

BioAmber Inc.
Form 10-Q
August 14, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

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: 001-35905

BIOAMBER INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

98-0601045
(I.R.S. Employer
Identification No.)

Jean-François Huc

President and Chief Executive Officer

BioAmber Inc.

1250 Rene Levesque West, Suite 4110

Montreal, Quebec, Canada H3B 4W8

Telephone: (514) 844-8000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of August 14, 2013, there were 18,412,815 shares of the registrant's Common Stock, \$0.01 par value per share, outstanding.

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For the Quarter Ended June 30, 2013

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****BIOAMBER INC.****(a development stage company)****Consolidated Statements of Operations****For the three and six months ended June 30, 2013 and 2012****and the period from October 15, 2008 (inception) to June 30, 2013****(Unaudited)**

	Three Months ended June 30,		Six Months ended June 30,		Period from October 15, 2008 (inception) to June 30, 2013
	2013	2012	2013	2012	
	\$	\$	\$	\$	\$
Revenues					
Licensing revenue from related parties (Note 14)					1,300,580
Product sales	1,028,389	605,826	1,359,111	986,063	4,210,730
Total revenues	1,028,389	605,826	1,359,111	986,063	5,511,310
Cost of goods sold (Note 14)	1,411,225	(262,385)	1,609,741	691,757	4,192,625
Gross profit (loss)	(382,836)	868,211	(250,630)	294,306	1,318,685
Operating expenses					
General and administrative	2,292,082	2,558,977	4,630,395	5,017,180	26,856,763
Research and development, net	4,220,580	5,195,669	10,319,720	10,813,024	54,156,816
Sales and marketing	1,652,302	1,064,537	2,747,732	1,900,932	9,573,740
Depreciation of property and equipment and amortization of intangible assets (Note 1)	538,987	535,084	1,072,165	1,050,766	4,719,698
Impairment loss and write-off of property and equipment and of intangible assets (Note 1)	8,619,405		8,619,405		9,960,743
Foreign exchange (gain) loss	(28,450)	(182,762)	(116,687)	(102,178)	136,638
Operating expenses	17,294,906	9,171,505	27,272,730	18,679,724	105,404,398
Operating loss	17,677,742	8,303,294	27,523,360	18,385,418	104,085,713
Amortization of deferred financing costs and debt discounts	117,120		186,433	22,625	471,942
Financial charges (income), net (Note 11)	(11,748,000)	9,881	(11,748,000)		(6,105,065)
Gain on debt extinguishment (Note 8)			(314,305)		(314,305)
Interest revenue from related parties (Note 14)					(161,771)
Income taxes (Note 12)	46,570		46,570		(690,365)

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Equity participation in losses of equity method investments (Note 3)	51	96,032	15,390	132,304	7,062,971
Gain on re-measurement of BioAmber S.A.S.					(6,215,594)
Net loss	6,093,483	8,409,207	15,709,448	18,540,347	98,133,526
Net loss attributable to:					
BioAmber Inc. shareholders	5,925,677	8,385,722	15,425,933	18,479,010	97,252,125
Non-controlling interest	167,806	23,485	283,515	61,337	881,401
	6,093,483	8,409,207	15,709,448	18,540,347	98,133,526
Net loss per share attributable to BioAmber Inc. shareholders - basic					
	\$ 0.39	\$ 0.81	\$ 1.22	\$ 1.80	
Weighted-average of common shares outstanding - basic					
	15,035,037	10,332,315	12,658,482	10,251,405	

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

Table of Contents**BIOAMBER INC.****(a development stage company)****Consolidated Statements of Comprehensive Loss****For the three and six months ended June 30, 2013 and 2012****and the period from October 15, 2008 (inception) to June 30, 2013****(Unaudited)**

	Three Months ended June 30,		Six Months ended June 30,		Period from October 15, 2008 (inception) to June 30, 2013
	2013	2012	2013	2012	
	\$	\$	\$	\$	\$
Net loss	6,093,483	8,409,207	15,709,448	18,540,347	98,133,526
Foreign currency translation adjustment	2,715	938,213	619,202	186,397	612,570
Total comprehensive loss	6,096,198	9,347,420	16,328,650	18,726,744	98,746,096
Total comprehensive loss attributable to:					
BioAmber Inc. shareholders	5,843,995	9,360,945	16,005,377	18,702,417	97,926,539
Non-controlling interest	252,203	(13,525)	323,273	24,327	819,557
	6,096,198	9,347,420	16,328,650	18,726,744	98,746,096

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

Table of Contents**BIOAMBER INC.****(a development stage company)****Consolidated Balance Sheets****June 30, 2013 and December 31, 2012****(Unaudited)**

	As of June 30, 2013 \$	As of December 31, 2012 \$
Assets		
Current assets		
Cash (Note 8, iii)	102,981,209	25,072,337
Accounts receivable	627,295	596,171
Inventories (Note 4)	2,312,189	1,894,319
Prepaid expenses and deposits (Note 4)	5,780,539	2,364,934
Valued added tax, income taxes and other receivables	2,075,189	1,969,681
Deferred financing costs	700,000	16,741
Total current assets	114,476,421	31,914,183
Property and equipment, net (Note 5)	4,146,932	3,650,984
Investment in equity method investments (Note 3)	710,139	725,529