
| Amortization | 69,314 | 71,053 |
| Depreciation | 23,970 | 17,595 |
| Total operating expenses | <u>2,622,989</u> | <u>2,882,941</u> |
| Other (income) expenses | | |
| Accretion expense | - | 134,251 |
| Fair Value Adjustment | - | 44,087 |
| Gain/Loss on mark to market re-evaluation | - | (2,048,697) |
| Other expense | 14,296 | 37,420 |
| Foreign exchange | (62,347) | (41,134) |
| Total other expenses | <u>(48,051)</u> | <u>(1,874,073)</u> |
| Net loss and comprehensive loss for the period | <u>(2,120,644)</u> | <u>(760,698)</u> |
| Loss per share - basic and diluted | <u>(0.55)</u> | <u>(0.44)</u> |
| Weighted average number of shares outstanding – basic and diluted | <u>3,858,637</u> | <u>1,716,728</u> |

Bionik Laboratories Corp.
Condensed Consolidated Interim Statements of Cash Flows
For the three months periods ended June 30, 2019 and 2018 (unaudited)
(Amounts expressed in U.S. Dollars)

| | Three months ended June 30, 2019 | Three months ended June 30, 2018 |
|--|---|---|
| | \$ | \$ |
| Operating activities | | |
| Net loss for the period | (2,120,644) | (760,698) |
| Adjustment for items not affecting cash | | |
| Depreciation | 23,970 | 17,595 |
| Amortization | 69,314 | 71,053 |
| Interest expense | 13,283 | 36,702 |
| Share based compensation expense | 287,757 | 595,412 |
| Accretion expense | - | 134,251 |
| Fair Value Adjustment | - | 44,087 |
| Gain/Loss on mark to market re-evaluation | - | (2,048,697) |
| Allowance for doubtful accounts | - | (19,694) |
| | <u>(1,726,320)</u> | <u>(1,929,989)</u> |
| Changes in non-cash working capital items | | |
| Accounts receivable | 496,181 | (137,756) |
| Prepaid expenses and other receivables | 160,305 | (51,783) |
| Due from related parties | (483) | 350 |
| Inventories | (176,376) | 81,648 |
| Accounts payable | (93,835) | 11,468 |
| Accrued liabilities | (41,434) | (402,141) |
| Deferred revenue | 58,016 | 7,117 |
| Net cash (used in) operating activities | <u>(1,323,946)</u> | <u>(2,421,086)</u> |
| Investing activities | | |
| Acquisition of equipment | (42,802) | (7,844) |
| Net cash (used in) investing activities | <u>(42,802)</u> | <u>(7,844)</u> |
| Financing activities | | |
| Proceeds from convertible loans | 950,000 | 2,934,298 |
| Repayment of Demand notes principal | - | (50,000) |
| Repayment of Demand notes interest | - | (2,975) |
| Proceeds from term loan | 500,000 | - |
| Net cash provided by financing activities | <u>1,450,000</u> | <u>2,881,323</u> |
| Net (decrease) in cash and cash equivalents for the period | 83,252 | 452,393 |
| Cash and cash equivalents, beginning of period | 446,779 | 507,311 |
| Cash and cash equivalents, end of period | <u>530,031</u> | <u>959,704</u> |