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

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 20, 2020

Bionano Genomics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**001-38613**	**26-1756290**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

9540 Towne Centre Drive, Suite 100	
San Diego, California	**92121**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (858) 888-7600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	**BNGO**	**The Nasdaq Stock Market LLC**
Warrants to purchase Common Stock	**BNGOW**	**The Nasdaq Stock Market LLC**

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

Emerging growth company ☒

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

EXPLANATORY NOTE

On August 24, 2020, Bionano Genomics, Inc. (the "Company") filed a Current Report on Form 8-K (the "Original Form 8-K") with the Securities and Exchange Commission (the "Commission") to report its entry into an Agreement and Plan of Merger (the "Merger Agreement"), dated as of August 21, 2020, by and among the Company, Alta Merger Sub, Inc., a wholly-owned subsidiary of the Company ("Merger Sub"), Lineagen, Inc., ("Lineagen"), and Michael S. Paul, Ph.D., solely in his capacity as exclusive agent and attorney-in-fact of the securityholders of Lineagen. Pursuant to the terms and conditions of the Merger Agreement, Merger Sub merged with and into Lineagen (the "Merger") whereupon the separate corporate existence of Merger Sub ceased, with Lineagen continuing as the surviving corporation of the Merger as a wholly-owned subsidiary of the Company.

This Amendment No. 1 to Current Report on Form 8-K/A (this "Amendment") amends the Original Form 8-K to include the financial information required under Item 9.01 of Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited financial statements of Lineagen as of and for the years ended December 31, 2019 and 2018, together with the notes thereto and the auditors' report thereon, and the unaudited interim financial statements of Lineagen as of June 30, 2020 and for the six months ended June 30, 2020 and 2019, together with the notes thereto, are attached hereto as Exhibit 99.1 and are incorporated herein by reference. The consent of Tanner LLC, the independent registered public accounting firm of Lineagen, is attached hereto as Exhibit 23.1 to this Amendment.

(b) Pro Forma Financial Information.

The unaudited pro forma consolidated combined balance sheet for the Company and Lineagen as of June 30, 2020 and unaudited pro forma consolidated combined statements of operations for the Company and Lineagen for the year ended December 31, 2019 and for the six months ended June 30, 2020 that give effect to the acquisition of Lineagen are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Tanner LLC, independent registered public accounting firm.
99.1	Audited financial statements of Lineagen as of and for the years ended December 31, 2019 and 2018, and unaudited interim financial statements of Lineagen as of June 30, 2020 and for the six months ended June 30, 2020 and 2019.
99.2	Unaudited pro forma consolidated combined balance sheet for the Company and Lineagen as of June 30, 2020 and unaudited pro forma consolidated combined statements of operations for the Company and Lineagen for the year ended December 31, 2019 and for the six months ended June 30, 2020.

SIGNATURES

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

		Bionano Genomics, Inc.
Date: November 3, 2020	By:	/s/ R. Erik Holmlin, Ph.D.
		R. Erik Holmlin, Ph.D.
		President and Chief Executive Officer
		(Principal Executive Officer)

Exhibit 23.1

Consent of Independent Auditor

The Board of Directors
Bionano Genomics, Inc.

We consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-237070, 333-239360 and 333-245762) and Form S-8 (Nos. 333-227073, 333-230589, 333-237069, 333-245764 and 333-248468) of Bionano Genomics, Inc. of our report dated August 12, 2020, except for Note 2, as to which the date is November 3, 2020, with respect to the financial statements of Lineagen, Inc. as of and for the years ended December 31, 2019 and 2018, and the related notes thereto, incorporated by reference in this Current Report on Form 8-K/A of Bionano Genomics, Inc.

/s/ Tanner LLC
Salt Lake City, Utah
November 3, 2020

Exhibit 99.1

Lineagen, Inc.

**Financial Statements As of June 30, 2020 (Unaudited)
and December 31, 2019 and 2018
And For the Six Months Ended June 30, 2020 and 2019 (Unaudited)
and Years Ended December 31, 2019 and 2018**

To the Board of Directors of Lineagen, Inc.

We have audited the accompanying financial statements of Lineagen, Inc. (a Delaware Corporation), which comprise the balance sheets as of December 31, 2019 and 2018, the related statements of operations, stockholders' deficit, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lineagen, Inc. as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

August 12, 2020, except for Note 2, as to which the date is November 3, 2020.

Assets	**June 30, 2020 (Unaudited)**	**December 31, 2019 (Audited)**	**December 31, 2018 (Audited)**
Current assets:			
Cash and cash equivalents	$ 687,497	$ 721,898	$ 1,179,574
Accounts receivable, net	666,690	764,445	1,771,938
Inventory	33,244	-	718,410
Prepaid expenses and other current assets	183,837	269,892	289,656
Total current assets	1,571,268	1,756,235	3,959,578
Property and equipment, net	130,901	204,685	369,588
Intangible assets, net	871,575	867,016	813,654
Other assets	30,546	-	-
Total assets	$ 2,604,290	$ 2,827,936	$ 5,142,820
Liabilities and Stockholders' Deficit			
Current liabilities:			
Accounts payable	$ 3,529,869	$ 2,902,783	$ 2,977,428
Accrued expenses	1,754,306	1,714,557	1,209,136
Warrant liability	878,910	858,863	200,754
Line of credit	-	124,621	3,814,620
Convertible notes payable, net of discount	11,432,652	11,020,989	3,460,121
Current portion of notes payable, net of debt discount	12,951,889	11,169,894	2,303,670
Total current liabilities	30,547,626	27,791,707	13,965,729
Notes payable, net of discount and current portion	-	10,939	6,104,016
Total liabilities	30,547,626	27,802,646	20,069,745
Commitments and contingencies			
Stockholders' deficit:			
Convertible preferred stock, $.001 par value, 39,657,339 shares authorized; 38,986,184 shares issued and outstanding	38,986	38,986	38,986
Common stock, $.001 par value, 58,156,103 shares authorized; 589,030 and 587,197 shares issued and outstanding, respectively	589	589	586
Additional paid-in capital	57,890,582	57,867,766	57,729,191
Accumulated deficit	(85,873,493)	(82,882,051)	(72,695,688)
Total stockholders' deficit	(27,943,336)	(24,974,710)	(14,926,925)
Total liabilities and stockholders' deficit	$ 2,604,290	$ 2,827,936	$ 5,142,820

See accompanying notes to financial statements

	Six Months Ended June 30,		Years Ended December 31,	
	2020	**2019**	**2019**	**2018**
	(Unaudited)	**(Unaudited)**	**(Audited)**	**(Audited)**
Diagnostic revenue	$ 2,613,115	$ 4,106,302	$ 7,534,902	$ 13,989,484
Operating expenses:				
Selling, general and administrative	4,179,390	6,434,266	10,741,280	17,269,669
Cost of revenues	525,185	1,951,590	3,390,038	8,022,590
Research and development	-	2,030.00	2,030	72,411
Total operating expenses	4,704,575	8,387,886	14,133,348	25,364,670
Operating loss	(2,091,460)	(4,281,584)	(6,598,446)	(11,375,186)
Other income (expense):				
Interest expense	(875,523)	(2,267,930)	(3,828,303)	(1,939,061)
Interest income	1,826	5,504	15,405	21,736
Gain (loss) on adjustment to fair value of warrant liability	(20,047)	95,715	174,097	40,546
Other	(6,238)	42,355	50,884	22,403
Other expense, net	(899,982)	(2,124,356)	(3,587,917)	(1,854,376)
Net loss	$ (2,991,442)	$ (6,405,940)	$ (10,186,363)	$ (13,229,562)

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Deficit**
Balance as of December 31, 2017 (Audited)	38,986,184	$ 38,986	561,756	$ 561	$ 55,556,249	$ (59,466,126)	$ (3,870,330)
Stock-based compensation expense	-	-	-	-	78,597	-	78,597
Issuance of common stock warrants and beneficial conversion feature on convertible notes payable	-	-	-	-	2,088,959	-	2,088,959
Exercise of common stock options	-	-	25,441	25		5,386	5,411
Net loss	-	-	-	-	-	(13,229,562)	(13,229,562)
Balance as of December 31, 2018 (Audited)	38,986,184	38,986	587,197	586	57,729,191	(72,695,688)	(14,926,925)
Stock-based compensation expense	-	-	-	-	42,648	-	42,648
Issuance of common stock warrants and beneficial conversion feature on convertible notes payable	-	-	-	-	43,775	-	43,775
Exercise of common stock options	-	-	1,833	3	437	-	440
Net loss	-	-	-	-	-	(6,405,940)	(6,405,940)
Balance as of June 30, 2019 (Unaudited)	38,986,184	$ 38,986	589,030	$ 589	$ 57,816,051	$ (79,101,628)	$ (21,246,002)
			-	-	-	-	
Balance as of December 31, 2018 (Audited)	38,986,184	$ 38,986	587,197	$ 586	$ 57,729,191	$ (72,695,688)	$ (14,926,925)
Stock-based compensation expense	-	-	-		94,363	-	94,363
Issuance of common stock warrants and beneficial conversion feature on convertible notes payable	-	-	-	-	43,775	-	43,775
Exercise of common stock options	-	-	1,833	3	437	-	440
Net loss	-	-	-	-	-	(10,186,363)	(10,186,363
Balance as of December 31, 2019 (Audited)	38,986,184	38,986	589,030	589	57,867,766	(82,882,051)	(24,974,710)
Stock-based compensation expense	-	-	-	-	22,816	-	22,816
Net loss	-	-	-	-	-	(2,991,442)	(2,991,442)
Balance as of June 30, 2020 (Unaudited)	38,986,184	$ 38,986	589,030	$ 589	$ 57,890,582	$ (85,873,493)	$ (27,943,336)

	Six months ended June 30, 2020 (Unaudited)	Six months ended June 30, 2019 (Unaudited)	Years ended December 31, 2019 (Audited)	Years ended December 31, 2018 (Audited)
Cash flows from operating activities:				
Net loss	$ (2,991,442)	$ (6,405,940)	$ (10,186,363)	$ (13,229,562)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	77,664	87,209	165,712	181,583
Amortization of debt discount	-	1,658,365	2,380,312	971,127
Stock-based compensation expense	22,816	42,648	94,363	78,597
Loss (gain) on adjustment to fair value of warrant liability	20,047	(95,715)	(174,097)	(40,546)
Gain on sale of equipment	(3,250)	(11,817)	(13,823)	(3,800)
Changes in operating assets and liabilities:				
Accounts receivable	97,755	433,596	1,007,493	3,891,498
Prepaid expenses	86,055	124,694	19,764	220,372
Inventory	(33,244)	718,410	718,410	1,378,515
Other assets	(30,546)	-	-	-
Accrued interest on debt	850,672	243,337	719,806	241,834
Accounts payable and accrued expenses	666,835	641,814	430,776	(410,121)
Net cash used in operating activities	(1,236,638)	(2,563,399)	(4,837,647)	(6,720,503)
Cash flows from investing activities:				
Purchase of property and equipment	-	-	(8,400)	(16,383)
Proceeds from sale of equipment	3,250	11,817	29,174	3,800
Purchase of intangible assets	(8,439)	(30,630)	(61,122)	(60,825)
Net cash used in investing activities	(5,189)	(18,813)	(40,348)	(73,408)
Cash flows from financing activities:				
Proceeds from exercise of common stock	-	440	440	5,411
Proceeds from convertible notes payable, net of costs	-	3,597,459	5,533,881	4,501,647
Proceeds from notes payable	1,350,839	-	-	-
Payments on notes payable	(18,792)	(251,592)	(270,753)	(25,803)
Deferred financing and debt issuance costs	-	-	-	(54,698)
Net change in line of credit	(124,621)	(598,939)	(843,249)	(107,197)
Net cash provided by financing activities	1,207,426	2,747,368	4,420,319	4,319,360
Net change in cash and cash equivalents	(34,401)	165,156	(457,676)	(2,474,551)
Cash and cash equivalents at beginning of year	721,898	1,179,574	1,179,574	3,654,125
Cash and cash equivalents at end of year	$ 687,497	$ 1,344,730	$ 721,898	$ 1,179,574

	Six months ended June 30, 2020 (Unaudited)	Six months ended June 30, 2019 (Unaudited)	Years ended December 31, 2019 (Audited)	Years ended December 31, 2018 (Audited)
Supplemental disclosure of cash flow information:				
Cash paid for interest	$ 22,312	$ 516,850	$ 737,859	$ 580,935
Supplemental disclosure of non cash investing and financing activities:				
Line of credit balance transferred to note payable	$ -	$ -	$ 2,846,750	$ -
Issuance of warrants and beneficial conversion feature with note payable recorded as debt discount	-	551,800	875,981	2,088,959
Purchase of equipment through issuance of note payable	-	-	-	115,372
Issuance of convertible note payable for accounts payable	-	-	-	70,000

1. Description of Organization and Summary of Significant Accounting Policies

Organization

Lineagen, Inc. (the Company) was incorporated on March 16, 2006 as a Delaware corporation. The Company is a molecular diagnostics company focused on complex, genetically linked disorders. The Company's mission is to accelerate and enhance the diagnostic evaluation of medical conditions so that the best possible outcomes can be achieved for patients and their families. The Company's commercial offerings provide physicians with fully integrated genetic testing, counseling, and developmental screening services to aid in the diagnostic evaluation of individuals with autism spectrum disorder (ASD) and other forms of developmental delay.

Accounting Pronouncements Recently Adopted

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) amending revenue recognition guidance and requiring more detailed disclosures to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted this standard effective January 1, 2019. Aside from presentation and disclosure items for revenue, the adoption of this standard did not have a material impact on the accompanying financial statements.

Unaudited Interim Financial Information

The accompanying interim balance sheet as of June 30, 2020, the statements of operations and cash flows for the six months ended June 30, 2020 and 2019, the statements of stockholders' deficit for the six months ended June 30, 2020, and the related notes and disclosures are unaudited. These unaudited interim financial statements have been prepared in accordance with U.S. GAAP. In management's opinion, the unaudited interim financial statements have been prepared on the same basis as the audited financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of our statement of financial position as of June 30, 2020 and our results of operations and cash flows for the six months ended June 30, 2020 and 2019. The results for the six months ended June 30, 2020 are not necessarily indicative of the results expected for the full fiscal year or any other period.

1. Description of Organization and Summary of Significant Accounting Policies *Continued*

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Key management estimates include estimates of useful lives of property and equipment, provision for contractual adjustments and uncollectible accounts, impairment of long-lived assets, valuation of deferred income tax assets, and valuation of stock-based compensation and warrant liabilities.

Concentrations
The Company maintains its cash and cash equivalents in bank deposit accounts which, at times, exceed federally insured limits. To date, the Company has not experienced a loss or lack of access to its cash and cash equivalents; however, no assurance can be provided that access to the Company's cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

The Company uses third party laboratories to perform certain components of its laboratory testing service. The Company maintains multiple laboratory service relationships in order to ensure no interruption of service, but no assurance can be given that such interruptions will not occur. Third party laboratories that accounted for more than 10% of the Company's total operating costs were as follows:

	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	December 31, 2019 (Audited)	December 31, 2018 (Audited)
Laboratory A	*	*	*	14%
Laboratory B	13%	*	*	*

*Laboratory did not account for 10% or more of operating costs in the respective period.

Accounts Receivable
Accounts receivable are recorded based on net estimated revenue, reduced by collections to date. The Company establishes a reserve for accounts considered uncollectable based on an analysis of the length of time outstanding, collection efforts to date, and communications with third party payors. Account balances are charged off six months after delivery of the report, or sooner if the Company determines collection of the amount is not probable. Recoveries of receivables previously charged off are recorded when payment is received.

1. Description of Organization and Summary of Significant Accounting Policies *Continued*

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization is calculated using the straight- line method over the estimated economic useful lives of the assets or over the related lease terms (if shorter) as follows:

Office and computer equipment	3-5 years
Furniture and fixtures	7 years
Leasehold improvements	4 years

Expenditures that materially increase values or capacities or extend useful lives of property and equipment are capitalized. Routine maintenance, repairs, and renewal costs are expensed as incurred. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation and amortization are removed from the related accounts and any gain or loss is reflected in the statements of operations.

Intangible Assets

Intangible assets consist of license rights and legal costs incurred to register patents (see Note 4). Patent costs are capitalized when incurred and are amortized on a straight-line basis over the life of the patent once the patent has been granted. License rights are amortized on a straight-line basis over the license term.

Impairment of long-lived assets

The Company reviews its property and equipment, and other long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may be impaired. If it is determined that the estimated undiscounted future cash flows are not sufficient to recover the carrying value of the asset, an impairment loss is recognized in the statement of operations for the difference between the carrying value and the fair value of the asset. Management did not consider any of the Company’s intangible assets to be impaired as of June 30, 2020, December 31, 2019 and 2018.

Warrant Liability

In connection with the issuance of debt or equity instruments, the Company may issue warrants to purchase its preferred stock. In certain circumstances, these warrants may be classified as liabilities, rather than as equity. The Company's warrant liability is re-valued at the end of each reporting period, with adjustments to the fair value recorded as a gain or loss in other income (expense) in the accompanying statements of operations, in the period in which the adjustments to fair value occur.

1. Description of Organization and Summary of Significant Accounting Policies *Continued*

Warrant Liability *– Continued*
During the six months ended June 30, 2020 and 2019, the Company recorded a gain (loss) for the adjustment to the fair value of warrants of ($20,047) and $95,715, respectively, and $174,097 and $40,546 during the years ended December 31, 2019 and 2018, respectively. For warrants accounted for as liabilities, the Company determines the fair value of these instruments using the Binomial option-pricing model (see Note 5). This model requires assumptions related to the remaining term of the instrument, risk-free rates of return, the Company's current preferred stock price, expected dividend yield, and volatility.

Leases
The Company leases its facilities under operating leases. For leases that contain rent escalation or rent concession provisions, the Company records the total rent expense during the lease term on a straight-line basis over the term of the lease. The Company records the difference between the rent paid and the straight-line rent as a deferred rent liability in accrued expenses in the accompanying balance sheets.

Debt Issuance Costs
The Company reports debt issuance costs on the balance sheet as a direct reduction from the carrying amount of the related debt. Amortization of debt issuance costs is included in interest expense.

Revenue Recognition
Revenue is recognized when control of a promised product or service transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. Revenue recognition is evaluated through the following five-step process: 1) identification of the contract with a customer; 2) identification of the performance obligations in the contract;
3) determination of the transaction price; 4) allocation of the transaction price to the performance obligations in the contract; and 5) recognition of revenue when or as a performance obligation is satisfied.

The Company generates revenue by performing diagnostic testing services. Revenue from the completion of diagnostic testing services is recorded at the billed value less estimated contractual adjustments. The Company performs its obligation under a contract with a customer by processing diagnostic tests and communication of test results, which is the point at which the Company has determined control is transferred to the customer for revenue recognition purposes.

1. Description of Organization and Summary of Significant Accounting Policies *Continued*

Stock-Based Compensation

Share-based payments made to employees, including grants of employee stock options, are measured using the Black-Scholes option-pricing model. The related expense is recorded in the statements of operations over the vesting period.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the tax bases of assets and liabilities. Deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred income tax assets are reviewed periodically for recoverability, and valuation allowances are provided when it is more likely than not that some or all of the deferred income tax assets may not be realized.

The Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns and that its accruals for tax liabilities are adequate for all open tax years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Company files income tax returns in the U.S. federal jurisdiction and certain state jurisdictions.

Interest and penalties related to income tax liabilities, when incurred, are classified in interest expense and income tax provision, respectively. During the six months ended June 30, 2020 and 2019, and the years ended December 31, 2019 and 2018, the Company recognized no interest or penalties. The Company is not currently under examination by the Internal Revenue Service.

Subsequent Events

For the financial statements as of December 31, 2019 and 2018 and for the years then ended, management has evaluated events and transactions for potential recognition or disclosure through August 12, 2020 which is the date the financial statements were available to be issued.

2. Going Concern

The Company has incurred significant net losses since inception that have accumulated to approximately $85,874,000 as of June 30, 2020. The Company used net cash of approximately $1,237,000 in operating activities during the six months ended June 30, 2020 and has a working capital deficit of approximately $28,976,000 as of June 30, 2020. The net losses and use of cash in operating activities resulted from, among other things, declining reimbursement rates from third-party payors, significant sales and marketing expenditures, and payroll related expenditures. On August 24, 2020, the Company was purchased by Bionano Genomics, Inc., a publicly traded company, for $9.6 million, consisting of shares of stock, cash, and the assumption of liabilities.

For the financial statements as of June 30, 2020 and for the six months ended June 30, 2020 and 2019, management has evaluated events and transactions for potential recognition or disclosure through November 3, 2020, which is the date the unaudited interim financial statements were available for issuance.

3. Property and Equipment

Property and equipment consisted of the following as of:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	December 31, 2018 (Audited)
Office and computer equipment	$ 469,634	$ 469,634	$ 523,415
Furniture and fixtures	140,820	140,820	210,870
Leasehold improvements	71,903	71,903	71,903
	682,357	682,357	806,188
Less accumulated depreciation and amortization	(551,456)	(477,672)	(436,600)
	$ 130,901	$ 204,685	$ 369,588

Depreciation and amortization expense on property and equipment for the six months ended June 30, 2020 and 2019 was $73,784 and $83,329, respectively; and was $157,952 and $163,751, for the years ended December 31, 2019 and 2018, respectively.

4. Intangible Assets

Intangible assets consisted of the following as of:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	December 31, 2018 (Audited)
Patents	$ 891,692	$ 883,253	$ 822,131
License rights	15,000	15,000	15,000
	906,692	898,253	837,131
Less accumulated amortization	(35,117)	(31,237)	(23,477)
	$ 871,575	$ 867,016	$ 813,654

Patents consisted of legal costs incurred to register patents which are capitalized when incurred and are amortized on a straight-line basis over the life of the patent once the patents have been issued or expensed if a patent is not issued. Amortization expense for each of the six months ended June 30, 2020 and 2019, was $3,880, and $7,760; and was $17,832 for the years ended December 31, 2019 and 2018, respectively.

5. Warrant Liability

Warrants to purchase preferred stock are classified as liabilities because the shares of preferred stock into which the warrants are exercisable are conditionally redeemable at the option of holders (see Note 10). The Company uses a Binomial option-pricing model to estimate the fair value of its warrant liability. The expected volatility is based on the volatility of public companies that are similar to the Company's industry, size, financial leverage and stage of life cycle.

The Company calculated the historical volatility of these companies using the weekly or monthly total returns for a period of time equal to the contractual term of the warrant liability as of the valuation date. The risk- free rate is based on a U.S. treasury constant maturity rate that corresponds to the contractual term. As of June 30, 2020 the warrant liability fair value was estimated to be $878,910; and was $858,863 and $200,754 as of December 31, 2019 and 2018, respectively.

5. Warrant Liability *Continued*

Fair value was calculated using the weighted average assumptions below in the Binomial option-pricing model:

	June 30, 2020 (Unaudited)	December 31, 2019 (Audited)	December 31, 2018 (Audited)
Exercise price of preferred stock	$ 1.00	$ 1.00	$ 1.00
Risk-free interest rate	0.3%	1.7%	2.6%
Expected stock price volatility	63.0%	63.0%	63.0%
Expected dividend yield	0.0%	0.0%	0.0%
Years to expiration	4.17	4.66	5.67

6. Debt Financing

Credit Facility

The Company has a credit facility with a bank consisting of a line of credit (closed in October 2019) and term notes. As of June 30, 2020, the balance on the line of credit was $0; and was $124,621 and $3,814,620 as of December 31, 2019 and 2018, respectively. On October 2019, the majority of the balance outstanding on the line of credit converted to a term note with terms similar to the Company's existing term note. The term notes bear interest at the bank's prime rate plus 1.75% (5% as of June 30, 2020) and are due February 1, 2022. The notes require interest only payments through January 31, 2020, at which time fully amortizing principal and interest payments are required.

The Company has not made any principal or interest payments during 2020. The loans also require that no later than January 31, 2020, the Company either refinance the loan, receive an equity infusion and pay a portion of the proceeds to the bank, or fully close a sale or merger transaction of the Company. The Company did not fulfill this requirement. For these reasons, the Company is in violation of debt covenants and the balance is classified as current.

The balance outstanding on the term notes as of June 30, 2020 was $11,017,980; and was $11,013,417 and $8,400,000 as of December 31, 2019 and 2018, respectively. The carrying balance of the term notes included discounts of $186,052 as of June 30, 2020; and $275,195 and $195,633 as of December 31, 2019 and 2018, respectively. The carrying balance also included accrued interest and fees of $737,081 as of June 30, 2020; and $390,462 and $113,750 as of December 31, 2019 and 2018, respectively.

6. Debt Financing *Continued*

Paycheck Protection Program Loan

On April 22, 2020, the Company received loan proceeds under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides loans to qualifying businesses for amounts up to 2.5 times average monthly payroll expenses of the qualifying business.

The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. Not more than 25% of the loan amount can be attributable to non-payroll costs. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period. The balance outstanding on the PPP loan was $1,100,839 as of June 30, 2020 (unaudited) and $0 as of each of December 31, 2019 and 2018.

Investor Bridge Priority Notes

On April 23, 2020, the Company secured promissory notes with five of its stockholders totaling $250,000. The notes are senior to the credit facility and convertible notes payable. The promissory notes accrued interest at 1.75% above the Prime rate (5% as of June 30, 2020) and mature on April 23, 2021. The notes require repayment in the event of a liquidation, acquisition or asset transfer (each defined in the note agreements). The notes may be prepaid without penalty but do not require payments prior to maturity. The outstanding balance of the notes were $250,000 as of June 30, 2020 and was $0 as of each of December 31, 2019 and 2018.

Equipment Notes

The Company has notes with equipment financing companies due in monthly installments of principal and interest, maturing in March 2021. The notes bear interest at rates between 9-9.9%. The outstanding balance of the notes as of June 30, 2020 was $32,041 and was $52,149 and $89,569 as of December 31, 2019 and 2018, respectively.

7. Convertible Notes Payable

In several tranches throughout 2019 and 2018, the Company executed a total of $10,278,099 in convertible note agreements with existing preferred investors, accruing interest at 8% per annum on the principal balance (the Convertible Notes). The outstanding balance of the Convertible Notes plus accrued interest will convert into Series C-1, D, or E preferred stock at a price of $1 per share at the earlier of the following events: (1) upon the maturity date of the respective promissory note unless the date is extended by the Company and agreed to by a majority of the participating investors (2) upon consummation of an equity financing for capital raising purposes in addition to the Convertible Notes, (3) upon a liquidation event, acquisition or asset transfer.

If while the Convertible Notes are outstanding, other indebtedness or securities of the Company are issued with material terms more favorable than the terms of the Convertible Notes from the perspective of the Convertible Note investors, the obligations under the Convertible Notes will be amended and restated to be substantially identical to the new securities.

In the event that “pay-to-play” terms or conditions are triggered in connection with a subsequent financing, the principal amount of each investor’s Convertible Note(s) shall count toward such investor’s pro-rata amount of the pay-to-play financing. Each Convertible Note holder was either issued a warrant to purchase shares of common stock, or a warrant to purchase shares of preferred stock. Pursuant to the Convertible Note agreements, the Company has issued warrants to purchase 8,334,369 share of common stock and 1,522,140 shares of preferred stock.

The Company estimated the fair value (at the time of issuance) of the preferred and common stock warrants issued during the years ended December 31, 2019 and 2018 to be $854,101 and $1,044,472, respectively. For Convertible Notes issued with common stock warrants, the proceeds from the Convertible Notes were allocated between the Convertible Notes and the common stock warrants based on the relative fair values of the Convertible Notes and the common stock warrants.

A beneficial conversion feature totaling $21,895 and $1,044,472 was also recognized during the years ended December 31, 2019 and 2018. For Convertible Notes issued with preferred stock warrants a warrant liability of $832,206 and $0 for the years ended December 31, 2019 and 2018, respectively, was recorded equal to the fair value of the preferred warrants.

7. Convertible Notes Payable ***Continued***

The fair value of the preferred stock warrants and the relative fair value of the common stock warrants plus the beneficial conversion feature were recorded as a debt discount and are being amortized into interest expense through the maturity date of the notes using the effective interest method. The outstanding balance of convertible notes payable as of June 30, 2020 was $10,278,099 and was $10,278,099 and $4,571,647 as of December 31, 2019 and 2018, respectively. The carrying balance of the notes included accrued interest of $1,154,553 as of June 30, 2020; and $742,890 and $128,084 as of December 31, 2019 and 2018, respectively. The carrying balance also included debt discounts of $0 as of June 30, 2020; and $0 and $1,239,610 as of December 31, 2019 and 2018, respectively.

8. Commitments and Contingencies

Contingent Liability

During 2019, the Company received a letter outlining findings from an external audit completed by a third-party insurance payor. The Company did not have a contractual obligation with the payor during the audit period, nor does it have a contractual obligation currently; however, the Payor has claimed the Company is responsible for potential financial damages based on their audit findings. After negotiation, the Company received a settlement offer from the third-party insurance payor. The Company accrued the proposed settlement amount of $600,000 as of June 30, 2019. The settlement agreement requires 24 monthly installment payments of $25,000 beginning on May 15, 2020. As of June 30, 2020, the settlement balance (included in accrued expenses in the balance sheets) was $590,000; and was $600,000 and $0 as of December 31, 2019 and 2018, respectively.

Operating Leases

The Company leases office facilities under non-cancelable operating leases. As of June 30, 2020, future minimum lease payments due in one year under non-cancelable operating leases total $40,053. The lease agreement expired in September 2020.

Employee Agreements

The Company has entered into employment agreements with one or more members of management. The terms of each agreement are different. However, one or all of these agreements include stipulated base salary, bonus potential, vacation benefits, severance, and non-competition agreements. These agreements also provide certain benefits if there is a change in ownership of the Company.

8. Commitments and Contingencies *Continued*

Indemnification Agreements
The Company has entered into indemnification agreements with certain officers and directors of the Company in order to protect the individuals against specified potential liabilities if and when asserted against them by third parties.

9. Convertible Preferred Stock

The Company has authorized 39,657,339 shares of convertible preferred stock, issued in various individual series (Series Preferred). Information by class of Series Preferred stock as of June 30, 2020 is as follows:

	Authorized Shares	Outstanding Shares
Series A	1,000	-
Series B	12,656,339	12,576,339
Series C-1	27,000,000	26,409,845
	39,657,339	38,986,184

The Company has issued convertible notes that are convertible into series D and E preferred stock. These series have not yet been authorized or designated, but are expected to have similar rights and preferences to the series C-1 preferred stock. The liquidation preference, dividend rate, conversion rates, and redemption price of the Series Preferred stock, in order of liquidation preference, as of June 30, 2020 are as follows:

	Liquidation Preference	Dividend Rate	Conversion Rate	Redemption Price
Series C-1	$ 36,197,531	8%	$ 1.00	$ 1.00
Series B	12,576,339	8%	1.00	1.00
Series A	n/a	n/a	1.00	1.00
	$ 48,773,870			

Dividends
The Series C-1 and B Preferred stockholders (the Series Preferred stockholders) have dividend preferences over common stockholders in the amounts disclosed in the previous table. Dividends on Series C-1 shares are cumulative, commencing on the date of original issuance, and payable when and if declared by the Board of Directors. Dividends on Series B preferred stock are non-cumulative, payable if and when declared by the Company's Board of Directors, after payment of all dividends due to Series C-1 stockholders. Because dividends are only paid when and if declared by the Board of Directors and no dividends have been declared, no dividends have been accrued. Series A preferred stock does not receive any dividend preferences over common stockholders.

9. Convertible Preferred Stock *Continued*

Conversion

Each share of preferred stock is convertible into one share of common stock, subject to adjustments based on certain anti-dilution provisions, including stock splits, stock dividends, subdivision, combinations, recapitalization or similar events, as provided by the Company's amended and restated articles of incorporation. Further, all preferred stock automatically converts into common stock upon 1) the vote or written consent of the holders of a majority of the outstanding shares of Series Preferred, voting as a single class on an as-converted basis, or 2) the closing of an initial public offering of the Company's common stock with a price per share for the common stock of at least $3.00 and gross cash proceeds of at least $30,000,000.

Redemption

The holders of a majority of the then outstanding shares of Series Preferred and sixty six percent of the outstanding Series C-1, voting together as a separate class, may require the Company to redeem all of the then outstanding Series Preferred in cash in three annual installments beginning not prior to the fifth anniversary of the original issue date, and ending on the date two years from such first redemption date, at $1.00 per share plus any declared and unpaid dividends with respect to such shares, at the fair market value of a share of the applicable series of Series Preferred. If the Company does not have sufficient funds legally available to redeem all shares to be redeemed, then the Company shall so notify such holders and shall redeem such shares pro rata (based on the portion of the aggregate redemption price payable to them) to the extent possible and shall redeem the remaining shares to be redeemed as soon as sufficient funds are legally available.

Stockholder Rights

Holders of all series of preferred stock have protective provisions that require stockholders' majority consent for specific actions including the following: changes in the corporation's certificate of incorporation or bylaws that would affect, alter or change the preference or rights of the preferred stock, changes in the authorized number of shares, declaration or payment of dividends, repurchase of shares, amendment or adoption of any stock option plan or the number of authorized shares under any plan, changes in the size of the Board of Directors, creation of a new class or series of stock, or taking any action that would cause a liquidation event.

9. Convertible Preferred Stock *Continued*

Voting

The Series Preferred stockholders are entitled to the number of votes equal to the number of shares of common stock into which the preferred stock could be converted. The Series C-1 preferred elects two directors, voting as a class, and the Series B preferred elects two directors, also voting as a class. Common votes as a separate class to elect one director, defined as the CEO, and the Series C-1, Series B preferred and common, voting together, elect 3 independent directors.

10. Stock Options and Warrants

Stock Options

The Company's stock option plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, and shares of restricted stock. The stock option plan was originally approved on December 4, 2007 and subsequently amended (the Original Plan). The Original Plan expired and was replaced by the 2017 Equity Incentive Plan (the Plan). Under the terms of the Plan, there are 6,438,882 common shares available for grant to employees, officers, directors and consultants.

The Board of Directors determines the terms of each grant. Generally, the options have a vesting period of 4 years with 25% vesting after the first year of service and monthly thereafter and have a ten-year contractual life. Certain stock options have provisions to accelerate vesting upon the occurrence of certain events. There were 986,021 shares available for grant under the Plan as of June 30, 2020.

Stock-based compensation expense for the six months ended June 30, 2020 and 2019 was $22,816 and $42,648, respectively; and was $94,363 and $78,597 for the years ended December 31, 2019 and 2018. Stock- based compensation expense is included in selling, general and administrative expenses in the statements of operations. As of June 30, 2020 the Company had approximately $99,000 of unrecognized stock- based compensation costs related to non-vested awards that will be recognized over a weighted-average period of 1.68 years.

10. Stock Options and Warrants *Continued*

Stock Options - Continued

The following sets forth the outstanding common stock options and related activity:

	Number of Options	Weighted Average Exercise Price Per Share
Outstanding as of December 31, 2017	5,812,603	0.25
Granted	816,708	0.28
Exercised	(25,678)	0.21
Forfeited	(760,165)	0.25
Outstanding as of December 31, 2018	5,843,468	0.26
Granted	528,000	0.28
Exercised	(1,833)	0.24
Forfeited	(874,312)	0.24
Outstanding as of December 31, 2019	5,495,323	0.26
Forfeited (unaudited)	(274,500)	0.27
Outstanding as of June 30, 2020 (unaudited)	5,220,823	0.26

The following summarizes information about stock options outstanding as of June 30, 2020:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable
$ 15.63	384	-	$ 15.63	384
43.75	3,446	1.23	43.75	3,446
0.23	2,039,445	3.52	0.23	2,039,445
0.21	1,817,739	5.22	0.21	1,532,571
0.24	147,695	6.15	0.24	84,689
0.26	246,206	6.94	0.26	201,977
0.28	965,908	8.31	0.28	18,909
	5,220,823	5.23	0.26	3,881,421

As of June 30, 2020, the aggregate intrinsic value of options outstanding and options exercisable were $90,474.

10. Stock Options and Warrants ***Continued***

Stock Options** - **Continued

The following summarizes information about stock options outstanding as of December 31, 2019:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Options Exercisable
$ 15.63	384	0.20	$ 15.63	384
43.75	3,446	1.73	43.75	3,446
0.23	2,041,445	4.02	0.23	2,041,445
0.21	1,820,739	5.72	0.21	1,535,321
0.24	205,095	6.55	0.24	122,789
0.26	285,806	7.48	0.26	214,602
0.28	1,138,408	8.81	0.28	32,284
	5,495,323	5.85	0.26	3,950,271

There were no options granted during the six months ended June 30, 2020.

The following table includes assumptions that were used to calculate fair value using the Black-Scholes option-pricing model for stock option grants issued during:

	Six Months Ended		Years Ended	
	June 30, 2020 (Unaudited)	June 30, 2019 (Unaudited)	December 31, 2019 (Audited)	December 31, 2018 (Audited)
Expected volatility	-	65%	65%	65%
Risk-free interest rate	-	2.00%	2.00%	3.01%
Expected life	-	7 years	7 years	7 years
Expected dividend yield	-	0%	0%	0%
Per share fair value of stock option grants	-	$ 0.178	$ 0.178	$ 0.181

Expected option lives and volatilities are based on historical data of the Company and comparable companies in the industry. The risk-free interest rate was calculated using similar rates published by the Federal Reserve. The Company has no plans to declare future dividends.

Warrants

In connection with debt issuances, the Company has issued warrants to purchase preferred and common stock. See Note 5 for further discussion related to preferred stock warrants, which are accounted for as liabilities.

10. Stock Options and Warrants ***Continued***

Warrants - Continued

The following summarizes information about preferred and common stock warrants as of June 30, 2020:

Warrants to Purchase	Year of Expiration	Number of Shares	Exercise Price
Series C-1 preferred stock, issued in conjunction with debt in 2014	2024	100,000	$ 1.00
Series C-1 preferred stock, issued in conjunction with debt in 2015	2025	200,000	$ 1.00
Series C-1 preferred stock, issued in conjunction with debt in 2017	2027	100,000	$ 1.00
Common stock, issued in conjunction with debt in 2018	2023	8,163,636	$ 0.28
Common stock, issued in Conjunction with debt in 2019	2024	170,733	$ 0.28
Series D preferred stock, issued in conjunction with debt in 2019	2024	317,978	$ 1.00
Series E preferred stock, issued in conjunction with debt in 2019	2024	1,204,162	$ 1.00
		10,256,509	

The following summarizes information about preferred and common stock warrants as of December 31, 2019:

Warrants to Purchase	Year of Expiration	Number of Shares	Exercise Price
Series C-1 preferred stock, issued in conjunction with debt in 2014	2024	100,000	$ 1.00
Series C-1 preferred stock, issued in conjunction with debt in 2015	2025	200,000	$ 1.00
Series C-1 preferred stock, issued in conjunction with debt in 2017	2027	100,000	$ 1.00
Common stock, issued in conjunction with debt in 2018	2023	8,163,636	$ 0.28
Common stock, issued in Conjunction with debt in 2019	2024	170,733	$ 0.28
Series D preferred stock, issued in conjunction with debt in 2019	2024	317,978	$ 1.00
Series E preferred stock, issued in conjunction with debt in 2019	2024	1,204,162	$ 1.00
		10,256,509	

11. Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs according to valuation methodologies used to measure fair value:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities.

Level 2: Unobservable prices that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available.

The warrant liability is measured at fair value on a recurring basis using Level 3 inputs. The Company uses a Binomial option-pricing model to estimate the value of its warrant liability. The following tables set forth information summarizing the changes in fair value of the Company's warrant liability for the six months ended June 30, 2020 and for the years ended December 31, 2020 and 2019:

Balance as of December 31, 2017	$	241,300
Net change in fair value of warrant liability		(40,546)
Balance as of December 31, 2018		200,754
Issuance of warrants with Convertible Notes		832,206
Net change in fair value of warrant liability		(174,097)
Balance as of December 31, 2019 (unaudited)		858,863
Net change in fair value of warrant liability (unaudited)		20,047
Balance as of June 30, 2020 (unaudited)	$	878,910

12. Benefit Plan *401(k) Retirement Plan*

The Company sponsors a defined contribution 401(k) retirement plan (the Retirement Plan). All employees who are 21 years of age are eligible to participate in the Retirement Plan. Employees may elect to contribute to the Retirement Plan up to 25% of their annual compensation to a maximum of $19,000 per year. As set forth in the Retirement Plan document, a fixed 3% contribution is made by the Company each year for each eligible employee. The Company made contributions of $52,694 and $89,316, during the six months ended June 30, 2020 and 2019, respectively, and $185,856 and $318,073 during the years ended December 31, 2019 and 2018, respectively.

13. Income Taxes

The benefit (provision) for income taxes differs from the amount computed at federal statutory rates due primarily to state income taxes, the change in the deferred tax rate and the change in the valuation allowance. Significant components of the Company's deferred income tax assets (liabilities) are as follows as of December 31:

	2019	2018
Net operating loss carryforwards	$ 19,313,414	$ 17,341,919
Accruals and reserves	652,220	(231,553)
Other	(123,640)	141,704
Depreciation and amortization	(211,486)	(170,605)
Valuation allowance	(19,630,508)	(17,081,465)
	$ -	$ -

The tax provision for interim periods is determined using an estimate of the Company's effective tax rate for the full year adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter the Company updates its estimate of the annual effective tax rate, and if the estimated tax rate changes, the Company makes a cumulative adjustment.

As of December 31, 2019, the Company has net operating loss (NOL) carryforwards available to offset future taxable income, if any, of $77,408,472, of which $57,421,418 will begin to expire in 2028 and $19,987,054 has an indefinite life. The utilization of the NOL carryforwards is subject to annual limitations under Section 382 of the Internal Revenue Code. Section 382 imposes limitations on a corporation's ability to utilize its NOL carryforwards if it experiences an "ownership change." In general terms, an ownership change results from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50% over a three-year period.

The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

13. Income Taxes ***Continued***

Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. The Company considers the need for a valuation allowance against its net deferred income tax assets at the end of each year. Factors considered include recent and expected future taxable earnings, and the Company's liquidity position. As of June 30, 2020, December 31, 2019 and 2018, the Company determined that a full valuation allowance is necessary.

14. Related Party Transactions

The Company expensed $30,000 and $60,000 during each of the six months ended June 30, 2020 and 2019, respectively; and $120,000 in each of the years ended December 31, 2019 and 2018, for consulting services from a consulting firm which is under the direction of one of the Company's board members. As of June 30, 2020, December 31, 2019, and December 31, 2018, the Company had accrued $85,000, $55,000 and $0, respectively, in consulting expenses related to this agreement.

The Company also expensed consulting fees to certain board members, totaling approximately $48,000 during the six months ended June 30, 2020 and 2019, respectively; and $96,000 for each of the years ended December 31, 2019 and 2018. During the six months ended June 30, 2020, the Company received forgiveness of approximately $52,000 of accrued board member fees, no other amounts have been forgiven. As of June 30, 2020, December 31, 2019, and December 31, 2018, the Company had accrued $164,000, $168,000 and $72,000, respectively, in board member fees.

Exhibit 99.2

BIONANO GENOMICS, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANCIAL STATEMENTS

On August 21, 2020, Bionano Genomics, Inc. (the "Company"), Alta Merger Sub, Inc., a wholly-owned subsidiary of the Company ("Merger Sub"), Lineagen, Inc., a Delaware corporation ("Lineagen"), and Michael S. Paul, Ph.D., solely in his capacity as exclusive agent and attorney-in-fact of the securityholders of Lineagen, entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the terms and conditions of the Merger Agreement, Merger Sub merged with and into Lineagen (the "Merger") whereupon the separate corporate existence of Merger Sub ceased, with Lineagen continuing as the surviving corporation of the Merger as a wholly-owned subsidiary of the Company.

The following unaudited pro forma consolidated combined financial statements (the "pro forma financial statements") have been prepared to reflect the Merger, based on the acquisition method of accounting in accordance with U.S. GAAP, with the Company treated as the acquirer. The pro forma financial statements utilize the historical consolidated financial statements of the Company and Lineagen. The historical consolidated financial statements have been adjusted to give effect to pro forma events that are directly attributable to the Merger and factually supportable and, in the case of the statements of operations, which are expected to have a continuing impact.

The unaudited pro forma consolidated combined statements of operations, which have been prepared for the six months ended June 30, 2020 and the year ended December 31, 2019, give effect to the Merger as if it had occurred on January 1, 2019. The unaudited pro forma consolidated combined balance sheet has been prepared as of June 30, 2020 and gives effect to the Merger as if it had occurred on that date. The pro forma financial statements should be read in conjunction with the accompanying notes and the historical consolidated financial statements and accompanying notes of the Company and Lineagen.

The pro forma financial statements are not intended to represent or be indicative of the consolidated results of operations or financial condition of the combined company that would have been reported had the Merger been completed as of the dates presented and should not be taken as representative of the future consolidated results of operations or financial condition of the combined company. The pro forma financial statements do not include the realization of future cost savings or synergies, integration-related costs to achieve those potential cost savings or restructuring charges that may occur following the Merger.

BIONANO GENOMICS, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED BALANCE SHEET
AS OF JUNE 30, 2020

	Bionano	Lineagen	Pro Forma Adjustments	Note 6	Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 17,194,067	$ 687,497	$ (3,044,485)	(g)	$ 14,837,079
Accounts receivable, net	3,249,127	666,690	-		3,915,817
Inventory	3,289,592	33,244	-		3,322,836
Prepaid expenses and other current assets	920,900	183,837	-		1,104,737
Total current assets	24,653,686	1,571,268	(3,044,485)		23,180,469
Intangible assets, net		871,575	708,425	(a)	1,580,000
Goodwill	-	-	7,556,915	(b)	7,556,915
Property and equipment, net	2,549,805	130,901	-		2,680,706
Other long-term assets	-	30,546	-		30,546
Total assets	$ 27,203,491	$ 2,604,290	$ 5,220,855		$ 35,028,636
Liabilities and stockholders' equity (deficit)					
Current liabilities:					
Accounts payable	$ 2,850,450	$ 3,529,869	$ (1,558,929)	(d)	$ 4,821,390
Accrued expenses	2,431,035	1,754,306	1,927,000	(c)	6,112,341
Contract liabilities	289,400	-	-		289,400
Current portion of long-term debt, net of discount	13,938,409	24,384,541	(24,384,541)	(e)	13,938,409
Warrant liability	-	878,910	(878,910)	(e)	-
Total current liabilities	19,509,294	30,547,626	(24,895,380)		25,161,540
Long-term debt, net of current portion	1,774,600	-	-		1,774,600
Long-term contract liabilities	83,510	-	-		83,510
Total liabilities	21,367,404	30,547,626	(24,895,380)		27,019,650
Common stock	9,197	589	(589)	(f)	9,800
			603	(g)	
Convertible preferred stock	-	38,986	(38,986)	(f)	-
Additional paid-in capital	126,989,028	57,890,582	(57,890,582)	(f)	131,088,324
			4,099,296	(g)	
Accumulated deficit	(121,162,138)	(85,873,493)	85,873,493	(f)	(123,089,138)
			(1,927,000)	(c)	
Total stockholders' equity (deficit)	5,836,087	(27,943,336)	30,116,235		8,008,986
Total liabilities and stockholders' equity (deficit)	$ 27,203,491	$ 2,604,290	$ 5,220,855		$ 35,028,636

BIONANO GENOMICS, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2020

	Bionano	Lineagen	Reclassifications (f)	Pro Forma Adjustments	Note 5	Pro Forma Combined
Revenues:						
Product revenue	$ 1,923,155	$ -	$ -	$ -		$ 1,923,155
Other revenue	394,519	-	-	-		394,519
Service revenue		2,613,115	-	-		2,613,115
Total revenue	2,317,674	2,613,115	-	-		4,930,789
Cost of revenue:						
Cost of product revenue	1,289,344	-	-	-		1,289,344
Cost of other revenue	169,335	-	-	-		169,335
Cost of service revenue		-	804,185	-		804,185
Total cost of revenue	1,458,679	-	804,185	-		2,262,864
Operating expense:						
Cost of revenue	-	525,185	(525,185)	-		-
Research and development	5,075,098	-	-	-		5,075,098
Selling, general and administrative	12,980,980	4,179,390	(279,000)	(367,000)	(a)	16,668,490
				154,120	(b)	
Total operating expense	18,056,078	4,704,575	(804,185)	(212,880)		21,743,588
Loss from operations	(17,197,083)	(2,091,460)	-	212,880		(19,075,663)
Other income (expense):						
Interest expense	(1,321,897)	(875,523)	-	875,523	(c)	(1,321,897)
Interest income	-	1,826	-	-		1,826
Loss on adjustment to fair value of warrant liability	-	(20,047)	-	20,047	(d)	-
Other expense	(55,484)	(6,238)	6,238	-		(55,484)
Total other income (expense)	(1,377,381)	(899,982)	6,238	895,570		(1,375,555)
Loss before income taxes	(18,574,464)	(2,991,442)	6,238	1,108,450		(20,451,218)
Provision for income taxes	(10,258)	-	(6,238)	-		(16,496)
Net loss	$ (18,584,722)	$ (2,991,442)	$ -	$ 1,108,450		$ (20,467,714)
Net loss per share, basic and diluted	$ (0.29)				(e)	$ (0.30)
Weighted-average common shares outstanding basic and diluted	63,238,000			6,029,263	(e)	69,267,263

BIONANO GENOMICS, INC.
UNAUDITED PRO FORMA CONSOLIDATED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Bionano	Lineagen	Reclassifications (f)	Pro Forma Adjustments	Note 5	Pro Forma Combined
Revenues:						
Product revenue	$ 9,474,444	$ -	$ -	$ -		$ 9,474,444
Other revenue	655,064	-	-	-		655,064
Service revenue	-	7,534,902	-	-		7,534,902
Total revenue	10,129,508	7,534,902	-	-		17,664,410
Cost of revenue:						-
Cost of product revenue	6,495,693	-	-	-		6,495,693
Cost of other revenue	272,454	-	-	-		272,454
Cost of service revenue	-	-	4,161,038	-		4,161,038
Total cost of revenue	6,768,147	-	4,161,038	-		10,929,185
Operating expense:						
Cost of revenue	-	3,390,038	(3,390,038)	-		-
Research and development	9,080,891	2,030	-	-		9,082,921
Selling, general and administrative	20,155,376	10,741,280	(771,000)	308,240	(b)	30,433,896
Total operating expense	29,236,267	14,133,348	(4,161,038)	308,240		39,516,817
Loss from operations	(25,874,906)	(6,598,446)	-	(308,240)		(32,781,592)
Other income (expense):						
Interest expense	(2,286,196)	(3,828,303)	-	3,828,303	(c)	(1,992,453)
Interest income	-	15,405	-	-		15,405
Gain on adjustment to fair value of warrant liability	-	174,097	-	(174,097)	(d)	-
Loss on debt extinguishment	(1,333,496)	-	-	-		(921,496)
Other expense	(299,424)	50,884	(26)	-		(954,309)
Total other income (expense)	(3,919,116)	(3,587,917)	(26)	3,654,206		(3,852,853)
Loss before income taxes	(29,794,022)	(10,186,363)	(26)	3,345,966		(36,634,445)
Provision for or benefit from income taxes	(21,048)	-	26	-		(21,022)
Net loss	$ (29,815,070)	$ (10,186,363)	$ -	$ 3,345,966		$ (36,655,467)
Net loss per share, basic and diluted	$ (1.99)				(e)	$ (1.74)
Weighted-average common shares outstanding basic and diluted	14,977,901			6,029,263	(e)	21,007,164

BIONANO GENOMICS, INC.
NOTES TO UNAUDITED PRO FORMA CONSOLIDATED COMBINED FINANICAL STATEMENTS

1. Description of the Merger

On August 21, 2020, the Company, Merger Sub, Lineagen, and Michael S. Paul, Ph.D., solely in his capacity as exclusive agent and attorney-in-fact of the securityholders of Lineagen, entered into the Merger Agreement. Pursuant to the terms and conditions of the Merger Agreement, Merger Sub merged with and into Lineagen whereupon the separate corporate existence of Merger Sub ceased, with Lineagen continuing as the surviving corporation of the Merger as a wholly-owned subsidiary of the Company.

Pursuant to the terms of the Merger Agreement, at the effective time of the Merger (the “Effective Time”), the shares of capital stock of Lineagen and all options of Lineagen that were issued and outstanding immediately prior to the Effective Time were automatically cancelled and extinguished without any payment with respect thereto. Certain holders of convertible notes and other indebtedness of Lineagen (the “Lenders”) at the closing of the Merger (the “Closing”) received common stock of the Company. The total number of shares of the Company’s common stock issued or reserved for issuance as consideration for the Merger is 6,167,510 shares, subject to adjustment for cash, accounts receivable, unpaid indebtedness, unpaid transaction expenses and certain other liabilities of Lineagen (the “Merger Shares”). 925,126 of the Merger Shares (the “Escrowed Shares”) will be held in an escrow fund for purposes of satisfying any post-closing purchase price adjustments and indemnification claims under the Merger Agreement.

Also as consideration for the Merger, pursuant to the Merger Agreement, the Company paid approximately $1.9 million in cash to certain creditors and assumed certain liabilities of Lineagen totaling approximately $2.9 million, reflective of the Company's preliminary estimate of the post-closing purchase price adjustment (which adjustment is subject to finalization pursuant to the terms of the Merger Agreement). In addition, on August 21, 2020, concurrent with the Closing, the Company paid approximately $1.1 million to satisfy all outstanding principal and accrued interest amounts due pursuant to that certain Promissory Note, dated April 22, 2020, by and between Lineagen and Silicon Valley Bank (the “Lineagen PPP Loan”), issued pursuant to the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) administered by the U.S. Small Business Administration (the “SBA”). The amount outstanding under the Lineagen PPP Loan previously accrued interest of 1.00% per annum and was subject to the standard terms and conditions applicable to loans administered by the SBA under the CARES Act. The Lineagen PPP Loan was prepaid by the Company prior to maturity without penalty.

The Merger Agreement contains customary representations and warranties of each of the parties as well as customary covenants and additional agreements. The Merger Agreement includes indemnification provisions whereby the Lenders will indemnify the Company for losses arising out of, among other things, inaccuracies in, or breaches of, the representations, warranties and covenants of Lineagen, pre-closing taxes of Lineagen and matters relating to claims by holders of former holders of Lineagen capital stock, subject to certain caps, deductibles, and other limitations. To support such indemnification obligations, the Company and the other indemnified parties will be able to make claims against the Escrowed Shares for a period of one year following the consummation of the Merger.

2. Basis of Presentation

The Company will account for its acquisition of Lineagen using the acquisition method of accounting. The acquisition method of accounting is based on Accounting Standards Codification (“ASC”) Topic 805, Business Combinations, which uses the fair value concepts defined in ASC Topic 820, Fair Value Measurements and Disclosures.

ASC Topic 805 requires, among other things, that assets and liabilities acquired be recognized at their fair values as of the acquisition date. ASC Topic 820 defines the term “fair value” and sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value measurements can be highly subjective, and it is possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

The pro forma adjustments reflect preliminary estimates of the fair value of the consideration transferred, the assets acquired and the liabilities assumed, which may change upon finalization of valuation studies. The final adjustments could be materially different from the pro forma adjustments presented herein. The unaudited pro forma consolidated combined statement of operations includes certain accounting adjustments related to the Merger that are expected to have a continuing impact on the combined results, such as increased amortization of the acquired intangible assets.

For purposes of acquisition accounting, consideration transferred includes all forms of consideration transferred to effect the acquisition. An acquirer may distribute cash or other consideration to settle debt or other liabilities of the acquiree on or near the acquisition date. If the acquirer is deemed to not have assumed the acquiree's liabilities that were paid by the acquirer on or near the acquisition date, the payments are considered part of the consideration transferred, not as assumed liabilities in acquisition accounting. All cash paid and shares issued by the Company pursuant to the Merger Agreement were distributed to debt holders and other creditors of Lineagen. The Company determined that it did not assume Lineagen's liabilities that were settled with cash or shares, and therefore the cash and shares distributed were treated as consideration transferred.

Under ASC 805, acquisition-related transaction costs (such as advisory, legal, valuation, other professional fees) are not included as a component of consideration transferred. Such costs are expensed in the statements of operations in the periods incurred. However, as discussed above, cash and other consideration distributed to settle the acquiree's liabilities (including liabilities related to certain of the acquiree's acquisition-related costs) were determined to be consideration transferred. As discussed in Note 6, all acquisition-related costs not treated as consideration transferred have been included in the unaudited pro forma consolidated combined balance sheet as of June 30, 2020.

3. Estimated Purchase Price

The following is a preliminary estimate of the purchase price for the acquisition of Lineagen:

Cash (a)	$	1,939,977
Cash transferred for repayment of Lineage PPP Loan (b)	$	1,104,508
Shares common stock issued as consideration (c)		6,167,510
Estimated shares of common stock to be returned to the Company (c)		(138,247)
Stock price per share on Effective Date	$	0.68
Value of estimated common stock consideration (c)	$	4,099,899
Total estimated purchase price (c)	$	7,144,384

(a) The Company paid approximately $1.9 million in cash to certain creditors of Lineagen.

(b) The Company paid approximately $1.1 million to satisfy all outstanding principal and accrued interest amounts due pursuant to the Lineagen PPP Loan.

(c) The total number of shares of the Company's common stock issued or reserved for issuance as consideration for the Merger was 6,167,510 shares. 925,126 of the Merger Shares will be held in an escrow fund for purposes of satisfying any post-closing purchase price adjustments and indemnification claims under the Merger Agreement. The total number of Merger Shares is subject to adjustment for cash, accounts receivable, unpaid indebtedness, unpaid transaction expenses and certain other liabilities of Lineagen. The value of the estimated common stock consideration and the total estimated purchase price incorporate the return of an estimated 138,247 Escrowed Shares to the Company based on a preliminary estimate of this adjustment.

4. **Estimated Purchase Price Allocation**

The total estimated purchase price was allocated to Lineagen's net assets based on their estimated fair values as of June 30, 2020, the effective date of the Merger for the purposes of this pro forma presentation. The estimated fair value of Lineagen's tangible and intangible assets acquired and liabilities assumed on a preliminary basis as of June 30, 2020 are as follows:

Cash and cash equivalents	$	687,497
Accounts receivable		666,690
Other assets		247,627
Property and equipment, net		130,901
Intangible assets		1,580,000
Goodwill		7,556,915
Accounts payable and other accrued liabilities		(3,725,246)
Net assets acquired	$	7,144,384

5. **Reclassification and Proforma Adjustments – Statements of Operations**

The following pro forma adjustments included in the unaudited pro forma consolidated combined statements of operations for the six months ended June 30, 2020 and the year ended December 31, 2019 give effect to the Merger as if it had occurred on January 1, 2019:

(a) Transaction Costs – Transaction costs incurred in connection with the Merger are not expected to continue subsequent to the Merger.

(b) Intangible Asset Amortization – To reflect amortization expense for the fair value of the acquired intangible assets, including a tradename intangible with an acquisition-date fair value of $0.6 million and a customer relationship intangible with an acquisition-date fair value of $1.0 million, both amortized straight-line over estimated useful lives of five years. Straight-line amortization was determined to be materially consistent with the pattern of expected use of the intangible assets.

(c) Interest Expense – To remove interest expense related to extinguished debt incurred by Lineagen. This debt was not assumed by the Company in connection with the Merger.

(d) Gain or Loss on Adjustment to Fair Value of Warrant Liability – To remove the gain or loss on adjustment to fair value of warrant liability, as all warrants were extinguished.

(e) Weighted-Average Common Shares Outstanding and Net Loss per Share – At the Closing of the Merger, Bionano issued or reserved for issuance to certain holders of convertible notes and other creditors of Lineagen 6,167,650 shares of its common stock. 925,126 of the Merger Shares will be held in an escrow fund for purposes of satisfying any post-closing purchase price adjustments and indemnification claims under the Merger Agreement. The total number of Merger Shares is subject to adjustment for cash, accounts receivable, unpaid indebtedness, unpaid transaction expenses and certain other liabilities of Lineagen, and the total estimated purchase price incorporates the return of an estimated 138,247 Escrowed Shares to the Company based on a preliminary estimate of this adjustment.

(f) Reclassification(s) – Adjustments to conform Lineagen's historical financial statement presentation with the Company's presentation. Adjustments include (i) reclassifying amounts presented by Lineagen as cost of revenue within operating expense to cost of service revenue within cost of revenue, (ii) reclassifying certain labor costs presented by Lineagen as selling, general and administrative expense to cost of service revenue, and (iii) reclassifying the income tax provision or benefit from other expense to a separate line item.

6. **Proforma Adjustments – Balance Sheet**

The following are the pro forma adjustments included in the unaudited pro forma consolidated combined balance sheet as of June 30, 2020 and give effect to the Merger as if it had occurred on that date:

(a) **Intangible Assets –** To reflect the valuation of intangible assets acquired in conjunction with the Merger.

(b) **Goodwill –** Goodwill to be recognized as a result of the Merger.

(c) **Other Current Liabilities –** To reflect accrued liabilities that are directly attributable to the closing of the Merger, including estimated transaction costs to complete the Merger of approximately $0.8 million for Lineagen and $1.1 million for the Company. These transaction costs principally consist of financial advisor fees, legal expenses and auditor expenses.

(d) **Accounts Payable –** At the Closing of the Merger, merger consideration was issued to satisfy approximately $1.6 million in non-debt trade liability of Lineagen.

(e) **Long-term Debt –** At the Closing of the Merger, merger consideration of approximately $0.9 million in cash and approximately 5.5 million shares of Bionano common stock was paid or issued to certain holders of convertible notes and other creditors of Lineagen, in full satisfaction of the outstanding long-term debt liabilities of Lineagen, not including the Lineagen PPP Loan. Warrants previously issued in connection with long-term debt liabilities were cancelled for no consideration. In addition, Bionano paid approximately $1.1 million to fully satisfy the Lineagen PPP Loan prior to maturity without penalty.

(f) **Stockholders' Equity –** This is to reflect the elimination of Lineagen's historical shareholders' equity.

(g) **Estimated Merger Consideration –** Estimated merger consideration includes approximately $1.9 million in cash paid at Closing to certain creditors of Lineagen, and additionally approximately $1.1 million in cash paid immediately prior to Closing in full satisfaction of the Lineagen PPP Loan. In addition, Bionano issued or reserved for issuance to certain holders of convertible notes and other creditors of Lineagen 6,167,650 shares of its common stock. 925,126 of the Merger Shares will be held in an escrow fund for purposes of satisfying any post-closing purchase price adjustments and indemnification claims under the Merger Agreement. The total number of Merger Shares is subject to adjustment for cash, accounts receivable, unpaid indebtedness, unpaid transaction expenses and certain other liabilities of Lineagen. The value of the estimated common stock consideration and the total estimated purchase price incorporate the return of an estimated 138,247 Escrowed Shares to the Company based on a preliminary estimate of this adjustment.