

BioAmber Inc.
Form 10-Q
August 12, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the quarterly period ended June 30, 2014

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 98-0601045
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)

Jean-François Huc

President and Chief Executive Officer

BioAmber Inc.

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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 7, 2014, there were 21,806,299 shares of the registrant's Common Stock, \$0.01 par value per share, outstanding.

BIOAMBER INC.

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For the Quarter Ended June 30, 2014

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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, 2014 and 2013

and the period from October 15, 2008 (inception) to June 30, 2014

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		Period from October 15, 2008 (inception) to June 30, 2014
	2014	2013	2014	2013	
	\$	\$	\$	\$	\$
Revenues					
Licensing revenue from related parties (Note 17)	—	—	—	—	1,300,580
Product sales	414,600	1,028,389	765,261	1,359,111	6,282,117
Total revenues	414,600	1,028,389	765,261	1,359,111	7,582,697
Cost of goods sold excluding depreciation and amortization (Note 17)	2,251,101	1,411,225	2,530,961	1,609,741	7,802,864
Gross loss	(1,836,501)	(382,836)	(1,765,700)	(250,630)	(220,167)
Operating expenses					
General and administrative	2,865,175	2,292,082	5,784,238	4,630,395	37,767,634
Research and development, net	4,258,554	4,220,580	7,572,803	10,319,720	67,989,134
Sales and marketing	1,737,458	1,652,302	2,848,860	2,747,732	14,404,904
Depreciation of property and equipment and amortization of intangible assets	59,909	538,987	119,583	1,072,165	4,931,698
Impairment loss and write-off of property and equipment and of intangible assets	—	8,619,405	—	8,619,405	9,960,743
Foreign exchange (gain) loss	(379,442)	(28,450)	(211,814)	(116,687)	347,385
Operating expenses	8,541,654	17,294,906	16,113,670	27,272,730	135,401,498
Operating loss	10,378,155	17,677,742	17,879,370	27,523,360	135,621,665.0
	71,909	117,120	144,709	186,433	670,681

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Amortization of deferred financing costs
and debt

discounts

Financial charges (income), net (Note 10)	3,870,799	(10,616,800)	16,223,520	(10,616,800)	14,433,346
Gain on debt extinguishment (Note 8)	—	—	—	(314,305)	(314,305)
Interest revenue from related parties (Note 17)	—	—	—	—	(161,771)
Equity participation in (income) losses of equity method investments (Note 3)	(162)	51	(108)	15,390	7,062,969
Gain on re-measurement of BioAmber S.A.S.	—	—	—	—	(6,215,594)
Other expense (income), net	(185,000)	—	(185,000)	—	(185,000)
Loss before income taxes	14,135,701	7,178,113	34,062,491	16,794,078	150,911,991
Income taxes (Note 14)	9,439	46,570	34,690	46,570	(599,451)
Net loss	14,145,140	7,224,683	34,097,181	16,840,648	150,312,540
Net loss attributable to:					
BioAmber Inc. shareholders	13,992,561	7,056,877	33,903,606	16,557,133	148,947,554
Non-controlling interest	152,579	167,806	193,575	283,515	1,364,986
	14,145,140	7,224,683	34,097,181	16,840,648	150,312,540