

RiceBran Technologies
Form 10-Q
May 16, 2016

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

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

For the quarterly period ended March 31, 2016

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 0-32565

RiceBran Technologies
(Exact Name of Registrant as Specified in its Charter)

California 87-0673375
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

6720 North Scottsdale Road, Suite 390 85253
Scottsdale, AZ (Zip Code)
(Address of Principal Executive Offices)

Issuer's telephone number, including area code: (602) 522-3000

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 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

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Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of May 13, 2016, shares of the registrant's common stock outstanding totaled 10,496,339.

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Cautionary Note about 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. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, any projections of earnings, revenue, liquidity or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements concerning proposed new services, products or developments; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words “may,” “could,” “will,” “estimate,” “intend,” “contingent,” “believe,” “expect” or “anticipate” or other similar words. The forward-looking statements contained herein reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Actual results may differ materially from those projected in such forward-looking statements due to a number of factors, risks and uncertainties, including the factors that may affect future results set forth in this Current Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2015. We disclaim any obligation to update any forward looking statements as a result of developments occurring after the date of this quarterly report.

Unless the context requires otherwise, references to “we,” “us,” “our” and “the Company” refer to RiceBran Technologies, and its consolidated subsidiaries.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

RiceBran Technologies
Condensed Consolidated Statements of Operations
Three Months Ended March 31, 2016 and 2015
(Unaudited) (in thousands, except share and per share amounts)

	2016	2015
Revenues	\$ 10,051	\$ 9,659
Cost of goods sold	7,814	8,605
Gross profit	2,237	1,054
Operating expenses:		
Selling, general and administrative	3,379	3,487
Depreciation and amortization	348	505
Total operating expenses	3,727	3,992
Loss from operations	(1,490)	(2,938)
Other income (expense):		
Interest income	33	49
Interest expense - accreted on debt	(292)	(208)
Interest expense - other	(799)	(591)
Change in fair value of derivative warrant liabilities	811	173
Gain on resolution of Irgovel purchase litigation	1,598	-
Foreign currency exchange, net	66	(219)
Other income	1	157
Other expense	(66)	(75)
Total other income (expense)	1,352	(714)
Loss before income taxes	(138)	(3,652)
Income tax benefit	-	6
Net loss	(138)	(3,646)
Net loss attributable to noncontrolling interest in Nutra SA	438	644
Net income (loss) attributable to RiceBran Technologies shareholders	\$ 300	\$(3,002)
Dividends on preferred stock-beneficial conversion feature	(551)	-
Net loss attributable to RiceBran Technologies common shareholders	\$(251)	\$(3,002)
Loss per share attributable to RiceBran Technologies common shareholders		
Basic	\$(0.03)	\$(0.33)
Diluted	\$(0.03)	\$(0.33)
Weighted average number of shares outstanding		
Basic	9,215,684	9,154,134
Diluted	9,215,684	9,154,134

See Notes to Unaudited Financial Statements

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RiceBran Technologies

Condensed Consolidated Statements of Comprehensive Income (Loss)

Three Months Ended March 31, 2016 and 2015

(Unaudited) (in thousands)

	2016	2015
Net loss	\$(138)	\$(3,646)
Other comprehensive income (loss) - foreign currency translation, net of tax	446	(1,417)
Comprehensive income (loss), net of tax	308	(5,063)
Comprehensive loss attributable to noncontrolling interest, net of tax	293	1,125
Total comprehensive income (loss) attributable to RiceBran Technologies shareholders	\$601	\$(3,938)

See Notes to Unaudited Financial Statements

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RiceBran Technologies
 Condensed Consolidated Balance Sheets
 March 31, 2016 (Unaudited) and December 31, 2015
 (in thousands, except share amounts)

	March 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,326	\$ 1,070
Restricted cash	-	1,921
Accounts receivable, net of allowance for doubtful accounts of \$547 and \$512 (variable interest entity restricted \$995 and \$1,003)	2,741	2,169
Inventories	4,313	3,857
Operating taxes recoverable	910	809
Deposits and other current assets	929	895
Total current assets	11,219	10,721
Property, net (variable interest entity restricted \$2,235 and \$2,102)	19,065	18,328
Goodwill	3,510	3,258
Intangible assets, net	944	1,225
Other long-term assets	118	103
Total assets	\$ 34,856	\$ 33,635
LIABILITIES, TEMPORARY EQUITY AND EQUITY		
Current liabilities:		
Accounts payable	\$ 2,218	\$ 2,514
Accrued salary, wages and benefits	2,741	2,325
Accrued expenses	3,607	4,789
Current maturities of debt (variable interest entity nonrecourse \$3,025 and \$2,750)	6,449	5,050
Total current liabilities	15,015	14,678
Long-term debt, less current portion (variable interest entity nonrecourse \$3,856 and \$3,553)		