
**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, 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.

BIOAMBER INC.
Form 10-Q
For the Quarter Ended June 30, 2013

Table of Contents

	<u>Page</u>
<u>Part I—Financial Information</u>	
Item 1. <u>Condensed Financial Statements</u>	3
<u>Consolidated Statements of Operations (Unaudited)</u>	3
<u>Consolidated Statements of Comprehensive Loss (Unaudited)</u>	4
<u>Consolidated Balance Sheets (Unaudited)</u>	5
<u>Consolidated Statements of Shareholders' Equity (Unaudited)</u>	6
<u>Consolidated Statements of Cash Flows (Unaudited)</u>	9
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	12
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	27
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	42
Item 4. <u>Controls and Procedures</u>	42
<u>Part II—Other Information</u>	
Item 1. <u>Legal Proceedings</u>	43
Item 1A. <u>Risk Factors</u>	43
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	43
Item 3. <u>Defaults Upon Senior Securities</u>	44
Item 4. <u>Mine Safety Disclosures</u>	44
Item 5. <u>Other Information</u>	44
Item 6. <u>Exhibits</u>	45
<u>Signatures</u>	46

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		Six Months ended		Period from
	June 30,		June 30,		October 15,
	2013	2012	2013	2012	2008 (inception)
	\$	\$	\$	\$	to June 30, 2013
					\$
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	<u>1,028,389</u>	<u>605,826</u>	<u>1,359,111</u>	<u>986,063</u>	<u>5,511,310</u>
Cost of goods sold (Note 14)	1,411,225	(262,385)	1,609,741	691,757	4,192,625
Gross profit (loss)	<u>(382,836)</u>	<u>868,211</u>	<u>(250,630)</u>	<u>294,306</u>	<u>1,318,685</u>
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	<u>17,294,906</u>	<u>9,171,505</u>	<u>27,272,730</u>	<u>18,679,724</u>	<u>105,404,398</u>
Operating loss	<u>17,677,742</u>	<u>8,303,294</u>	<u>27,523,360</u>	<u>18,385,418</u>	<u>104,085,713</u>
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)
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	<u>6,093,483</u>	<u>8,409,207</u>	<u>15,709,448</u>	<u>18,540,347</u>	<u>98,133,526</u>
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
	<u>6,093,483</u>	<u>8,409,207</u>	<u>15,709,448</u>	<u>18,540,347</u>	<u>98,133,526</u>
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.

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	<u>6,096,198</u>	<u>9,347,420</u>	<u>16,328,650</u>	<u>18,726,744</u>	<u>98,746,096</u>
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
	<u>6,096,198</u>	<u>9,347,420</u>	<u>16,328,650</u>	<u>18,726,744</u>	<u>98,746,096</u>

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

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
Intangible assets, net (Note 6)	4,158,550	13,050,153
Goodwill	654,123	662,972
Total assets	124,146,165	50,003,821
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	5,743,794	4,677,920
Income taxes payable (Note 12)	1,018,814	982,658
Accounts payable Agro-industries Recherches et Développements ("ARD") (Note 14)	76,404	197,019
Deferred grants (Note 9)	3,510,852	3,711,356
Short-term portion of long-term debt (Note 8)	—	183,177
Total current liabilities	10,349,864	9,752,130
Long-term debt (Note 8)	27,946,276	2,416,616
Warrants financial liability (Note 11)	4,400,000	—
Other long-term liabilities	60,000	37,500
Total liabilities	42,756,140	12,206,246
Commitments and contingencies (Note 10)		
Shareholders' equity		
Share capital		
Common stock:		
\$0.01 par value per share; 55,000,000 authorized, 18,412,815 and 10,349,815 issued and outstanding at June 30, 2013 and December 31, 2012, respectively	184,128	103,498
Additional paid-in capital	173,621,316	113,780,846
Warrants	3,074,957	3,074,957
Deficit accumulated during the development stage	(97,252,125)	(81,826,192)
Accumulated other comprehensive income (loss)	(674,413)	(94,969)
Total BioAmber Inc. shareholders' equity	78,953,863	35,038,140
Non-controlling interest	2,436,162	2,759,435
Total shareholders' equity	81,390,025	37,797,575
Total liabilities and equity	124,146,165	50,003,821

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

BIOAMBER INC.
(a development stage company)
Consolidated Statements of Shareholders' Equity
for the period from June 30, 2009 to June 30, 2013
(in U.S. dollars, except for shares data)
(Unaudited)

	Common stock		Series A Participating Convertible Preferred shares		Additional paid-in capital		Warrants		Deficit accumulated during the development stage		Accumulated other comprehensive loss		Non- controlling interest		Total Shareholders' equity	
	Shares	Par value \$	Shares	Par value \$	\$	Shares	Value \$	\$	\$	\$	\$	\$	\$	\$	\$	
Balance, June 30, 2009	408,100	4,081	1,177,925	11,779	3,691,382	1,522,465	2,118,563	(1,850,906)	(4,120)	—	—	3,970,779				
Issuance of shares of common stock pursuant to the conversion of warrants (Note 11)	696,500	6,965	—	—	3,992,935	—	—	—	—	—	—	—	—	—	3,999,900	
Issuance of shares of common stock pursuant to private placement, net of issuance costs of \$589,854 (Note 11)	1,393,070	13,931	—	—	7,396,417	—	—	—	—	—	—	—	—	—	7,410,348	
Issuance of warrants pursuant to private placement (Note 11)	—	—	—	—	(244,373)	66,185	244,373	—	—	—	—	—	—	—	—	
Conversion of preferred shares to shares of common stock pursuant to private placement (Note 11)	1,177,925	11,779	(1,177,925)	(11,779)	—	—	—	—	—	—	—	—	—	—	—	
Warrants exercised	82,355	824	—	—	156,445	(82,355)	(54,302)	—	—	—	—	—	—	—	102,967	
Warrants expired	—	—	—	—	11,769	(29,050)	(11,769)	—	—	—	—	—	—	—	—	
Stock options exercised (Note 11)	7,000	70	—	—	7,434	—	—	—	—	—	—	—	—	—	7,504	
Acquisition of Sinoven Biopolymers Inc	—	—	—	—	—	—	—	—	—	—	—	—	—	—	339,142	
Stock-based compensation (Note 11)	—	—	—	—	470,325	—	—	—	(7,992,216)	—	—	—	—	—	470,325	
Net loss	—	—	—	—	—	—	—	—	—	—	—	(646,824)	—	(77,306)	(8,069,522)	
Foreign currency translation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(646,824)	
Balance, June 30, 2010	<u>3,764,950</u>	<u>37,650</u>	<u>—</u>	<u>—</u>	<u>15,482,334</u>	<u>1,477,245</u>	<u>2,296,865</u>	<u>(9,843,122)</u>	<u>(650,944)</u>	<u>261,836</u>	<u>—</u>	<u>7,584,619</u>				

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

BIOAMBER INC.
(a development stage company)
Consolidated Statements of Shareholders' Equity
for the period from June 30, 2009 to June 30, 2013
(in U.S. dollars, except for shares data)
(Unaudited)

	Common stock Shares	Par value \$	Additional paid-in capital \$	Warrants Shares	Warrants Value \$	Deficit accumulated during the development stage \$	Accumulated other comprehensive income (loss) \$	Non- controlling interest \$	Total Shareholders' equity \$
Balance, June 30, 2010	3,764,950	37,650	15,482,334	1,477,245	2,296,865	(9,843,122)	(650,944)	261,836	7,584,619
Expired warrants	—	—	7,879	(7,350)	(7,879)	—	—	—	—
Issuance of common stock pursuant to the acquisition of Bioamber S.A.S.	1,107,540	11,075	7,333,149	—	—	—	—	—	7,344,224
Stock-based compensation	—	—	635,284	—	—	—	—	—	635,284
Net loss	—	—	—	—	—	(2,010,861)	—	(101,923)	(2,112,784)
Foreign currency translation	—	—	—	—	—	—	403,302	—	403,302
Balance, December 31, 2010	4,872,490	48,725	23,458,646	1,469,895	2,288,986	(11,853,983)	(247,642)	159,913	13,854,645
Balance, December 31, 2010	4,872,490	48,725	23,458,646	1,469,895	2,288,986	(11,853,983)	(247,642)	159,913	13,854,645
Issuance of common stock pursuant to private placement, net of issuance costs of \$231,374	3,887,485	38,875	40,730,500	—	—	—	—	—	40,769,375
Issuance of common stock pursuant to private placement, net of issuance costs of \$31,230 (Note 11)	702,135	7,021	19,962,566	—	—	—	—	—	19,969,587
Issuance of common stock pursuant to conversion of unsecured convertible notes, net of costs of \$8,626 (Note 11)	379,155	3,792	3,986,475	—	—	—	—	—	3,990,267
Issuance of warrants pursuant to a private placement	—	—	—	94,745	810,448	—	—	—	810,448
Release of common stock to Sinoven owners	70,000	700	1,228,400	—	—	—	—	—	1,229,100
Warrants exercised	45,500	455	97,164	(45,500)	(9,902)	—	—	—	87,717
Warrants expired	—	—	14,254	(59,850)	(14,254)	—	—	—	—
Stock options exercised	7,000	70	7,434	—	—	—	—	—	7,504
Stock-based compensation	—	—	3,905,478	—	—	—	—	—	3,905,478
Net loss	—	—	—	—	—	(30,621,159)	—	(231,244)	(30,852,403)
Acquisition of non-controlling interest	—	—	2,984,550	—	—	—	—	3,950	2,988,500
Contribution by non-controlling interest	—	—	—	—	—	—	(257,615)	2,912,628	2,912,628
Foreign currency translation	—	—	—	—	—	—	(505,257)	—	(257,615)
Balance, December 31, 2011	9,963,765	99,638	96,375,467	1,459,290	3,075,278	(42,475,142)	(505,257)	2,845,247	59,415,231

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

BIOAMBER INC.
(a development stage company)
Consolidated Statements of Shareholders' Equity
for the period from June 30, 2009 to June 30, 2013
(in U.S. dollars, except for shares data)
(Unaudited)

	Common stock Shares	Par value \$	Additional paid-in capital \$	Shares Warrants	Value \$	Deficit accumulated during the development stage \$	Accumulated other comprehensive income (loss) \$	Non- controlling interest \$	Total Shareholders' equity \$
Balance, December 31, 2011	9,963,765	99,638	96,375,467	1,459,290	3,075,278	(42,475,142)	(505,257)	2,845,247	59,415,231
Issuance of common stock pursuant to private placement, net of issuance costs of \$22,254 (Note 11)	351,050	3,510	9,974,146	—	—	—	—	—	9,977,656
Release of shares held in trust	35,000	350	(350)	—	—	—	—	—	—
Warrants expired (Note 11)	—	—	321	(1,435)	(321)	—	—	—	7,431,262
Stock-based compensation (Note 11)	—	—	7,431,262	—	—	(39,351,050)	—	(187,413)	(39,538,463)
Net loss	—	—	—	—	—	—	—	101,601	511,889
Foreign currency translation	—	—	—	—	—	—	—	—	—
Balance, December 31, 2012	<u>10,349,815</u>	<u>103,498</u>	<u>113,780,846</u>	<u>1,457,855</u>	<u>3,074,957</u>	<u>(81,826,192)</u>	<u>(94,969)</u>	<u>2,759,435</u>	<u>37,797,575</u>
Balance, December 31, 2012	10,349,815	103,498	113,780,846	1,457,855	3,074,957	(81,826,192)	(94,969)	2,759,435	37,797,575
Release of shares held in trust (Note 2)	63,000	630	(630)	—	—	—	—	—	—
Cancellation of shares (Note 2)	—	—	(140,000)	—	—	—	—	—	(140,000)
Stock-based compensation (Note 11)	—	—	4,476,591	—	—	—	—	—	4,476,591
Issuance of units, net of issuance costs (Note 11)	8,000,000	80,000	55,504,509	—	—	—	—	—	55,584,509
Net loss	—	—	—	—	—	(15,425,933)	—	(283,515)	(15,709,448)
Foreign currency translation	—	—	—	—	—	—	(579,444)	(39,758)	(619,202)
Balance, June 30, 2013	<u>18,412,815</u>	<u>184,128</u>	<u>173,621,316</u>	<u>1,457,855</u>	<u>3,074,957</u>	<u>(97,252,125)</u>	<u>(674,413)</u>	<u>2,436,162</u>	<u>81,390,025</u>

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

BIOAMBER INC.
(a development stage company)

Consolidated Statements of Cash Flows
For the 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 \$	\$
Cash flows from operating activities					
Net loss	(6,093,483)	(8,409,207)	(15,709,448)	(18,540,347)	(98,133,526)
Adjustments to reconcile net loss to cash:					—
Stock-based compensation	2,059,225	1,935,245	4,476,591	3,749,053	17,115,937
Depreciation of property and equipment and amortization of intangible assets	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
Amortization of deferred financing costs and debt discounts	117,120	—	186,433	22,625	471,942
Write-off of IPO costs	—	—	—	—	1,828,074
Equity participation in losses of equity method investments	51	96,032	15,390	132,304	7,062,971
Other long-term liabilities	11,250	—	22,500	—	60,000
Gain on re-measurement of Bioamber S.A.S.	—	—	—	—	(6,215,594)
Financial charges (income), net (Note 11)	(11,748,000)	9,881	(11,748,000)	—	(6,105,065)
(Gain) loss on debt extinguishment (Note 8, ii)	—	—	(314,305)	—	(314,305)
Deferred income taxes	—	—	—	—	(736,935)
Changes in operating assets and liabilities					
Change in accounts receivable	(35,025)	(120,331)	(31,124)	(334,539)	(627,295)
Change in accounts receivable from Bioamber S.A.S.	—	—	—	—	(5,963,869)
Change in inventories	931,964	(1,057,831)	(421,191)	(1,543,587)	(2,315,510)
Change in prepaid expenses and deposits	2,117,460	1,688,891	(3,394,675)	(1,999,533)	(5,796,795)
Change in research and development tax credits receivable, value added tax, income taxes and other receivables	443,669	(142,695)	(88,076)	(423,137)	448,108

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BIOAMBER INC.
(a development stage company)

Consolidated Statements of Cash Flows
For the 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 \$	\$
Change in accounts payable to ARD	(432,014)	547,131	(118,871)	1,234,564	434,406
Change in accounts payable and accrued liabilities	<u>1,300,201</u>	<u>305,150</u>	<u>1,195,674</u>	<u>(347,925)</u>	<u>2,491,870</u>
Net cash used in operating activities	<u>(2,169,189)</u>	<u>(4,612,650)</u>	<u>(16,237,532)</u>	<u>(16,999,756)</u>	<u>(81,615,145)</u>
Cash flows from investing activities					
Acquisition of property and equipment	(2,073,690)	(2,877,950)	(2,112,459)	(3,519,474)	(8,840,764)
Cash consideration paid on the acquisition of Sinoven	—	—	—	—	(20)
Investment in equity method investments	—	—	—	(1,000,000)	(1,000,000)
Net cash from acquisition of Bioamber S.A.S.	—	—	—	—	<u>1,016,969</u>
Net cash used in investing activities	<u>(2,073,690)</u>	<u>(2,877,950)</u>	<u>(2,112,459)</u>	<u>(4,519,474)</u>	<u>(8,823,815)</u>

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

BIOAMBER INC.
(a development stage company)

Consolidated Statements of Cash Flows
For the 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 \$	\$
Cash flows from financing activities					
Issuance of bridge loan	—	—	—	—	585,000
Repayment of bridge loan	—	—	—	—	(585,000)
Deferred financing costs	(624,946)	(648,117)	(771,659)	(680,160)	(2,154,015)
Issuance of long-term debt (Note 8 iii)	24,979,219	—	25,589,855	—	28,322,839
Government grants (Note 9)	(17,105)	—	485,462	—	6,900,546
Proceeds from issuance of convertible notes, net of financing costs	—	—	—	—	7,805,798
Net proceeds from issuance of common shares	—	—	—	9,977,656	78,331,448
Proceeds from issuance of shares by a subsidiary	—	—	—	—	2,912,628
Net proceeds on issuance of units (Note 11)	71,732,509	—	71,732,509	—	71,732,509
Cancellation of shares (Note 2)	—	—	(140,000)	—	(140,000)
Net cash provided by financing activities	<u>96,069,677</u>	<u>(648,117)</u>	<u>96,896,167</u>	<u>9,297,496</u>	<u>193,711,753</u>
Foreign exchange impact on cash	(376,702)	(50,354)	(637,304)	(112,456)	(291,584)
Increase (decrease) in cash	91,450,096	(8,189,071)	77,908,872	(12,334,190)	102,981,209
Cash, beginning of period	11,531,113	43,811,022	25,072,337	47,956,141	—
Cash, end of period	<u>102,981,209</u>	<u>35,621,951</u>	<u>102,981,209</u>	<u>35,621,951</u>	<u>102,981,209</u>
Supplemental cash flow information:					
Non-cash transactions:					
Shares and warrants issued in connection with the spin-off transaction	—	—	—	—	4,011,220
Conversion of convertible notes into common shares (Note 11)	—	—	—	—	5,999,347
Forgiveness of convertible note	—	—	—	—	100
Conversion of preferred shares into common shares	—	—	—	—	11,779
Acquisition of Sinoven - contingent consideration	—	—	—	—	1,005,000
Acquisition of Bioamber S.A.S. common stock	—	—	—	—	7,344,224
Warrants issued in connection with the bridge loan and closing of private placement	—	—	—	—	810,448
Deferred financing costs related to IPO not yet paid	842,705	389,425	842,705	389,425	842,705
Construction in Progress costs not yet paid	137,367	57,004	137,367	57,004	137,367

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

BIOAMBER INC.
(a development stage company)

Notes to Consolidated Financial Statements
For the six and three months ended June 30, 2013 and 2012, year ended December 31, 2012 and
the period from October 15, 2008 (inception) to June 30, 2013
(Unaudited)

1. Summary of significant accounting policies

Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with SEC rules and regulations and using the same accounting policies as described in Note 2 of the 2012 audited consolidated financial statements. Accordingly, these unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's annual consolidated financial statements for the year ended December 31, 2012.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management bases its estimates on various assumptions and historical experience, which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. The results of operations for the six and three months ended June 30, 2013 are not necessarily indicative of results to be expected for the year ended December 31, 2013 or any other future period.

Revenue

The Company's revenues represent sales of bio-succinic acid to a limited number of customers. Revenues from the Company's two largest customers represented 68% and 89% of the consolidated revenue for the six months ended June 30, 2013 and 2012, respectively. Revenues from two customers represented 70% and 89% of the consolidated revenue for the three months ended June 30, 2013 and 2012, respectively.

Intangible assets

Costs incurred in obtaining patents are capitalized and amortized on a straight-line basis over their estimated useful lives of between 8 and 15 years. The Company's patent portfolio was acquired as part of the spin-off transaction and the acquisition of Bioamber SAS. The cost of servicing the patents is expensed as incurred.

As required by ASC 805, acquired IPR&D through business combinations is accounted for as an indefinite-lived intangible asset until completion or abandonment of the associated research and development efforts. Therefore, such assets are not amortized but are tested for impairment at least annually. Once the research and development activities are completed, the assets will be amortized over the related product's useful life. If the project is abandoned, the assets will be written off if they have no alternative future use.

The Company reviews its portfolio of patents and acquired in-process research and development taking into consideration events or circumstances that may affect its recoverable value.

During the three months ended June 30, 2013, the Company's board of directors approved the transition from an E. coli-based technology to its yeast-based technology to be used in the production process at its manufacturing facility in Sarnia, Ontario planned to be mechanically complete in December 2014. FASB ASC 35-9 requires evaluating the remaining useful life of an intangible asset that is being amortized each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. The decision to remove the E. coli as the core technology from the Company's production process required the Company to assess for potential impairment by conducting a recoverability test of this IP portfolio and determining whether the carrying value of the IP is less than or equal to the fair value of the IP. The test comprised determining the fair value by discounting future cash flows from the future expected sales of succinic acid manufactured using the E. coli technology. The tests indicated that the fair market value was nominal. The non-recurring fair value measure is a level 3 fair value measure. As a consequence, the Company recognized an impairment loss on the intangible assets related to the E. coli technology, comprised of patents and IPR&D acquired as part of the spin-off transaction and the acquisition of Bioamber S.A.S. in the amount of \$7.8 million during the three months ended June 30, 2013.

Long-lived asset impairment

Management assesses the fair value of its long-lived assets in accordance with ASC 360, *Property, Plant, and Equipment*. At the end of each reporting period, it evaluates whether there is objective evidence of events or changes in business conditions which suggest that an asset may be impaired. In such cases, the Company determines the fair value based upon forecasted, undiscounted cash flows which the assets are expected to generate and the net proceeds expected from their sale. If the carrying amount exceeds the fair value of the asset, it is decreased by the difference between the two being the amount of the impairment.

As a result of the Company's board of directors approving the transition from an E. coli-based technology to yeast-based technology, the Company conducted an analysis of the costs capitalized in construction in progress to determine whether such costs would still provide future benefits as part of the planned manufacturing facility in Sarnia, Ontario. The assessment conducted by the Company identified certain costs that are no longer useful for a productive process based on its yeast. Accordingly, the Company recognized a write-off in an amount of \$834,000 during the three months ended June 30, 2013.

Warrants financial liability

The Company accounts for common stock warrants in accordance with applicable accounting guidance provided in ASC 815, *Derivatives and Hedging—Contracts in Entity's Own Equity*, as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement. Derivative warrant liabilities are valued using the Black-Scholes pricing model at the date of initial issuance and using the closing value as quoted on the New York Stock Exchange at each subsequent balance sheet date.

The liability is presented as warrants financial liability in the consolidated balance sheet, and changes in the fair value of the warrants are reflected in the consolidated statement of operations as part of financial charges (income), net. The change in fair value of common stock warrants liability resulted in a decrease in the associated warrant liability of \$11.7 million for the three months ended June 30, 2013. This change was due to changes in the market price of our warrants.

Recent accounting pronouncements

In February 2013, the FASB amended the guidance on the presentation of comprehensive income in order to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendment does not change the current requirements for reporting net income or other comprehensive income in financial statements. Rather, it requires the entity to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount being reclassified is required under GAAP to be reclassified in its entirety to net income in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about those amounts. The new guidance is effective prospectively for reporting periods beginning after December 15, 2012. The standard does not impact the Company.

2. Sinoven Biopolymers Inc. ("Sinoven")

On March 1, 2013, the Company and Sinoven's selling shareholders entered into a Termination and Release Agreement (the "Termination Agreement"), whereby their employment was terminated. Pursuant to the Termination Agreement, the 70,000 shares held in trust on behalf of the selling shareholders were dealt with as follows:

- i) 63,000 shares were released, and
- ii) 7,000 shares were forfeited in exchange for cash consideration of \$140,000.

The shares held in trust were considered deferred stock-based compensation and expensed in accordance with FASB ASC 718, ratably over the period in which the shares vested. As a result of entering into the Termination Agreement, the Company recognized the remaining deferred compensation as an expense in the amount of \$872,375 on March 1, 2013 and recorded the \$140,000 paid in cash as a decrease of additional paid-in capital.

3. Investment in AmberWorks LLC

AmberWorks had revenue of nil and \$39,050 and a net loss of \$30,780 and \$264,608, for the six months ended June 30, 2013 and 2012, respectively. Sinoven's share of the net loss amounted to \$15,390 and \$132,304 for those periods.

AmberWorks had revenue of nil and \$25,323 and a net loss of \$102 and \$192,064, for the three months ended June 30, 2013 and 2012, respectively. Sinoven's share of the net loss amounted to \$51 and \$96,032 for those periods.

AmberWorks had total assets of \$1,420,278 and \$1,484,611 and total liabilities of nil and \$33,553 as of June 30, 2013 and December 31, 2012, respectively. Sinoven's share of net assets amounted to \$710,139 and \$725,529 as of those periods.

4. Inventories and Prepaid expenses and deposits

The Company had \$2.3 million and \$1.9 million of finished goods inventory as of June 30, 2013 and December 31, 2012, respectively.

The Company had \$5.8 million and \$2.4 million of prepaid expenses and deposits as of June 30, 2013 and December 31, 2012, respectively, which was comprised primarily of deposits made to secure the purchase of equipment and advances for the planned construction of the manufacturing facility in Sarnia, Ontario.

5. Property and equipment

	Estimated Useful Life (years)	June 30, 2013	December 31, 2012
		\$	\$
Land		320,260	338,550
Furniture and fixtures	5 - 8	50,512	51,354
Machinery and equipment	5 - 15	391,983	328,595
Computers, office equipment and peripherals	3 - 7	204,251	180,689
Construction in-progress		6,668,807	5,851,247
Grants applied to construction in-progress		<u>(3,303,230)</u>	<u>(2,978,689)</u>
		4,332,583	3,771,746
Less: accumulated depreciation		<u>(185,651)</u>	<u>(120,762)</u>
Property and equipment, net		<u>4,146,932</u>	<u>3,650,984</u>

Depreciation expense is recorded as an operating expense in the consolidated statements of operations and amounted to \$70,198 and \$29,186 for the six months ended June 30, 2013 and 2012, respectively and to \$38,926 and \$19,127 as for the three months ended June 30, 2013 and 2012, respectively.

6. Intangible assets

	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
	\$	\$
Intellectual property, patents and licenses:		
Beginning balance	12,664,197	5,006,495
Completion of in-process research and development	—	8,056,451
Write-off of patents and completed IPR&D	<u>(7,785,384)</u>	<u>(398,749)</u>
	4,878,813	12,664,197
Foreign currency translation adjustment	<u>(350,074)</u>	<u>(245,822)</u>
	4,528,739	12,418,375
Less: accumulated amortization	<u>(4,528,739)</u>	<u>(3,526,771)</u>
Intellectual property, patents and licenses, net	—	8,891,604
Acquired in-process research and development:		
Beginning balance	4,158,550	13,028,942
Completion of in-process research and development	—	(8,056,451)
Write-off of in-process research and development	<u>—</u>	<u>(813,941)</u>
Acquired in-process research and development, net	<u>4,158,550</u>	<u>4,158,550</u>
Intangible assets, net	<u>4,158,550</u>	<u>13,050,153</u>

Amortization expense is recorded as an operating expense in the consolidated statements of operations and amounted to \$1,001,967 and \$1,021,580 for the six months ended June 30, 2013 and 2012, respectively and to \$500,061 and \$515,957 for the three months ended June 30, 2013 and 2012, respectively.

7. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consisted of the following:

	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
	\$	\$
Trade accounts payable	3,430,662	3,196,160
Accrued payroll and bonus	1,092,769	1,122,566
Consulting and legal fees	1,211,557	167,774
Other	<u>8,806</u>	<u>191,420</u>
Total	<u>5,743,794</u>	<u>4,677,920</u>

8. Long-term debt

Project Financing

The Company entered into the following facilities to fund the construction of a manufacturing facility in Sarnia, Ontario, Canada:

i) Sustainable Jobs and Investment Fund (SJIF)

During March 2013, BioAmber Sarnia Inc. received the first disbursement of CAD\$929,000, or \$883,774 when converted into U.S. dollars as of June 30, 2013. The loan was originally recorded at \$473,622 when converted into U.S. dollars as of June 30, 2013, being the discounted amount of the future cash payments of principal and interest over the term of the loan. The discount rate used was 15%, being the interest rate a loan with similar terms and conditions would carry. There were no disbursements during the three months ended June 30, 2013.

The difference between the face value of the loan and the discounted amount of the loan of \$410,152 when converted into U.S. dollars as of June 30, 2013 was recorded as a deferred grant (see Note 9).

The discounted loan is being accreted to its face value through a charge in the consolidated statement of operations using the effective interest method over the term of the loan.

ii) Federal Economic Development Agency (FEDDEV)

On September 30, 2011, BioAmber Sarnia Inc. and Canadian Federal Economic Development Agency entered into a contribution agreement pursuant to which a loan of up to a maximum amount of CAD \$12,000,000 or \$11,410,000 when converted into U.S. dollars as of June 30, 2013, was granted to BioAmber Sarnia. The loan is non-interest bearing with repayment of principal from October 2013 to October 2018 in 60 monthly installments. The repayment terms were later modified as described below.

During October 2012, BioAmber Sarnia Inc. received the first disbursement for CAD \$3,645,000 or \$3,466,000 when converted into U.S. dollars as of June 30, 2013. The loan was originally recorded at \$1,834,000 when converted into U.S. dollars as of June 30, 2013, being the discounted amount of the future cash payments of principal and interest over the term of the loan.

During January 2013, BioAmber Sarnia Inc. received a second disbursement for CAD\$221,000, or \$210,498 when converted into U.S. dollars as of June 30, 2013. The loan was originally recorded at \$115,790 when converted into U.S. dollars as of June 30, 2013, being the discounted amount of the future cash payments of principal and interest over the term of the loan. The discount rate used was 15%, being the interest rate a loan with similar terms and conditions would carry. There were no disbursements during the three months ended June 30, 2013.

The difference between the face value of the loan and the discounted amount of the loan of \$75,310 when converted into U.S. dollars as of June 30, 2013 was recorded as a deferred grant (see Note 9).

The discounted loan is being accreted to its face value through a charge in the consolidated statement of operations using the effective interest method over the term of the loan.

On March 20, 2013, the Company agreed with FEDDEV to amend the repayment of principal from the period October 2013 to October 2018, to the period October 2014 to October 2019. The Company recorded the impact of the amendment in accordance with FASB ASC 470-50, *Debt Modifications and Extinguishments*. Accordingly, the amendment was recorded as a debt extinguishment and the issuance of new debt, with new terms. As a result, the Company recognized a gain on debt extinguishment of \$314,305.

iii) Hercules Technology Growth Capital, Inc.

On June 27, 2013, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with Hercules Technology Growth Capital, Inc. (HTGC). Pursuant to the Loan Agreement, HTGC agreed to make a senior secured term loan of \$25 million, which was funded on June 27, 2013, net of a 2.5% loan fee. The term loan is repayable over 36 months after closing, at a floating interest rate per annum based on the greater of (a) 10% and (b) the prime rate (as reported in the Wall Street Journal) plus 6.75% and is subject to an end of term charge of 11.5% based on the \$25 million loaned amount (\$2,875,000). There will be an initial interest-only period until January 1, 2014, which will continue in the event that the Company receives an additional equity contribution by its joint venture partner of at least \$1.5 million relating to its Sarnia facility by December 31, 2013, in which case the initial interest-only period will be extended until July 1, 2014. The proceeds are expected to be used to fund the construction of the initial phase of the Company's planned facility in Sarnia, Ontario with an expected capacity of 30,000 metric tons of bio-succinic acid and for general corporate purposes.

At its option, the Company may prepay some or all of the loan balance, subject to a prepayment fee equal to 2% of the amount prepaid during the first 12 months after closing, 1% after 12 months but prior to 24 months after closing, and without prepayment fee thereafter. In addition, the Company is obligated to pay an end of term charge (as referenced above) in the amount of \$2,875,000 on the date on which the term loan is paid or becomes due and payable in full.

The loan obligation is secured by a security interest on substantially all of the Company's assets (subject to certain exceptions), including its intellectual property, but excluding certain licenses from third parties and its equity interest in its subsidiary, BioAmber Sarnia Inc. The security interest does not apply to any assets owned by BioAmber Sarnia Inc., the entity that will own the Company's planned Sarnia manufacturing facility.

The Loan Agreement contains certain representations and warranties, affirmative covenants, negative covenants and conditions that are customarily required for similar financings. The Loan Agreement also contains customary events of default (subject, in certain instances, to specified grace periods) including, but not limited to, the failure to make payments of interest or premium, if any, on, or principal under the loan, the failure to comply with certain covenants and agreements specified in the Loan Agreement, the occurrence of a material adverse effect, defaults in respect of certain other indebtedness, and certain events of insolvency. The Company must maintain at least \$10 million in unrestricted cash as long as the loan remains outstanding. If the Company makes investments into BioAmber Sarnia Inc. in an amount exceeding \$15 million per quarter, or an aggregate amount exceeding \$50 million during the term of the loan, the Company is required to maintain an amount not less than the lesser of (a) \$20 million and (b) the then outstanding principal balance of the term loan, in unrestricted cash through the period ending December 31, 2014 at which time, under the terms of the Loan Agreement, the planned Sarnia facility must be mechanically complete. If any event of default occurs, the principal, premium, if any (including the end of term fee referenced above), interest and any other monetary obligations on all the then outstanding amounts under the loan may become due and payable immediately.

The balance of the outstanding long term debt is as follows:

	<u>June 30,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
	\$	\$
Sustainable Chemistry Alliance:		
Face value (CAD \$500,000)	475,400	502,550
Less: debt discount	(228,784)	(241,474)
Amortization of debt discount	63,131	43,614
	<u>309,747</u>	<u>304,690</u>
Sustainable Jobs and Investment Fund:		
Face value (CAD \$929,000)	883,774	—
Less: debt discount	(410,152)	—
Amortization of debt discount	17,984	—
	<u>491,606</u>	<u>—</u>
Federal Economic Development Agency:		
Face value (CAD \$3,866,000)	3,676,125	3,663,548
Less: debt discount	(1,423,102)	(1,424,764)
Less: short-term portion of debt	—	(183,177)
Gain on debt extinguishment	(303,232)	—
Amortization of debt discount	195,132	56,319
	<u>2,144,922</u>	<u>2,111,926</u>
Hercules Technology Growth Capital, Inc:		
Face value (US \$25,000,000)	25,000,000	—
Less: short-term portion of debt	—	—
	<u>25,000,000</u>	<u>—</u>
Long-term debt, net	<u>27,946,276</u>	<u>2,416,616</u>

The principal repayments of the outstanding loans payable are as follows:

	<u>SCA</u>	<u>SJIF</u>	<u>FEDDEV</u>	<u>HTGC</u>	<u>Total</u>
	\$	\$	\$	\$	\$
July 2013 - June 2014	—	—	—	—	—
July 2014 - June 2015	—	—	551,419	12,500,000	13,051,419
July 2015 - June 2016	47,540	—	735,225	12,500,000	13,282,765
July 2016 - June 2017	95,080	—	735,225	—	830,305
July 2017 and thereafter	332,780	883,774	1,654,256	—	2,870,810
Total	<u>475,400</u>	<u>883,774</u>	<u>3,676,125</u>	<u>25,000,000</u>	<u>30,035,299</u>

9. Deferred Grants

As of December 31, 2012, the Company has received the following grants:

a) Sustainable Development Technology Canada

Grant from Sustainable Development Technology Canada to BioAmber Sarnia in the amount of CAD\$7,500,000, or \$7,538,000 when converted into U.S. dollars as of December 31, 2012, with progressive disbursements according to the terms of the agreement and milestones, as follows:

- i) Detailed Engineering Package, Construction and Procurement. The Company fulfilled this Milestone in October 2012.
- ii) Procurement of Equipment and Construction of the manufacturing facility, expected to be prior to December 2013.
- iii) Commissioning, Start-up and Optimization of the manufacturing facility, expected to be prior to June 2014.

The grant is non-reimbursable by BioAmber Sarnia, except upon the occurrence of certain events of default defined in the agreement.

An advance on Milestone I of CAD\$1,982,726, or \$1,885,000 when converted into U.S. dollars as of June 30, 2013, was received in December 2011 (net of 10% holdback) and was recorded as deferred grant and presented in current liabilities as of December 31, 2011. During October 2012, Milestone I was fulfilled and as a result BioAmber Sarnia Inc. received CAD\$3,015,000, or \$2,867,000 when converted into U.S. dollars as of June 30, 2013, as advance on Milestone II. Accordingly, the advance on Milestone I was reclassified from deferred grants reducing the cost of construction in-progress, whereas the advance in Milestone II has been recorded as a deferred grant and presented in current liabilities.

b) Sustainable Chemistry Alliance

The loan received from the Sustainable Chemistry Alliance is to be used primarily for maintenance and operation of the Company's facility, staff salaries and commercialization costs. As the loan bears a below market interest rate, it has been recorded at a discount and a portion of the proceeds has been recorded as a deferred grant. The expenses for which the loan was received have not yet been incurred as of June 30, 2013, but are expected to be incurred during the next two quarters. Accordingly, the grant portion of the loan in the amount of \$228,784 as at June 30, 2013, has been deferred and will be reclassified as a reduction of such expenses as they are incurred in the future. The deferred grant has been presented in current liabilities.

c) Federal Economic Development Agency

The loan proceeds received from the Federal Economic Development Agency are being used to finance the construction and start-up of the Company's bio-based succinic acid plant in Sarnia, Ontario. The terms of the loan agreement require the Company to submit a claim for eligible expenses incurred for subsequent reimbursement by the Federal Economic Development Agency. As the loan bears a zero interest rate, it was recorded at a discount and a portion of the proceeds in the amount of \$1,347,792 when converted into U.S. dollars as of June 30, 2013, was recorded as a short term deferred grant. Subsequently, the Company reclassified a portion of the deferred grant in the amount of \$932,591 to reduce the cost of the construction in progress. The remaining balance of the deferred grant for \$415,201 is presented in current liabilities.

During the six month period ended June 30, 2013, the Company received the following grants:

a) Federal Economic Development Agency

The loan proceeds received in January 2013 from the Federal Economic Development Agency (see Note 8) are being used to finance the construction and start-up of the Company's bio-based succinic acid plant in Sarnia, Ontario. The terms of the loan agreement require the Company to submit a claim for eligible expenses incurred for subsequent reimbursement by the Federal Economic Development Agency. As the loan bears no interest, it was recorded at a discount and a portion of the proceeds in the amount of \$75,310 when converted into U.S. dollars as of June 30, 2013, was recorded as a short term deferred grant and subsequently reclassified to reduce the cost of construction in progress.

b) Sustainable Jobs and Investment Fund

The loan proceeds received from the Sustainable Jobs and Investment Fund (see Note 8) are being used to finance the construction and start-up of the Company's bio-based succinic acid plant in Sarnia, Ontario. The terms of the loan agreement require the Company to submit a claim for eligible expenses incurred for subsequent reimbursement by the Sustainable Jobs and Investment Fund. As the loan bears a below market interest rate, it was recorded at a discount and a portion of the proceeds in the amount of \$410,152 when converted into U.S. dollars as of June 30, 2013, was recorded as a short term deferred grant and subsequently reclassified to reduce the cost of construction in progress.

10. Commitments and contingencies

Leases

The Company leases its premises and other assets under various operating leases. Future lease payments aggregate \$1,121,638 as at December 31, 2012 and include the following future amounts payable on a twelve month basis:

	<u>December 31, 2012</u>
	\$
2013	355,422
2014	339,941
2015	330,428
2016	95,847
2017	—

Royalties

The Company has entered into exclusive license agreements that provide for the payment of royalties in the form of up-front payments, minimum annual royalties, and milestone payments. The Company has the right to convert such exclusive agreements into non-exclusive agreements without the right to sublicense and without the obligation to pay minimum royalties. As of December 31, 2012, the Company has commitments related to royalty payments as follows:

	<u>December 31, 2012</u>
	\$
2013	1,123,272
2014	592,790
2015	638,917
2016	643,500
2017 and thereafter	8,423,834

The Company had such contractual agreements with ten partners: Cargill Inc., DuPont, Michigan State University, UT-Batelle on behalf of the U.S. National Laboratories and the U.S. DOE, Seton Hall University, Celexion LLC, University of Guelph, MuCell Extrusion LLC, Gene Bridges GmbH, the University of North Dakota and the National Research Council of Canada in partnership with the INRS University.

The royalties which the Company owes are in return for use or development of proprietary tools, patents and know-how and the actual expenses incurred amounted to a total of \$691,442 and \$794,923 for the six months ended June 30, 2013 and 2012, respectively. These amounts form part of the expenses recorded in research and development in the consolidated statements of operations.

Litigation

As of June 30, 2013 and for each preceding periods, there are no outstanding claims or litigations.

11. Share capital

On April 10, 2013, the Company's board of directors approved a 35-for-1 forward stock split of the Company's outstanding common stock, with a post-split par value of \$0.01 per share of common stock, which became effective May 2, 2013, upon the filing of the Company's amended and restated certificate of incorporation. All share and per share information in the accompanying consolidated financial statements and related notes have been retroactively adjusted to reflect the stock split for all periods presented.

Authorized

The Company was authorized to issue from the date of inception to April 13, 2011, 9,310,000 shares of common stock and 1,190,000 preferred shares, issuable in series, each with a par value of \$0.01 per share.

On April 14, 2011, the Company's board of directors resolved (i) to increase the total number of authorized shares of common stock to 17,500,000 and (ii) to eliminate the authorization for issuance of preferred shares.

Common stock—dividends and voting rights

Each share entitles the record holders thereof to one vote per share on all matters on which shareholders shall have the right to vote. The holders of shares shall be entitled to such dividends, if any, as may be declared thereon by the Company's board of directors at its sole discretion.

Preferred stock—dividends and voting rights

Holders of Series A of preferred stock were entitled to dividends and votes on the same basis as the common stock, and had a liquidation preference of \$2.72 per share. In addition, the Series A participating convertible stock were convertible, at the option of the holders, into shares of common stock on a one-to-one basis. As of June 30, 2010 all preferred stock were converted into shares of common stock.

Liquidation, dissolution and winding up rights

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of shares of common stock shall be entitled to receive all of the remaining assets of the Company available for distribution to its shareholders, ratably in proportion to the number of shares held by them.

Initial Public Offering

On May 9, 2013, the Company completed an initial public offering (IPO) of 8,000,000 units, each unit consisting of one share of common stock and one warrant to purchase half of one share of common stock, at a price of \$10.00 per unit. Each warrant is exercisable during the period commencing on August 8, 2013 and ending on May 9, 2017 at an exercise price of \$11.00 per whole share of common stock.

The Company received approximately \$71.7 million in net proceeds from the IPO after estimated payment of fees, expenses and underwriting discounts of approximately \$8.3 million.

The units began trading on the New York Stock Exchange on May 10, 2013 under the symbol BIOA.U. On June 10, 2013, the common shares began trading on the New York Stock Exchange separately under the symbol BIOA and the warrants began trading on the New York Stock Exchange separately under the symbol BIOA.WS and the trading of the units was suspended and they were de-listed.

Warrants

The warrants issued upon the completion of the IPO, are exercisable during the period beginning on August 8, 2013 and ending on May 9, 2017. The warrants contain full ratchet, anti-dilution protection upon the issuance of any common stock, securities convertible into common stock, or certain other issuances at a price below the then-existing exercise price of the warrant, with certain exceptions. The exercise price of \$11.00 per whole share of common stock is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock issuances or other similar events affecting the company's common stock. At issuance, the fair value of the warrants was classified as a financial liability as a result of their characteristics, in accordance with FASB ASC 815.

The fair value of the warrants was determined to be \$2.02 per warrant using the Black-Scholes option pricing model using the following assumptions:

Risk free interest rate	0.54%
Expected life	4 years
Volatility	56.06%
Expected dividend yield	0%
Forfeiture rate	0%

Accordingly, a liability of \$16.1 million was recorded at the unit issuance date. On June 28, 2013 the closing value of the warrant on the New York Stock Exchange, a level 1 fair value measure, was \$0.55 per warrant. As a result we revalued the liability on the balance sheet resulting in financial income of \$11.7 million.

Private placement—period ended December 31, 2012

On February 6, 2012, the Company completed a private placement for gross proceeds of \$9,999,910, pursuant to which 351,050 shares of common stock were issued at a price per share of \$28.49.

Share issue costs incurred amounted to \$22,254 consisting principally of legal fees.

Private placements—period ended December 31, 2011

On April 15, 2011 the Company completed a private placement for gross proceeds of approximately \$45,000,000, pursuant to which 4,266,640 shares of common stock were issued at a price per share of \$10.55. The private placement consisted of the following:

- Issuance of 379,155 shares of common stock resulting from the conversion of \$3,998,893 in unsecured convertible notes;
- Issuance of 3,887,485 shares of common stock for gross cash proceeds of \$41,000,749; and
- Issuance of 94,745 warrants with fair value of \$810,448 recorded as a financial charge. Each warrant expires 10 years from the warrant issue date and entitles the holder to purchase one share of common stock at a price of \$10.55 per share. The fair value of the warrants was determined using the Black-Scholes option pricing model using the following assumptions:

Risk-free interest rate	2.62%
Expected life	10 years
Volatility	78.25%
Expected dividend yield	0%

Share issue costs incurred amounted to approximately \$240,000 consisting principally of legal fees, of which \$231,374 were allocated to the share issuance and \$8,626 were allocated to the conversion of the unsecured convertible note.

On November 4, 2011 the Company completed a private placement for gross proceeds of approximately \$20,000,817, pursuant to which 702,135 shares of common stock were issued at a price per share of \$28.49.

Share issue costs incurred amounted to \$31,230 consisting principally of legal fees.

Private placement—period ended June 30, 2010

In October 2009, the Company completed a private placement for gross proceeds of approximately \$12,000,000, pursuant to which 2,089,570 shares of common stock were issued at a price of \$5.74 per share as follows:

- Conversion of a secured convertible note, for a total amount of \$4,000,000, into 696,500 shares of common stock, at \$5.74 per share price totaling \$3,999,900. The remaining \$100 was forgiven;
- Issuance of 1,393,070 shares of common stock for gross cash proceeds of \$8,000,102; and
- Issuance of 66,185 warrants as broker fees with a fair value of \$244,373. Each warrant expires five years from the warrant issue date and entitles the holder to purchase one share of common stock at a price of \$5.74 per share. The fair value of the warrants was determined using the Black-Scholes option pricing model, using the following assumptions:

Risk-free interest rate	2.62%
Expected life	5 years
Volatility	78.25%
Expected dividend yield	0%

In October 2009, as part of the private placement transaction, all outstanding issued preferred stock were converted into 1,177,925 shares of common stock.

Share issue costs incurred amounted to \$589,854 consisting principally of legal fees and commissions.

Stock option plan

On December 8, 2008, the Company's board of directors approved the Company's Employee Stock Option Plan (the "Plan"), available to certain employees, outside directors and consultants of the Company and its affiliated companies. The options under the Plan are granted for the purchase of common stock at exercise prices determined by the Company's board of directors and generally vest two, three and four years from the date of grant and expire in 10 years. The total number of options allowable in the plan is 2,121,000, of which 974,750 under the initial plan, 1,050,000 approved by the Company's board of directors on June 27, 2011 and 96,250 approved by the Company's board of directors on December 6, 2011.

On April 10, 2013, the Company's board of directors, upon the recommendation of the compensation committee, adopted the 2013 Stock Option and Incentive Plan, or the 2013 Plan, which was subsequently approved by our stockholders. The 2013 Plan replaced the 2008 Plan, as the Company's board of directors has determined not to make additional awards under that plan. The 2013 Plan provides flexibility to the compensation committee to use various equity-based incentive awards as compensation tools to motivate our workforce.

The Company has initially reserved 2,761,922 shares of its common stock for the issuance of awards under the 2013 Plan. The 2013 Plan may also provide that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning in 2014, by 3% of the outstanding number of shares of common stock on the immediately preceding December 31. This number is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The 2013 Plan is administered by the Company's board of directors or the compensation committee (the "Administrator"). The Administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2013 Plan. Persons eligible to participate in the 2013 Plan are those full or part-time officers, employees, non-employee directors and other key persons (including consultants and prospective officers) of the Company and its subsidiaries as selected from time to time by the Administrator in its discretion.

The 2013 Plan permits the granting of (1) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. The exercise price of each option will be determined by the Administrator but may not be less than 100% of the fair market value of the common stock on the date of grant. The term of each option will be fixed by the Administrator and may not exceed ten years from the date of grant. The Administrator will determine at what time or times each option may be exercised.

The Administrator may award stock appreciation rights, restricted shares of common stock, restricted stock units and may also grant shares of common stock which are free from any restrictions under the 2013 Plan. The Administrator may grant performance share awards to any participant, which entitle the recipient to receive shares of common stock upon the achievement of certain performance goals and such other conditions as the Administrator shall determine. The Administrator may grant dividend equivalent rights to participants which entitle the recipient to receive credits for dividends that would be paid if the recipient had held specified shares of common stock.

The 2013 Plan provides that upon the effectiveness of a "sale event" as defined in the 2013 Plan, except as otherwise provided by the Administrator in the award agreement, all stock options and stock appreciation rights will automatically become fully exercisable and the restrictions and conditions on all other awards with time-based conditions will automatically be deemed waived, unless the parties to the sale event agree that such awards will be assumed or continued by the successor entity.

No other awards may be granted under the 2013 Plan after the date that is ten years from the date of stockholder approval.

Stock-based compensation expense was allocated as follows:

	Three Months ended June 30,		Six months ended June 30,		Cumulative from inception to June 30, 2013
	2013 \$	2012 \$	2013 \$	2012 \$	
General and administrative	528,644	604,336	1,287,844	1,183,864	5,869,909
Research and development	956,156	1,105,109	2,410,080	2,131,793	8,943,188
Sales and marketing	574,424	225,801	778,667	433,396	2,302,840
Total compensation expense	<u>2,059,224</u>	<u>1,935,246</u>	<u>4,476,591</u>	<u>3,749,053</u>	<u>17,115,937</u>

The following table summarizes activity under the Plan:

	Three Months ended				Six Months ended			
	June 30, 2013		June 30, 2012		June 30, 2013		June 30, 2012	
	Number of options	Weighted Average Exercise price \$	Number of options	Weighted Average Exercise price \$	Number of options	Weighted Average Exercise price \$	Number of options	Weighted Average Exercise price \$
Options outstanding, beginning of period	2,061,500	10.80	1,977,500	10.02	2,072,000	10.89	1,898,750	9.25
Granted	248,716	10.55	66,500	28.49	252,216	10.80	145,250	28.49
Forfeited	(77,365)	(28.49)	(3,500)	10.55	(91,365)	28.49	(3,500)	10.55
Options outstanding, end of period	2,232,851	10.31	2,040,500	10.62	2,232,851	10.31	2,040,500	10.62
Options exercisable, end of period	1,479,148	7.39	825,860	4.15	1,479,148	7.39	825,860	4.15
Per share weighted average grant-date fair value of options granted		\$ 4.91		\$ 22.36		\$9.50		\$22.42

As of June 30, 2013, the weighted-average remaining contractual life of options outstanding and options exercisable were 7.1 years and 7 years, respectively.

The fair value of options granted during the six months and three months periods ended June 30, 2013 and 2012, respectively, was determined using the Black-Scholes option pricing model and the following weighted-average assumptions:

	Three Months ended June 30,		Six Months ended June 30,	
	2013	2012	2013	2012
Risk-free interest rate	2.52%	1.83%	2.50%	1.93%
Expected life	10 years	10 years	10 years	10 years
Volatility	72.30%	74.96%	72.29%	75.27%
Expected dividend yield	0%	0%	0%	0%
Forfeiture rate	0%	0%	0%	0%

Warrants

As at June 30, 2013, the Company had the following warrants outstanding to acquire common shares:

Number	Exercise price	Expiration date
474,950	\$ 1.07	February 2014 - September 2019
620,060	\$ 1.43	February 2019
268,100	\$ 5.74	October 2014 - June 2019
94,745	\$ 10.55	April 2021
4,000,000	\$ 11.00	May 2017
<u>5,457,855</u>		

12. Income taxes

Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial reporting and tax bases of assets and liabilities and available net operating loss carry forwards. A valuation allowance is established to reduce tax assets if it is more likely than not that all or some portions of such tax assets will not be realized.

The Company's valuation allowance was recorded on the deferred tax assets to provide for a reasonable provision, which in the Company's estimation is more likely than not that all or some portions of such tax assets will not be realized. In determining the adequacy of the valuation allowance, the Company applied the authoritative guidance and considered such factors as (i) which subsidiaries were producing income and which subsidiaries were producing losses and (ii) temporary differences occurring from depreciation and amortization which the Company expects to increase the taxable income over future periods.

The Company follows the guidance concerning accounting for uncertainty in income taxes, which clarifies the accounting and disclosure for uncertainty in tax positions. The guidance requires that the Company determine whether it is more likely than not that a tax position will not be sustained upon examination by the appropriate taxing authority. If a tax position does not meet the more likely than not recognition criterion, the guidance requires that the tax position be measured at the largest amount of benefit greater than 50 percent not likely of being sustained upon ultimate settlement.

Based on the Company's evaluation at June 30, 2013, management has concluded that there has been no change to the recorded uncertain tax positions requiring recognition in the consolidated financial statements or adjustments to deferred tax assets and related valuation allowance. Open tax years include the tax years December 31, 2009 through December 31, 2011.

The Company from time to time has been assessed interest or penalties by major tax jurisdictions; however such assessments historically have been minimal and immaterial to our financial results. If the Company receives an assessment for interest and/or penalties, it would be classified in the consolidated financial statements as an income tax expense.

For the six month periods ended June 30, 2013 and June 30, 2012, the Company's effective income tax rates was (.28%) and 0%, respectively compared to an applicable U.S. federal statutory income tax rate of 34%. The difference between the effective tax rate and U.S. statutory tax as of June 30, 2013 is primarily due the existence of valuation allowances for deferred tax assets including net operating losses and stock options. For the six months ended June 30, 2013, the Company recorded valuation allowances on deferred tax assets relating to current year losses. As of June 30, 2013, no changes have been made to the unrecognized tax benefits that were previously recorded.

The Company accounts for interest and penalties related to uncertain tax positions, if any, as part of tax expense unless it is associated with intercompany profits. The Company recognizes interest and penalties related to uncertain tax positions associated with intercompany profits as prepaid tax expense. The asset is amortized over the life of the assets involved in the intercompany sale. For each of the periods presented herein, there were no material changes to the amounts accrued or charged to expense for tax-related interest and penalties.

The Company is subject to possible income tax examinations for its U.S. federal and state income tax returns filed for the tax years 2009 to present. International tax statutes may vary widely regarding the tax years subject to examination, but generally range from 2009 to the present.

13. Financial instruments

Currency risk

The Company is exposed to foreign currency risk as result of foreign-denominated transactions and balances. The Company does not hold any financial instruments that mitigate this risk.

Credit risk

The Company's exposure to credit risk as of June 30, 2013, is equal to the carrying amount of its financial assets. As of June 30, 2013, amounts due from one customer represented approximately 62% of the total accounts receivable.

14. Related party transactions

Transactions with related parties not disclosed elsewhere were as follows:

	Three Months ended		Six Months ended		Cumulative from inception to June 30, 2013
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	
	\$	\$	\$	\$	\$
Licensing fees charged to Bioamber S.A.S.	—	—	—	—	1,300,580
Interest revenue from Bioamber S.A.S.	—	—	—	—	161,771
Product sales to companies under the common control of a shareholder	—	—	—	128,250	257,865
Product sales to a shareholder	295,462	—	297,122	—	297,122
Toll manufacturing services provided by ARD recorded as research and development expenses	258,200	—	396,200	134,000	2,849,252
Toll manufacturing services provided by ARD initially recorded as inventory	786,929	1,281,202	2,115,457	2,235,344	5,984,716
Land purchased from Lanxess	—	—	—	—	338,550
Services provided by Saltigo, a subsidiary of Lanxess, recorded as research and development expenses	—	—	—	—	387,440

On December 7, 2012, the Company entered into a restated toll manufacturing agreement with ARD, whereby ARD granted the Company exclusive access to a demonstration plant in France to develop and produce succinic acid. The Company purchases 100% of the succinic acid produced by the demonstration plant from ARD. ARD remains a shareholder of the Company.

The related party transactions noted above were undertaken in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

15. Business segments

The Company allocates, for the purpose of geographic segment reporting, its revenue based on the location of the seller. The Company's licensing revenues have been generated in the United States while the product sales have been generated in France.

For the purpose of geographic segment reporting, the non-current assets of the Company are allocated as follows:

	Europe	
	June 30, 2013	December 31, 2012
	\$	\$
Property and equipment, net	4,728	4,638
Investment in equity method investments	—	—
Intangible assets, net (Note 5)	4,158,550	10,439,305
Goodwill	654,123	662,972

	North America	
	June 30, 2013	December 31, 2012
	\$	\$
Property and equipment, net	4,142,204	3,646,346
Investment in equity method investments	710,139	725,529
Intangible assets, net	—	2,610,848
Goodwill	—	—

	Consolidated	
	June 30, 2013	December 31, 2012
	\$	\$
Property and equipment, net	4,146,932	3,650,984
Investment in equity method investments	710,139	725,529
Intangible assets, net	4,158,550	13,050,153
Goodwill	654,123	662,972

16. Subsequent events

The Company has evaluated and determined that there has been no subsequent event through August 14, 2013, the date of issuance of the consolidated financial statements.

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

The information included in this management's discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and the notes included in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect the views of our management regarding current expectations and projections about future events and are based on currently available information. Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, but not limited to, those discussed in Part II, Item 1A. "Risk Factors" as well as those discussed elsewhere in this report. Other unknown or unpredictable factors also could have a material adverse effect on our business, financial condition and results of operations. Accordingly, readers should not place undue reliance on these forward-looking statements. The use of words such as "anticipates," "estimates," "expects," "intends," "plans" and "believes," among others, generally identify forward-looking statements; however, these words are not the exclusive means of identifying such statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. We are not under any obligation to, and do not intend to, publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise, even if experience or future events make it clear that any expected results expressed or implied by those forward-looking statements will not be realized. Please carefully review and consider the various disclosures made in this report and in our other reports filed with the Securities and Exchange Commission that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

Overview

We are a next-generation chemicals company. Our proprietary technology platform combines industrial biotechnology and chemical catalysis to convert renewable feedstocks into sustainable chemicals that are cost-competitive replacements for petroleum-derived chemicals. We currently sell our first product, bio-succinic acid, to customers in a variety of chemical markets. We intend to produce bio-succinic acid that is cost-competitive with succinic acid produced from petroleum at our planned facility in Sarnia, Ontario, which we plan to build pursuant to a joint venture agreement with Mitsui. We currently produce our bio-succinic acid in a large-scale demonstration facility using a 350,000 liter fermenter in Pomacle, France, which we believe to be among the largest bio-based chemical manufacturing facilities in the world.

We believe we can produce bio-succinic acid that is cost-competitive with succinic acid produced from oil priced as low as \$35 per barrel, based on management's estimates of production costs at our planned facility in Sarnia, Ontario and an assumed corn price of \$6.50 per bushel. While we can provide no assurance that we will be able to secure corn at \$6.50 per bushel given the fluctuations in corn prices, we believe this assumption is reasonable given the historic price of corn and management's expectations as to their ability to manage the cost of corn and other inputs for our planned facility in Sarnia, Ontario. Over the past five years, the price of corn ranged from a low of \$2.68 per bushel to a high of \$8.44 per bushel. As of August 5, 2013, the spot price was \$5.75 per bushel and the six month forward price was \$4.60 per bushel. We estimate that a \$1.00 increase or decrease in the per bushel price of corn would result in just a \$0.024 per pound change in the variable cost of our bio-succinic acid. We expect the productivity of our yeast and on-going process improvements to further reduce our production costs. Our ability to compete on cost is not dependent on government subsidies or tariffs. We intend to build our first facility in cooperation with Mitsui in Sarnia, Ontario. We expect this facility to be mechanically complete in 2014, at which time we plan to begin commissioning and start-up. We also intend to build and operate two additional facilities over the next three to four years.

We have been manufacturing our bio-succinic acid at a large-scale demonstration facility in Pomacle, France for over three years. We shipped commercial quantities to customers, such as shipments of one ton super sacks and container loads. We and our customers used the products produced at the facility as part of our efforts to validate and optimize our process and to continue to refine and improve our bio-succinic acid to meet our customers' specifications. We expect to move from a development stage enterprise to a commercial enterprise as our planned principal operations begin in the Sarnia, Ontario facility. As we scale-up our manufacturing capacity and prepare to manufacture and commercialize, we expect the majority of our revenue will initially come from sales of bio-succinic acid. We also intend to leverage our proprietary technology platform and expertise in the production of bio-succinic acid to target additional high value-added products, such as bio-based 1,4 BDO, bioplastics, de-icing solutions and plasticizers. In addition, we are also working to expand our product portfolio to additional building block chemicals, including adipic acid and caprolactam.

As of June 30, 2013, we had raised an aggregate of \$160.1 million from public offerings of our equity securities, private placements of our equity securities, and the sale of shares issued by a subsidiary and convertible notes. On May 9, 2013, we raised net proceeds of \$71.7 million from the initial public offering of our equity securities. In addition, on June 27, 2013, we received net proceeds of \$24.3 million from a three year term loan with Hercules Technology Growth Capital, Inc., or HTGC.

Manufacturing Expansion Plan

In order to support our growth, we plan to rapidly expand our manufacturing capacity beyond the current production at the large-scale demonstration facility we operate in Pomacle, France. We have entered into a joint venture with Mitsui to finance, build and operate a manufacturing facility in Sarnia, Ontario through our BioAmber Sarnia subsidiary in which we own a 70% equity interest and Mitsui owns the remaining 30%. The joint venture agreement also establishes our intent to build and operate two additional facilities with Mitsui, which we expect to occur over the next three to four years. For future facilities, we expect to enter into agreements with partners on terms similar to those in our agreement with Mitsui and we intend to partially finance these facilities with debt. We expect to fund the initial phase of our planned facility in Sarnia, Ontario using available cash, a portion of the \$71.7 million in net proceeds from the initial public offering of our equity securities, which was completed on May 9, 2013, equity from our partner Mitsui, low-interest loans, government grants, and \$24.3 million in net proceeds from a three year term loan with HTGC. For additional future facilities, we currently expect to fund the construction of these facilities using internal cash flows and project financing.

Sarnia Facility

The first facility we plan to build in cooperation with Mitsui will be located in a bio-industrial park in Sarnia, Ontario. We have commenced engineering and substantially completed permitting for this facility and the initial phase is expected to be mechanically complete in 2014, at which time we plan to begin commissioning and start-up. The facility will be constructed to have an initial projected capacity of 30,000 metric tons of bio-succinic acid and could subsequently be expanded to produce another 20,000 metric tons of bio-succinic acid. A portion of our aggregate capacity could be further converted to produce bio-based 1,4 BDO. As an example, we estimate that approximately 30,000 metric tons of bio-succinic acid production could be converted into approximately 22,000 metric tons of bio-based 1,4 BDO production. Completion of this initial phase of our planned facility in Sarnia is expected to cost approximately \$125.0 million, which we plan to fund through capital contributions of \$63.0 million and \$27.0 million from us and from Mitsui, respectively, and an additional CAD \$35.0 million in low-interest loans and governmental grants that have been committed, subject to our meeting certain milestones, by various governmental authorities in Canada. The milestones vary depending on the government grant or loan. We have received loan proceeds in the amount of CAD \$3.1 million and grant proceeds in the amount of CAD \$7.2 million. We are also in discussions with Canadian government agencies for approximately CAD \$30.0 million in additional low-interest loans, which would reduce our and Mitsui's capital contributions to \$42.0 million and \$18.0 million respectively.

We intend to complete the second phase of our planned facility in Sarnia by 2016, which entails increasing the capacity of the plant by an additional 20,000 metric tons of bio-succinic acid. This expansion is estimated to cost approximately \$31.0 million of which we expect to contribute a maximum amount of approximately \$21.7 million. Our portion could be reduced by project financing or by obtaining low-interest loans, government grants similar to those we have obtained for the initial construction phase.

Additional Facilities

Our agreement with Mitsui contemplates the potential construction and operation of two additional manufacturing facilities. We expect these facilities to produce bio-based 1,4 BDO, tetrahydrofuran, or THF, and/or gammabutyrolactone, or GBL, with the exact ratio of such end products being a function of the demand we secure. We anticipate that Mitsui will be an equity partner in these facilities, but we may also secure other minority partners and may also seek low interest loans and government grants to fund the facility, which would substantially reduce our equity funding requirement. Based on current estimates and assumptions, we expect our second manufacturing facility to have a projected initial bio-based 1,4 BDO / GBL capacity in the range of 50,000 to 100,000 metric tons, construction costs of approximately \$210.0 million to \$330.0 million, and be mechanically complete in 2016 or 2017.

In addition to the facilities we plan to build in cooperation with Mitsui, we have entered into a non-binding letter of intent with Tereos, a leading European feedstock producer, for joint construction of two additional facilities.

Our business strategy is to leverage the value of our technology by building and operating production facilities around the world. However, depending on our access to capital and third-party demand for our technology, we may also enter into technology licenses on an opportunistic basis.

Performance Drivers

We expect that the fundamental drivers of our results of operations going forward will be the following:

Commercialization of our products. We commenced recognizing revenue from sales of our existing bio-succinic acid product in 2011. In the six months ended June 30, 2013, we had revenue of \$1.4 million from the sale of our bio-succinic acid, compared to \$1.0 million in the same period in 2012. Our ability to grow revenue from this product will be dependent on expanding the addressable market for succinic acid using our low-cost, bio-based alternative. We also expect to grow our revenue base by developing new high value-added products, such as bio-based 1,4 BDO, bioplastics and plasticizers, in order to target additional large and established chemicals markets. Our revenue for future periods will also be impacted by our ability to introduce new products and the speed with which we are able to bring our products to market. To accelerate this process, we are developing our sales and marketing capability and entering into distribution and joint development agreements with strategic partners. We are also engaging in a collaborative process with our customers to test and optimize our new products in order to ensure that they meet specifications in each of their potential applications.

Production capacity. Our ability to further lower our production costs and drive customer adoption of our product is dependent on our manufacturing expansion strategy. In particular, in our planned facility in Sarnia, Ontario, we expect to benefit from significantly lower operating expenses than those in the large-scale demonstration facility in Pomacle, France due to lower expected raw material, utility and other costs. For example, we project that during 2013 our costs of glucose from wheat used in the large-scale demonstration facility we operate in Pomacle, France will be 270% higher than the expected costs of glucose from corn wet millers to be used in our planned facility in Sarnia, Ontario. We project our cost of steam in Pomacle, France will be 550% higher than the expected cost in Sarnia, Ontario. We also project direct labor costs, electricity costs and other raw material costs in Pomacle, France will be higher than in Sarnia, Ontario. If we were to adjust the current costs of goods sold in the large-scale demonstration facility we operate in Pomacle, France for the lower expected raw material and utility costs, the economies of scale and the engineering design improvements we have incorporated into our planned facility in Sarnia, Ontario, our gross profit from products sold would increase significantly. As a result, we expect to produce bio-succinic acid that is cost-competitive with succinic acid produced from oil priced as low as \$35 per barrel. We expect to further reduce costs by transitioning from our E. coli-based technology to our yeast-based technology and by implementing on-going process improvements. We intend to capitalize on our first-to-market advantage by rapidly expanding our production capacity and building additional facilities. Our results will be impacted by the speed with which we execute on this strategy and the capital costs and operating expenses of each of these facilities.

Feedstock and other manufacturing input prices. We use sugars that can be derived from wheat, corn and other feedstocks. We intend to locate our facilities near readily available sources of sugars and other inputs, such as steam, electricity, hydrogen and carbon dioxide, in order to ensure reliable supply of cost-competitive feedstocks and utilities. While our process requires less sugar than most other renewable products and is therefore less vulnerable to sugar price increases relative to other bio-based processes, our margins will be affected by significant fluctuations in these required inputs.

Petroleum prices. We expect sales of our bio-based products to be impacted by the price of petroleum. In the event that petroleum prices increase, we may see increased demand for our products as chemical manufacturers seek lower-cost alternatives to petroleum-derived chemicals. Conversely, a long-term reduction in petroleum prices below \$35 per barrel may result in our products being less competitive with petroleum-derived alternatives. In addition, oil prices may also impact the cost of certain feedstocks we use in our process, which may affect our margins.

Recent Developments

Initial Public Offering

On May 9, 2013, we completed an initial public offering, or IPO, of 8,000,000 units, each unit consisting of one share of common stock and one warrant to purchase half of one share of common stock, at a price of \$10.00 per unit. Each warrant is exercisable during the period commencing on August 8, 2013 and ending on May 9, 2017 at an exercise price of \$11.00 per whole share of common stock.

We received approximately \$71.7 million in net proceeds from the IPO after estimated payment of fees, expenses and underwriting discounts of approximately \$8.3 million.

The units began trading on the New York Stock Exchange on May 10, 2013 under the symbol BIOA.U. On June 10, 2013, the common shares began trading on the New York Stock Exchange separately under the symbol BIOA, the warrants began trading on the New York Stock Exchange separately under the symbol BIOA.WS, and the trading of the units was suspended and they were delisted.

HTGC Loan Agreement

On June 27, 2013, we entered into a Loan and Security Agreement, or the Loan Agreement, with HTGC. Pursuant to the Loan Agreement, HTGC agreed to make a senior secured term loan of \$25 million, which was funded on June 27, 2013, net of a 2.5% loan fee. The term loan is repayable over 36 months after closing, at a floating interest rate per annum based on the greater of (a) 10% and (b) the prime rate (as reported in the Wall Street Journal) plus 6.75% and is subject to an end of term charge of 11.5% based on the \$25 million loaned amount (\$2,875,000). There will be an initial interest-only period until January 1, 2014, which will continue in the event that we receive an additional equity contribution by our joint venture partner of at least \$1.5 million relating to our Sarnia facility by December 31, 2013, in which case the initial interest-only period will be extended until July 1, 2014. The proceeds are expected to be used to fund the construction of the initial phase of our planned facility in Sarnia, Ontario with an expected capacity of 30,000 metric tons of bio-succinic acid and for general corporate purposes. For additional information relating to the Loan Agreement, see Note 8 of our consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Transition to Yeast-Based Technology

During the three months ended June 30, 2013, our board of directors approved the transition from an E. coli-based technology to our yeast-based technology to be used in the production process at our manufacturing facility in Sarnia, Ontario. FASB ASC 35-9 requires evaluating the remaining useful life of an intangible asset that is being amortized each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. The decision to remove the E. coli-based technology as the core technology from our production process required us to assess for potential impairment by conducting a recoverability test of this intellectual property, or IP, portfolio and determining whether the carrying value of the IP is less than or equal to the fair value of the IP. The test comprised determining the fair value by discounting future cash flows from the future expected sales of succinic acid manufactured using the E. coli-based technology. The tests indicated that the fair market value was nominal. As a consequence, we recognized an impairment loss on the intangible assets related to the E. coli-based technology, comprised of patents and in-process research and development, or IPR&D, acquired as part of the spin-off transaction and the acquisition of Bioamber S.A.S. in the amount of \$7.8 million in the three months ended June 30, 2013.

Financial Operations Overview

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of our activities and is presented net of discounts.

Licensing revenue from related parties was derived from services rendered to Bioamber S.A.S. Following our acquisition of Bioamber S.A.S. on and after September 30, 2010, licensing revenue from related parties is eliminated upon consolidation.

We expect revenue to grow as our sales and marketing efforts continue and our planned facility in Sarnia, Ontario reaches the stage of being mechanically complete in 2014, at which time we will begin commissioning and start-up. We currently manufacture our products at our large-scale demonstration facility in Pomacle, France, and we have exercised our option to extend our access to this facility through the end of 2014, during which time we are only guaranteed 60% of the capacity of this facility. Based on our supply contracts, we expect that this 60% limitation may limit our capacity to fill all orders received.

Cost of Goods Sold

Cost of goods sold consists of the cost to produce finished goods at the large-scale demonstration facility in Pomacle, France under a tolling arrangement. Going forward, we expect our cost of goods sold as a percent of revenues to decrease as we increase volumes produced, transition from a development stage entity to a full scale commercial enterprise and benefit from efficiencies in utilizing our yeast in our fermentation process at our planned Sarnia facility.

Operating Expenses

Operating expenses consist of general and administrative expenses, research and development expenses, net, sales and marketing expenses, depreciation of property and equipment, amortization of intangible assets, impairment losses, write-offs of property and equipment and intangible assets and foreign exchange gains and losses.

General and Administrative Expenses

General and administrative expenses consist of personnel costs (salaries, and other personnel-related expenses, including stock-based compensation), recruitment and relocation expenses, accounting and legal fees, business travel expenses, rent and utilities for the administrative offices, web site design, press releases, membership fees, office supplies, insurance and other miscellaneous expenses.

Our general and administrative expenses have increased and we expect these expenses will continue to increase in the future as we hire additional management and operational employees, expand our finance and accounting staff, add infrastructure and incur additional compliance and related costs associated with being a public company.

Research and Development Expenses, Net

Research and development expenses, net consist primarily of fees paid for contract research and internal research costs in connection with the development, expansion and enhancement of our proprietary technology platform. These costs also include personnel costs (salaries and other personnel-related expenses, including stock-based compensation), expenses incurred in our facility located in Plymouth, Minnesota, laboratory supplies, research consultant costs, patent and trademark maintenance costs, royalties, professional and consulting fees and business travel expenses.

We expect research and development expenses, including our patent maintenance expenses, to increase significantly as we continue to invest in the deployment and implementation of our bio-succinic acid and derivatives technologies in a commercial scale manufacturing facility. We expect more research to be performed in-house than was previously the case by utilizing our 27,000 square feet facility in Plymouth, Minnesota.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of personnel costs (salaries, and other personnel-related expenses, including stock-based compensation), marketing services, product development costs, advertising and feasibility study fees.

We expect to increase our sales and marketing efforts as we look to establish additional strategic alliances, grow our commercial customer base and expand our product offerings. As we transition from a developmental stage company and commence commercial operations, we expect to significantly increase our sales and marketing personnel and programs to support the expected expansion of our business.

Depreciation of Property and Equipment and Amortization of Intangible Assets

Depreciation of property and equipment consists primarily of the depreciation of our office furniture and computer equipment, which is depreciated using the straight-line method over their estimated useful lives. Amortization of intangible assets consists primarily of the amortization of certain in-process research and development acquired technology, patents and technology licenses, which are amortized using the straight-line method over their estimated useful lives.

We expect depreciation of property and equipment to increase significantly as our planned manufacturing facilities are put in to use. During 2012, we received \$6.7 million in government grants and loans in relation to our planned facility in Sarnia, Ontario, of which, \$3.0 million was applied at year-end to reduce the cost of construction in progress. During the six months ended June 30, 2013 we received a further \$1.1 million of government grants and loans, of which \$485,000 was applied to reduce the cost of construction in progress. This will result in reduced depreciation expense over the useful life of the asset.

As of January 1, 2012, a portion of acquired in-process research and development from the acquisition of Bioamber S.A.S. which was based on E. coli technology and with a carrying value of \$8.1 million was deemed to be substantially complete. The related intangible asset was no longer considered to have an indefinite life and was amortized over a five year useful life during the period from January 2012 to June 2013. The decision of our board of directors to remove E. coli as the core technology from our production process required us to assess for potential impairment by conducting a recoverability test of this IP portfolio and determining whether the carrying value of the IP is less than or equal to the fair value of the IP. See “—Impairment Loss and Write-off of Property and Equipment and Intangible Assets” below.

Impairment Loss and Write-off of Property and Equipment and Intangible Assets

Impairment loss and write-off of property and equipment and intangible assets includes impairment losses related to fixed assets and intellectual property (patents and in-process research and development). As we develop and deploy new technologies in our production processes, old technologies may become obsolete and may need to be written-off.

During the three months ended June 30, 2013, our board of directors approved the transition from an E. coli-based technology to our yeast-based technology to be used in the production process at our manufacturing facility in Sarnia, Ontario. FASB ASC 35-9 requires evaluating the remaining useful life of an intangible asset that is being amortized each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. The decision to remove the E. coli-based technology as the core technology from our production process required us to assess for potential impairment by conducting a recoverability test of this IP portfolio and determining whether the carrying value of the IP is less than or equal to the fair value of the IP. The test comprised determining the fair value by discounting future cash flows from the future expected sales of succinic acid manufactured using the E. coli-based technology. The tests indicated that the fair market value was

nominal. As a consequence, we recognized an impairment loss on the intangible assets related to the E. coli-based technology, comprised of patents and IPR&D acquired as part of the spin-off transaction and the acquisition of Bioamber S.A.S. in the amount of \$7.8 million in the three months ended June 30, 2013.

As a result of the approval by our board of directors of the transition from an E. coli-based technology to yeast-based technology, we also conducted an analysis of the costs capitalized in construction in progress to determine whether such costs would still provide future economic benefits as part of the planned manufacturing facility in Sarnia, Ontario. The assessment conducted by us identified certain costs that were no longer useful for a productive process based on our yeast. Accordingly, we recognized a write-off in an amount of \$834,000 during the second quarter of 2013.

Foreign Exchange (Gain) Loss

We expect to conduct operations throughout the world. Our financial position and results of operations will be affected by economic conditions in countries where we plan to operate and by changing foreign currency exchange rates. We are exposed to changes in exchange rates in Europe and Canada. The Euro and the Canadian dollar are our most significant foreign currency exchange risks. A strengthening of the Euro and the Canadian dollar against the U.S. dollar may increase our revenues and expenses since they are expressed in U.S. dollars. As we move our production to our planned facility in Sarnia, Ontario, we expect our foreign currency risk to continue as our uses of cash will be denominated in Canadian dollars while our sources of cash will be primarily in U.S. dollars. We will monitor foreign currency exposures and will look to mitigate exposures through normal business operations such as manufacturing and selling in the same currencies. We may use forward contracts or currency swaps to mitigate any remaining exposures.

Amortization of Deferred Financing Costs and Debt Discounts

Amortization of deferred financing costs consists primarily of costs from past financings that were recognized over the life of the funding instrument and will continue to increase in line with the expenses incurred to obtain future financing. Costs are deferred and amortized on a straight-line basis over the term of the related debt.

In addition, amortization of deferred financing costs includes the debt discount on the loans received from the Sustainable Chemistry Alliance and the Federal Economic Development Agency for Southern Ontario as the loans bear a below market interest rate and a zero interest rate, respectively.

Financial Charges (Income), Net

Financial charges (income), net consist primarily of accreted interest resulting from warrants attached to the convertible notes issued in June 2009 and November 2010. Financial charges also include the recording of the fair value of the contingent share consideration in connection with the acquisition of Sinoven and held in escrow until September 30, 2011. The terms of the escrow were modified on October 1, 2011 when we acquired the remaining 25% of Sinoven.

Financial charges (income), net also include the recognition of gains or losses resulting from the mark-to-market adjustment required at the balance sheet date on the warrants issued in connection with the IPO completed on May 9, 2013. These adjustments are required in accordance with ASC 815.

We account for common stock warrants in accordance with applicable accounting guidance provided in ASC 815, *Derivatives and Hedging—Contracts in Entity's Own Equity*, as either derivative liabilities or as equity instruments depending on the specific terms of the warrant agreement. Derivative warrant liabilities are valued using the Black-Scholes pricing model at the date of initial issuance and using the closing value as quoted on the New York Stock Exchange at each subsequent balance sheet date.

Changes in the fair value of the warrants are reflected in the consolidated statement of operations as financial charges (income), net. The change in fair value of common stock warrants liability resulted in a decrease in the associated warrant liability of \$11.7 million for the three months ended June 30, 2013. This change was due to changes in the market price of our warrants.

Gain on Debt Extinguishment

On March 20, 2013, we agreed with FEDDEV to amend the repayment of principal from the period October 2013 to October 2018, to the period October 2014 to October 2019. We recorded the impact of the amendment in accordance with FASB ASC 470-50, *Debt Modifications and Extinguishments*. Accordingly, the amendment was recorded as a debt extinguishment and the issuance of new debt, with new terms. As a result, we recognized a gain on debt extinguishment of \$314,305.

Income Taxes

We are subject to income taxes in France, Luxembourg, the United States, Canada and China. As a development stage company, we have incurred significant losses and have not generated taxable income in these jurisdictions. In the future, we expect to become subject to taxation based on the statutory rates in effect in the countries we operate and our effective tax rate could fluctuate accordingly. We have incurred net losses since our inception and have not recorded any federal, state or foreign current income tax provisions other than for unrecognized tax benefits in the years ended December 31, 2011 and 2012, and a recovery of income taxes in

the 258 day period ended June 30, 2009. We have a full valuation allowance against our net deferred tax assets. Additionally, under the U.S. Internal Revenue Code, our net operating loss carryforwards and tax credits may be limited if a cumulative change in ownership of more than 50% is deemed to have occurred within a three year period. We have not performed a detailed analysis to determine whether an ownership change under Section 382 of the Internal Revenue Code has occurred after each of our previous issuances of shares of common stock and warrants.

Equity Participation in Losses of Equity Method Investments

Equity participation in losses of equity method investments consist primarily of our share of losses incurred by Bioamber S.A.S. and AmberWorks LLC. We recognized our 50% share of losses incurred by Bioamber S.A.S. from the date of the spin-off transaction on December 31, 2008 and until we acquired full control on September 30, 2010. We started fully consolidating the results of Bioamber S.A.S. into our financial statements on October 1, 2010.

During the six months ended June 30, 2013, we recognized \$15,000 or our 50% share of losses incurred by AmberWorks LLC, a joint venture formed on February 15, 2012.

Comparison of Three Months Ended June 30, 2012 and Three Months Ended June 30, 2013

The following table shows the amounts of the listed items from our consolidated statements of operations for the periods presented, showing period-over-period changes:

	Three months ended June 30, 2012	Three months ended June 30, 2013 <small>(in thousands)</small>	\$ Increase (decrease)
Revenues			
Licensing revenue from related parties	\$ —	\$ —	\$ —
Product sales	606	1,028	422
Total revenues	606	1,028	422
Cost of goods sold	(262)	1,411	1,673
Gross (loss) profit	868	(383)	(1,251)
Operating expenses			
General and administrative	2,559	2,292	(267)
Research and development, net	5,195	4,221	(974)
Sales and marketing	1,065	1,652	587
Depreciation of property and equipment and amortization of intangible assets	535	539	4
Impairment loss and write-off of property and equipment and intangible assets	—	8,619	8,619
Foreign exchange (gain) loss	(183)	(28)	155
Operating expenses	9,171	17,295	8,124
Operating loss	8,303	17,678	9,375
Amortization of deferred financing costs and debt discounts	—	117	117
Financial charges (income), net	10	(11,748)	(11,758)
Income tax provision	—	46	46
Equity participation in losses of equity method investments	96	—	(96)
Net loss	8,409	6,093	(2,316)
Net loss attributable to:			
BioAmber Inc. shareholders	8,386	5,925	(2,461)
Non-controlling interest	23	168	145
	8,409	6,093	(2,316)

Product sales

Product sales increased from \$606,000 for the three months ended June 30, 2012 to \$1,028,000 for the three months ended June 30, 2013 due to an increase in the volume sold, which was partially offset by a decrease in the average selling price.

Supply contracts generated \$569,000 and \$802,000 for the three months ended June 30, 2012 and 2013, respectively. Non-contracted sales generated \$33,000 and \$226,000 of our product sales for the three months ended June 30, 2012 and 2013, respectively.

Cost of goods sold

Cost of goods sold increased from \$(262,000) for the three months ended June 30, 2012 to \$1,411,000 for the three months ended June 30, 2013, primarily due to the reversal of a selling reserve that was released from cost of goods sold in June 2012 of \$744,000, as well as an increase in the volume sold in 2013.

General and administrative expenses

General and administrative expenses decreased by \$267,000 to \$2.3 million for the three months ended June 30, 2013, as compared to \$2.6 million for the three months ended June 30, 2012. The decrease is primarily due to a \$343,000 decrease in payroll expenses as a result of lower headcount.

Research and development expenses, net

Research and development expenses, net, decreased by \$976,000 to \$4.2 million for the three months ended June 30, 2013, as compared to \$5.2 million for the three months ended June 30, 2012. This was driven primarily by the decrease in research expenses due to (i) the completion of projects, (ii) reduction of outsourced research and consulting fees, as well as (iii) the reduction of expenses related to the development of our BDO and adipic acid platforms, which decreased by \$501,000. The decrease of research and development expenses were partially offset by an increase in expenses attributable to the intensification of the development work relating to our yeast platform of \$418,000 and an increase in personnel costs of \$156,000, which resulted from hiring additional personnel to continue our in-house research and development efforts.

Sales and marketing expenses

Sales and marketing expenses increased by \$588,000 to \$1.7 million for the three months ended June 30, 2013, as compared to \$1.1 million for the three months ended June 30, 2012, primarily due to (i) a \$315,000 increase in salaries and benefits resulting from an increase in headcount and (ii) a \$349,000 increase in stock-based compensation expense, which resulted from the issuance of new stock options being granted as signing bonuses, certain stock options vesting upon completion of the IPO on May 9, 2013, and new stock options granted during the three months ended June 30, 2013, some of which vested immediately at the grant date.

Depreciation of property and equipment and amortization of intangible assets

Depreciation of property and equipment and amortization of intangible assets expense was unchanged from period to period with an expense of \$535,000 recorded for the three months ended June 30, 2012 and an expense of \$539,000 recorded for the three months ended June 30, 2013.

Impairment loss and write-off of property and equipment and intangible assets

Impairment loss and write-off of property and equipment and intangible assets expense increased by \$8.6 million for the three months ended June 30, 2013 as compared to nil for the three months ended June 30, 2012. This increase is primarily due to the write-off of intellectual property (patent rights and licenses, and in-process research and development), which was based on E. coli, and construction costs incurred in connection with the intended plant being built in Sarnia. Board approval on June 26, 2013 for replacing the E. coli-based technology and deploying the Cargill yeast-based technology in the construction of the plant, rendered this technology obsolete resulting in an impairment of the intangible assets related to E. coli-based technology.

Financial charges (income), net

Financial charges (income), net increased to \$11.8 million gain for the three months ended June 30, 2013 as compared to a loss of \$10,000 for the three months ended June 30, 2012. This increase is due to the mark-to-market adjustment of the warrants that were part of the units issued in our IPO, which was completed on May 9, 2013.

Equity participation in losses of equity method investments

Equity participation in losses of equity method investments decreased by \$96,000 to nil for the three months ended June 30, 2013 as compared to \$96,000 for the three months ended June 30, 2012. This decrease is due to lower losses incurred by AmberWorks LLC, a joint venture that was formed on February 15, 2012.

Comparison of Six Months Ended June 30, 2012 and Six Months Ended June 30, 2013

The following table shows the amounts of the listed items from our consolidated statements of operations for the periods presented, showing period-over-period changes:

	Six months ended June 30, 2012	Six months ended June 30, 2013 <small>(in thousands)</small>	\$ Increase (decrease)
Revenues			
Licensing revenue from related parties	\$ —	\$ —	\$ —
Product sales	986	1,359	373
Total revenues	986	1,359	373
Cost of goods sold	692	1,610	918
Gross (loss) profit	294	(251)	(545)
Operating expenses			
General and administrative	5,017	4,630	(387)
Research and development, net	10,813	10,320	(493)
Sales and marketing	1,901	2,748	847
Depreciation of property and equipment and amortization of intangible assets	1,051	1,072	21
Impairment loss and write-off of property and equipment and intangible assets	—	8,619	8,619
Foreign exchange (gain) loss	(102)	(117)	(15)
Operating expenses	18,680	27,272	8,592
Operating loss	18,386	27,523	9,137
Amortization of deferred financing costs and debt discounts	—	186	186
Financial charges (income), net	22	(11,748)	(11,770)
Gain on debt extinguishment	—	(314)	(314)
Income tax provision	—	47	47
Equity participation in losses of equity method investments	132	15	(117)
Net loss	<u>\$ 18,540</u>	<u>\$ 15,709</u>	<u>\$ (2,831)</u>
Net loss attributable to:			
BioAmber Inc. shareholders	\$ 18,479	\$ 15,426	\$ (3,053)
Non-controlling interest	61	283	222
	<u>\$ 18,540</u>	<u>\$ 15,709</u>	<u>\$ (2,831)</u>

Product sales

Product sales increased from \$986,000 for the six months ended June 30, 2012 to \$1,359,000 for the six months ended June 30, 2013 due to an increase in the volume sold, which was partially off-set by a reduction in the average selling price.

Supply contracts generated \$907,000 and \$1,092,000 for the six months ended June 30, 2012 and 2013, respectively. Non-contracted sales generated \$79,000 and \$267,000 of our product sales for the six months ended June 30, 2012 and 2013, respectively.

Cost of goods sold

Cost of goods sold increased from \$700,000 for the six months ended June 30, 2012 to \$1,610,000 for the six months ended June 30, 2013, mainly due to the increase in the volume of product sold.

General and administrative expenses

General and administrative expenses decreased by \$387,000 to \$4.6 million for the six months ended June 30, 2013, as compared to \$5.0 million for the six months ended June 30, 2012. The decrease is primarily due to \$643,000 decrease in payroll expenses as a result of lower headcount in 2013 compared to 2012. This is partially offset by (i) an increase in the stock-based compensation expense, which increased by \$104,000 due to stock options that vested upon completion of the IPO on May 9, 2013, (ii) the issuance of new stock options granted during the three months ended June 30, 2013, some of which vested immediately, and (iii) an increase of \$195,000 of insurance expense due to the directors and officers insurance contracted in connection with our IPO and the general liability insurance contracted in connection with the construction of our planned manufacturing facility in Sarnia, Ontario.

Research and development expenses, net

Research and development expenses, net, decreased by \$493,000 to \$10.3 million for the six months ended June 30, 2013, as compared to \$10.8 million for the six months ended June 30, 2012. This was driven primarily by a decrease in research expenses due to completion of projects and costs performed by third parties, which decreased by \$2.2 million, and other costs such as consulting fees, which decreased by \$238,000. The decrease in research and development project costs was partially offset by increases in personnel costs of \$1.2 million, which resulted from (i) hiring additional personnel to continue our research and development of bio-succinic acid, bio-based 1,4 BDO, and adipic acid, (ii) increased headcount, which resulted in an increase in salaries and benefits by \$622,000, and (iii) an increase in the stock-based compensation expense attributable to research and development staff by \$277,000 due to new stock options being granted as signing bonuses, stock options vested upon completion of the IPO on May 9, 2013, and new stock options granted during the three months ended June 30, 2013, some of which vested immediately at the grant date. The decrease in research and development project costs was further offset by a \$590,000 increase in research and development expenses attributable to the intensification of our development work in our yeast platform. Royalties and legal and maintenance costs associated with patents increased by \$341,000, which is mostly attributable to the adipic acid platform and an increase in the number of patent applications filed during the period.

Sales and marketing expenses

Sales and marketing expenses increased by \$847,000 to \$2.7 million for the six months ended June 30, 2013, as compared to \$1.9 million for the six months ended June 30, 2012, primarily due to a \$400,000 increase in personnel costs that resulted from hiring additional personnel and to an increase of \$346,000 due to new stock options being granted as signing bonuses, stock options vested upon completion of the IPO on May 9, 2013, and new stock options granted during the three months ended June 30, 2013, some of which vested immediately.

Depreciation of property and equipment and amortization of intangible assets

Depreciation of property and equipment and amortization of intangible assets increased by \$21,000 to \$1,072,000 for the six months ended June 30, 2013, as compared to \$1,051,000 for the six months ended June 30, 2012. This increase is primarily due to the acquisition of property and equipment used in our operations.

Impairment loss and write-off of property and equipment and intangible assets

Impairment loss and write-off of property and equipment and intangible assets expense increased by \$8.6 million for the six months ended June 30, 2013, as compared to nil for the six months ended June 30, 2012. This increase is due to the impairment of intellectual property (patent rights and licenses, and in-process research and development), which was based on E. coli-based technology, and write-off of construction costs incurred in connection with the intended plant being built in Sarnia. The approval of our board of directors in the three months ended June 30, 2013 to replace the E. coli-based technology in our production process with our yeast technology rendered the E. coli-based technology obsolete, resulting in an impairment of the intangible assets related to the E. coli-based technology.

Financial charges (income), net

Financial charges (income), net comprised of a gain of \$11.7 million for the six months ended June 30, 2013 as compared to a loss of \$23,000 for the six months ended June 30, 2012. This gain results from the mark-to-market adjustment of the warrants that were part of the units issued in our IPO, which was completed on May 9, 2013.

Cash used in operating activities during the three months ended June 30, 2013 of \$2.2 million reflected our net loss of \$6.1 million, which was adjusted for net non-cash credits of \$0.4 million and a positive change in operating assets and liabilities of \$4.3 million. Non-cash expense adjustments included depreciation and amortization of assets of \$0.5 million, stock-based compensation of \$2.1 million, and the impairment loss and write-off of property and equipment and of intangible assets of \$8.6 million. Non-cash gain adjustments included the gain on the mark-to-market accounting for warrants that were part of the units issued in our IPO of \$11.7 million. The amount of operating assets and liabilities is a net inflow of \$4.3 million due to a decrease in current assets and an increase in current liabilities.

Cash used in operating activities during the six months ended June 30, 2012 of \$17.0 million reflected our net loss of \$18.5 million, which was adjusted for non-cash charges of \$5.0 million and a negative change in operating assets and liabilities of \$3.4 million. Non-cash adjustments included depreciation and amortization of assets of \$1.1 million and stock-based compensation of \$3.7 million. The amount of operating assets and liabilities is a net outflow of \$3.4 million due to an increase in current assets which offsets an increase in current liabilities.

Cash used in operating activities during the six months ended June 30, 2013 of \$16.2 million reflected our net loss of \$15.7 million, which was adjusted for net non-cash charges, of \$2.3 million and a negative change in operating assets and liabilities of \$2.9 million. Non-cash expense adjustments included depreciation and amortization of assets of \$1.1 million, stock-based compensation of \$4.5 million, and the impairment loss and write-off of property and equipment and of intangible assets of \$8.6 million. Non-cash gain adjustments included the gain on the mark-to-market accounting for warrants that were part of the units issued in our IPO of \$11.7 million and the gain on debt extinguishment of \$0.3 million. The amount of operating assets and liabilities is a net outflow of \$2.9 million due to an increase in current assets which offsets an increase in current liabilities.

Investing activities

Cash used in investing activities during the three months ended June 30, 2012 of \$2.9 million included property and equipment purchases mostly related to the building of our planned facility in Sarnia, Ontario.

Cash used in investing activities during the three months ended June 30, 2013 of \$2.1 million included property and equipment purchases primarily related to the building of our planned facility in Sarnia, Ontario.

Cash used in investing activities during the six months ended June 30, 2012 of \$4.5 million included \$1.0 million for an equity method investment and \$3.5 million of property and equipment purchases primarily related to the building of our planned facility in Sarnia, Ontario.

Cash used in investing activities during the six months ended June 30, 2013 of \$2.1 million represented property and equipment purchases related to the building of our planned facility in Sarnia, Ontario.

Financing activities

Cash used by financing activities during the three months ended June 30, 2012 of \$0.6 million represents IPO costs that were later expensed during the third quarter of 2012.

Cash provided by financing activities during the three months ended June 30, 2013 of \$96.1 million included \$71.7 million net proceeds from the issuance of common shares from our IPO, and \$24.3 million in net proceeds from the three year term loan from HTGC, \$0.9 million from loans and grants for the construction of our planned facility in Sarnia, Ontario and \$0.6 million paid of IPO costs.

Cash provided by financing activities during the six months ended June 30, 2012 of \$9.3 million represents proceeds from the issuance of shares of common stock through a private placement, net of \$0.7 million of IPO costs that were later expensed during the third quarter of 2012.

Cash provided by financing activities during the six months ended June 30, 2013 of \$96.9 million included \$71.7 million net proceeds from the issuance of common shares from our IPO, \$24.3 million in net proceeds from the three year term loan from HTGC, \$1.1 million from loans and grants for the construction of our planned facility in Sarnia, Ontario and \$140,000 of a cash consideration paid for the forfeiture of 70,000 shares by Sinoven's selling shareholders.

Off-balance Sheet Arrangements

During the periods presented, we did not have, and we do not currently have, any relationships with unconsolidated entities, such as entities often referred to as structured finance or special purpose entities, established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. As such, management is required to make certain estimates, judgments and assumptions that it believes are reasonable based on the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the periods presented. The significant accounting policies which management believes are the most critical to aid in fully understanding and evaluating our reported financial results include fair value determination of assets, liabilities and consideration paid or payable in connection with business acquisitions, contingent consideration, fair value of intangible assets and goodwill, useful lives of intangible assets, income taxes, stock-based compensation and value of certain equity and debt instruments. These critical accounting policies are the same as those detailed in the annual consolidated financial statements for the year ended December 31, 2012.

Intangible assets

Costs incurred in obtaining patents are capitalized and amortized on a straight-line basis over their estimated useful lives of between 8 and 15 years. Our patent portfolio was acquired as part of the spin-off transaction and the acquisition of Bioamber SAS. The cost of servicing the patents is expensed as incurred.

As required by ASC 805, acquired IPR&D through business combinations is accounted for as an indefinite-lived intangible asset until completion or abandonment of the associated research and development efforts. Therefore, such assets are not amortized but are tested for impairment at least annually. Once the research and development activities are completed, the assets will be amortized over the related product's useful life. If the project is abandoned, the assets will be written off if they have no alternative future use.

We review our portfolio of patents and acquired in-process research and development taking into consideration events or circumstances that may affect its recoverable value.

During the three months ended June 30, 2013, our board of directors approved the transition from an E. coli-based technology to our yeast-based based technology to be used in the production process at our manufacturing facility in Sarnia, Ontario planned to be mechanically complete in December 2014. FASB ASC 35-9 requires evaluating the remaining useful life of an intangible asset that is being amortized each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. The decision to remove the E. coli as the core technology from our production process required us to assess for potential impairment by conducting a recoverability test of this IP portfolio and determining whether the carrying value of the IP is less than or equal to the fair value of the IP. The test comprised determining the fair value by discounting future cash flows from the future expected sales of succinic acid manufactured using the E.coli-based technology. The tests indicated that the fair market value was nominal. The non-recurring fair value measure is a level 3 fair value measure. As a consequence, we recognized an impairment loss on the intangible assets related to the E.coli-based technology, comprised of patents and IPR&D acquired as part of the spin-off transaction and the acquisition of Bioamber S.A.S. in the amount of \$7.8 million.

Long-lived asset impairment

We assess the fair value of our long-lived assets in accordance with ASC 360, *Property, Plant, and Equipment*. At the end of each reporting period, we evaluate whether there is objective evidence of events or changes in business conditions which suggest that an asset may be impaired. In such cases we determine the fair value based upon forecasted, undiscounted cash flows which the assets are expected to generate and the net proceeds expected from their sale. If the carrying amount exceeds the fair value of the asset, it is decreased by the difference between the two being the amount of the impairment.

As a result of our board of directors approving the transition from an E. coli-based technology to our yeast-based technology, we conducted an analysis of the costs capitalized in construction in progress to determine whether such costs would still provide future benefits as part of the planned manufacturing facility in Sarnia, Ontario. The assessment conducted identified certain costs that are no longer useful for a productive process based on our yeast. Accordingly, we recognized a write-off in an amount of \$834,000 during the second quarter of 2013.

Stock-based compensation

We account for our stock-based compensation expense in accordance with FASB ASC 718, *Compensation—Stock Compensation*. Stock options are granted to employees at exercise prices equal to the estimated fair value of our stock at the grant dates. Stock options vest over two, three or four years and have a term of ten years. Each stock option entitles the holder to purchase one share of common stock which comes from our authorized shares. Compensation expense is recognized over the period during which an employee is required to provide services in exchange for the award, generally the vesting period.

The fair value of options granted was determined using the Black-Scholes option pricing model and the following weighted-average assumptions:

	Six Months ended June 30,		Twelve months ended December 31, 2012
	2013 (unaudited)	2012 (unaudited)	
Risk-free interest rate	2.50	1.93	1.84%
Expected life	10 years	10 years	10 years
Volatility	72.29%	75.27%	77.34%
Expected dividend yield	0%	0%	0%
Forfeiture rate	0%	0%	0%

The Black-Scholes model we use to calculate option and warrant values, as well as other currently accepted option valuation models, were developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differ from our stock option awards. These models require highly subjective assumptions, such as future stock price volatility and expected time until exercise, which greatly affect the calculated values.

On June 10, 2013, our common stock became separately listed on the New York Stock Exchange trading under the symbol BIOA. For all options granted after the completion of the IPO process, we use the stock price at the date of grant as per the market. However, in the absence of sufficient historical information on our stock price, in order to determine assumptions such as future stock price volatility to determine the fair value of the Common Stock for the purpose of calculating the stock based compensation, we utilize methodologies and assumptions consistent with the American Institute of Certified Public Accountants Practice Aid, “Valuation of Privately-Held-Company Equity Securities Issued as Compensation” (AICPA Practice Aid) as well as several other factors including the nature and history of our business, our historical operations and results as well as investors perception of the value of our business at the time, based on completed equity capital raises. As we have more historical data of our stock price, we will use the values from our publicly traded common stock for the purpose of determining future stock price volatility to calculate stock based compensation.

On April 10, 2013, the board of directors, upon the recommendation of the compensation committee, adopted the 2013 Stock Option and Incentive Plan, or the 2013 Plan, which was subsequently approved by our stockholders. The 2013 Plan replaced the 2008 Stock Incentive Plan, or the 2008 Plan, as our board of directors has determined not to make additional awards under that plan. The 2013 Plan provides flexibility to the compensation committee to use various equity-based incentive awards as compensation tools to motivate our workforce.

We have initially reserved 2,761,922 shares of our common stock for the issuance of awards under the 2013 Plan. The 2013 Plan may also provide that the number of shares reserved and available for issuance under the plan will automatically increase each January 1, beginning in 2014, by 3% of the outstanding number of shares of common stock on the immediately preceding December 31. This number is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The 2013 Plan is administered by our board of directors or the compensation committee, or the Administrator. The Administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2013 Plan. Persons eligible to participate in the 2013 Plan are those full or part-time officers, employees, non-employee directors and other key persons (including consultants and prospective officers) of the company and its subsidiaries as selected from time to time by the Administrator in its discretion.

The 2013 Plan permits the granting of (1) options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. The exercise price of each option will be determined by the Administrator but may not be less than 100% of the fair market value of the common stock on the date of grant. The term of each option will be fixed by the Administrator and may not exceed ten years from the date of grant. The Administrator will determine at what time or times each option may be exercised.

The Administrator may award stock appreciation rights, restricted shares of common stock, restricted stock units and may also grant shares of common stock which are free from any restrictions under the 2013 Plan. The Administrator may grant performance

share awards to any participant, which entitle the recipient to receive shares of common stock upon the achievement of certain performance goals and such other conditions as the Administrator shall determine. The Administrator may grant dividend equivalent rights to participants which entitle the recipient to receive credits for dividends that would be paid if the recipient had held specified shares of common stock.

The 2013 Plan provides that upon the effectiveness of a “sale event” as defined in the 2013 Plan, except as otherwise provided by the Administrator in the award agreement, all stock options and stock appreciation rights will automatically become fully exercisable and the restrictions and conditions on all other awards with time-based conditions will automatically be deemed waived, unless the parties to the sale event agree that such awards will be assumed or continued by the successor entity.

Warrants

We account for certain issued warrants to purchase our common stock as equity on our consolidated balance sheet at fair value because the warrants are not redeemable. As such, these warrants are accounted for as equity and are not subject to re-measurement at each balance sheet date. We estimated the fair value of these warrants at the respective issuance date utilizing the Black-Scholes pricing model. The Black-Scholes pricing model requires a number of variables that require management judgment including the estimated price of the underlying instrument, the risk-free interest rate, the expected volatility, the expected dividend yield and the expected exercise period of the warrants. Our Black-Scholes assumptions are discussed in greater detail in “—Stock-based compensation” above.

On May 9, 2013, we completed our initial public offering and issued 8,000,000 units at \$10.00 per unit of which each unit consisted of one share of common stock and one warrant to purchase half of one share of common stock at an exercise price of \$11.00 per whole share of common stock. The warrants are exercisable during the period beginning on August 8, 2013 and ending on May 9, 2017. The warrants contain full ratchet, anti-dilution protection upon the issuance of any common stock, securities convertible into common stock, or certain other issuances at a price below the then-existing exercise price of the warrant, with certain exceptions. The exercise price of \$11.00 per whole share of common stock is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock issuances or other similar events affecting our common stock. At issuance, the fair value of the warrants was classified as a financial liability as a result of their characteristics, in accordance with FASB ASC 815. The fair value of the warrants was determined using the Black-Scholes option pricing model.

Accordingly a liability of \$16.1 million was recorded at the unit issuance date, with a corresponding charge against additional paid-in-capital. On June 10, 2013, the warrants began trading separately on the New York Stock Exchange under the symbol BIOA.WS and the units were suspended. On June 28, 2013, the closing value of the warrants on the New York Stock Exchange was \$0.55 per warrant. As a result, we revalued the liability on the balance sheet resulting in financial income of \$11.7 million.

As at June 30, 2013, we had the following warrants outstanding to acquire common shares:

Number	Exercise price	Expiration date
474,950	\$ 1.07	February 2014 - September 2019
620,060	\$ 1.43	February 2019
268,100	\$ 5.74	October 2014 - June 2019
94,745	\$ 10.55	April 2021
4,000,000	\$ 11.00	May 2017
<u>5,457,855</u>		

Recent accounting pronouncements

In February 2013, the FASB amended the guidance on the presentation of comprehensive income in order to improve the reporting of reclassifications out of accumulated other comprehensive income. The amendment does not change the current requirements for reporting net income or other comprehensive income in financial statements. Rather, it requires the entity to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount being reclassified is required under GAAP to be reclassified in its entirety to net income in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about those amounts. The new guidance is effective prospectively for reporting periods beginning after December 15, 2012. The standard does not impact our company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We had unrestricted cash totaling \$93.0 million at June 30, 2013. These amounts were deposited in cash and bank current accounts and were held for working capital purposes. Our primary objective is to preserve our capital for the purpose constructing our planned facility in Sarnia, Ontario, Canada and funding our operations. We do not enter into investments for trading or speculative purposes.

Commodity Price Risk

We use glucose in our processes, which can be derived from corn, wheat and other feedstocks. Thus, our raw material is sensitive to price fluctuations in feedstock commodities. Prices of corn, wheat and other feedstocks are subject to fluctuations due to unpredictable factors such as weather, quantities planted and harvested, changes in national and global supply and demand, and government programs and policies.

Foreign Currency Risk

We currently conduct our operations in U.S. dollars, Canadian dollars and Euros, which exposes us to fluctuations in foreign currency exchange rates. The planned facility in Sarnia, Ontario will require Canadian dollar funding as well as U.S. dollar funding. We will monitor the amounts and timing of foreign currency exposures related to the construction of the facility and will look to mitigate exposure through normal business operations such as carrying appropriate foreign currency deposits and sourcing as much funding in Canadian dollars as practicable. We may use forward contracts or currency swaps to mitigate any remaining exposure.

Once we complete our planned facility in Sarnia, Ontario, we expect our foreign currency risk to decrease as our sources and uses of cash will be primarily in U.S. dollars. We will monitor foreign currency exposures and will look to mitigate exposures through normal business operations such as manufacturing and selling in the same currencies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of June 30, 2013, our management, with the participation of our President and Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act. Based upon that evaluation, our President and Chief Executive Officer and our Chief Financial Officer concluded that, as of June 30, 2013, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring that material information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules, regulations and forms of the Securities and Exchange Commission, including ensuring that such material information is accumulated and communicated to our management, including our President and Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the quarter ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are, from time to time, involved in the normal course of business in various legal proceedings. Rules of the Securities and Exchange Commission require the description of material pending legal proceedings, other than ordinary, routine litigation incident to our business, and advise that proceedings ordinarily need not be described if they primarily involve damages claims for amounts (exclusive of interest and costs) not individually exceeding 10% of the current assets of the registrant and its subsidiaries on a consolidated basis. In the judgment of management, none of the pending litigation matters that we and our subsidiaries are defending involves or is likely to involve amounts of that magnitude. There may be claims or actions pending or threatened against us of which we are currently not aware and the ultimate disposition of which would have a material adverse effect on us.

Item 1A. Risk Factors

Part II, Item 1A, “Risk Factors” of our most recently filed Quarterly Report on Form 10-Q with the Securities and Exchange Commission (SEC), filed on May 15, 2013, sets forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition and operating results. Except to the extent that information disclosed elsewhere in this Quarterly Report on Form 10-Q relates to such risk factors (including, without limitation, the matters described in Part I, Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”), there have been no material changes to our risk factors disclosed in our most recently filed Quarterly Report on Form 10-Q. However, those risk factors continue to be relevant to an understanding of our business, financial condition and operating results and, accordingly, you should review and consider such risk factors in making any investment decision with respect to our securities.

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

Unregistered Sales of Equity Securities

During the quarter ended June 30, 2013, we granted stock options to purchase an aggregate 248,716 shares of our common stock to certain employees, at an exercise price of \$10.55 per share. This issuance was undertaken in reliance upon the exemption from registration requirements of Rule 701, as a transaction pursuant to a compensatory benefit plan, or pursuant to Section 4(2), as a transaction by an issuer not involving a public offering. All recipients had adequate access, through their relationship with us, to information about us. The common stock issued upon exercise of options is deemed restricted securities for the purposes of the Securities Act.

Use of Proceeds

On May 9, 2013, the SEC declared effective our registration statement on Form S-1 (File No. 333-177917) in connection with our initial public offering, pursuant to which we registered an aggregate of 8,000,000 units, each unit consisting of one share of common stock and one warrant to purchase half of one share of common stock, as well as a maximum of 1,200,000 additional units to cover over-allotments, if any. Each warrant will be exercisable during the period commencing on August 8, 2013 and ending at 5:30 p.m. on May 9, 2017 at an exercise price of \$11.00 per whole share of common stock. The managing underwriters were Credit Suisse Securities (USA) LLC, Barclays Capital Inc., Société Générale and Pacific Crest Securities LLC.

Our net proceeds from the sale of units in this offering were approximately \$71.7 million, based upon an initial public offering price of \$10.00 per unit, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates. We received these proceeds at a closing held on May 14, 2013. To date, we have not yet used the net proceeds of our initial public offering. We intend to use the net proceeds of our initial public offering as follows:

- approximately \$63.0 million for our capital contributions relating to the construction of the initial phase of our planned facility in Sarnia, Ontario with an expected capacity of 30,000 metric tons, which amount may be reduced to \$45.5 million based on the outcome of our discussions with Canadian government agencies for approximately CAD \$25.0 million in additional low-interest loans; and
- the balance for working capital and other general corporate purposes, which will also include expenses and costs associated with being a public company as well as certain interest and principal payments as they come due under our government loans and our credit facility with HTGC.

There has been no material change in the planned use of proceeds from our initial public offering from that described in our final prospectus, dated May 9, 2013, filed with the SEC pursuant to Rule 424(b).

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The exhibits listed below are filed as part of this Quarterly Report on Form 10-Q.

<u>Exhibit No.</u>	<u>Exhibit Description</u>	<u>Filed or Furnished Herewith</u>	<u>Incorporated by Reference</u>			
			<u>Form</u>	<u>SEC File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>
3.1	Amended and Restated Certificate of Incorporation		S-1	333-177917	3.1	4/11/13
3.2	Amended and Restated By-laws		S-1	333-177917	3.2	4/11/13
4.1	Specimen Common Stock Certificate		S-1	333-177917	4.1	4/11/13
4.2	Form of Common Stock Purchase Warrant		S-1	333-177917	4.6	5/9/13
10.1	Loan and Security Agreement dated June 27, 2013 with Hercules Technology Growth Capital, Inc.	X				
31.1	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
31.2	Certification of the Chief Financial Officer pursuant Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1*	Certification of the Chief Executive Officer pursuant Section 906 of the Sarbanes-Oxley Act of 2002	X				
32.2*	Certification of the Chief Financial Officer pursuant Section 906 of the Sarbanes-Oxley Act of 2002	X				
101.INS**	XBRL Instance Document	X				
101.SCH**	XBRL Taxonomy Extension Schema Document	X				
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document	X				
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document	X				
101.LAB**	XBRL Taxonomy Extension Labels Linkbase Document	X				
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document	X				

* The certification furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

** Pursuant to Rule 406T of Regulation S-T, the information in these exhibits shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Act of 1934, as amended, or otherwise subject to liability under that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1934, as amended, except as expressly set forth by specific reference in such filing.

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.

BIOAMBER INC.

August 14, 2013

By: /s/ Jean-François Huc

Jean-François Huc
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Andrew Ashworth

Andrew Ashworth
Chief Financial Officer
(Principal Financial Officer)

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is made and dated as of June 27, 2013 and is entered into by and between BIOAMBER INC., a Delaware corporation (“Parent”), each of its Subsidiaries that has delivered a Joinder Agreement (as defined herein) (each a “Subsidiary Guarantor” and collectively, the “Subsidiary Guarantors” and together with Parent, collectively, “Borrower”), and HERCULES TECHNOLOGY GROWTH CAPITAL, INC., a Maryland corporation (“Lender”).

RECITALS

A. Borrower has requested Lender to make available to Borrower a loan in an aggregate principal amount of up to Twenty-Five Million Dollars (\$25,000,000) (the “Term Loan”); and

B. Lender is willing to make the Term Loan on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, Borrower and Lender agree as follows:

SECTION 1. DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Unless otherwise defined herein, the following capitalized terms shall have the following meanings:

“Account Control Agreement(s)” means any agreement entered into by and among the Lender, Borrower and a third party Bank or other institution (including a Securities Intermediary) in which Borrower maintains a Deposit Account or an account holding Investment Property and which grants Lender a perfected first priority security interest in the subject account or accounts.

“ACH Authorization” means the ACH Debit Authorization Agreement in substantially the form of Exhibit H.

“Advance(s)” means a Term Loan Advance.

“Advance Date” means the funding date of any Advance.

“Advance Request” means a request for an Advance submitted by Parent to Lender in substantially the form of Exhibit A.

“Agreement” means this Loan and Security Agreement, as amended from time to time.

“AmberWorks” means AmberWorks, LLC, a Delaware limited liability company.

“Assignee” has the meaning given to it in Section 10.14.

“BioAmber Canada” means BioAmber Canada Inc., a Canadian corporation, and its successors or assigns.

“BioAmber Delaware” means BioAmber USA Inc., a Delaware corporation, and its successors or assigns.

“BioAmber France” means BioAmber SAS, a French corporation, and its successors or assigns.

“BioAmber Luxembourg” means BioAmber International S.à .r.l., a Luxembourg société à responsabilité limitée, having its registered office at 49, route d’Arlon, L – 1140 Luxembourg, registered with the Luxembourg Registre de Commerce et des Sociétés under number B 163728 and with a share capital of \$320,000, and its successors or assigns.

“BioAmber Sarnia” means BioAmber Sarnia Inc., a Canadian corporation, and its successors or assigns.

“Borrower Products” means all products, software, service offerings, technical data or technology currently being designed, manufactured or sold by Borrower or which Borrower intends to sell, license, or distribute in the future including any products or service offerings under development, collectively, together with all products, software, service offerings, technical data or technology that have been sold, licensed or distributed by Borrower since its incorporation.

“Cash” means all cash and liquid funds.

“Change in Control” means any reorganization, recapitalization, consolidation or merger (or similar transaction or series of related transactions) of Borrower or any Subsidiary, sale or exchange of outstanding shares (or similar transaction or series of related transactions) of Borrower or any Subsidiary in which the holders of Borrower or Subsidiary’s outstanding shares immediately before consummation of such transaction or series of related transactions do not, immediately after consummation of such transaction or series of related transactions, retain shares representing more than fifty percent (50%) of the voting power of the surviving entity of such transaction or series of related transactions (or the parent of such surviving entity if such surviving entity is wholly owned by such parent), in each case without regard to whether Borrower or Subsidiary is the surviving entity.

“Claims” has the meaning given to it in Section 10.11.

“Closing Date” means the date of this Agreement.

“Collateral” means the property described in Section 3.

“Confidential Information” has the meaning given to it in Section 10.13.

“Constitutional Documents” means the Certificate of Incorporation and the Bylaws or other constituent document, of Parent and each Subsidiary Guarantor, and in relation to BioAmber Luxembourg and any Luxembourg companies, an updated copy of the articles of association, an up-to-date copy of the excerpt from the Luxembourg Registre de Commerce et des Sociétés and an updated electronic certificat de non-inscription d’une decision judiciaire.

“Contingent Obligation” means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any indebtedness, lease, dividend, letter of credit or other obligation of another, including any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term “Contingent Obligation” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

“Copyright License” means any written agreement granting any right to use any Copyright or Copyright registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Copyrights” means all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof, or of any other country.

“Deposit Accounts” means any “deposit accounts,” as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit, in each case wherever located, as well as any account opened by BioAmber Luxembourg within a bank institution established in Luxembourg.

“ERISA” is the Employee Retirement Income Security Act of 1974, and its regulations.

“Event of Default” has the meaning given to it in Section 8.

“Facility Charge” means Two and One-Half percent (2.5%) of the sum of the Maximum Term Loan Amount.

“Financial Statements” has the meaning given to it in Section 7.1.

“GAAP” means generally accepted accounting principles in the United States of America, as in effect from time to time.

“Indebtedness” means indebtedness of any kind, including (a) all indebtedness for borrowed money or the deferred purchase price of property or services (excluding trade credit entered into in the ordinary course of business due within sixty (60) days), including reimbursement and other obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations, and (d) all Contingent Obligations.

“Initial Public Offering” means the initial firm commitment underwritten offering of Borrower’s common stock pursuant to a registration statement under the Securities Act of 1933 filed with and declared effective by the Securities and Exchange Commission.

“Insolvency Proceeding” is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief. In relation to BioAmber Luxembourg and any Luxembourg companies, an insolvency proceeding is a (i) bankruptcy (faillite), insolvency, voluntary or judicial liquidation (liquidation volontaire ou judiciaire), composition with creditors (concordat préventif de faillite), suspension of payment (sursis de paiement), controlled management (gestion contrôlée), fraudulent conveyance (actio pauliana), general settlement with creditors, re-organisation, or similar laws affecting the rights of creditors generally; or (ii) a state of cessation of payments (cessation de paiements) and loss of commercial creditworthiness (ébranlement de crédit) or (iii) an appointment of a commissaire, juge commissaire, liquidateur, curateur, administrateur judiciaire or similar officer. In relation to BioAmber France S.A.S., and any French companies as the case may be, insolvency proceedings shall mean any proceedings set forth in the *Livre Sixième* of the French *Code de Commerce*.

“Intellectual Property” means all of Borrower’s Copyrights; Trademarks; Patents; Licenses; trade secrets and inventions; mask works; Borrower’s applications therefore and reissues, extensions, or renewals thereof; and Borrower’s goodwill associated with any of the foregoing, together with Borrower’s rights to sue for past, present and future infringement of Intellectual Property and the goodwill associated therewith.

“Interest Only Period” means the period beginning on the Closing Date and ending on January 1, 2014; provided however, that upon Lender’s determination in the exercise of its reasonable discretion that Mitsui & Co. Ltd. has made an additional equity contribution of at least \$1,500,000 to BioAmber Sarnia relating to Sarnia Phase I by no later than December 31, 2013, the Interest Only Period shall be the period beginning on the Closing Date and ending on July 1, 2014.

“Investment” means any beneficial ownership (including stock, partnership or limited liability company interests) of or in any Person, or any loan, advance or capital contribution to any Person or the acquisition of all, or substantially all, of the assets of another Person.

“Joinder Agreements” means for each Subsidiary other than BioAmber Sarnia and AmberWorks, a completed and executed Joinder Agreement in substantially the form attached hereto as Exhibit G.

“Lender” has the meaning given to it in the preamble to this Agreement.

“License” means any Copyright License, Patent License, Trademark License or other license of rights or interests.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, and any lease in the nature of a security interest.

“Loan” means the Advances made under this Agreement.

“Loan Documents” means this Agreement, the Notes (if any), the ACH Authorization, the Account Control Agreements, the Joinder Agreements, all UCC Financing Statements, the Security Documents and any other documents executed in connection with the Secured Obligations or the transactions contemplated hereby, as the same may from time to time be amended, modified, supplemented or restated.

“Material Adverse Effect” means a material adverse effect upon: (i) the business, operations, properties, assets, prospects or condition (financial or otherwise) of Borrower; or (ii) the ability of Borrower to perform the Secured Obligations in accordance with the terms of the Loan Documents, or the ability of Lender to enforce any of its rights or remedies with respect to the Secured Obligations; (iii) the Collateral or Lender’s Liens on the Collateral or the priority of such Liens; or (iv) any material reduction in the amount of or delay in the timing of expected fundings, at Lender’s sole but reasonable discretion, of BioAmber Sarnia that are not resolved within 60 days of the occurrence thereof; provided that such 60-day cure period shall only apply if Borrower maintains a balance of unrestricted cash not less than the Secured Obligations at all times during such 60-day cure period.

“Maximum Term Loan Amount” means Twenty Five Million Dollars and No/100 Dollars (\$25,000,000).

“Maximum Rate” shall have the meaning assigned to such term in Section 2.3.

“Note(s)” means a Term Note.

“Patent License” means any written agreement granting any right with respect to any invention on which a Patent is in existence or a Patent application is pending, in which agreement Borrower now holds or hereafter acquires any interest.

“Patents” means all letters patent of, or rights corresponding thereto, in the United States or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States or any other country.

“Parent” has the meaning set forth in the introductory paragraph of this Agreement.

“Permitted Indebtedness” means: (i) Indebtedness of Borrower in favor of Lender arising under this Agreement or any other Loan Document; (ii) Indebtedness existing on the Closing Date which is disclosed in Schedule 1A; (iii) Indebtedness of up to \$3,000,000 outstanding at any time secured by a lien described in clause (vii) of the defined term “Permitted Liens,” provided such Indebtedness does not exceed the lesser of the cost or fair market value of the Equipment financed with such Indebtedness; (iv) Indebtedness to trade creditors incurred in the ordinary course of business, including Indebtedness incurred in the ordinary course of business with corporate credit cards; (v) Indebtedness that also constitutes a Permitted Investment; (vi) Subordinated Indebtedness; (vii) reimbursement obligations in connection with letters of credit that are secured by cash or cash equivalents and issued on behalf of the Borrower or a Subsidiary thereof in an amount not to exceed \$500,000 at any time outstanding, (viii) other Indebtedness in an amount not to exceed \$250,000 at any time outstanding, and (ix) extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the principal amount is not increased or the terms modified to impose materially more burdensome terms upon Borrower or its Subsidiary, as the case may be.

“Permitted Investment” means: (i) Investments existing on the Closing Date which are disclosed in Schedule 1B; (ii) (a) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof, (b) commercial paper maturing no more than one year from the date of creation thereof and currently having a rating of at least A-2 or P-2 from either Standard & Poor’s Corporation or Moody’s Investors Service, (c) certificates of deposit issued by any bank with assets of at least \$500,000,000 maturing no more than one year from the date of investment therein, and (d) money market accounts; (iii) repurchases of stock from former employees, directors, or consultants of Borrower under the terms of applicable repurchase agreements at the original issuance price of such securities in an aggregate amount not to exceed \$250,000 in any fiscal year, provided that no Event of Default has occurred, is continuing or would exist after giving effect to the repurchases; (iv) Investments accepted in connection with Permitted Transfers; (v) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower’s business; (vi) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not affiliates, in the ordinary course of business, provided that this subparagraph (vi) shall not apply to Investments of Borrower in any Subsidiary; (vii) Investments consisting of loans not involving the net transfer on a substantially contemporaneous basis of cash proceeds to employees, officers or directors relating to the purchase of capital stock of Borrower pursuant to employee stock purchase plans or other similar agreements approved by Borrower’s Board of Directors; (viii) Investments consisting of travel advances in the ordinary course of business; (ix) Investments in newly-formed Subsidiaries organized in the United States, provided that such Subsidiaries enter into a Joinder Agreement promptly after their formation by Borrower and execute such other documents as shall be reasonably requested by Lender; (x) Investments in BioAmber Luxembourg only if such Investment is (1) in an amount not to exceed (A) \$15,000,000 in any calendar quarter (such amount being cumulative from one quarter to another, the first applicable quarter being the second quarter of Parent’s 2013 financial year (and for the avoidance of doubt by way of example, if no such Investment is made in either the second or third quarter of Parent’s 2013 financial year, the total amount available for investment under this clause (x)(1) (A) would be

\$45,000,000) and (B) \$50,000,000 in the aggregate over the term of this Agreement, solely for the purpose of funding BioAmber Luxembourg's equity investment in BioAmber Sarnia for Sarnia Phase I and (2) only if, prior to December 31, 2014, immediately after giving effect to such Investment, Parent has unrestricted cash at least equal to the Secured Obligations outstanding under this Agreement and such unrestricted cash is maintained in a Deposit Account subject to an Account Control Agreement in favor of Lender; provided however, that Borrower may make Investments in BioAmber Luxembourg in excess of the amounts set forth under (x)(1)(A) and (x)(1)(B) of this definition solely for the purpose of funding BioAmber Luxembourg's equity investment in BioAmber Sarnia for Sarnia Phase I only if Parent is in compliance with Section 7.14(b) hereof; (xi) Investments in BioAmber France as set forth in Parent's S-1 filing to restore the equity capital of BioAmber France to at least half of its share capital to prevent the involuntary dissolution of such entity, promptly upon any claim for dissolution of BioAmber France being filed with the French courts prior to the mechanical completion of Sarnia Phase I, but in no event shall such Investment exceed €20,000,000 in the aggregate; provided however, that such Investment (1) shall be returned to Parent not later than two Business Days after such Investment is initially made and (2) may not be made unless immediately after giving effect to such Investment and during the period prior to the return of such Investment to Parent, Parent has unrestricted cash at least equal to the Secured Obligations outstanding under this Agreement and such unrestricted cash is maintained in a Deposit Account subject to an Account Control Agreement in favor of Lender; (xii) Investments solely for Subsidiaries organized outside of the United States approved in advance in writing by Lender; (xiii) joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the nonexclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash Investments by Borrower do not exceed \$250,000 in the aggregate in any fiscal year; and (xiv) additional Investments that do not exceed \$500,000 in the aggregate.

"Permitted Liens" means any and all of the following: (i) Liens in favor of Lender; (ii) Liens existing on the Closing Date which are disclosed in Schedule 1C; (iii) Liens for taxes, fees, assessments or other governmental charges or levies, either not delinquent or being contested in good faith by appropriate proceedings; provided, that Borrower maintains adequate reserves therefor in accordance with GAAP; (iv) Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like Persons arising in the ordinary course of Borrower's business and imposed without action of such parties; provided, that the payment thereof is not yet required; (v) Liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default hereunder; (vi) the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than liens arising under ERISA or environmental liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds; (vii) Liens on Equipment or software or other intellectual property constituting purchase money liens and liens in connection with capital leases securing Indebtedness permitted in clause (iii) of "Permitted Indebtedness"; (viii) Liens incurred in connection with Subordinated Indebtedness; (ix) leasehold interests in leases or subleases and licenses granted in the ordinary course of business and not interfering in any

material respect with the business of the licensor; (x) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due; (xi) Liens on insurance proceeds securing the payment of financed insurance premiums that are promptly paid on or before the date they become due (provided that such Liens extend only to such insurance proceeds and not to any other property or assets); (xii) statutory and common law rights of set-off and other similar rights as to deposits of cash and securities in favor of banks, other depository institutions and brokerage firms; (xiii) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business so long as they do not materially impair the value or marketability of the related property; (xiv) Liens granted by BioAmber Sarnia on its assets; (xv) Liens on cash or cash equivalents securing obligations permitted under clause (vii) of the definition of Permitted Indebtedness; and (xvi) Liens incurred in connection with the extension, renewal or refinancing of the indebtedness secured by Liens of the type described in clauses (i) through (xi) above; provided, that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase.

“Permitted Transfers” means (i) sales of Inventory in the normal course of business, (ii) non-exclusive licenses and similar arrangements for the use of Intellectual Property in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States in the ordinary course of business, or (iii) dispositions of worn-out, obsolete or surplus Equipment at fair market value in the ordinary course of business, (iv) Transfers of assets (other than cash, cash equivalents or marketable securities) having a fair market value of not more than \$500,000 in the aggregate in any fiscal year, (v) any Transfer of cash to (A) BioAmber Canada by Parent pursuant to and in accordance with the servicing agreement in effect on the Closing Date in an amount not to exceed \$3,500,000 per year, (B) BioAmber France by Parent pursuant to and in accordance with the servicing agreement in effect on the Closing Date in an amount not to exceed \$1,000,000 per year and (C) BioAmber Luxembourg by Parent pursuant to and in accordance with the servicing agreement in effect on the Closing Date in an amount not to exceed \$100,000 per year, and (vi) any Transfer of cash, cash equivalents or marketable securities to BioAmber Sarnia only if, prior to December 31, 2014, immediately after giving effect to such Transfer, Parent has unrestricted cash at least equal to the Secured Obligations outstanding under this Agreement and such unrestricted cash is maintained in a Deposit Account subject to an Account Control Agreement in favor of Lender.

“Person” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, other entity or government.

“Prepayment Charge” shall have the meaning assigned to such term in Section 2.4.

“Receivables” means (i) all of Borrower’s Accounts, Instruments, Documents, Chattel Paper, Supporting Obligations, letters of credit, proceeds of any letter of credit, and Letter of Credit Rights, and (ii) all customer lists, software, and business records related thereto.

“Sarnia Phase I” means BioAmber Sarnia’s bio-succinic acid facility located at Sarnia, Ontario, Canada with a projected capacity of 30,000 metric tons of bio-succinic acid.

“Sarnia Phase II” means the expansion project relating to BioAmber Sarnia’s bio-succinic acid facility located at 1265 Vidal Street South, Sarnia, Ontario, Canada that is intended to expand the capacity of such facility by 20,000 metric tons of bio-succinic acid.

“Secured Obligations” means Borrower’s obligations under this Agreement and any Loan Document, including any obligation to pay any amount now owing or later arising.

“Security Documents” means each security agreement, all other mortgages, deeds of trust, security agreements, pledge agreements, assignments, control agreements, financing statements and other documents as shall from time to time secure or relate to the Secured Obligations or any other obligation arising under any Loan Document or any part thereof, in each case, executed by any Borrower, any Subsidiary Guarantor or any Subsidiary.

“Specified Accounts” means those Deposit Accounts and Investment accounts identified as a “Specified Account” on Schedule E of this Agreement.

“Sinoven Biopolymers” means Sinoven Biopolymers Inc., a Delaware corporation, and its successors or assigns.

“Subordinated Indebtedness” means Indebtedness subordinated to the Secured Obligations in amounts and on terms and conditions satisfactory to Lender in its sole discretion.

“Subsidiary” means an entity, whether corporate, partnership, limited liability company, joint venture or otherwise, in which Borrower directly or indirectly owns or controls 50% or more of the outstanding voting securities, including each entity listed on Schedule 1 hereto.

“Subsidiary Guarantor” has the meaning assigned in the introductory paragraph of this Agreement.

“Term Loan Advance” means any Term Loan funds advanced under this Agreement.

“Term Loan Interest Rate” means for any day a per annum rate of interest equal to the greater of (i) the prime rate as reported in The Wall Street Journal plus 6.75% and (ii) 10%.

“Term Loan Maturity Date” means June 1, 2016.

“Term Note” means a Promissory Note in substantially the form of Exhibit B.

“Trademark License” means any written agreement granting any right to use any Trademark or Trademark registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

“Trademarks” means all trademarks (registered, common law or otherwise) and any applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof.

“Transfer” means the sale, transfer, grant, lease or other disposition of any asset.

“UCC” means the Uniform Commercial Code as the same is, from time to time, in effect in the State of California; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Lender’s Lien on any Collateral is governed by the Uniform Commercial Code as the same is, from time to time, in effect in a jurisdiction other than the State of California, then the term “UCC” shall mean the Uniform Commercial Code as in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a “Section,” “subsection,” “Exhibit,” “Annex,” or “Schedule” shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement. Unless otherwise specifically provided herein, any accounting term used in this Agreement or the other Loan Documents shall have the meaning customarily given such term in accordance with GAAP, and all financial computations hereunder shall be computed in accordance with GAAP, consistently applied. Unless otherwise defined herein or in the other Loan Documents, terms that are used herein or in the other Loan Documents and defined in the UCC shall have the meanings given to them in the UCC. Unless otherwise specified herein, all references to Dollars and/or use of the Dollar sign shall be deemed to be references to the United States Dollar. All references to the word “Borrower” used herein in the singular shall be deemed to have been used in the plural where the context and construction so require and the word “Borrower” shall mean all or any one or more of parties included in the definition of “Borrower” as the context requires.

SECTION 2. THE LOAN

2.1 Term Loan.

(a) Advances. Subject to the terms and conditions of this Agreement, Lender will make, and Borrower agrees to draw, a Term Loan Advance of Twenty-Five Million Dollars (\$25,000,000) on the Closing Date.

(b) Advance Request. To obtain the Term Loan Advance, Borrower shall complete, sign and deliver an Advance Request (at least one business days before the Closing Date) to Lender. Lender shall fund the Term Loan Advance in the manner requested by the Advance Request provided that each of the conditions precedent to such Term Loan Advance is satisfied as of the Closing Date.

(c) Interest. The principal balance of each Term Loan Advance shall bear interest thereon from such Advance Date at the Term Loan Interest Rate based on a year consisting of 360 days, with interest computed daily based on the actual number of days elapsed. The Term Loan Interest Rate will float and change on the day the Prime Rate changes from time to time.

(d) Payment. Borrower will pay interest on each Term Loan Advance on the first day of each month, beginning the month after the Advance Date. Borrower shall repay the aggregate Term Loan principal balance that is outstanding (i) in the event the Interest Only Period ends on July 1, 2014, in 24 equal monthly installments of principal and interest (mortgage style) beginning on July 1, 2014 or (ii) otherwise, in 30 equal monthly installments of principal and interest (mortgage style) beginning January 1, 2014 and, in either case, continuing on the first business day of each month thereafter. The entire Term Loan principal balance and all accrued but unpaid interest hereunder, shall be due and payable on Term Loan Maturity Date. Borrower shall make all payments under this Agreement without setoff, recoupment or deduction and regardless of any counterclaim or defense. Lender will initiate debit entries to the Borrower's account as authorized on the ACH Authorization on each payment date of all periodic obligations payable to Lender under each Term Advance.

2.2 Maximum Interest. Notwithstanding any provision in this Agreement or any other Loan Document, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans) (the "Maximum Rate"). If a court of competent jurisdiction shall finally determine that Borrower has actually paid to Lender an amount of interest in excess of the amount that would have been payable if all of the Secured Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Borrower shall be applied as follows: first, to the payment of the Secured Obligations consisting of the outstanding principal; second, after all principal is repaid, to the payment of Lender's accrued interest, costs, expenses, professional fees and any other Secured Obligations; and third, after all Secured Obligations are repaid, the excess (if any) shall be refunded to Borrower.

2.3 Default Interest. In the event any payment is not paid on the scheduled payment date, an amount equal to five percent (5%) of the past due amount shall be payable on demand. In addition, upon the occurrence and during the continuation of an Event of Default hereunder, all Secured Obligations, including principal, interest, compounded interest, and professional fees, shall bear interest at a rate per annum equal to the rate set forth in 2.1(c) plus five percent (5%) per annum. In the event any interest is not paid when due hereunder, delinquent interest shall be added to principal and shall bear interest on interest, compounded at the rate set forth in 2.1(c) or Section 2.3, as applicable.

2.4 Prepayment. At its option upon at least 7 business days prior notice to Lender, Borrower may prepay all, but not less than all, of the outstanding Advances by paying the entire principal balance, all accrued and unpaid interest, together with a prepayment charge equal to the following percentage of the Advance amount being prepaid:

if such Advance amounts are prepaid in any of the first twelve (12) months following the Closing Date, 2.00%; after twelve (12) months but prior to twenty four (24) months, 1.00%; and thereafter, 0.00% (each, a "Prepayment Charge"). Borrower agrees that the Prepayment Charge is a reasonable calculation of Lender's lost profits in view of the difficulties and impracticality of determining actual damages resulting from an early repayment of the Advances. Borrower shall, if required by Lender, prepay the outstanding amount of all principal and accrued interest through the prepayment date and the Prepayment Charge upon the occurrence of a Change in Control.

2.5 End of Term Charge. On the earliest to occur of (i) the Term Loan Maturity Date, (ii) the date that Borrower prepays the outstanding Secured Obligations, or (iii) the date that the Secured Obligations become due and payable, Borrower shall pay Lender a charge of eleven and one half percent (11.5%) of the Maximum Term Loan Amount. Notwithstanding the required payment date of such charge, it shall be deemed earned by Lender as of the Closing Date.

2.6 Notes. If so requested by Lender by written notice to Borrower, then Borrower shall execute and deliver to Lender (and/or, if applicable and if so specified in such notice, to any person who is an assignee of Lender pursuant to Section 10.14) (promptly after the Borrower's receipt of such notice) a Note or Notes to evidence Lender's Loans.

SECTION 3. SECURITY INTEREST

3.1 As security for the prompt, complete and indefeasible payment when due (whether on the payment dates or otherwise) of all the Secured Obligations, Borrower grants to Lender a security interest in all of Borrower's right, title, and interest in and to the following personal property whether now owned or hereafter acquired (collectively, the "Collateral"): (a) Receivables; (b) Equipment; (c) Fixtures; (d) General Intangibles; (e) Inventory; (f) Investment Property; (g) Deposit Accounts; (h) Cash; (i) Goods; (j) Intellectual Property; and all other tangible and intangible personal property of Borrower whether now or hereafter owned or existing, leased, consigned by or to, or acquired by, Borrower and wherever located, and any of Borrower's property in the possession or under the control of Lender; and, to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing. Notwithstanding the foregoing, (1) Borrower shall not be required to grant to Lender a security interest in any equity interest of BioAmber Sarnia and (2) this Agreement shall not constitute a grant of a security interest in any License to the extent that such grant of a security interest is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent that has not been obtained (the Borrower having no obligation to seek any such consent) under, any License evidencing or giving rise to such property, in each case except to the extent that such consent requirement, or the term in such License providing for such prohibition, consent, breach, default or termination is ineffective under applicable law.

3.2 Parent shall, as security for the Secured Obligations, cause each Subsidiary Guarantor to grant to Lender a security interest in all of such Subsidiary Guarantor's assets

pursuant to such Security Documents as Lender may require. Notwithstanding the foregoing, (1) any such Subsidiary Guarantor shall not be required to grant to Lender a security interest in any equity interest of BioAmber Sarnia and (2) this Agreement shall not constitute a grant of a security interest in any License to the extent that such grant of a security interest is prohibited by, or constitutes a breach or default under or results in the termination of or requires any consent that has not been obtained (the Borrower having no obligation to seek any such consent) under, any License evidencing or giving rise to such property, in each case except to the extent that such consent requirement, or the term in such License providing for such prohibition, consent, breach, default or termination is ineffective under applicable law.

SECTION 4. CONDITIONS PRECEDENT TO LOAN

The obligations of Lender to make the Loan hereunder are subject to the satisfaction by Borrower of the following conditions:

4.1 Initial Advance. On or prior to the Closing Date, Borrower shall have delivered to Lender the following:

(a) executed originals of the Loan Documents, Account Control Agreements, a legal opinions of Parent's and each Subsidiary Guarantor's counsel (including foreign counsel), and all other documents and instruments reasonably required by Lender to effectuate the transactions contemplated hereby or to create and perfect the Liens of Lender with respect to all Collateral, in all cases in form and substance reasonably acceptable to Lender;

(b) certified copy of resolutions of Parent's and each Subsidiary Guarantor's boards of directors or board of managers, as applicable, evidencing approval of the Loan and other transactions evidenced by the Loan Documents;

(c) certified copies of the Constitutional Documents or other constituent document, as amended through the Closing Date, of Parent and each Subsidiary Guarantor;

(d) a certificate of good standing for Parent and each Subsidiary Guarantor from its state of incorporation and/or province of organization, as applicable, and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified would have a Material Adverse Effect;

(e) payment of the Facility Charge and reimbursement of Lender's current expenses reimbursable pursuant to this Agreement, which amounts may be deducted from the initial Advance;

(f) Lender shall have determined in the exercise of its sole and absolute discretion that Borrower has a fully-funded plan of financing for Sarnia Phase I; and

(g) such other documents as Lender may reasonably request.

4.2 All Advances. On each Advance Date:

(a) Lender shall have received (i) an Advance Request for the relevant Advance as required by 2.1(b), duly executed by Borrower's Chief Executive Officer or Chief Financial Officer, and (ii) any other documents Lender may reasonably request.

(b) The representations and warranties set forth in this Agreement and in Section 5 shall be true and correct in all material respects on and as of the Advance Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) Borrower shall be in compliance with all the terms and provisions set forth herein and in each other Loan Document on its part to be observed or performed, and at the time of and immediately after such Advance no Event of Default shall have occurred and be continuing.

(d) Each Advance Request shall be deemed to constitute a representation and warranty by Borrower on the relevant Advance Date as to the matters specified in paragraphs (b) and (c) of this Section 4.2 and as to the matters set forth in the Advance Request.

4.3 No Default. As of the Closing Date and each Advance Date, (i) no fact or condition exists that would (or would, with the passage of time, the giving of notice, or both) constitute an Event of Default and (ii) no event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower represents and warrants that:

5.1 Corporate Status. (a) Parent is a corporation duly organized, legally existing and in good standing under the laws of the State of Delaware, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. Parent's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit C, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Lender after the Closing Date; (b) BioAmber France is a corporation duly organized and legally existing under the laws of the Republic of France, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. BioAmber France's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit C, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Lender after the Closing Date; (c) BioAmber Luxembourg is a Luxembourg *société à*

responsabilité limitée duly organized, legally existing and in good standing under the laws of the Country of Grand Duchy of Luxembourg, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. BioAmber Luxembourg is not subject to any Insolvency Proceedings. BioAmber Luxembourg's present corporate name, former names (if any), center of main interest as defined in the EU insolvency regulation (Council Regulation, EC n° 1346/2000 of 29 May 2000 on insolvency proceedings), place of incorporation, registered office, tax identification number, Luxembourg Registre de Commerce et des Sociétés number and other information are correctly set forth in Exhibit C, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Lender after the Closing Date; (d) Sinoven Biopolymers is a corporation duly organized, legally existing and in good standing under the laws of the State of Delaware, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. Sinoven Biopolymer's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit C, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Lender after the Closing Date; (e) BioAmber Canada is a corporation duly organized, legally existing and in good standing under the laws of Canada, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. BioAmber Canada's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit C, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Lender after the Closing Date; and (f) BioAmber Sarnia is a corporation duly organized, legally existing and in good standing under the laws of Canada, and is duly qualified as a foreign corporation in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. BioAmber Sarnia's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit C, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Lender after the Closing Date.

5.2 Collateral. Borrower owns the Collateral, free of all Liens, except for Permitted Liens. Borrower has the power and authority to grant to Lender a Lien in the Collateral as security for the Secured Obligations.

5.3 Consents. Borrower's execution, delivery and performance of this Agreement and all other Loan Documents (i) have been duly authorized by all necessary corporate action of Borrower, (ii) will not result in the creation or imposition of any Lien upon the Collateral, other than Permitted Liens and the Liens created by this Agreement and the other Loan Documents, (iii) do not violate any provisions of Borrower's

Constitutional Documents, injunction, judgment, decree or writ to which Borrower is subject and (iv) except as described on Schedule 5.3, do not violate any contract or agreement or require the consent or approval of any other Person. The individual or individuals executing the Loan Documents are duly authorized to do so.

5.4 Material Adverse Effect. No event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing. Borrower is not aware of any event likely to occur that is reasonably expected to result in a Material Adverse Effect.

5.5 Actions Before Governmental Authorities. Except as described on Schedule 5.5, there are no actions, suits or proceedings at law or in equity or by or before any governmental authority now pending or, to the knowledge of Borrower, threatened against or affecting Borrower or its property.

5.6 Laws. Borrower is not in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any governmental authority, where such violation or default is reasonably expected to result in a Material Adverse Effect. Borrower is not in default in any manner under any provision of any agreement or instrument evidencing indebtedness, or any other material agreement to which it is a party or by which it is bound.

5.7 Information Correct and Current. No information, report, Advance Request, financial statement, exhibit or schedule furnished, by or on behalf of Borrower to Lender in connection with any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading at the time such statement was made or deemed made. Additionally, any and all financial or business projections provided by Borrower to Lender shall be (i) provided in good faith and based on the most current data and information available to Borrower, and (ii) the most current of such projections provided to Borrower's Board of Directors.

5.8 Tax Matters. Except as described on Schedule 5.8, (a) Borrower has filed all federal, state and local tax returns that it is required to file, (b) Borrower has duly paid or fully reserved for all taxes or installments thereof (including any interest or penalties) as and when due, which have or may become due pursuant to such returns, and (c) Borrower has paid or fully reserved for any tax assessment received by Borrower for the three (3) years preceding the Closing Date, if any (including any taxes being contested in good faith and by appropriate proceedings).

5.9 Intellectual Property Claims. Borrower is the sole owner of, or otherwise has the right to use, the Intellectual Property. Except as described on Schedule 5.9, (i) each of the material Copyrights, Trademarks and Patents is valid and enforceable, (ii) no material part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and (iii) no claim has been made to Borrower that any material part of the Intellectual Property violates the rights of any third party. Exhibit D is a true, correct and

complete list of each of Borrower's Patents, registered Trademarks, registered Copyrights, and material agreements under which Borrower licenses Intellectual Property from third parties (other than shrink-wrap software licenses), together with application or registration numbers, as applicable, owned by Borrower or any Subsidiary, in each case as of the Closing Date. Borrower is not in material breach of, nor has Borrower failed to perform any material obligations under, any of the foregoing contracts, licenses or agreements and, to Borrower's knowledge, no third party to any such contract, license or agreement is in material breach thereof or has failed to perform any material obligations thereunder.

5.10 Intellectual Property. Except as described on Schedule 5.10, Borrower has, or in the case of any proposed business, will have, all material rights with respect to Intellectual Property necessary in the operation or conduct of Borrower's business as currently conducted and proposed to be conducted by Borrower. Without limiting the generality of the foregoing, and in the case of Licenses, except for restrictions that are unenforceable under Division 9 of the UCC, Borrower has the right, to the extent required to operate Borrower's business, to freely transfer, license or assign Intellectual Property without condition, restriction or payment of any kind (other than license payments in the ordinary course of business or as otherwise set forth on Schedule 5.10) to any third party, and Borrower owns or has the right to use, pursuant to valid licenses, all software development tools, library functions, compilers and all other third-party software and other items that are used in the design, development, promotion, sale, license, manufacture, import, export, use or distribution of Borrower Products.

5.11 Borrower Products. Except as described on Schedule 5.11, no Intellectual Property owned by Borrower or Borrower Product has been or is subject to any actual or, to the knowledge of Borrower, threatened litigation, proceeding (including any proceeding in the United States Patent and Trademark Office or any corresponding foreign office or agency) or outstanding decree, order, judgment, settlement agreement or stipulation that restricts in any manner Borrower's use, transfer or licensing thereof or that may affect the validity, use or enforceability thereof. There is no decree, order, judgment, agreement, stipulation, arbitral award or other provision entered into in connection with any litigation or proceeding that obligates Borrower to grant licenses or ownership interest in any future Intellectual Property related to the operation or conduct of the business of Borrower or Borrower Products. Borrower has not received any written notice or claim, or, to the knowledge of Borrower, oral notice or claim, challenging or questioning Borrower's ownership in any Intellectual Property (or written notice of any claim challenging or questioning the ownership in any licensed Intellectual Property of the owner thereof) or suggesting that any third party has any claim of legal or beneficial ownership with respect thereto nor, to Borrower's knowledge, is there a reasonable basis for any such claim. To the knowledge of Borrower, after making due inquiry, neither Borrower's use of its Intellectual Property nor the production and sale of Borrower Products infringes the Intellectual Property or other rights of others.

5.12 Financial Accounts. Exhibit E, as may be updated by the Borrower in a written notice provided to Lender after the Closing Date, is a true, correct and complete list of (a) all banks and other financial institutions at which Borrower or any Subsidiary maintains Deposit Accounts and (b) all institutions at which Borrower or any Subsidiary

maintains an account holding Investment Property, and such exhibit correctly identifies the name, address and telephone number of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

5.13 Employee Loans. Borrower has no outstanding loans to any employee, officer or director of the Borrower nor has Borrower guaranteed the payment of any loan made to an employee, officer or director of the Borrower by a third party.

5.14 Capitalization and Subsidiaries. Borrower's capitalization as of the Closing Date is set forth on Schedule 5.14 annexed hereto. Borrower does not own any stock, partnership interest or other securities of any Person, except for Permitted Investments. Attached as Schedule 5.14, as may be updated by Borrower in a written notice provided after the Closing Date, is a true, correct and complete list of each Subsidiary.

SECTION 6. INSURANCE; INDEMNIFICATION

6.1 Coverage. Borrower shall cause to be carried and maintained commercial general liability insurance, on an occurrence form, against risks customarily insured against in Borrower's line of business. Such risks shall include the risks of bodily injury, including death, property damage, personal injury, advertising injury, and contractual liability per the terms of the indemnification agreement found in Section 6.3. Borrower must maintain a minimum of \$2,000,000 of commercial general liability insurance for each occurrence. Borrower has and agrees to maintain a minimum of \$2,000,000 of directors and officers' insurance for each occurrence and \$5,000,000 in the aggregate. So long as there are any Secured Obligations outstanding, Borrower shall also cause to be carried and maintained insurance upon the Collateral, insuring against all risks of physical loss or damage howsoever caused, in an amount not less than the full replacement cost of the Collateral, provided that such insurance may be subject to standard exceptions and deductibles. Borrower shall also carry and maintain a fidelity insurance policy in an amount not less than \$100,000.

6.2 Certificates. Borrower shall deliver to Lender certificates of insurance that evidence Borrower's compliance with its insurance obligations in Section 6.1 and the obligations contained in this Section 6.2. Borrower's insurance certificate shall state Lender is an additional insured for commercial general liability, a loss payee for all risk property damage insurance, subject to the insurer's approval, a loss payee for fidelity insurance, and a loss payee for property insurance and additional insured for liability insurance for any future insurance that Borrower may acquire from such insurer. Attached to the certificates of insurance will be additional insured endorsements for liability and lender's loss payable endorsements for all risk property damage insurance and fidelity. All certificates of insurance will provide for a minimum of thirty (30) days advance written notice to Lender of cancellation or any other change adverse to Lender's interests. Any failure of Lender to scrutinize such insurance certificates for compliance is not a waiver of any of Lender's rights, all of which are reserved.

6.3 Indemnity. Borrower agrees to indemnify and hold Lender and its officers, directors, employees, agents, in-house attorneys, representatives and shareholders harmless from and against any and all claims, costs, expenses, damages and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort), including reasonable attorneys' fees and disbursements and other costs of investigation or defense (including those incurred upon any appeal), that may be instituted or asserted against or incurred by Lender or any such Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents or the administration of such credit, or in connection with or arising out of the transactions contemplated hereunder and thereunder, or any actions or failures to act in connection therewith, or arising out of the disposition or utilization of the Collateral, excluding in all cases claims resulting solely from Lender's gross negligence or willful misconduct. Borrower agrees to pay, and to save Lender harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all registration, stamp, excise, sales or other similar taxes (excluding taxes imposed on or measured by the net income of Lender) that may be payable or determined to be payable with respect to any of the Collateral or this Agreement.

SECTION 7. COVENANTS OF BORROWER

Borrower agrees as follows:

7.1 Financial Reports. Borrower shall furnish to Lender the financial statements and reports listed hereinafter (the "Financial Statements"):

(a) as soon as practicable (and in any event within 30 days) after the end of each month, unaudited interim and year-to-date financial statements as of the end of such month (prepared on a consolidated and consolidating basis, if applicable), including balance sheet and related statements of income accompanied by a report detailing any material contingencies (including the commencement of any material litigation by or against Borrower) or any other occurrence that would reasonably be expected to have a Material Adverse Effect, all certified by Borrower's Chief Executive Officer or Chief Financial Officer to the effect that they have been prepared in accordance with GAAP, except (i) for the absence of footnotes, (ii) that they are subject to normal year end adjustments, and (iii) they do not contain certain non-cash items that are customarily included in quarterly and annual financial statements;

(b) as soon as practicable (and in any event within 45 days) after the end of each calendar quarter, unaudited interim and year-to-date financial statements as of the end of such calendar quarter (prepared on a consolidated and consolidating basis, if applicable), including balance sheet and related statements of income and cash flows accompanied by a report detailing any material contingencies (including the commencement of any material litigation by or against Borrower) or any other occurrence that would reasonably be expected to have a Material Adverse Effect, certified by Borrower's Chief Executive Officer or Chief Financial Officer to the effect that they have been prepared in accordance with GAAP, except (i) for the absence of footnotes, and (ii) that they are subject to normal year end adjustments; as well as the most recent capitalization table for Borrower, including the weighted average exercise price of employee stock options;

(c) as soon as practicable (and in any event within one hundred fifty (150) days) after the end of each fiscal year, unqualified audited financial statements as of the end of such year (prepared on a consolidated and consolidating basis, if applicable), including balance sheet and related statements of income and cash flows, and setting forth in comparative form the corresponding figures for the preceding fiscal year, certified by a firm of independent certified public accountants selected by Borrower and reasonably acceptable to Lender, accompanied by any management report from such accountants;

(d) as soon as practicable (and in any event within 30 days) after the end of each month, a Compliance Certificate in the form of Exhibit F;

(e) promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements or reports that Borrower has made available to holders of its common stock and copies of any regular, periodic and special reports or registration statements that Borrower files with the Securities and Exchange Commission or any governmental authority that may be substituted therefor, or any national securities exchange; and

(f) financial and business projections promptly following their approval by Borrower's Board of Directors, as well as budgets, operating plans and other financial information reasonably requested by Lender.

Borrower shall not (without the consent of Lender, such consent not to be unreasonably withheld or delayed), make any change in its (a) accounting policies or reporting practices, except as required by GAAP or (b) fiscal years or fiscal quarters. The fiscal year of Borrower shall end on December 31.

The executed Compliance Certificate may be sent via facsimile to Lender at (650) 473-9194 or via e-mail to bpritchard@herculestech.com. All Financial Statements required to be delivered pursuant to clauses (a), (b) and (c) shall be sent via e-mail to financialstatements@herculestech.com with a copy to bpritchard@herculestech.com provided, that if e-mail is not available or sending such Financial Statements via e-mail is not possible, they shall be sent via facsimile to Lender at: (866) 468-8916, attention Chief Credit Officer.

7.2 Management Rights. Borrower shall permit any representative that Lender authorizes, including its attorneys and accountants, to inspect the Collateral and examine and make copies and abstracts of the books of account and records of Borrower at reasonable times and upon reasonable notice during normal business hours. In addition, any such representative shall have the right to meet with management and officers of Borrower to discuss such books of account and records. In addition, Lender shall be entitled at reasonable times and intervals to consult with and advise the management and officers of Borrower concerning significant business issues affecting Borrower. Such consultations shall not unreasonably interfere with Borrower's business operations. The

parties intend that the rights granted Lender shall constitute “management rights” within the meaning of 29 C.F.R Section 2510.3-101(d)(3)(ii), but that any advice, recommendations or participation by Lender with respect to any business issues shall not be deemed to give Lender, nor be deemed an exercise by Lender of, control over Borrower’s management or policies.

7.3 Further Assurances. Borrower shall from time to time execute, deliver and file, alone or with Lender, any financing statements, security agreements, collateral assignments, notices, control agreements, or other documents to perfect or give the highest priority to Lender’s Lien on the Collateral. Borrower shall from time to time procure any instruments or documents as may be requested by Lender, and take all further action that may be necessary or desirable, or that Lender may reasonably request, to perfect and protect the Liens granted hereby and thereby. In addition, and for such purposes only, Borrower hereby authorizes Lender to execute and deliver on behalf of Borrower and to file such financing statements, collateral assignments, notices, control agreements, security agreements and other documents without the signature of Borrower either in Lender’s name or in the name of Lender as agent and attorney-in-fact for Borrower. Borrower shall protect and defend Borrower’s title to the Collateral and Lender’s Lien thereon against all Persons claiming any interest adverse to Borrower or Lender other than Permitted Liens.

7.4 Indebtedness. (a) Except as set forth in and subject to clauses (b) and (c) Borrower shall not create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness or prepay any Indebtedness or take any actions which impose on Borrower an obligation to prepay any Indebtedness, except for the conversion of Indebtedness into equity securities and the payment of cash in lieu of fractional shares in connection with such conversion; and

(b) none of BioAmber France, BioAmber Luxembourg, BioAmber Delaware and BioAmber Canada shall incur, assume, guarantee or be or remain liable with respect to any Indebtedness (i) other than for Indebtedness constituting Permitted Investments, (ii) other than an unsecured guarantee of Indebtedness of BioAmber Sarnia by BioAmber France, BioAmber Luxembourg, BioAmber Delaware and BioAmber Canada with a maximum guaranteed amount of not more than \$25,000,000 on a combined basis and (iii) otherwise in an aggregate amount not to exceed \$500,000 at any time.

(c) Borrower shall not permit BioAmber Sarnia to create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness in an aggregate principal amount in excess of CAD\$57,500,000; provided however, that BioAmber Sarnia is otherwise permitted to create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness in an aggregate principal amount of up to CAD\$57,500,000.

7.5 Collateral. Borrower shall at all times keep the Collateral and all other property and assets used in Borrower’s business or in which Borrower now or hereafter holds any interest free and clear from any legal process or Liens whatsoever (except for Permitted Liens), and shall give Lender prompt written notice of any legal process affecting

the Collateral, such other property and assets, or any Liens thereon. Borrower shall cause its Subsidiaries to protect and defend such Subsidiary's title to its assets from and against all Persons claiming any interest adverse to such Subsidiary, and Borrower shall cause its Subsidiaries at all times to keep such Subsidiary's property and assets free and clear from any legal process or Liens whatsoever (except for Permitted Liens), and shall give Lender prompt written notice of any legal process affecting such Subsidiary's assets. Except as set forth on Schedule 7.5, Borrower shall not agree with any Person other than Lender not to encumber its property.

7.6 Investments. Borrower shall not directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries so to do, other than Permitted Investments.

7.7 Distributions. Borrower shall not, and shall not allow any Subsidiary to, (a) repurchase or redeem any class of stock or other equity interest other than pursuant to employee, director or consultant repurchase plans or other similar agreements, provided, however, in each case the repurchase or redemption price does not exceed the original consideration paid for such stock or equity interest, or (b) declare or pay any cash dividend or make a cash distribution on any class of stock or other equity interest, except that a Subsidiary may pay dividends or make distributions to Borrower, or (c) lend money to any employees, officers or directors or guarantee the payment of any such loans granted by a third party in excess of \$100,000 in the aggregate or (d) waive, release or forgive any indebtedness owed by any employees, officers or directors in excess of \$100,000 in the aggregate.

7.8 Transfers. Except for Permitted Transfers, Borrower shall not, and shall not permit any of Subsidiary Guarantors to, voluntarily or involuntarily transfer, sell, lease, license, lend or in any other manner convey any equitable, beneficial or legal interest in any material portion of their assets; provided however, that BioAmber France shall not be permitted to engage in any Transfer other than for (a) sales of Inventory in the normal course of business and (b) dispositions of worn-out, obsolete or surplus Equipment at fair market value in the ordinary course of business. Except for Permitted Transfers, Borrower shall not permit any Subsidiary not included in the definition of Borrower to, voluntarily or involuntarily transfer, sell, lease, license, lend or in any other manner convey any equitable, beneficial or legal interest in any material portion of their assets except for (i) non-exclusive licenses and similar arrangements for the use of Intellectual Property in the ordinary course of business and licenses that could not result in a legal transfer of title of the licensed property but that may be exclusive in respects other than territory and that may be exclusive as to territory only as to discreet geographical areas outside of the United States in the ordinary course of business, or (ii) dispositions of worn-out, obsolete or surplus Equipment at fair market value in the ordinary course of business.

7.9 Mergers or Acquisitions. Borrower shall not merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with or into any other business organization (other than mergers or consolidations of a Subsidiary into another Subsidiary or into Borrower), or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock or property of another Person.

7.10 Taxes. Borrower and its Subsidiaries shall pay when due all taxes, fees or other charges of any nature whatsoever and in particular all stamp duty, registration and other similar taxes payable in respect of any Loan Documents (together with any related interest or penalties) now or hereafter imposed or assessed against Borrower, Lender or the Collateral or upon Borrower's ownership, possession, use, operation or disposition thereof or upon Borrower's rents, receipts or earnings arising therefrom. The Borrower shall pay and, within 10 business days of demand, indemnify the Lender against any cost, loss and liability, that the Lender incurs in relation to all stamp duty, registration and other similar taxes payable in respect of any Loan Documents or any Security Documents. Borrower shall file on or before the due date therefor all personal property tax returns in respect of the Collateral. Notwithstanding the foregoing, Borrower may contest, in good faith and by appropriate proceedings, taxes for which Borrower maintains adequate reserves therefor in accordance with GAAP.

7.11 Corporate Changes. Neither Borrower nor any Subsidiary shall change its corporate name, legal form or jurisdiction of formation without twenty (20) days' prior written notice to Lender. Neither Borrower nor any Subsidiary shall relocate its chief executive office or its principal place of business unless: (i) it has provided prior written notice to Lender; and (ii) such relocation shall be within the continental United States or any other jurisdiction in which the Borrower or any Subsidiary is located on the Closing Date. Borrower shall not relocate any item of Collateral (other than (x) sales of Inventory in the ordinary course of business, (y) relocations of Equipment having an aggregate value of up to \$150,000 in any fiscal year, and (z) relocations of Collateral from a location described on Exhibit C to another location described on Exhibit C) unless (i) it has provided prompt written notice to Lender, (ii) such relocation is within the continental United States, or with respect to BioAmber Canada, Canada, or as otherwise approved in writing by Lender and, (iii) if such relocation is to a third party bailee, it has delivered a bailee agreement in form and substance reasonably acceptable to Lender.

7.12 Deposit Accounts. Neither Borrower nor any Subsidiary Guarantor shall maintain any Deposit Accounts, or accounts holding Investment Property, except with respect to which Lender has an Account Control Agreement.

7.13 Subsidiaries. Borrower shall notify Lender of each Subsidiary formed subsequent to the Closing Date and, within 15 days of formation, shall cause any such Subsidiary to execute and deliver to Lender a Joinder Agreement.

7.14 Minimum Cash. (a) So long as the Secured Obligations are outstanding, Parent shall, as of any date, have a minimum of Ten Million Dollars (\$10,000,000) of unrestricted, unencumbered cash in one or more Deposit Accounts subject to an Account Control Agreement in favor of Lender; and (b) if the Borrower makes any Investment in BioAmber Luxembourg of more than (i) \$15,000,000 in any calendar quarter of Parent's 2013 financial year (or \$45,000,000 on a combined basis as permitted under clause (x)(1)(A) of the definition of Permitted Investment), or (ii) more than \$50,000,000 in the aggregate during the term of this Agreement, Parent shall, until December 31, 2014, maintain in one or more Deposit Accounts subject, in each case, to an Account Control Agreement, unrestricted and unencumbered cash in an amount of not less than the lesser of (A) \$20,000,000 and (B) the then outstanding principal balance of the Term Loan.

7.15 Sarnia Phase II Funding. Until Sarnia Phase II has been fully funded (as a result of Borrower raising capital or otherwise) as determined by Lender in the exercise of its reasonable discretion, Borrower shall contribute no capital expenditures, assets or property related to, or otherwise connected with, Sarnia Phase II until the Secured Obligations have been paid in full.

7.16 Borrower shall cause Sarnia Phase I to be mechanically completed and with the capacity of at least 30,000 metric tons of bio-succinic acid by not later than December 31, 2014, as determined by Lender in the exercise of its reasonable discretion.

7.17 Borrower shall use its reasonable efforts to, not later than 90 days after the Closing Date cause (a) BioAmber Luxembourg to deliver a first priority pledge of its equity interest in BioAmber Sarnia pursuant to pledge documents in form and substance satisfactory to Lender and (b) BioAmber Sarnia to deliver a second priority mortgage, and related title documentation, including without limitation, title insurance, survey, environmental survey with respect to Sarnia Phase I and all related properties, and security interest in and to its personal property assets, each in form and substance satisfactory to Lender. For the avoidance of doubt, there shall be no breach of this Section 7.17 so long as Borrower has used its reasonable efforts to cause the items required by this Section 7.17 to be delivered, regardless of whether or not such items are actually delivered.

7.18 Borrower shall not permit AmberWorks to at any time have assets in excess of \$2,000,000.

7.19 Borrower shall deliver, or cause to be delivered: (a) not later than three (3) Business Days after the Closing Date, Account Control Agreements over the Specified Accounts; (b) not later than 15 Business Days after the Closing Date, Joinder Agreements and Security Documents executed by each of Sineven Biopolymers, BioAmber Delaware, BioAmber Luxembourg, BioAmber France and BioAmber Canada in form and substance satisfactory to Lender and covering the assets of Sineven Biopolymers, BioAmber Delaware, BioAmber Luxembourg, BioAmber France and BioAmber Canada, accompanied by such opinions of counsel that Lender may reasonably request; (c) not later than June 28, 2013, the California legal opinion of Goodwin Proctor LLP in form and substance satisfactory to Lender; and (d) such other documentation as Lender may reasonably require in connection with any of the foregoing in order to effectuate the intent of this Agreement and the other Loan Documents, including, any and all certificates, resolutions, corporate showings, filings, recordations, deeds, instruments and any other deliverables reasonably requested by Lender.

7.20 Borrower shall maintain the proceeds of the Advance in a Deposit Account subject to an Account Control Agreement, and may not transfer the proceeds of the Advance from a Deposit Account subject to an Account Control Agreement to a Deposit Account or Investment account or otherwise not subject to an Account Control Agreement without the prior written consent of Lender.

SECTION 8. EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an Event of Default:

8.1 Payments. Borrower fails to pay any amount due under this Agreement or any of the other Loan Documents on the due date; provided however, that an Event of Default shall not occur on account of a failure to pay due solely to an administrative or operational error of Lender if Borrower had the funds to make the payment when due and makes the payment the Business Day following Borrower's knowledge of such failure to pay; or

8.2 Covenants. Borrower breaches or defaults in the performance of any covenant or Secured Obligation under this Agreement, or any of the other Loan Documents, and (a) with respect to a default under any covenant under this Agreement (other than under Sections 6, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.14, 7.15, 7.16, 7.17, 7.18, 7.19 or 7.20) such default continues for more than fifteen (15) days after the earlier of the date on which (i) Lender has given notice of such default to Borrower and (ii) Borrower has actual knowledge of such default or (b) with respect to a default under any of Sections 6, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.14, 7.15, 7.16, 7.17, 7.18, 7.19 or 7.20, the occurrence of such default; or

8.3 Material Adverse Effect. A circumstance has occurred that would reasonably be expected to have a Material Adverse Effect; or

8.4 Other Loan Documents. The occurrence of any default under any Loan Document or any other agreement between Borrower and Lender and such default continues for more than fifteen (15) days after the earlier of (a) Lender has given notice of such default to Borrower, or (b) Borrower has actual knowledge of such default; or

8.5 Representations. Any representation or warranty made by Borrower in any Loan Document shall have been false or misleading in any material respect; or

8.6 Insolvency. Borrower (A) (i) shall make an assignment for the benefit of creditors; or (ii) shall be unable to pay its debts as they become due, or be unable to pay or perform under the Loan Documents, or shall become insolvent; or (iii) shall file a voluntary petition in bankruptcy; or (iv) shall file any petition, answer, or document seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation pertinent to such circumstances; or (v) shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of Borrower or of all or any substantial part (i.e., 33-1/3% or more) of the assets or property of Borrower; or (vi) shall cease operations of its business as its business has normally been conducted, or terminate substantially all of its employees; or (vii) Borrower or its directors or majority shareholders shall take any action initiating any of the foregoing actions described in clauses (i) through (vi); or (B) either (i) thirty (30) days shall have expired after the commencement of an involuntary action against Borrower seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, without such action

being dismissed or all orders or proceedings thereunder affecting the operations or the business of Borrower being stayed; or (ii) a stay of any such order or proceedings shall thereafter be set aside and the action setting it aside shall not be timely appealed; or (iii) Borrower shall file any answer admitting or not contesting the material allegations of a petition filed against Borrower in any such proceedings; or (iv) the court in which such proceedings are pending shall enter a decree or order granting the relief sought in any such proceedings; or (v) thirty (30) days shall have expired after the appointment, without the consent or acquiescence of Borrower, of any trustee, receiver or liquidator of Borrower or of all or any substantial part of the properties of Borrower without such appointment being vacated or (C) any Insolvency Proceedings against the Borrower; or

8.7 Attachments; Judgments. Any portion of Borrower's assets is attached or seized, or a levy is filed against any such assets, or a judgment or judgments is/are entered for the payment of money, individually or in the aggregate, of at least \$500,000, or Borrower is enjoined or in any way prevented by court order from conducting any part of its business; or

8.8 Other Obligations. The occurrence of any default under any agreement or obligation of Borrower involving any Indebtedness in excess of \$50,000, or the occurrence of any default under any agreement or obligation of Borrower that could reasonably be expected to have a Material Adverse Effect.

SECTION 9. REMEDIES

9.1 General. Upon and during the continuance of any one or more Events of Default, (i) Lender may, at its option, accelerate and demand payment of all or any part of the Secured Obligations together with a Prepayment Charge and declare them to be immediately due and payable (provided, that upon the occurrence of an Event of Default of the type described in Section 8.6, all of the Secured Obligations shall automatically be accelerated and made due and payable, in each case without any further notice or act), and (ii) Lender may notify any of Borrower's account debtors to make payment directly to Lender, compromise the amount of any such account on Borrower's behalf and endorse Lender's name without recourse on any such payment for deposit directly to Lender's account. Lender may exercise all rights and remedies with respect to the Collateral under the Loan Documents or otherwise available to it under the UCC and other applicable law, including the right to release, hold, sell, lease, liquidate, collect, realize upon, or otherwise dispose of all or any part of the Collateral and the right to occupy, utilize, process and commingle the Collateral. All Lender's rights and remedies shall be cumulative and not exclusive.

9.2 Collection; Foreclosure. Upon the occurrence and during the continuance of any Event of Default, Lender may, at any time or from time to time, apply, collect, liquidate, sell in one or more sales, lease or otherwise dispose of, any or all of the Collateral, in its then condition or following any commercially reasonable preparation or processing, in such order as Lender may elect. Any such sale may be made either at public or private sale at its place of business or elsewhere. Borrower agrees that any such public or private sale may occur upon ten (10) calendar days' prior written notice to Borrower.

Lender may require Borrower to assemble the Collateral and make it available to Lender at a place designated by Lender that is reasonably convenient to Lender and Borrower. The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be applied by Lender in the following order of priorities:

First, to Lender in an amount sufficient to pay in full Lender's costs and professionals' and advisors' fees and expenses as described in Section 10.12;

Second, to Lender in an amount equal to the then unpaid amount of the Secured Obligations (including principal, interest, and the Default Rate interest), in such order and priority as Lender may choose in its sole discretion; and

Finally, after the full, final, and indefeasible payment in Cash of all of the Secured Obligations, to any creditor holding a junior Lien on the Collateral, or to Borrower or its representatives or as a court of competent jurisdiction may direct.

Lender shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it complies with the obligations of a secured party under the UCC.

9.3 No Waiver. Lender shall be under no obligation to marshal any of the Collateral for the benefit of Borrower or any other Person, and Borrower expressly waives all rights, if any, to require Lender to marshal any Collateral.

9.4 Cumulative Remedies. The rights, powers and remedies of Lender hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of or election of remedies with respect to any other rights, powers and remedies of Lender.

SECTION 10. MISCELLANEOUS

10.1 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10.2 Notice. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication (including the delivery of Financial Statements) that is required, contemplated, or permitted under the Loan Documents or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by facsimile or hand delivery or delivery by an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States mails, with proper first class postage prepaid, in each case addressed to the party to be notified as follows:

(a) If to Lender:

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer and
400 Hamilton Avenue, Suite 310
Palo Alto, CA 94301
Facsimile : 650-473-9194
Telephone: 650-289-3060

(b) If to Borrower:

BioAmber Inc.
3850 Annapolis Ln N Suite 180
Plymouth, MN 55447
Attention: Chief Financial Officer
Facsimile:
Telephone:

With a copy to :
Mr. Thomas Desbiens, Esq.
Boivin Desbiens Sénécal Letendre LLP
2000, McGill College, Suite 2000
Montreal, Quebec, Canada, H3A 3H3
Facsimile : 514-844-5836
Telephone: 514-844-5468

or to such other address as each party may designate for itself by like notice.

10.3 Entire Agreement; Amendments. This Agreement and the other Loan Documents constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and supersede and replace in their entirety any prior proposals, term sheets, non-disclosure or confidentiality agreements, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof (including Lender's revised proposal letter dated May 6, 2013). None of the terms of this Agreement or any of the other Loan Documents may be amended except by an instrument executed by each of the parties hereto. Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof. This Agreement and the Loan Documents have been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in France, Luxembourg or any other jurisdiction in respect hereof or thereof.

10.4 Guaranty; Waivers.

(a) Guaranty. Each Subsidiary Guarantor unconditionally and irrevocably guarantees to Lender the full and prompt payment when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise) and performance of the Secured Obligations (the "Guaranteed Obligations"). The Guaranteed Obligations include interest that, but for a proceeding under any Insolvency Proceeding, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Borrower for such interest in any such proceeding.

(b) Separate Obligation. Each Subsidiary Guarantor acknowledges and agrees that: (i) the Guaranteed Obligations are separate and distinct from any Indebtedness arising under or in connection with any other document, including under any provision of this Agreement other than this Section 10.4, executed at any time by such Subsidiary Guarantor in favor of Lender; and (ii) such Subsidiary Guarantor shall pay and perform all of the Guaranteed Obligations as required under this Section 10.4, and Lender may enforce any and all of their respective rights and remedies hereunder, without regard to any other document, including any provision of this Agreement other than this Section 10.4, at any time executed by such Subsidiary Guarantor in favor of Lender, irrespective of whether any such other document, or any provision thereof or hereof, shall for any reason become unenforceable or any of the Indebtedness thereunder shall have been discharged, whether by performance, avoidance or otherwise. Each Subsidiary Guarantor acknowledges that, in providing benefits to Borrower, Lender is relying upon the enforceability of this Section 10.4 and the Guaranteed Obligations as separate and distinct Indebtedness of such Subsidiary Guarantor, and each Subsidiary Guarantor agrees that Lender would be denied the full benefit of its bargain if at any time this Section 10.4 or the Guaranteed Obligations were treated any differently. The fact that the guaranty is set forth in this Agreement rather than in a separate guaranty document is for the convenience of Borrower and Subsidiary Guarantors and shall in no way impair or adversely affect the rights or benefits of Lender under this Section 10.4. Each Subsidiary Guarantor agrees to execute and deliver a separate document, immediately upon request at any time of Lender, evidencing such Subsidiary Guarantor's obligations under this Section 10.4. Upon the occurrence of any Event of Default, a separate action or actions may be brought against such Subsidiary Guarantor, whether or not Borrower, any other Subsidiary Guarantor or any other Person is joined therein or a separate action or actions are brought against Borrower, any such other Subsidiary Guarantor or any such other Person.

(c) Limitation of Guaranty. To the extent that any court of competent jurisdiction shall impose by final judgment under applicable Laws (including sections 544 and 548 of the Bankruptcy Code) any limitations on the amount of any Subsidiary Guarantor's liability with respect to the Guaranteed Obligations that Lender can enforce under this Section 10.4, Lender by their acceptance hereof accept such limitation on the amount of such Subsidiary Guarantor's liability hereunder to the extent needed to make this Section 10.4 fully enforceable and nonavoidable.

(d) Liability of Subsidiary Guarantors. The liability of any Subsidiary Guarantor under this Section 10.4 shall be irrevocable, absolute, independent and unconditional, and shall not be affected by any circumstance that might constitute a

discharge of a surety or guarantor other than the indefeasible payment and performance in full of all Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Subsidiary Guarantor agrees as follows:

- (i) such Subsidiary Guarantor's liability hereunder shall be the immediate, direct, and primary obligation of such Subsidiary Guarantor and shall not be contingent upon Lender's exercise or enforcement of any remedy it may have against Borrower or any other Person, or against any collateral or other security for any Guaranteed Obligations;
- (ii) this Guaranty is a guaranty of payment when due and not merely of collectibility;
- (iii) Lender may enforce this Section 10.4 upon the occurrence of an Event of Default notwithstanding the existence of any dispute among Lender, on the one hand, and Borrower or any other Person, on the other hand, with respect to the existence of such Event of Default;
- (iv) such Subsidiary Guarantor's payment of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge such Subsidiary Guarantor's liability for any portion of the Guaranteed Obligations remaining unsatisfied; and
- (v) such Subsidiary Guarantor's liability with respect to the Guaranteed Obligations shall remain in full force and effect without regard to, and shall not be impaired or affected by, nor shall such Subsidiary Guarantor be exonerated or discharged by, any of the following events:
 - (A) any proceeding under any Insolvency Proceeding;
 - (B) any limitation, discharge, or cessation of the liability of Borrower or any other Person for any Guaranteed Obligations due to any statute, regulation or rule of law, or any invalidity or unenforceability in whole or in part of any of the Guaranteed Obligations or the Loan Documents;
 - (C) any merger, acquisition, consolidation or change in structure of Borrower or any Subsidiary Guarantor or any other guarantor or Person, or any sale, lease, transfer or other disposition of any or all of the assets or shares of Borrower or any other Person;
 - (D) any assignment or other transfer, in whole or in part, of Lender's interests in and rights under this Agreement (including this Section 10.4) or the other Loan Documents;
 - (E) any claim, defense, counterclaim or setoff, other than that of prior performance, that Borrower, such Subsidiary Guarantor, any other Guarantor or any other Person may have or assert, including any defense of incapacity or lack of corporate or other authority to execute any of the Loan Documents;

(F) Lender's amendment, modification, renewal, extension, cancellation or surrender of any Loan Document or any Guaranteed Obligations;

(G) Lender's exercise or non exercise of any power, right or remedy with respect to any Guaranteed Obligations or any collateral;

(H) Lender's vote, claim, distribution, election, acceptance, action or inaction in any proceeding under any Bankruptcy Law; or

(I) any other guaranty, whether by such Subsidiary Guarantor or any other Person, of all or any part of the Guaranteed Obligations or any other indebtedness, obligations or liabilities of Borrower to Lender.

(e) Consents of Subsidiary Guarantors. Each Subsidiary Guarantor hereby unconditionally consents and agrees that, without notice to or further assent from such Subsidiary Guarantor:

(i) the principal amount of the Guaranteed Obligations may be increased or decreased and additional indebtedness or obligations of Borrower under the Loan Documents may be incurred and the time, manner, place or terms of any payment under any Loan Document may be extended or changed, by one or more amendments, modifications, renewals or extensions of any Loan Document or otherwise;

(ii) the time for Borrower's (or any other Person's) performance of or compliance with any term, covenant or agreement on its part to be performed or observed under any Loan Document may be extended, or such performance or compliance waived, or failure in or departure from such performance or compliance consented to, all in such manner and upon such terms as Lender (as applicable under the relevant Loan Documents) may deem proper;

(iii) Lender may request and accept other guaranties and may take and hold security as collateral for the Guaranteed Obligations, and may, from time to time, in whole or in part, exchange, sell, surrender, release, subordinate, modify, waive, rescind, compromise or extend such other guaranties or security and may permit or consent to any such action or the result of any such action, and may apply such security and direct the order or manner of sale thereof; and

(iv) Lender may exercise, or waive or otherwise refrain from exercising, any other right, remedy, power or privilege even if the exercise thereof affects or eliminates any right of subrogation or any other right of such Subsidiary Guarantor against Borrower.

(f) **Subsidiary Guarantor's Waivers.** Each Subsidiary Guarantor waives and agrees not to assert:

- (i) any right to require Lender to proceed against Borrower, any other Guarantor or any other Person, or to pursue any other right, remedy, power or privilege of Lender whatsoever;
- (ii) the defense of the statute of limitations in any action hereunder or for the collection or performance of the Guaranteed Obligations;
- (iii) any defense arising by reason of any lack of corporate or other authority or any other defense of Borrower, such Guarantor or any other Person;
- (iv) any defense based upon Lender's errors or omissions in the administration of the Guaranteed Obligations;
- (v) any rights to set offs and counterclaims;
- (vi) without limiting the generality of the foregoing, to the fullest extent permitted by law, any defenses or benefits that may be derived from or afforded by applicable Laws limiting the liability of or exonerating guarantors or sureties, or that may conflict with the terms of this Section 10.4; and
- (vii) any and all notice of the acceptance of this guaranty, and any and all notice of the creation, renewal, modification, extension or accrual of the Guaranteed Obligations, or the reliance by Lender upon this Guaranty, or the exercise of any right, power or privilege hereunder. The Guaranteed Obligations shall conclusively be deemed to have been created, contracted, incurred and permitted to exist in reliance upon this Guaranty. Each Subsidiary Guarantor waives promptness, diligence, presentment, protest, demand for payment, notice of default, dishonor or nonpayment and all other notices to or upon Borrower, each Guarantor or any other Person with respect to the Guaranteed Obligations.

(g) **Financial Condition of Borrower.** No Subsidiary Guarantor shall have any right to require Lender to obtain or disclose any information with respect to: the financial condition or character of Borrower or the ability of Borrower to pay and perform the Guaranteed Obligations; the Guaranteed Obligations; any collateral or other security for any or all of the Guaranteed Obligations; the existence or nonexistence of any other guarantees of all or any part of the Guaranteed Obligations; any action or inaction on the part of Lender or any other Person; or any other matter, fact or occurrence whatsoever. Each Subsidiary Guarantor hereby acknowledges that it has undertaken its own independent investigation of the financial condition of Borrower and all other matters pertaining to this Guaranty and further acknowledges that it is not relying in any manner upon any representation or statement of Lender with respect thereto.

(h) **Subrogation.** Until the Guaranteed Obligations shall be satisfied in full and the Aggregate Commitments shall be terminated, each Subsidiary Guarantor shall not have, and shall not directly or indirectly exercise: (i) any rights that it may acquire by way of subrogation under this Section 10.4, by any payment hereunder or otherwise; (ii) any rights of contribution, indemnification, reimbursement or similar suretyship claims arising out of this Section 10.4; or (iii) any other right that it might otherwise have or

acquire (in any way whatsoever) that could entitle it at any time to share or participate in any right, remedy or security of Lender as against any Borrower or other Guarantors or any other Person, whether in connection with this Section 10.4, any of the other Loan Documents or otherwise. If any amount shall be paid to any Subsidiary Guarantor on account of the foregoing rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of Lender and shall forthwith be paid to Lender to be credited and applied to the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Loan Documents.

(i) Subordination. All payments on account of all indebtedness, liabilities and other obligations of Borrower to any Subsidiary Guarantor, whether now existing or hereafter arising, and whether due or to become due, absolute or contingent, liquidated or unliquidated, determined or undetermined (the "Subsidiary Guarantor Subordinated Indebtedness") shall be subject, subordinate and junior in right of payment and exercise of remedies, to the extent and in the manner set forth herein, to the prior payment in full in cash or cash equivalents of the Guaranteed Obligations. As long as any of the Guaranteed Obligations (other than unasserted contingent indemnification obligations) shall remain outstanding and unpaid, each Subsidiary Guarantor shall not accept or receive any payment or distribution by or on behalf of Borrower or any other Subsidiary Guarantor, directly or indirectly, or assets of Borrower or any other Subsidiary Guarantor, of any kind or character, whether in cash, property or securities, including on account of the purchase, redemption or other acquisition of Subsidiary Guarantor Subordinated Indebtedness, as a result of any collection, sale or other disposition of collateral, or by setoff, exchange or in any other manner, for or on account of the Subsidiary Guarantor Subordinated Indebtedness ("Subsidiary Guarantor Subordinated Indebtedness Payments"), except that, so long as an Event of Default does not then exist, any Subsidiary Guarantor shall be entitled to accept and receive payments on its Subsidiary Guarantor Subordinated Indebtedness, in accordance with past business practices of such Subsidiary Guarantor and Borrower (or any other applicable Subsidiary Guarantor) and not in contravention of any Law or the terms of the Loan Documents.

If any Subsidiary Guarantor Subordinated Indebtedness Payments shall be received in contravention of this Section 10.4, such Subsidiary Guarantor Subordinated Indebtedness Payments shall be held in trust for the benefit of Lender and shall be paid over or delivered to Lender for application to the payment in full in cash or cash equivalents of all Guaranteed Obligations remaining unpaid to the extent necessary to give effect to this Section 10.4 after giving effect to any concurrent payments or distributions to Lender in respect of the Guaranteed Obligations.

(j) Continuing Guaranty. This Guaranty is a continuing guaranty and agreement of subordination and shall continue in effect and be binding upon each Subsidiary Guarantor until termination of the Aggregate Commitments and payment and performance in full of the Guaranteed Obligations, including Guaranteed Obligations which may exist continuously or which may arise from time to time under successive transactions, and each Subsidiary Guarantor expressly acknowledges that this guaranty shall remain in full force and effect notwithstanding that there may be periods in which no Guaranteed

Obligations exist. This Guaranty shall continue in effect and be binding upon each Subsidiary Guarantor until actual receipt by Lender of written notice from such Subsidiary Guarantor of its intention to discontinue this Guaranty as to future transactions (which notice shall not be effective until noon on the day that is five Business Days following such receipt); provided that no revocation or termination of this guaranty shall affect in any way any rights of Lender hereunder with respect to any Guaranteed Obligations arising or outstanding on the date of receipt of such notice, including any subsequent continuation, extension, or renewal thereof, or change in the terms or conditions thereof, or any Guaranteed Obligations made or created after such date to the extent made or created pursuant to a legally binding commitment of Lender in existence as of the date of such revocation (collectively, "Existing Guaranteed Obligations"), and the sole effect of such notice shall be to exclude from this Guaranty Guaranteed Obligations thereafter arising which are unconnected to any Existing Guaranteed Obligations.

(k) Reinstatement. This Guaranty shall continue to be effective or shall be reinstated and revived, as the case may be, if, for any reason, any payment of the Guaranteed Obligations by or on behalf of Borrower (or receipt of any proceeds of collateral) shall be rescinded, invalidated, declared to be fraudulent or preferential, set aside, voided or otherwise required to be repaid to Borrower, its estate, trustee, receiver or any other Person (including under any Bankruptcy Law), or must otherwise be restored by Lender, whether as a result of proceedings under any bankruptcy law or otherwise. All losses, damages, costs and expenses that Lender may suffer or incur as a result of any voided or otherwise set aside payments shall be specifically covered by the indemnity in favor of Lender contained in Section 10.04.

(l) Substantial Benefits. The Advances provided to or for the benefit of Borrower hereunder by Lender have been and are to be contemporaneously used for the benefit of Borrower and each Subsidiary Guarantor and their respective Subsidiaries. It is the position, intent and expectation of the parties that Borrower and each Subsidiary Guarantor have derived and will derive significant and substantial benefits from the Term Loan Advances to be made available by Lender under the Loan Documents. Each Subsidiary Guarantor has received at least "reasonably equivalent value" (as such phrase is used in Section 548 of the Bankruptcy Code and in comparable provisions of other applicable Laws) and more than sufficient consideration to support its obligations hereunder in respect of the Guaranteed Obligations. Immediately prior to and after and giving effect to the incurrence of each Subsidiary Guarantor's obligations under this Guaranty, such Subsidiary Guarantor will be solvent and will not be subject to any Insolvency Proceedings nor meet the conditions to be subject to any Insolvency Proceedings.

(m) KNOWING AND EXPLICIT WAIVERS. EACH SUBSIDIARY GUARANTOR ACKNOWLEDGES THAT IT EITHER HAS OBTAINED THE ADVICE OF LEGAL COUNSEL OR HAS HAD THE OPPORTUNITY TO OBTAIN SUCH ADVICE IN CONNECTION WITH THE TERMS AND PROVISIONS OF THIS SECTION 10.4. EACH SUBSIDIARY GUARANTOR ACKNOWLEDGES AND AGREES THAT EACH OF THE WAIVERS AND CONSENTS SET FORTH HEREIN

IS MADE WITH FULL KNOWLEDGE OF ITS SIGNIFICANCE AND CONSEQUENCES, THAT ALL SUCH WAIVERS AND CONSENTS HEREIN ARE EXPLICIT AND KNOWING AND THAT EACH SUBSIDIARY GUARANTOR EXPECTS SUCH WAIVERS AND CONSENTS TO BE FULLY ENFORCEABLE.

If, while any Subsidiary Guarantor Subordinated Indebtedness is outstanding, any proceeding under any Bankruptcy Law is commenced by or against Borrower or its property, Lender, when so instructed by Lender, is hereby irrevocably authorized and empowered (in the name of Borrower or in the name of any Subsidiary Guarantor or otherwise), but shall have no obligation, to demand, sue for, collect and receive every payment or distribution in respect of all Subsidiary Guarantor Subordinated Indebtedness and give acquittances therefor and to file claims and proofs of claim and take such other action (including voting the Subsidiary Guarantor Subordinated Indebtedness) as it may deem necessary or advisable for the exercise or enforcement of any of the rights or interests of Lender; and each Subsidiary Guarantor shall promptly take such action as Lender may reasonably request: (A) to collect the Subsidiary Guarantor Subordinated Indebtedness for the account of the Borrower and any Subsidiary Guarantor and to file appropriate claims or proofs of claim in respect of the Subsidiary Guarantor Subordinated Indebtedness; (B) to execute and deliver to Lender such powers of attorney, assignments and other instruments as it may request to enable it to enforce any and all claims with respect to the Subsidiary Guarantor Subordinated Indebtedness; and (C) to collect and receive any and all Subsidiary Guarantor Subordinated Indebtedness Payments.

(n) Any payment on account of an amount that is payable hereunder or under any other Loan Document must be made in United States Dollars.

(o) Each Subsidiary Guarantor that is organized outside of the United States shall, at the request of Lender, appoint Corporation Service Company, or other agent reasonably acceptable to Lender, as its agent for the purpose of accepting service of any process in the United States. Each such Subsidiary Guarantor agrees that such service upon receipt by Corporation Service Company or other designated agent (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it.

10.5 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.6 No Waiver. The powers conferred upon Lender by this Agreement are solely to protect its rights hereunder and under the other Loan Documents and its interest in the Collateral and shall not impose any duty upon Lender to exercise any such powers. No omission or delay by Lender at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by Borrower at any time designated, shall be a waiver of any such right or remedy to which Lender is entitled, nor shall it in any way affect the right of Lender to enforce such provisions thereafter.

10.7 Survival. All agreements, representations and warranties contained in this Agreement and the other Loan Documents or in any document delivered pursuant hereto or thereto shall be for the benefit of Lender and shall survive the execution and delivery of this Agreement and the expiration or other termination of this Agreement.

10.8 Successors and Assigns. The provisions of this Agreement and the other Loan Documents shall inure to the benefit of and be binding on Borrower and its permitted assigns (if any). Borrower shall not assign its obligations under this Agreement or any of the other Loan Documents without Lender's express prior written consent, and any such attempted assignment shall be void and of no effect. Lender may assign, transfer, or endorse its rights hereunder and under the other Loan Documents without prior notice to Borrower, and all of such rights shall inure to the benefit of Lender's successors and assigns. The Lender and BioAmber Luxembourg as well as each Luxembourg companies party to Loan Documents hereby expressly accept and confirm, for the purposes of article 1278 of the Luxembourg civil code, that notwithstanding any assignment, transfer and/or novation permitted under, and made in accordance with the provisions of this Agreement, any Security Document given in connection with this Agreement shall be preserved for the benefit of any new Lender.

10.9 Governing Law. This Agreement and the other Loan Documents have been negotiated and delivered to Lender in the State of California, and shall have been accepted by Lender in the State of California. Payment to Lender by Borrower of the Secured Obligations is due in the State of California. This Agreement and the other Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

10.10 Consent to Jurisdiction and Venue. All judicial proceedings (to the extent that the reference requirement of Section 10.9 is not applicable) arising in or under or related to this Agreement or any of the other Loan Documents may be brought in any state or federal court located in the State of California. By execution and delivery of this Agreement, each party hereto generally and unconditionally: (a) consents to nonexclusive personal jurisdiction in Santa Clara County, State of California; (b) waives any objection as to jurisdiction or venue in Santa Clara County, State of California; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement or the other Loan Documents. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the requirements for notice set forth in Section 10.2, and shall be deemed effective and received as set forth in Section 10.2. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

10.11 Mutual Waiver of Jury Trial / Judicial Reference.

(a) Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF BORROWER AND LENDER SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "CLAIMS") ASSERTED BY BORROWER AGAINST LENDER OR ITS ASSIGNEE OR BY LENDER OR ITS ASSIGNEE AGAINST BORROWER. This waiver extends to all such Claims, including Claims that involve Persons other than Borrower and Lender; Claims that arise out of or are in any way connected to the relationship between Borrower and Lender; and any Claims for damages, breach of contract, tort, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement, any other Loan Document.

(b) If the waiver of jury trial set forth in Section 10.11(a) is ineffective or unenforceable, the parties agree that all Claims shall be resolved by reference to a private judge sitting without a jury, pursuant to Code of Civil Procedure Section 638, before a mutually acceptable referee or, if the parties cannot agree, a referee selected by the Presiding Judge of the Santa Clara County, California. Such proceeding shall be conducted in Santa Clara County, California, with California rules of evidence and discovery applicable to such proceeding.

(c) In the event Claims are to be resolved by judicial reference, either party may seek from a court identified in Section 10.10, any prejudgment order, writ or other relief and have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by judicial reference.

10.12 Professional Fees. Borrower promises to pay Lender's fees and expenses necessary to finalize the loan documentation and in connection with Borrower's all post-closing documentation requirements, including but not limited to reasonable attorneys fees, UCC searches, filing costs, and other miscellaneous expenses. If Borrower draws \$25,000,000 on or before June 27, 2013, Lender agrees to apply in its entirety the previously received commitment charge of \$75,000 against the fees and expenses due at closing. In addition, Borrower promises to pay any and all reasonable attorneys' and other professionals' fees and expenses (including fees and expenses of in-house counsel) incurred by Lender after the Closing Date in connection with or related to: (a) the Loan; (b) the administration, collection, or enforcement of the Loan; (c) the amendment or modification of the Loan Documents; (d) any waiver, consent, release, or termination under the Loan Documents; (e) the protection, preservation, sale, lease, liquidation, or disposition of Collateral or the exercise of remedies with respect to the Collateral; (f) any legal, litigation, administrative, arbitration, or out of court proceeding in connection with or related to Borrower or the Collateral, and any appeal or review thereof; and (g) any bankruptcy, restructuring, reorganization, assignment for the benefit of creditors, workout, foreclosure, or other action related to Borrower, the Collateral, the Loan Documents, including representing Lender in any adversary proceeding or contested matter commenced or continued by or on behalf of Borrower's estate, and any appeal or review thereof.

10.13 Confidentiality. Lender acknowledges that certain items of Collateral and information provided to Lender by Borrower are confidential and proprietary information of Borrower, if and to the extent such information either (x) is marked as confidential by Borrower at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Lender agrees that any Confidential Information it may obtain in the course of acquiring, administering, or perfecting Lender's security interest in the Collateral shall not be disclosed to any other person or entity in any manner whatsoever nor used for any purpose other than in connection with the transactions contemplated by this Agreement, in whole or in part, without the prior written consent of Borrower for the duration of this Agreement and for a period of six (6) months thereafter, except that Lender may disclose any such information: (a) to its own directors, officers, employees, accountants, counsel and other professional advisors and to its affiliates if Lender in its sole discretion determines that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this paragraph or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information substantially similar to the terms set forth herein; (b) if such information is generally available to the public without any breach by Lender of its obligations under this Section 10.13; (c) if required or appropriate in any report, statement or testimony submitted to any governmental authority having or claiming to have jurisdiction over Lender; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Lender's counsel; (e) to comply with any legal requirement or law applicable to Lender; (f) to the extent reasonably necessary in connection with the exercise of any right or remedy under any Loan Document, including Lender's sale, lease, or other disposition of Collateral after default; (g) to any participant or assignee of Lender or any prospective participant or assignee; provided, that such participant or assignee or prospective participant or assignee agrees in writing to be bound by this Section prior to disclosure; or (h) otherwise with the prior consent of Borrower; provided, that any disclosure made in violation of this Agreement shall not affect the obligations of Borrower or any of its affiliates or any guarantor under this Agreement or the other Loan Documents.

10.14 Assignment of Rights. Borrower acknowledges and understands that Lender may sell and assign all or part of its interest hereunder and under the Loan Documents to any person or entity (an "Assignee"). After such assignment the term "Lender" as used in the Loan Documents shall mean and include such Assignee, and such Assignee shall be vested with all rights, powers and remedies of Lender hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Lender shall retain all rights, powers and remedies hereby given. No such assignment by Lender shall relieve Borrower of any of its obligations hereunder. Lender agrees that in the event of any transfer by it of the Note(s) (if any), it will endorse thereon a notation as to the portion of the principal of the Note(s), which shall have been paid at the time of such transfer and as to the date to which interest shall have been last paid thereon.

10.15 Revival of Secured Obligations. This Agreement and the Loan Documents shall remain in full force and effect and continue to be effective if any petition is filed by or against Borrower for liquidation or reorganization, if Borrower becomes insolvent or makes an assignment for the benefit of creditors, if a receiver or trustee is appointed for all or any significant part of Borrower's assets, or if any payment or transfer of Collateral is recovered from Lender. The Loan Documents and the Secured Obligations and Collateral security shall continue to be effective, or shall be revived or reinstated, as the case may be, if at any time payment and performance of the Secured Obligations or any transfer of Collateral to Lender, or any part thereof is rescinded, avoided or avoidable, reduced in amount, or must otherwise be restored or returned by, or is recovered from, Lender or by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment, performance, or transfer of Collateral had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, avoided, avoidable, restored, returned, or recovered, the Loan Documents and the Secured Obligations shall be deemed, without any further action or documentation, to have been revived and reinstated except to the extent of the full, final, and indefeasible payment to Lender in Cash.

10.16 Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

10.17 No Third Party Beneficiaries. No provisions of the Loan Documents are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any person other than Lender and Borrower unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions of the Loan Documents will be personal and solely between the Lender and the Borrower.

10.18 Publicity. (a) Borrower consents to the publication and use by Lender and any of its member businesses and affiliates of (i) Borrower's name (including a brief description of the relationship between Borrower and Lender) and logo and a hyperlink to Borrower's web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "Lender Publicity Materials"); (ii) the names of officers of Borrower in the Lender Publicity Materials; and (iii) Borrower's name, trademarks or servicemarks in any news release concerning Lender.

(b) Neither Borrower nor any of its member businesses and affiliates shall, without Lender's consent, publicize or use (i) Lender's name (including a brief description of the relationship between Borrower and Lender), logo or hyperlink to Lender's web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "Borrower Publicity Materials"); (ii) the names of officers of Lender in the Borrower Publicity Materials; and (iii) Lender's name, trademarks, servicemarks in any news release concerning Borrower.

10.19 Luxembourg Guarantee Limitation. (a) Notwithstanding any other provision of this Agreement to the contrary, the payment obligations of BioAmber Luxembourg as well as any Subsidiary Guarantor incorporated in the Luxembourg (the “Luxembourg Guarantor”) for the obligations of any Subsidiary Guarantor which is not a subsidiary of that Luxembourg Guarantor shall be limited at any time, with no double counting, to an aggregate amount not exceeding ninety-five (95) per cent. of the greater of:

(i) the Luxembourg Guarantor’s own funds (capitaux propres) and its subordinated debt (without any double counting of the amounts referred to under (ii) below), as determined by article 34 of the Luxembourg law of 19 December 2002 on the trade and companies register, accounting and companies annual accounts, as amended, as reflected in its last annual accounts available as at the date of this Agreement;

(i) the Luxembourg Guarantor’s own funds (capitaux propres) and its subordinated debt (without any double counting of the amounts referred to under (ii) below), as determined by article 34 of the Luxembourg law of 19 December 2002 on the trade and companies register, accounting and companies annual accounts, as amended, as reflected in its last annual accounts available as at the date the guarantee under this Agreement is called.

(b) The above limitation shall not apply to any amounts borrowed under this Agreement or sourced from the under this Agreement and in each case made available, in any form whatsoever, to such Luxembourg Guarantor or any of its subsidiaries.

(c) The obligations of each Luxembourg Subsidiary Guarantor under this Section 10.19 shall not extend to the guaranteeing of any amount which would breach the prohibition on financial assistance as set out in the Luxembourg law dated 10 August 1915 on commercial companies, as amended and no Luxembourg Guarantor shall make any payment which, if made, would constitute a misuse of corporate assets as referred to under article 171-1 of the Luxembourg law of 10 August, 1915 on commercial companies, as amended.

10.20 Gross-up. All payments whatsoever under this Agreement will be made by the Parent and any Subsidiary Guarantor free and clear of, and without liability for withholding or deduction for or on account of, any present or future taxes of whatever nature imposed or levied on such payments made to Lender by or on behalf of any jurisdiction (other than the jurisdiction in which Lender is resident for tax purposes) (a) in which the Parent or such Subsidiary Guarantor is incorporated, organized, managed or controlled or otherwise resides for tax purposes or (b) where a branch or office through which the Parent or such Subsidiary is acting for purposes of this Agreement is located or from or through which the Parent or such Subsidiary is making any payment (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a “Taxing Jurisdiction”), unless the withholding or deduction of such tax is compelled by law.

If any deduction or withholding for any tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Parent or such Subsidiary under this Agreement or the other Loan Documents, the Subsidiary Guarantor, or the Parent, as the case

may be, will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to Lender such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of this Agreement or the other Loan Documents after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to Lender under the terms of this Agreement or the other Loan Documents before the assessment of such tax, *provided* that no payment of any additional amounts shall be required to be made:

(a) for or on account of any tax that would not have been imposed but for the existence of any present or former connection between Lender and the Taxing Jurisdiction, other than the mere providing of the Advance or the receipt of payments or the enforcement of remedies thereunder or in respect thereof, including, without limitation, Lender being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, *provided* that this exclusion shall not apply with respect to a tax that would not have been imposed but for the Subsidiary Guarantor or the Parent, as applicable, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which payments on account of this Agreement or the other Loan Documents are made to, the Taxing Jurisdiction imposing the relevant tax;

(b) for or on account of any estate, inheritance, gift, sale, transfer, personal property or similar tax assessment or other governmental charge; or

(c) any combination of clauses (a) and (b) above.

If any payment is made by the Subsidiary Guarantor or the Parent to or for the account of the Lender after deduction for or on account of any taxes, and increased payments are made by the Subsidiary Guarantor or the Parent pursuant to this Section 10.20, then, if Lender in its discretion (acting reasonably) determines that it has received or been granted a refund of, or received the benefit of any credit or allowance with respect to such taxes, Lender shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, credit or allowance, reimburse to the Subsidiary Guarantor or the Parent such amount as Lender shall, in its discretion (acting reasonably), determine to be attributable to the relevant taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the Lender to arrange its tax affairs in whatever manner it thinks fit and, in particular, Lender shall not be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (b) above) oblige any Lender to disclose any information relating to its tax affairs or any computations in respect thereof.

The Subsidiary Guarantor or the Parent will furnish to Lender promptly and in any event within 60 days after the date of any payment by the Subsidiary Guarantor or the Parent of any tax in respect of any amounts paid under this Agreement or the other Loan Documents, the original tax receipt (or a certificate of tax deducted) issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt (or a certificate of tax deducted) is not available or must legally be kept in the possession of the

Subsidiary Guarantor or the Parent, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by Lender.

If the Subsidiary Guarantor or the Parent is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any tax in respect of which any Subsidiary Guarantor or the Parent would be required to pay any additional amount under this Section 10.20, but for any reason does not make such deduction or withholding with the result that a liability in respect of such tax is assessed directly against the Lender, and Lender pays such liability, then such Subsidiary Guarantor or the Parent will promptly reimburse Lender for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by such Subsidiary Guarantor or the Parent) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If the Subsidiary Guarantor or the Parent makes payment to or for the account of Lender and Lender is entitled to a refund of or credit or allowance with respect to the tax to which such payment is attributable upon the making of a filing (a Form), then Lender shall, as soon as practicable after receiving written request from such Subsidiary Guarantor or the Parent (which shall specify in reasonable detail and supply the refund, credit and/or allowance forms to be filed) use reasonable efforts to complete and deliver such refund, credit and/or allowance forms to or as directed by such Subsidiary Guarantor or the Parent.

The obligations of each Subsidiary Guarantor and the Parent under this Section 10.20 shall survive the payment or transfer of any Note and the provisions of this Section 10.20 shall also apply to assignees of Lender.

Section 10.21. Obligations to make payments in U.S. Dollars. Any payment on account of an amount that is payable hereunder or under any Loan Document in Dollars which is made to or for the account of Lender in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Parent, Subsidiary Guarantor or any other Subsidiary, shall constitute a discharge of the obligation of the Borrower under this Agreement and the other Loan Documents only to the extent of the amount of Dollars which Lender could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Dollars that could be so purchased is less than the amount of Dollars originally due to Lender, Borrower agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Loan Documents or under any judgment or order. As used herein the term "London Banking Day" shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

(SIGNATURES TO FOLLOW)

IN WITNESS WHEREOF, Borrower and Lender have duly executed and delivered this Loan and Security Agreement as of the day and year first above written.

BORROWER:

BIOAMBER INC.

Signature: /s/ Andrew P. Ashworth

Print Name: Andrew P. Ashworth

Title: Chief Financial Officer

Accepted in Palo Alto, California:

LENDER:

HERCULES TECHNOLOGY GROWTH CAPITAL, INC.

Signature: /s/ K. Nicholas Martitsch

Print Name: K. Nicholas Martitsch

Title: Associate General Counsel

Certification

I, Jean-François Huc, President and Chief Executive Officer of BioAmber Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2013 of BioAmber Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. [Intentionally omitted];
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2013

By: /s/ Jean-François Huc
Jean-François Huc
President and Chief Executive Officer
(Principal Executive Officer)

Certification

I, Andrew Ashworth, Chief Financial Officer of BioAmber Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2013 of BioAmber Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. [Intentionally omitted];
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2013

By: /s/ Andrew Ashworth
Andrew Ashworth
Chief Financial Officer
(Principal Financial Officer)

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

In connection with the quarterly report on Form 10-Q of BioAmber Inc. (the "Company") for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jean-François Huc, President and Chief Executive Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- 1) the Report which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2013

By: /s/ Jean-François Huc
Jean-François Huc
President and Chief Executive Officer
(Principal Executive Officer)

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

In connection with the quarterly report on Form 10-Q of BioAmber Inc. (the "Company") for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Ashworth, Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- 1) the Report which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2013

By: /s/ Andrew Ashworth
Andrew Ashworth
Chief Financial Officer
(Principal Financial Officer)