UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934 for the Quarterly Period ended December 31, 2021

Or

☐ Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number: 000-54717

Bionik Laboratories Corp.

(Exact name of registrant as specified in its charter)

Delaware	**27-1340346**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

80 Coolidge Hill Road, Watertown, MA 02472
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:
(617) 926-4800

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

Title of each class	Trading Symbol(s)	Name of Exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes☐ No ☒

The number of shares outstanding of the registrant's common stock as of February 7, 2022 was 5,790,920 shares.

BIONIK LABORATORIES CORP.
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Bionik Laboratories Corp.
Condensed Consolidated Balance Sheets

	(unaudited) December 31, 2021	March 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 3,369,992	$ 608,348
Accounts receivable	129,774	451,905
Prepaid expenses and other current assets	1,492,100	1,680,557
Inventories	929,192	692,163
Total current assets	5,921,058	3,432,973
Equipment	59,043	93,577
Intangible assets, net	—	976,551
Goodwill	—	4,282,984
Total assets	$ 5,980,101	$ 8,786,085
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 181,389	$ 454,809
Accrued liabilities	933,415	760,026
PPP loan	—	459,912
Convertible notes	8,740,231	—
Demand loans, current portion	—	2,152,334
Deferred revenue, current portion	298,676	268,083
Total current liabilities	10,153,711	4,095,164
Deferred revenue, net of current portion	268,396	303,917
Demand loans, net of current portion	—	1,105,974
Total liabilities	10,422,107	5,505,055
Commitments and contingencies (Note 9)		
Stockholders' Equity		
Preferred stock, $0.001 par value; Authorized 5,000,000; Authorized and Issued-1 Special voting preferred stock, $0.001 par value	—	—
Common stock, $0.001 par value; Authorized – 13,000,000; Issued 5,790,920 and 112,440 Exchangeable Shares (March 31, 2021– 5,589,375 and 112,440 Exchangeable Shares)	5,903	5,702
Additional paid-in capital	89,220,540	88,227,506
Accumulated deficit	(93,697,073)	(84,994,327)
Accumulated other comprehensive income	28,624	42,149
Total stockholders' equity	(4,442,006)	3,281,030
Total liabilities and stockholders' equity	$ 5,980,101	$ 8,786,085

The accompanying notes are an integral part of these condensed consolidated financial statements.

Bionik Laboratories Corp.
Condensed Consolidated Statements of Operations
(unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2021	2020	2021	2020
Revenues, net	$ 183,262	$ 180,409	$ 1,082,450	$ 730,698
Cost of revenues	50,394	9,581	261,823	142,183
Gross Profit	132,868	170,828	820,627	588,515
Operating expenses				
Sales and marketing	567,300	326,342	1,335,730	799,207
Research and development	368,095	460,822	634,147	1,264,647
General and administrative	725,300	1,070,243	2,222,044	3,713,183
Impairment of goodwill & intangible assets	5,200,608	7,182,053	5,200,608	7,182,053
Total operating expenses	6,861,303	9,039,460	9,392,529	12,959,090
Loss from operations	(6,728,435)	(8,868,632)	(8,571,902)	(12,370,575)
Interest expense, net	249,096	79,183	576,576	265,566
Other expense (income), net	6,314	3,066	(445,732)	(50,562)
Total other expense	255,410	82,249	130,844	215,004
Net loss	$ (6,983,845)	$ (8,950,881)	$ (8,702,746)	$ (12,585,579)
Loss per share - basic and diluted	$ (1.18)	$ (1.75)	$ (1.50)	$ (2.45)
Weighted average number of shares outstanding – basic and diluted	5,903,360	5,126,834	5,820,654	5,126,834

The accompanying notes are an integral part of these condensed consolidated financial statements.

Bionik Laboratories Corp.
Condensed Consolidated Statements of Comprehensive Loss
(unaudited)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020
Net loss	$ (6,983,845)	$ (8,950,881)	$ (8,702,746)	$ (12,585,579)
Other comprehensive loss components:				
Cumulative translation adjustment	720	—	(13,525)	—
Total other comprehensive income (loss)	720	—	(13,525)	—
Comprehensive loss	$ (6,983,125)	$ (8,950,881)	$ (8,716,271)	$ (12,585,579)

The accompanying notes are an integral part of these consolidated financial statements.

Bionik Laboratories Corp.
Condensed Consolidated Statements of Cash Flows
For the nine month periods ended December 31, 2021 and 2020
(unaudited)

	Nine months ended December 31, 2021	Nine months ended December 31, 2020
Operating activities:		
Net loss	$ (8,702,746)	$ (12,585,579)
Reconciliation of net loss to net cash from operating activities:		
Depreciation and amortization	89,713	119,664
Interest expense	573,965	265,566
Impairment of goodwill & intangible assets	5,200,608	7,182,053
Share based compensation expense	319,005	719,048
Gain on extinguishment of debt	(459,912)	—
Issuance of common shares in lieu of services	33,000	—
Changes in non-cash working capital items		
Accounts receivable	322,131	672,660
Prepaid expenses and other current assets	188,373	(25,922)
Net book value of demonstration inventory sold	16,248	—
Due from related parties	—	(2,314)
Inventories	(237,029)	219,910
Accounts payable	(272,570)	(318,480)
Accrued liabilities	166,825	420,139
Deferred revenue	(4,928)	(3,282)
Net cash used in operating activities	(2,767,317)	(3,336,537)
Investing activities:		
Purchases of equipment	(12,500)	—
Net cash used in investing activities	(12,500)	—
Financing activities:		
Proceeds from convertible loans	5,550,000	1,502,575
Proceeds from PPP loan	—	459,912
Payments on capital lease obligations	(1,437)	—
Net cash provided by financing activities	5,548,563	1,962,487
Effect of exchange rate changes on cash and cash equivalents	(7,102)	—
Net increase (decrease) in cash and cash equivalents	2,761,644	(1,374,050)
Cash and cash equivalents, beginning of the period	608,348	2,269,747
Cash and cash equivalents, end of the period	$ 3,369,992	$ 895,697
Supplemental noncash financing activities:		
Conversion of term loans into option exercises	$ 642,153	$ —
Conversion of demand loans into convertible notes	$ 3,286,791	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

BIONIK LABORATORIES CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Interim Condensed Consolidated Financial Statements

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim information and pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for reporting on Form 10-Q. Accordingly, certain information and footnote disclosures required for complete financial statements are not included herein. It is recommended that these financial statements be read in conjunction with the consolidated financial statements and related notes that appear in the Annual Report on Form 10-K of Bionik Laboratories Corp. (“Bionik” or the “Company”) for the fiscal year ended March 31, 2021 filed with the SEC on June 24, 2021. In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of December 31, 2021, and its results of operations for the three and nine months ended December 31, 2021 and 2020, and cash flows for the nine months ended December 31, 2021 and 2020. The condensed consolidated balance sheet at March 31, 2021 was derived from audited annual consolidated financial statements, but does not contain all of the footnote disclosures from the annual consolidated financial statements. Results of operations for the three and nine months ended December 31, 2021 are not necessarily indicative of the results for the year ending March 31, 2022 or any period thereafter.

Reclassifications

For comparability purposes, certain prior period amounts in the condensed consolidated financial statements have been reclassified to conform to the current period’s presentation within the condensed consolidated statements of operations and comprehensive loss.

Management Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures at the date of the financial statements during the reporting period. Significant estimates are used for, but are not limited to, revenue recognition, allowance for doubtful accounts, inventory reserves, impairment analysis of goodwill and intangibles including their useful lives, research and development accruals, deferred tax assets, liabilities and valuation allowances, and fair value of stock options. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company and the unknown future impacts of COVID-19 as of December 31, 2021 and through the date of this report filing. On an ongoing basis, management evaluates its estimates and actual results could differ from those estimates.

All adjustments, consisting only of normal recurring items, considered necessary for fair presentation have been included in these consolidated financial statements.

Critical Accounting Policies

The following accounting policies have been updated and adopted as of April 1, 2021 which differ from the accounting policies disclosed in Form 10-K for the year ended March 31, 2021, filed with the SEC on June 24, 2021:

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as compared to the double-declining the method the Company had previously used. Assets under capital leases and leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the respective lease term. Included in property and equipment are certain robots that are used for demonstration purposes. Maintenance and repairs are charged to expense as incurred.

Bionik continually evaluates whether events or circumstances have occurred that indicate that the estimated remaining useful life of its long-lived assets may warrant revision or that the carrying value of these assets may be impaired. Bionik evaluates the realizability of its long-lived assets based on profitability and cash flow expectations for the related asset. Any write-downs are treated as permanent reductions in the carrying amount of the assets. Based on this evaluation, Bionik believes that, as of each of the balance sheet dates presented, none of Bionik's long-lived assets were impaired.

The useful lives for property and equipment is as follows:

	Useful Life (in years)
Computers and electronics	3
Furniture and fixtures	5
Demonstration equipment	3
Manufacturing equipment	5
Tools and parts	3
Assets under capital lease	Life of lease

Foreign Currency Translation

A portion of Bionik's operations is conducted through operations in countries other than the United States. Since the Company conduct its business in U.S. dollars, the main exposure, if any, results from changes in the exchange rate between the Canadian dollar and the U.S. dollar. Bionik's functional currency is the U.S. dollar. The Company's policy is to reduce exposure to exchange rate fluctuations by having most of Bionik's assets and liabilities, as well as most of Bionik's revenues and expenditures, in U.S. dollars, or U.S. dollar linked. The Company has not historically engaged in hedging activities relating to its non-U.S. dollar operations. The Company may incur negative foreign currency conversion charges as a result of changes in currency exchange rates.

The remainder of Bionik's critical accounting policies and the related judgments and estimates affecting the preparation of its condensed consolidated financial statements are included in our Annual Report on Form 10-K for the year ended March 31, 2021. There have been no other material changes to the Company's critical accounting policies as of December 31, 2021.

Going Concern

At December 31, 2021, cash and cash equivalents were $3.4 million. At December 31, 2021, the Company had a working capital deficit of $4.2 million and at March 31, 2021, the Company had a working capital deficit of $0.7 million. At December 31, 2021 and March 31, 2021, the Company has accumulated deficits of $93.7 million and $85.0 million, respectively. The Company has incurred a net loss and comprehensive loss for the three months ended December 31, 2021 and 2020 of $7.0 million and $9.0 million respectively, and for the nine months ended December 31, 2021 and 2020 of $8.7 million and $12.6 million, respectively.

On July 15, 2021, the Company commenced a refinancing of its existing indebtedness and launched a new secured convertible promissory note offering of up to $10.0 million. As of December 31, 2021, the Company issued an aggregate of $8.3 million in principal of convertible notes of which an aggregate of $5.0 million was purchased for cash and the remainder was issued as a result of consolidating existing debt. Refer to Note 5- Loans & PPP Loans, for more information.

The Company's future funding requirements depend on a number of factors, including the rate of market acceptance of its current and future products and the resources the Company devotes to developing and supporting the same. There is no certainty that the Company will be successful in generating sufficient cash flow from operations or achieving and maintaining profitable operations in the future to enable it to meet its obligations as they come due and consequently continue as a going concern.

The Company will require additional financing to fund its operations and it is currently working on securing additional funding through corporate collaborations, public or private equity offerings or debt financings. Sales of additional equity securities by the Company would result in the dilution of the interests of existing stockholders. There can be no assurance that financing will be available when required. In the event that the necessary additional financing is not obtained, the Company would reduce its discretionary overhead costs substantially or otherwise curtail operations.

The Company expects to raise additional funds to meet the Company's anticipated cash requirements for the next 12 months; however, these conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

2. Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in a business combination. The Company does not amortize its goodwill, but instead tests for impairment annually in the fourth quarter and more frequently whenever events or changes in circumstances indicate that the fair value of the asset may be less than the carrying value of the asset.

Due to the continued impact of the COVID-19 pandemic, we experienced a slowdown in business during the three-month period ended December 31, 2021, and we determined there are events and changes in circumstances that indicate our goodwill and other intangible assets are impaired. Accordingly, at December 31, 2021, we evaluated the fair value of the goodwill and other intangible assets. Based on this evaluation, we determined that certain intangible assets were fully impaired and recorded an impairment charge of $918,000 in the three months ended December 31, 2021. Further, we determined that the goodwill with the carrying value of $4.3 million was fully impaired and recorded an impairment charge of $4.3 million.

As noted in our significant accounting policies, we haveone reporting unit and its carrying value was compared to its estimated fair value. At December 31, 2021, the Company considered various valuation approaches to estimate its fair value, including an income approach and an asset approach.

The income approach is based on the present value of future cash flows, which are derived from long term financial forecasts, and requires significant assumptions and judgement including among others, a discount rate and a terminal value. Fair values were based on expected future cash flows using Level 3 inputs under ASC 820. The cash flows are those expected to be generated by the market participants, discounted at the weighted average cost of capital. The present value of future cash flows was determined by discounting estimated future cash flows, which included long-term growth rate of 3%, at a weighted average cost of capital (discount rate) of25%, which considered the risk of achieving the projected cash flows, including the risk applicable to the reporting unit, industry and market as a whole.

The adjusted book value method, a form of the asset approach, was used to estimate the fair value by subtracting the market value of the non-debt liabilities from the market value of the assets. Since the value indication we derived from the income approach was below the value indicated from the asset approach, the Company relied on the asset approach to determine the fair value for the goodwill and intangible asset impairment test.

Changes to goodwill during the nine months ended December 31, 2021 were as follows:

	Total
Balance—March 31, 2021	$ 4,282,984
Impairment charge to goodwill	(4,282,984)
Balance— December 31, 2021	$ —

Intangible assets consist of the following at December 31, 2021 and March 31, 2021:

	Patents & Exclusive License Agreement	Trademark	Customer Relationships	Non-Compete Agreement	Assembled Workforce	Total
Useful Life	9.74 years	Indefinite	10 years	2 years	1 year	
Gross carrying amount	$ 1,306,031	$ 2,505,907	$ 1,431,680	$ 61,366	$ 275,720	$ 5,580,704
Impairment	(634,012)	(2,505,907)	(857,298)	—	—	(3,997,217)
Accumulated amortization	(672,019)	—	(574,382)	(61,366)	(275,720)	(1,583,487)
Balance—December 31, 2021	$ —	$ —	$ —	$ —	$ —	$ —

Useful Life	Patents & Exclusive License Agreement	Trademark	Customer Relationships	Non-Compete Agreement	Assembled Workforce	Total
	9.74 years	Indefinite	10 years	2 years	1 year	
Gross carrying amount	$ 1,306,031	$ 2,505,907	$ 1,431,680	$ 61,366	$ 275,720	$ 5,580,704
Impairment	(316,388)	(1,905,907)	(857,298)	—	—	(3,079,593)
Accumulated amortization	(613,092)	—	(574,382)	(61,366)	(275,720)	(1,524,560)
Balance—March 31, 2021	$ 376,551	$ 600,000	$ —	$ —	$ —	$ 976,551

Amortization for the three months ended December 31, 2021 and December 31, 2020 was $20,000 and $24,000, respectively. Amortization expense for the nine months ended December 31, 2021 and December 31, 2020 was $59,000 and $71,000, respectively. Amortization expense is classified as a component of general and administrative expenses in the accompanying condensed consolidated statements of operations.

3. Balance Sheet Accounts

Prepaid Expenses and Other Current Assets

	December 31, 2021	March 31, 2021
Prepaid inventory	$ 1,222,255	$ 1,466,466
Prepaid insurance	132,593	52,573
Other prepaid expenses	137,252	161,518
	$ 1,492,100	$ 1,680,557

Equipment

Equipment consisted of the following at December 31, 2021 and March 31, 2021:

	December 31, 2021			March 31, 2021		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Computers and electronics	$ 315,837	$ 304,379	$ 11,458	$ 303,337	$ 303,337	$ —
Furniture and fixtures	36,795	36,795	—	36,795	36,795	—
Demonstration equipment	123,736	76,151	47,585	170,386	76,809	93,577
Manufacturing equipment	88,742	88,742	—	88,742	88,742	—
Tools and parts	11,422	11,422	—	11,422	11,422	—
Assets under capital lease	68,453	68,453	—	68,453	68,453	—
	$ 644,985	$ 585,942	$ 59,043	$ 679,135	$ 585,558	$ 93,577

Depreciation expense for the three months ended December 31, 2021 and December 31, 2020 was $11,000 and $15,000, respectively. Depreciation expense for the nine months ended December 31, 2021 and December 31, 2020 was $31,000 and $49,000, respectively.

Accrued Expenses

Accrued expenses consist of the following at December 31, 2021 and March 31, 2021:

	December 31, 2021	March 31, 2021
Accrued personnel costs	$ 292,260	$ 371,886
Accrued director fees	373,172	50,672
Accrued commissions	6,717	51,080
Accrued professional fees	138,661	127,211
Accrued warranty costs	12,540	45,936
Accrued other	110,065	113,241
	$ 933,415	$ 760,026

The Company provides a one-year warranty as part of its normal sales offering. When products are sold, the Company provides warranty reserves, which, based on the historical experience of the Company are sufficient to cover warranty claims. Accrued warranty costs are included in accrued liabilities on the condensed consolidated interim balance sheets and amounted to $13,000 at December 31, 2021 and $46,000 at March 31, 2021.

4. Inventories

Bionik states all inventories at the lower of cost or net realizable value, determined on a first-in, first-out method. Inventory includes finished goods at actual costs from its outsourced manufacturing partners.

	December 31, 2021	March 31, 2021
Finished goods	929,192	692,163
	$ 929,192	$ 692,163

5. Loans & PPP Loans

Refinancing and 2021 Convertible Promissory Note Offering

During the nine months ended December 31, 2021, the Company commenced a refinancing of its existing indebtedness and launched a new secured convertible promissory note offering of up to $10.0 million (the “2021 Offering”). Pursuant to the terms of the 2021 Offering, the Company is offering for sale up to $10.0 million in convertible promissory notes (the “2021 Notes”) to accredited investors and non-U.S. persons. As a result, the Company issued an aggregate of $8.3 million in principal of 2021 Notes of which an aggregate of$5.0 million was purchased for cash and the remainder was issued as a result of consolidating existing debt.

Under the Company’s existing term loan and security agreement as well as the existing shareholder loan as mentioned below, a portion of the outstanding principal and unpaid interest were used as consideration to acquire 2021 Notes in the 2021 Offering and, as a result and with the option exercises described below, the term loan agreement and the existing shareholder loan were deemed paid in full and terminated. Accordingly, an aggregate of $1.1 million in outstanding principal and accrued unpaid interest under the term loan agreement was used to purchase a like amount of 2021 Notes in the 2021 Offering and an aggregate of $2.2 million in outstanding principal and accrued and unpaid interest under the shareholder loan was used to purchase a like amount of 2021 Notes in the 2021 Offering. The remaining $0.6 million of the outstanding principal and accrued and unpaid interest under the term loan agreement was applied towards the purchase price to exercise outstanding options of certain debtholders.

Pursuant to the terms of the 2021 Offering, the Company issued an aggregate of $5.0 million in principal of additional 2021 Notes, which was purchased for cash. The Company intends to use the net cash proceeds from the 2021 Offering for the Company's working capital requirements. The 2021 Notes bear interest at a fixed rate of 1% per month, computed based on a 360-day year of twelve 30-day months and will be payable, along with the principal amount, on the earlier of (the "Maturity Date"): (a) March 31, 2022 and (b) the consummation of the 2021 Offering, provided that the Company raises in one or more tranches aggregate gross proceeds of no less than $10,000,000.

Interest expense associated with the 2021 Notes for the three and nine months ended December 31, 2021, was $0.2 million and $0.5 million respectively.

The 2021 Note will be convertible either on the Maturity Date without any action on the part of the Lender into shares of common stock at a conversion price of $9.50 per share (the "Conversion Price"), or upon a change of control transaction prior to the Maturity Date at the election of the holders of a majority of the outstanding principal of the 2021 Notes under the 2021 Offering, be either (i) payable upon demand as of the closing of such change of control transaction or (ii) convertible into shares of the Company's common stock immediately prior to such change of control transaction at a price per share equal to the lesser of (x) the Conversion Price, or (y) the per share consideration to be received by the holders of the common stock in such change of control transaction.

2020 Convertible Note Offering

During the nine months ended December 31, 2020, the Company received $1.5 million, in addition to $0.1 million previously loaned to the Company, pursuant to a $7.0 million convertible note offering (the "2020 Convertible Note Offering"). The convertible notes issued in the 2020 Convertible Note Offering (the "2020 Convertible Notes") bear interest at a fixed rate at 1% per month. The 2020 Convertible Notes were converted into common stock of the Company at March 31, 2021 in accordance with the terms of the 2020 Convertible Note Offering.

In the event the Company raises capital through the sale of common stock for cash during the period ending on the three year anniversary of the issuance date of the 2020 Convertible Notes, and the price per share thereof (the "*Offering Price*") minus 20% is less than the original conversion price, then in such event the Company shall issue to all Convertible Noteholders, at no further cost, additional shares of common stock equal to the number of conversion shares the holders would have received upon conversion if the conversion price equaled to a 20% discount to the Offering Price, less the number of conversion shares actually issued on or as of the maturity date of the 2020 Convertible Notes. Since the Company has adopted ASU 2017-11, the anti-dilution protection clause does not contribute to the conversion feature to be a derivative liability.

The Company did not incur interest expense associated with the 2020 Convertible Notes for the three and nine months ended December 31, 2021. For the three and nine months ended December 31, 2020, the Company incurred interest expense associated with the 2020 Convertible Notes of $47,000 and $0.1 million respectively.

Shareholder loan

On March 23, 2020, the Company received a $2.0 million loan from an existing shareholder. The promissory note evidencing the loan bears interest at a fixed rate of 1% per month and has a maturity date of the earlier of (i) March 31, 2022 and (ii) the date of receipt of a minimum of $5.0 million from a "Subsequent Financing." The accrued interest shall be payable in cash commencing on March 31, 2021 with the quarterly payments accrued for the first three payment dates (3-month, 6-month and 9-month anniversaries of the issue date), and then quarterly thereafter. The remaining half of the interest accrued will be paid upon the maturity date. The loan is repayable or convertible to common shares at the loan holder's option on March 31, 2022 at a price per share equal to the price per share of the Company's then most recent capital raise or debt conversion, or any other valuation as agreed in writing between the loan holder and the Company.

On February 24, 2021, and in addition to the shareholder loan above, the Company entered into a term loan and security agreement dated February 12, 2021 where Bionik may borrow up to $3.0 million from lenders from time to time. Pursuant to the terms of the agreement, the loan bears interest at a fixed rate of 1% per month. The principal amount and interest on the loan will be due and payable on the earlier of (i) February 12, 2023 and (ii) the date of receipt by the Company of a minimum of $3.0 million in equity. During the nine months ended December 31, 2021, the Company received term loan proceeds totaling $0.6 million.

Interest expense associated with these loans for the three and nine months ended December 31, 2020 was $0.1 million and $0.2 million respectively. The Company did not incur interest expense on these loans during the three months ended December 31, 2021. Interest expense associated with these loans for the nine months ended December 31, 2021 was $0.1 million.

As noted above, on July 15, 2021 this indebtedness was consolidated into the Company's 2021 Notes. An aggregate of $3.3 million in outstanding principal and accrued unpaid interest was used to purchase a like amount of 2021 Notes in the 2021 Offering. The remaining $0.6 million of the outstanding principal and accrued and unpaid interest was applied towards the purchase price to exercise outstanding options of the debtholders.

Paycheck Protection Program Loan

In May 2020, the Company signed a promissory note for $0.5 million pursuant to the federal Paycheck Protection Program under the Coronavirus Aid, Relief and Economic Security Act, which is administered by the U.S. Small Business Administration. The loan is unsecured, bears interest of 1% per annum and a deferment period of 6 months. The loan is to be used primarily for payroll related costs, lease, and utility payments. The Company has applied for forgiveness and as such forgiveness was granted in May 2021. The extinguishment of the PPP loan is recorded in the statement of operations as other income.

6. Stockholders' Equity

Common Stock Authorized

	December 31, 2021		March 31, 2021	
	Number of shares	$	Number of shares	$
Exchangeable Shares				
Balance beginning of period	112,440	$ 113	117,683	$ 118
Converted into common shares	—	—	(5,243)	(5)
Balance at end of period	112,440	113	112,440	113
Common Shares				
Balance at beginning of the period	5,589,375	5,589	5,009,151	5,008
Shares issued to exchangeable shareholders	—	—	5,243	5
Shares issued on conversion of loans (a)	1,408	1	181,463	182
Shares issued for in lieu of services (b)	20,000	20	397,685	398
Options exercised in conjunction with 2021 Notes (c)	180,137	180		
Cancellation of shares by shareholders	—	—	(4,167)	(4)
Balance at end of the period	5,790,920	5,790	5,589,375	5,589
Total Shares	5,903,360	$ 5,903	5,701,815	$ 5,702

(a) During the nine months ended December 31, 2021, the Company issued the remaining1,408 shares of the Company's common stock which were issued to the noteholders pursuant to the terms of the 2020 Convertible Notes as discussed in Note 5 above.

(b) During the nine-months ended December 31, 2021, the Company issued20,000 shares for expenses to support the Company's investor relations strategy.

(c) With the 2021 Notes as discussed in Note 5 above, in July 2021, $0.6 million of the outstanding principal and accrued and unpaid interest under the term loan agreement was applied towards the purchase price to exercise 180,137 outstanding options of certain debtholders.

As approved by the stockholders of the Company at the annual meeting of stockholders held on October 5, 2020, the Company filed a certificate of amendment to its Amended and Restated Certificate of Incorporation, as amended with the Secretary of State of Delaware to decrease the authorized number of shares of (i) common stock of the Company from 500,000,000 to 13,000,000 and (ii) preferred stock of the Company from 10,000,000 to 5,000,000.

With the 2020 Convertible Notes, as discussed in Note 5 above, and pursuant to the terms of the 2020 Convertible Notes, the principal and interest of $1.7 million converted into 181,463 shares of the Company's common stock which were issued to the noteholders. The Company also issued shares in lieu of certain liabilities that it owed of which 262,125 shares of Bionik's common stock were issued in lieu of paying $0.7 million in director fees to its board of directors and 135,560 shares of common stock were issued for consideration consisting of the forgiveness and satisfaction of an aggregate of $0.3 million of deferred salary and bonus liabilities to two of its executives.

Special Voting Preferred Share

In February 2015, the Company entered into a voting and exchange trust agreement (the "Trust Agreement"). Pursuant to the Trust Agreement, the Company issued one Special Voting Preferred Share to a Trustee, and the parties created a trust for the Trustee to hold the Special Voting Preferred Share for the benefit of the holders of the Exchangeable Shares of a subsidiary of the Company. The Special Voting Preferred Share entitles the Trustee to exercise the number of votes equal to the number of Exchangeable Shares outstanding on a one-for-one basis during the term of the Trust Agreement. The Special Voting Preferred Share is not entitled to receive any dividends or to receive any assets of the Company upon liquidation and is not convertible into shares of common stock of the Company. The voting rights of the Special Voting Preferred Share will terminate pursuant to and in accordance with the Trust Agreement and the Special Voting Preferred Share will be automatically cancelled.

7. Stock-Based Compensation

Total stock-based compensation expense for the three months ended December 31, 2021 and December 31, 2020 was $0.2 million and $0.1 million, respectively. Total stock-based compensation expense for the nine months ended December 31, 2021 and December 31, 2020 was $0.3 million and $0.7 million, respectively.

Bionik granted options to purchase 273,500 and 76,902 shares of common stock to employees during the nine months ended December 31, 2021 and 2020, respectively. Stock options granted to employees or non-employees typically vest over a 1 to 5 year period.

Performance Based Units ("PSUs") granted to employees vest annually based on time and continued performance and the achievement of performance goals as determined by the board of directors.

The Company uses the Black-Scholes option pricing model to determine the estimated grant date fair values for stock-based awards. The Black-Scholes option pricing model requires the input of various subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The Company's assumptions do not include an estimated forfeiture rate.

The weighted-average grant date fair values of options granted to employees during the nine months ended December 31, 2021 and 2020 were $1.05 and $1.05, respectively. All grants awarded during the periods presented used the following assumptions:

	Nine Months Ended December 31,	
	2021	**2020**
Risk free interest rate	1.34 %	0.62 %
Expected term	7 years	7 years
Dividend yield	—	—
Expected volatility	171 %	114 %
Forfeiture rate	0 %	0 %

Option-pricing models require the input of various subjective assumptions, including the option's expected life and the price volatility of the underlying stock. As it relates to grants previously issued, Bionik's estimated expected stock price volatility is based on past grants that have been made. Bionik's expected term of options granted was derived from looking at the Company's exercise history of its awards granted. The risk-free rate for the expected term of the options is based on the U.S. Treasury yield curve in effect at the time of the grant.

As of December 31, 2021, the total unrecognized compensation cost related to outstanding stock options and PSUs expected to vest was $0.5 million, which the Company expects to recognize over a weighted-average period of 2.32 years.

8. Warrants

The following is a continuity schedule of the Company's common share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, March 31, 2020	125,034	20.07
Expired	(2,667)	(37.50)
Outstanding and exercisable, March 31, 2021	122,367	19.69
Expired	—	—
Outstanding and exercisable December 31, 2021	122,367	19.69

The following is a summary of common share purchase warrants outstanding as of December 31, 2021.

Exercise Price ($)	Number of Warrants	Expiry Date
90.00	15,658	March 31, 2023
9.375	64,025	August 14, 2022
9.375	42,684	March 31, 2022
	122,367	

The weighted-average remaining contractual term of the outstanding warrants was 0.57 years.

9. Commitments and Contingencies

Contingencies

From time to time, the Company may be involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of our business, collections claims, breach of contract claims, labor and employment claims, tax and other matters. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, the Company believes that the resolution of current pending matters will not have a material adverse effect on its business, financial position, results of operations or cash flow. Regardless of the outcome, litigation can have an adverse impact on the Company because of legal costs, diversion of management resources and other factors.

Commitments

- On February 25, 2015, 1,753 common shares were issued to two former lenders connected with a $0.2 million loan received and repaid during fiscal 2013. The common shares were valued at $210,323 based on the value of the concurrent private placement and recorded in stock-based compensation on the consolidated statement of operations and comprehensive loss. As part of the consideration for the initial loan, the Company's then-CTO and COO had transferred 2,098 common shares to the lenders. For contributing the common shares to the lenders, the Company intends to reimburse the former CTO and COO 2,134 common shares. As of December 31, 2021 these shares have not yet been issued.

- In May 2020, the Company gave notice to its JV Partner, Ginger Capital Investment Holding, Ltd. that it was terminating the licensing and distribution agreements in accordance with its terms. The China JV was originally established for purposes of strengthening the economic cooperation and technical exchange between the parties and adopting advanced technology and scientific management methods through the distribution and promotion of the Company's products in the People's Republic of China, Hong Kong and Macau.

- In connection with the Company's April 2016 acquisition of Interactive Motion Technologies, Inc. the Company acquired a license agreement dated September 8, 2009, with a former director as a co-licensor, pursuant to which the Company is obligated to pay the former director and co-licensor an aggregate royalty of 1% of sales based on patent #8,613,691 Dynamic Lower Limb Rehabilitation Robotic Apparatus and Method of Rehabilitating Human Gait). No sales have been made, as the technology under this patent has not been commercialized.

10. Recent Accounting Pronouncements

Accounting Standards Update 2020-06—Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity: simplifies accounting for convertible instruments by removing major separation models required under current U.S. GAAP. Consequently, more convertible debt instruments will be reported as a single liability instrument and more convertible preferred stock as a single equity instrument with no separate accounting for embedded conversion features. The ASU removes certain settlement conditions that are required for equity contracts to qualify for the derivative scope exception, which will permit more equity contracts to qualify for it. The ASU also simplifies the diluted earnings per share (EPS) calculation in certain areas. The amendments in this Update are effective for public business entities that meet the definition of an SEC filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company is currently evaluating the impact the adoption of ASU 2020-06 will have on the Company's consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12 - Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, an authoritative guidance that simplifies the accounting for income taxes by removing certain exceptions and making simplifications in other areas. It is effective from the first quarter of fiscal year 2022, with early adoption permitted in any interim period. If adopted early, the Company must adopt all the amendments in the same period. The amendments have differing adoption methods including retrospectively, prospectively and/or modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption, depending on the specific change. The Company does not anticipate the new guidance will have a material impact on the consolidated balance sheet and consolidated statement of operations and comprehensive loss.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that involve substantial risks and uncertainties and that reflect assumptions, expectations, projections, intentions, or beliefs about future events that are intended as "forward-looking statements". All statements included or incorporated by reference in this Quarterly Report on Form 10-Q, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward- looking statements. These statements appear in several places, including, but not limited to in this "Management's Discussion and Analysis of Financial Condition and Results of Operations". These statements represent our reasonable judgment of the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts, and use words such as "anticipate," "believe," "estimate," "expect," "forecast," "may," "will", "should," "plan," "project" and other words of similar meaning. These forward-looking statements include, among other things, statements about:

- our ability to identify and penetrate new markets for our products and technology;
- our estimates regarding expenses, future revenues, capital requirements and needs for additional funding;
- our ability to obtain and maintain regulatory clearances;
- our sales and marketing capabilities and strategy in the United States and internationally;
- our ability to retain key management personnel on whom we depend;
- our expectations with respect to our acquisition activity;
- our intellectual property portfolio; and
- our ability to innovate, develop and commercialize new products.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have included important factors in the cautionary statements included in this Quarterly Report and in our other public filings with the Securities and Exchange Commission, or the SEC, that could cause actual results or events to differ materially from the forward-looking statements that we make.

You should read this Quarterly Report and the documents that we have filed as exhibits to this Quarterly Report completely and with the understanding that our actual future results may be materially different from what we expect. It is routine for internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections and beliefs upon which we base our expectations are made as of the date of this Quarterly Report and may change prior to the end of each quarter or the year. While we may elect to update forward-looking statements at some point in the future, we do not undertake any obligation to update any forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

The following discussion should be read in conjunction with, and is qualified in its entirety by, the condensed consolidated financial statements and notes thereto included in Part I, Item 1 of this Quarterly Report and the consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K filed with the SEC on June 24, 2021. Historical results and percentage relationships among any amounts in the financial statements are not necessarily indicative of trends in operating results for any future periods. The discussion and analysis of the financial condition and results of operations are based upon the financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States.

Company Overview

Bionik Laboratories Corp. is a healthcare company focused on improving the quality of life of millions of people with neurological or mobility impairments by combining artificial intelligence and innovative robotics technology and data solutions to help individuals from hospital to home to regain mobility, enhance autonomy, and regain self- esteem.

The Company uses artificial intelligence and machine learning technologies to make rehabilitation methods and processes smarter and more intuitive to deliver greater recovery for patients with neurological or mobility impairments. These technologies allow large amounts of data to be collected and processed in real-time, enabling appropriately challenging and individualized therapy during every treatment session. This is the foundation of the InMotion® therapy. The Company's rehabilitation therapy robots are built on an artificial intelligence platform, measuring the position, the speed, and the acceleration of the patients' arm 200 times per second. The artificial intelligence platform is designed to adapt in real time to the patient's needs and progress while providing quantifiable feedback of a patient's progress and performance, in a way that the Company believes a trained clinician cannot.

Based on this foundational work, the Company has a portfolio of products and solutions focused on upper extremity rehabilitation for stroke and other mobility-impaired individuals, including InMotion robots currently in the market. Additionally, we launched our new software platform, InMotion Connect™ is providing the ability for hospital management to access remotely to management dashboards presenting the utilization data of each of their InMotion robotic devices and their robotic devices productivity. Customized reporting capabilities in the platform focus on facility and organization measurement dashboards to support effective decision making for clinicians and for hospital management.

Currently, we receive revenues from the sale of our InMotion robots to our customers both in the U.S. and internationally. We also record revenues associated with our extended warranties that customers will purchase with the sale of our InMotion robots as well as from the sale of the InMotion Connect hardware and the subscription fees associated with the utilization of the InMotion Connect solution.

We currently sell our products directly or can introduce customers to a third-party finance company to lease at a monthly fee over the term or other fee structure for our products to hospitals, clinics, distribution companies and/or buying groups that supply those rehabilitation facilities.

Our strategic business focus is on the following key areas:

- Continuing to expand our distribution channels and commercial footprint in the United States and internationally with an increase in sales and marketing initiatives;

- Continue to improve our data strategy and enhance our InMotion Connect software with solutions that serve clinical rehabilitation providers and their patients; and

- Continue to seek out opportunities to enhance our product offering and potentially introduce new technologies.

We believe our business provides a platform for growth. We continue to make investments in our enhancements of our existing products and the future development of new products.

We currently hold an intellectual property portfolio that includes 5 issued U.S. patents and 3 U.S. pending patent applications, as well as other patents under development. We may file provisional patent applications from time to time, and may, where deemed advisable pursue non-provisional patent applications within 12 months of the filing date of such provisional patent applications. Additionally, we hold exclusive licenses to three additional patents.

Business Developments

In December 2018, we entered into a Sale of Goods Agreement (the "Agreement") with CHC Management Services, LLC, or Kindred, pursuant to which, among other things, Kindred agreed to purchase from us our InMotion® ARM Interactive Therapy Systems - a minimum of one for each of Kindred's existing and soon-to-open affiliated inpatient rehabilitation hospitals and similar facilities described in the Agreement, and in a second phase a minimum of one InMotion® ARM Interactive Therapy System for each future inpatient rehabilitation facilities of Kindred, during the four-year minimum term of the Agreement.

In June 2020, we launched our InMotion Connect platform, which consists of a hardware device connected to the InMotion Robot as well as a subscription to InMotion Connect Pulse. This platform provides anonymized data allowing us to focus activity to increase adoption and utilization of InMotion robotic technologies across healthcare systems.

During 2021, we implemented a machine learning prototype predictive model for the classification of the level of responsiveness of the InMotion® therapy outcomes. This solution was developed with Bitstrapped, a Toronto-based data engineering firm specializing in machine learning infrastructure through their partnership with Google Cloud Platform. This prototype enables us to continually train the model on anonymized data collected in real-time with InMotion Connect in rehabilitation facilities and track improvements in performance. During the quarter ended December 31, 2021, we continued to move this strategy forward by working with our team of data scientists to analyze the data we currently have and start making correlations with the intent to enhance the patient experience. This approach will continue to advance and develop as funds allow.

On July 15, 2021, we commenced a refinancing of our existing indebtedness and launched a new secured convertible promissory note offering of up to $10.0 million. Pursuant to the terms of the offering, we were offering for sale up to $10.0 million in convertible notes to accredited investors and non-U.S. persons. As a result, we issued an aggregate of $8.3 million in principal of convertible notes of which an aggregate of $5.0 million was purchased for cash and the remainder was issued as a result of consolidating existing debt.

Covid-19 Pandemic

As a result of extended shutdowns of businesses around the world due to the COVID-19 pandemic, we have seen a slowdown in our business as most of the capital expenditure programs of the healthcare facilities that make up our customer base have been put on hold or has been significantly curtailed. This, along with our typically long sales cycle, has affected our ability to generate revenues in recent months. As a result, we have taken steps to address the decrease in revenue, as follows:

Effective April 1, 2020, we furloughed nine employees in the United States and temporarily laid-off one employee in Canada. Additionally, our senior management agreed to a salary deferral of between 30-50%. Our remaining employees in the U.S. received base salary reductions of between 30%-50%. In Canada, our remaining employees received a reduction in base salary and hours of 45%. As a result of obtaining the U.S. and Canadian government's programs described below U.S. employees with salaries less than $100,000 annually were returned to full salary and with salaries exceeding $100,000 annually were increased to 75% of their normal base salary. Senior managements salaries were restored in December 2020 until March 2021, when certain senior management salaries were reduced between 30%-50% for 3 months.

On May 6, 2020, our U.S. subsidiary received funding in the original principal amount of $0.5 million pursuant to the federal Paycheck Protection Program under the Coronavirus Aid, Relief and Economic Security Act, which is administered by the U.S. Small Business Administration. The loan was funded by Bank of America, N.A. pursuant to the terms of a Promissory Note dated as of May 1, 2020. We have used the proceeds from this funding for eligible purposes, including to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments. We applied for forgiveness of this debt with the SBA and as of May 23, 2021, have received forgiveness of the loan and all interest of $0.5 million which is included in other income, net in the condensed consolidated statement of operations.

Our Canada operations secured $84,000 of government financial relief under the Canadian Emergency Wage Subsidy in 2020, which is available monthly until May 2022, which was used to return the salaries of many of our Canadian non-management employees back to their full amount. There was no relief received in the nine months ended December 31, 2021.

We cannot predict what the next stages of the COVID-19 pandemic will be, after the Delta and Omicron variants offset gains from increased worldwide vaccinations.

Results of Operations

Three Months Ended December 31, 2021 and 2020

The following table contains selected statement of operations data, which serve as the basis of the discussion of our results of operations for the three months ended December 31, 2021 and 2020, respectively:

	Three Months Ended December 31,					
	2021		2020			
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Change	% Change
Revenues, net	$ 183,262	100 %	$ 180,409	100 %	$ 2,853	2 %
Cost of revenues	50,394	27	9,581	5	40,813	426
Gross profit	132,868	73	170,828	95	(37,960)	(22)
Operating expenses						
Sales and marketing	567,300	310	326,342	181	240,958	74
Research and development	368,095	201	460,822	255	(92,727)	(20)
General and administrative	725,300	396	1,070,243	593	(344,943)	(32)
Impairment of goodwill & intangible assets	5,200,608	2,838	7,182,053	3,981	(1,981,445)	(28)
Total operating expenses	6,861,303	3,744	9,039,460	5,011	(2,178,157)	(24)
Loss from operations	(6,728,435)	(3,671)	(8,868,632)	(4,916)	2,140,197	(24)
Interest expense, net	249,096	136	79,183	44	169,913	215
Other expense, net	6,314	3	3,066	2	3,248	106
Total other expense	255,410	139	82,249	46	173,161	211
Net loss	$ (6,983,845)	(3,811)%	$ (8,950,881)	(4,961)%	$ 1,967,036	(22)%

Revenues

Total revenues for the three months ended December 31, 2021 decreased by $3,000, or 2%, to $183,000, as compared to revenues of $180,000 for the three months ended December 31, 2020.

	Three Months Ended December 31,			
	2021	2020	$ Change	% Change
Product	$ 88,699	$ 68,250	$ 20,449	30 %
Subscriptions	51,000	50,250	750	1
Service, extended warranty & other	43,563	61,909	(18,346)	(30)
Total revenues	$ 183,262	$ 180,409	$ 2,854	2 %

The change in total revenues was attributable to a number of factors:

- While one unit was sold in each period, product revenue increased in the 2021 period compared to the 2020 period as our 2021 sale was a direct sale as compared to a sale through the distribution model in the 2020 period.
- Subscription revenue includes InMotion Connect Pulse solutions subscriptions and remained consistent with the 2020 period.
- Our service, extended warranty and other revenues decreased due to a reduced number of service calls during the 2021 period and less units under warranty during the 2021 period.

Cost of Revenues

	Three Months Ended December 31 30, 2021	2020	$ Change	% Change
Cost of revenues	$ 50,394	$ 9,581	$ 40,813	426 %
Cost of revenues (as a percentage of total revenues)	27 %	5 %		

Total cost of revenues increased $41,000, or 426%, to $50,000 for the 2021 period, as compared to $10,000 for the 2020 period. The increase is due to an adjustment made in the 2020 period to decrease the warranty reserve in conjunction with less unit sales due to the COVID-19 pandemic.

Sales and Marketing

	Three Months Ended December 31, 2021	2020	$ Change	% Change
Sales and marketing	$ 567,300	$ 326,342	$ 240,958	74 %
Sales and marketing (as a percentage of total revenues)	310 %	181 %		

Sales and marketing expenses increased $0.2 million, or 74%, to $0.6 million for the 2021 period, as compared to $0.3 million for the 2020 period. The increase was due to higher consulting and personnel related expenses related to our commercial and marketing initiatives as we grow our sales pipeline.

Research and Development

	Three Months Ended December 31, 2021	2020	$ Change	% Change
Research and development	$ 368,095	$ 460,822	$ (92,727)	(20)%
Research and development (as a percentage of total revenues)	201 %	255 %		

Research and development expenses decreased $0.1 million, or 20%, to $0.4 million for the 2021 period, as compared to $0.5 million for the 2020 period. The decrease was due to a $0.1 million decrease in personnel related expenses as our research and development headcount was reduced due to the COVID-19 pandemic.

General and Administrative

	Three Months Ended December 31, 2021	2020	$ Change	% Change
General and administrative	$ 725,300	$ 1,070,243	$ (344,943)	(32)%
General and administrative (as a percentage of total revenues)	396 %	593 %		

General and administrative expenses decreased $0.3 million, or 32%, to $0.7 million for the 2021 period, as compared to $1.1 million for the 2020 period. Personnel related expenses decreased by $0.1 million associated with a reduction in our headcount due to the COVID-19 pandemic. Professional service fees were reduced by $0.2 million associated with a decrease in legal fees and other corporate overhead costs as we reduce our general and administrative costs to align to the needs of our business.

Impairment of Goodwill & Intangible assets

	Three Months Ended December 31,			
	2021	2020	$ Change	% Change
Impairment of goodwill & intangible assets	$ 5,200,608	$ 7,182,053	$ (1,981,445)	(28)%
Impairment of goodwill & intangible assets (as a percentage of total revenues)	2,838 %	3,981 %		

Due to the continued impact of the COVID-19 pandemic, we experienced a slowdown in business during the three-month period ended December 31, 2021, and we determined there are events and changes in circumstances that indicate our goodwill and other intangible assets are impaired. Accordingly, at December 31, 2021, we evaluated the fair value of the goodwill and other intangible assets. Based on this evaluation, we determined that certain intangible assets were fully impaired and recorded an impairment charge of $918,000 in the three months ended December 31, 2021. Further, we determined that the goodwill with the carrying value of $4.3 million was fully impaired and recorded an impairment charge of $4.3 million.

As noted in our significant accounting policies, we have one reporting unit and its carrying value was compared to its estimated fair value. At December 31, 2021, the Company considered various valuation approaches to estimate its fair value, including an income approach and an asset approach.

The income approach is based on the present value of future cash flows, which are derived from long term financial forecasts, and requires significant assumptions and judgement including among others, a discount rate and a terminal value. Fair values were based on expected future cash flows using Level 3 inputs under ASC 820. The cash flows are those expected to be generated by the market participants, discounted at the weighted average cost of capital. The present value of future cash flows was determined by discounting estimated future cash flows, which included long-term growth rate of 3%, at a weighted average cost of capital (discount rate) of 25%, which considered the risk of achieving the projected cash flows, including the risk applicable to the reporting unit, industry and market as a whole.

The adjusted book value method, a form of the asset approach, was used to estimate the fair value by subtracting the market value of the non-debt liabilities from the market value of the assets. Since the value indication we derived from the income approach was below the value indicated from the asset approach, the Company relied on the asset approach to determine the fair value for the goodwill and intangible asset impairment test.

Based on our significant accounting policy we monitor our intangible assets annually and more regularly as factors and other indicators warrant to determine if any impairment of these assets is needed.

Interest Expense, net

	Three Months Ended December 31,			
	2021	2020	$ Change	% Change
Interest expense, net	$ 249,096	$ 79,183	$ 169,913	215 %
Interest expense, net (as a percentage of total revenues)	136 %	44 %		

The interest expense for the three month period ending December 31, 2021 increased by $0.2 million due to more debt outstanding during the period leading to more interest expense than in the 2020 period.

Other expense (income), net

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020	$ Change	% Change
Other expense (income), net	$ 6,314	$ 3,066	$ 3,248	106 %
Other expense (income), net (as a percentage of total revenues)	3 %	2 %		

Other expense (income) increased by $3,000, or 106%, for the 2021 period as compared to the 2020 period due primarily to the foreign currency impact of changes in the exchange rate between the Canadian dollar and the US dollar.

Nine Months Ended December 31, 2021 and 2020

The following table contains selected statement of operations data, which serve as the basis of the discussion of our results of operations for the nine months ended December 31, 2021 and 2020, respectively:

	Nine Months Ended December 31, 2021		Nine Months Ended December 31, 2020			
	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Change	% Change
Revenues, net	$ 1,082,450	100 %	$ 730,698	100 %	$ 351,752	48 %
Cost of revenues	261,823	24	142,183	19	119,640	84
Gross profit	820,627	76	588,515	81	232,112	39
Operating expenses						
Sales and marketing	1,335,730	123	799,207	109	536,523	67
Research and development	634,147	59	1,264,647	173	(630,500)	(50)
General and administrative	2,222,044	205	3,713,183	508	(1,491,139)	(40)
Impairment of goodwill & intangible assets	5,200,608	480	7,182,053	983	(1,981,445)	(28)
Total operating expenses	9,392,529	868	12,959,090	1,774	(3,566,561)	(28)
Loss from operations	(8,571,902)	(792)	(12,370,575)	(1,693)	3,798,673	(31)
Interest expense, net	576,576	53	265,566	36	311,010	117
Other (income), net	(445,732)	(41)	(50,562)	(7)	(395,170)	782
Total other expense	130,844	12	215,004	29	(84,160)	(39)
Net loss	$ (8,702,746)	(804)%	$ (12,585,579)	(1,722)%	$ 3,882,833	(31)%

Revenues

Total revenues for the nine months ended December 31, 2021 increased by $0.4 million, or 48%, to $1.1 million, as compared to revenues of $0.7 million for the nine months ended December 31, 2020.

	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	$ Change	% Change
Product	$ 781,512	$ 497,351	$ 284,162	57 %
Subscriptions	163,750	57,000	106,750	187
Service, extended warranty & other	137,188	176,347	(39,159)	(22)
Total revenues	$ 1,082,450	$ 730,698	$ 351,752	48 %

The change in total revenues was attributable to a number of factors:

- Product revenue increased by $0.3 million due to 8 units being shipped in the nine months ended December 31, 2021 as compared to 4 units in the nine month period ended December, 2020.

- The increase in our subscription sales is due to our InMotion Connect Pulse solutions subscriptions that were sold. This product was launched in June 2020.
- Our service, extended warranty and other revenues decreased due to less units under warranty during the 2021 period.

Cost of Revenues

	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	$ Change	% Change
Cost of revenues	$ 261,823	$ 142,183	$ 119,640	84 %
Cost of revenues (as a percentage of total revenues)	24 %	19 %		

Total cost of revenues increased $0.1 million, or 84%, to $0.3 million for the 2021 period, as compared to $0.1 million for the 2020 period. The increase was associated with selling more units in the 2021 period as compared to the 2020 period as well as an adjustment made in the 2020 period to decrease the warranty reserve in conjunction with less unit sales due to the COVID-19 pandemic.

Sales and Marketing

	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	$ Change	% Change
Sales and marketing	$ 1,335,730	$ 799,207	$ 536,523	67 %
Sales and marketing (as a percentage of total revenues)	123 %	109 %		

Sales and marketing expenses increased $0.5 million, or 67%, to $1.3 million for the 2021 period, as compared to $0.8 million for the 2020 period. The increase was due to higher consulting and personnel expenses related to our commercial and marketing initiatives as we grow our sales pipeline.

Research and Development

	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	$ Change	% Change
Research and development	$ 634,147	$ 1,264,647	$ (630,100)	(50)%
Research and development (as a percentage of total revenues)	59 %	173 %		

Research and development expenses decreased $0.6 million, or 50%, to $0.6 million for the 2021 period, as compared to $1.3 million for the 2020 period. The decrease was due to a decrease in personnel related expenses as our research and development headcount was reduced due to the COVID-19 pandemic.

General and Administrative

	Nine Months Ended December 31, 2021	Nine Months Ended December 31, 2020	$ Change	% Change
General and administrative	$ 2,222,044	$ 3,713,183	$ (1,491,139)	(40)%
General and administrative (as a percentage of total revenues)	205 %	508 %		

General and administrative expenses decreased $1.5 million, or 40%, to $2.2 million for the 2021 period, as compared to $3.7 million for the 2020 period. Share based compensation expense decreased by $0.5 million associated with a reduction in our headcount due to the COVID-19 pandemic. Personnel related costs decreased by $0.3 million and professional service fees were reduced by $0.7 million associated with a decrease in legal fees, consulting, and other corporate overhead costs as we reduce our general and administrative costs to align to the needs of our business.

Impairment of Goodwill & Intangible assets

	Nine Months Ended December 31,			
	2021	2020	$ Change	% Change
Impairment of goodwill & intangible assets	$ 5,200,608	$ 7,182,053	$ (1,981,445)	(28)%
Impairment of goodwill & intangible assets (as a percentage of total revenues)	480 %	983 %		

Due to the continued impact of the COVID-19 pandemic, we experienced a slowdown in business during the three-month period ended December 31, 2021, and we determined there are events and changes in circumstances that indicate our goodwill and other intangible assets are impaired. Accordingly, at December 31, 2021, we evaluated the fair value of the goodwill and other intangible assets. Based on this evaluation, we determined that certain intangible assets were fully impaired and recorded an impairment charge of $918,000 in the three months ended December 31, 2021. Further, we determined that the goodwill with the carrying value of $4.3 million was fully impaired and recorded an impairment charge of $4.3 million.

As noted in our significant accounting policies, we have one reporting unit and its carrying value was compared to its estimated fair value. At December 31, 2021, the Company considered various valuation approaches to estimate its fair value, including an income approach and an asset approach.

The income approach is based on the present value of future cash flows, which are derived from long term financial forecasts, and requires significant assumptions and judgement including among others, a discount rate and a terminal value. Fair values were based on expected future cash flows using Level 3 inputs under ASC 820. The cash flows are those expected to be generated by the market participants, discounted at the weighted average cost of capital.

The present value of future cash flows was determined by discounting estimated future cash flows, which included long-term growth rate of 3%, at a weighted average cost of capital (discount rate) of 25%, which considered the risk of achieving the projected cash flows, including the risk applicable to the reporting unit, industry and market as a whole.

The adjusted book value method, a form of the asset approach, was used to estimate the fair value by subtracting the market value of the non-debt liabilities from the market value of the assets. Since the value indication we derived from the income approach was below the value indicated from the asset approach, the Company relied on the asset approach to determine the fair value for the goodwill and intangible asset impairment test.

Based on our significant accounting policy we monitor our intangible assets annually and more regularly as factors and other indicators warrant to determine if any impairment of these assets is needed.

Interest Expense, net

	Nine Months Ended December 31,			
	2021	2020	$ Change	% Change
Interest expense, net	$ 576,576	$ 265,566	$ 311,010	117 %
Interest expense, net (as a percentage of total revenues)	53 %	36 %		

The interest expense for the nine month period ending December 31, 2021 increased by $0.3 million due to more debt outstanding during the period leading to more interest expense than in the 2020 period.

Other (income), net

	Nine Months Ended December 31,			
	2021	2020	$ Change	% Change
Other (income), net	$ (445,732)	$ (50,562)	$ (395,170)	782 %
Other (income), net (as a percentage of total revenues)	(41)%	(7)%		

For the nine month period ending December 31, 2021 other (income) consisted of the extinguishment of the PPP loan associated with the forgiveness from the federal government of $0.5 which was partially offset by the foreign currency impact of changes in the exchange rate between the Canadian dollar and US dollar. In the 2020 period, we received Canadian government grants relating to the COVID-19 pandemic, used for payroll in Canada (CEWS) which was partially offset by the foreign currency impact of changes in the exchange rate between the Canadian dollar and US dollar.

Liquidity and Capital Resources

We have funded operations through the issuance of capital stock, loans, grants, and investment tax credits and forgivable loans received from the U.S. and Canada governments. We require cash to pay our operating expenses, including research and development activities, fund working capital needs and make capital expenditures. At December 31, 2021, our cash and cash equivalents were $3.4 million. Our cash and cash equivalents are predominantly cash in operating accounts.

On July 15, 2021, we commenced a refinancing of its existing indebtedness and launched a new secured convertible promissory note offering of up to $10.0 million. Pursuant to the terms of the offering, we are offering for sale up to $10.0 million in convertible notes to accredited investors and non-U.S. persons. As a result, we issued an aggregate of $8.3 million in principal of convertible notes of which an aggregate of $5.0 million was purchased for cash and the remainder was issued as a result of consolidating existing debt.

Under our then-existing term loan and security agreement as well as the then existing shareholder loan, a portion of the outstanding principal and unpaid interest were used as consideration to acquire new convertible promissory notes in the July 2021 offering and, as a result and with the option exercises described below, the term loan agreement and the existing shareholder loan were deemed paid in full and terminated. Accordingly, an aggregate of $1.1 million in outstanding principal and accrued unpaid interest under the term loan agreement was used to purchase a like amount of convertible notes in the July 2021 offering and an aggregate of $2.2 million in outstanding principal and accrued and unpaid interest under the shareholder loan was used to purchase a like amount of convertible notes in the July 2021 offering. The remaining $0.6 million of the outstanding principal and accrued and unpaid interest under the term loan agreement was applied towards the purchase price to exercise outstanding options held by certain of the debtholders.

Based on our current burn rate, we need to raise additional capital to fund operations, hire necessary employees we lost as a result of COVID-19 related furloughs and other terminations, and meet expected future liquidity requirements. We are continuously in discussions to raise additional capital, which may include or be a combination of convertible or term loans and equity which, if successful, will enable us to continue operations based on our current burn rate, for the next 12 months; however, we cannot give any assurance at this time that we will successfully raise all or some of such capital or any other capital.

There can be no assurance that necessary debt or equity financing will be available, or will be available on terms acceptable to us, in which case we may be unable to meet our obligations or fully implement our business plan, if at all. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying condensed consolidated financial statements do not include any adjustments to reflect the possible future effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

Additionally, we will need additional funds to respond to business opportunities including potential acquisitions of complementary technologies, protect our intellectual property, develop new lines of business, and enhance our operating infrastructure. While we may need to seek additional funding for any such purposes, we may not be able to obtain financing on acceptable terms, or at all. In addition, the terms of our financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We will also seek additional funds through arrangements with collaborators or other third parties. However, the recent COVID-19 pandemic has presented unprecedented challenges to businesses and the investing landscape around the world. Therefore, there can be no assurance that our plans will be successful. We may not be able to negotiate any such arrangements on acceptable terms, if at all. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all of our product lines or our operations.

Cash Flows

Net cash used in operating activities was $2.8 million for the nine months ended December 31, 2021, and resulted primarily from $8.7 million in net loss and $0.5 million relating to the extinguishment of the PPP loan offset by $5.2 million in impairment expense and approximately $1.0 million in depreciation and amortization, interest expense and stock-based compensation expense. Net changes in working capital items increased cash from operating activities by approximately $0.2 million, primarily related to a decrease in accounts receivable due to cash collection efforts. Net cash used in investing activities was $13,000 for the nine months ended December 31, 2021 related to the purchase of equipment. Net cash provided by financing activities during the nine months ended December 31, 2021 was $5.5 million, related to proceeds received from the 2021 notes and term loan.

Net cash used in operating activities was $3.3 million for the nine months ended December 31, 2020, and resulted primarily from $12.6 million in net loss offset by approximately $1.1 million in depreciation and amortization, interest expense and stock-based compensation expense as well as a $7.2 million in impairment of our goodwill and intangible assets for the period. Net changes in working capital items increased cash from operating activities by approximately $1.0 million, primarily related to decreases in accounts receivable associated with payments collected from our customers and a decrease in our inventory associated with product shipments during the period. There was no net cash used in or provided by investing activities for the 2020 period. Net cash provided by financing activities during the nine months ended December 31, 2020 was $2.0 million, related to proceeds received from the convertible loans and PPP loans.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations set forth above are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates and judgments, including those described in our Annual Report on Form 10-K for the year ended March 31, 2021. We base our estimates on historical experience and on various assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities, and the reported amounts of revenues and expenses, that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following accounting policies have been updated and adopted as of April 1, 2021:

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as compared to the double-declining the method the Company had previously used. Assets under capital leases and leasehold improvements are amortized using the straight-line method over the shorter of the estimated useful life of the asset or the respective lease term. Included in property and equipment are certain robots that are used for demonstration purposes. Maintenance and repairs are charged to expense as incurred. Bionik continually evaluates whether events or circumstances have occurred that indicate that the estimated remaining useful life of its long-lived assets may warrant revision or that the carrying value of these assets may be impaired. Bionik evaluates the realizability of its long-lived assets based on profitability and cash flow expectations for the related asset. Any write-downs are treated as permanent reductions in the carrying amount of the assets. Based on this evaluation, Bionik believes that, as of each of the balance sheet dates presented, none of Bionik’s long-lived assets were impaired.

Foreign Currency Translation

A portion of our operations is conducted through operations in countries other than the United States. Since we conduct our business in U.S. dollars, the main exposure, if any, results from changes in the exchange rate between the Canadian dollar and the U.S. dollar. Our functional currency is the U.S. dollar. Our policy is to reduce exposure to exchange rate fluctuations by having most of our assets and liabilities, as well as most of our revenues and expenditures, in U.S. dollars, or U.S. dollar linked. We have not historically engaged in hedging activities relating to our non-U.S. dollar operations. We may incur negative foreign currency conversion charges as a result of changes in currency exchange rates.

The remainder of our critical accounting policies and the related judgments and estimates affecting the preparation of our condensed consolidated financial statements are included in our Annual Report on Form 10-K for the year ended March 31, 2021. There have been no other material changes to our critical accounting policies as of December 31, 2021.

A discussion of our critical accounting policies and the related judgments and estimates affecting the preparation of our consolidated financial statements is included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2021. There have been no material changes to our critical accounting policies as of December 31, 2021.

Recent Accounting Pronouncements

See Note 10 to our condensed consolidated financial statements included in this Quarterly Report for information regarding recent accounting pronouncements that are of significance or potential significance to us.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable for smaller reporting companies.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain “disclosure controls and procedures” as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our interim Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(b) and 15d-15(b). Based upon this evaluation, our interim Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report were effective.

Changes in Internal Control over Financial Reporting

During the three months ended December 31, 2021, there were no changes in our internal controls over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II- OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

Not applicable for smaller reporting companies

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

None

Item 6. Exhibits

The following exhibits, which are numbered in accordance with Item 601 of Regulation S-K, are filed herewith or, as noted, incorporated by reference herein.

Exhibit Number	Description of Exhibits
31.1	Certificate of Chief Executive Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certificate of Chief Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: February 9, 2022

Bionik Laboratories Corp.

By: /s/ Rich Russo Jr.
Rich Russo Jr.
Chief Financial Officer and Interim Chief Executive Officer
(Principal Executive Officer & Principal Financial and Accounting Officer)

Exhibit 31.1

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Richard Russo Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bionik Laboratories Corp.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report, our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 9, 2022

/s/ Richard Russo Jr.
Richard Russo Jr.
Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Richard Russo Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Bionik Laboratories Corp.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report, our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 9, 2022

/s/ Richard Russo Jr.
Richard Russo Jr.
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bionik Laboratories Corp. (the "Company") on Form 10-Q for the quarterly period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard Russo Jr, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 9, 2022

/s/ Richard Russo Jr.
Richard Russo Jr.
Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bionik Laboratories Corp. (the “Company”) on Form 10-Q for the quarterly period ended December 31, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard Russo Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 9, 2022

/s/ Richard Russo Jr.
Richard Russo Jr.
Chief Financial Officer
(Principal Financial and Accounting Officer)