

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 8, 2018

YIELD10 BIOSCIENCE, INC.

(Exact Name of Registrant as Specified in Its Charter)

DELAWARE

(State or Other Jurisdiction of Incorporation)

001-33133

(Commission File Number)

04-3158289

(IRS Employer Identification No.)

19 Presidential Way, Woburn, Massachusetts

(Address of Principal Executive Offices)

01801

(Zip Code)

(617) 583-1700

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

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Item 2.02 Results Of Operations and Financial Condition.

On March 8, 2018, Yield10 Bioscience, Inc. issued a press release announcing the financial results for its fiscal year ended December 31, 2017. A copy of the press release is attached hereto as Exhibit 99.1. This information, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|------------------------|---|
| 99.1 | Press Release dated March 8, 2018 announcing financial results for year ending December 31, 2017. |

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.

YIELD10 BIOSCIENCE, INC.

Date: March 8, 2018

By: /s/ Oliver P. Peoples
Oliver P. Peoples
President & Chief Executive Officer



Yield10 Bioscience Announces Fourth Quarter and Full Year 2017 Financial Results

WOBURN, Mass. - March 8, 2018 - Yield10 Bioscience, Inc. (NASDAQ:YTEN), a Company developing new technologies to achieve step-change improvements in crop yield to enhance global food security, today reported financial results for the three months and full year ended December 31, 2017.

“In 2017, our team delivered a series of achievements reflecting our commitment to build Yield10 into a leader in agricultural innovation based on the development of novel crop yield traits,” said Oliver P. Peoples, Ph.D., President and Chief Executive Officer of Yield10. “Recent highlights among our achievements for the year include the completion of successful field tests for our novel yield trait gene C3003 in Canada; signing a research license with Monsanto Company for evaluation of C3003 in soybean; designing new pathways for oil biosynthesis using genome editing technology in oilseed crops; and strengthening our balance sheet following the completion of a public offering in December.”

“We expect the momentum to continue in 2018, as permitting is currently underway for field tests of C3003 planned to begin at sites in Canada in the second quarter. These field tests are designed to evaluate versions of C3003 in Camelina, canola and soybean. We seek to advance research around traits and combinations of traits accessible through genome editing as an innovative approach to boosting oil content in specialty oilseed crops. Yield10 also plans to make further investments in our technology platform and capabilities to drive new discoveries and identification of novel traits and trait stacks to improve crop performance. We will also focus on signing licenses and establishing collaborations with industry players to expand the evaluation of our traits in food and feed crops.”

Recent Highlights

Non-Exclusive Research License with Monsanto Company

In December 2017, Yield10 announced that it has granted a non-exclusive research license to Monsanto Company to evaluate its novel C3003 and C3004 yield traits in soybean. Under the license, Monsanto plans to research both traits within its soybean pipeline as a strategy to improve plant yields. Derived from algae, C3003 represents the lead plant trait in Yield10's portfolio of traits in development. C3004, another trait, is believed to play a role in carbon partitioning. Monsanto plans to conduct research with C3003 and C3004 individually and in combination to evaluate the effectiveness of this trait stack.

December 2017 Underwritten Public Offering

On December 21, 2017, the Company announced the closing of an underwritten public offering, with net proceeds of approximately \$13.1 million after deducting underwriting discounts and commissions and other estimated offering expenses, including full exercise of the underwriters' overallotment option. In the transaction, the Company issued and sold 4,667,000 Class A Units, priced at \$2.25 per unit, with each unit consisting of one share of common stock; a five-year warrant to purchase one

share of common stock at an exercise price of \$2.25 per share; a nine-month warrant to purchase 0.5 share of common stock at an exercise price of \$2.25 per share; and 3,987 Class B Units, priced at \$1,000 per unit, with each unit consisting of one share of Series A preferred stock convertible into 445 shares of common stock at a conversion price of \$2.25; five-year warrants to purchase 445 shares of common stock with an exercise price of \$2.25 per share; and nine-month warrants to purchase 223 shares of common stock with an exercise price of \$2.25 per share.

As of March 5, 2018, holders of 3,879 (97%) shares out of the 3,987 initially issued shares of Series A preferred stock have elected to convert their shares into 1,724,000 shares of common stock. Following such conversions, 9,865,355 shares of common stock and 108 (3%) shares of Series A preferred stock remain outstanding.

FULL YEAR AND FOURTH QUARTER 2017 FINANCIAL OVERVIEW

Yield10 Bioscience is managed with an emphasis on cash flow and deploys its financial resources in a disciplined manner to achieve its key strategic objectives. The Company ended 2017 with \$14.5 million in unrestricted cash and cash equivalents. The Company's net cash used in operating activities during 2017 was \$8.2 million, which was a decrease of \$6.2 million from the \$14.4 million used for operating activities during 2016. The decrease in net cash used for operating activities during the year ended December 31, 2017 was primarily a result of the Company's strategic decision to discontinue its biopolymer operations and initiate a strategic restructuring during the third quarter of 2016. The restructuring included a significant reduction in the Company's workforce, termination of long-term biopolymer manufacturing agreements and a general reduction in operating costs across many categories related to the former biopolymer operations. During 2017, the Company experienced a full year of cost reductions associated with the restructuring, partially offset by certain restructuring payments that carried over into 2017, such as manufacturing contract termination costs and employee severance.

The Company anticipates net cash usage of approximately \$8.5 million to \$9.0 million during 2018, including anticipated payments of \$0.5 million during the first half of 2018 for final restructuring costs. During the three months ended December 31, 2017, the Company completed a public offering of its securities and raised net proceeds from the transaction of approximately \$13.1 million, net of offering costs. As a result of raising these additional funds, the Company anticipates that its current cash resources will be sufficient to fund operations and meet its obligations for at least the next twelve months.

Continuing Operations

For the year ending December 31, 2017, the Company reported a net loss applicable to common shareholders from continuing operations of \$10.8 million, or \$3.29 per share. This loss includes a \$1.4 million adjustment related to the accounting for a deemed dividend from a beneficial conversion feature recorded in connection with the Series A convertible preferred stock issued in the December 2017 financing. The Company reported a net loss from continuing operations of \$9.2 million, or \$3.30 per share, for 2016.

Total research grant revenue from continuing operations for the full year 2017 was \$0.9 million, compared to \$1.2 million recorded in the prior year. Research and development expenses for continuing operations were \$4.6 million in 2017, compared to \$5.7 million for 2016. General and administrative expenses for continuing operations were \$5.6 million and \$5.7 million for the years ended December 31, 2017 and 2016, respectively.

The Company reported a net loss applicable to common shareholders from continuing operations of \$4.0 million, or \$0.99 per share, for the fourth quarter of 2017, compared to a net loss of \$1.6 million, or \$0.56 per share, for the fourth quarter of 2016.

Total research grant revenue in the fourth quarter of 2017 was \$0.1 million, compared to \$0.3 million for the comparable quarter in 2016.

In the fourth quarter of 2017, research and development expenses were \$1.2 million, and general and administrative expenses totaled \$1.4 million. This compares to \$1.1 million of research and development expenses and \$0.8 million of general and administrative expenses in the fourth quarter of 2016.

Discontinued Operations

In July 2016, the Board of Directors of the Company approved a strategic restructuring plan under which Yield10 Bioscience became the Company's core business. As a result of this strategic shift, the Company sold its biopolymer intellectual property along with certain equipment and inventory during its third quarter of 2016 for approximately \$10.0 million in a transaction that met the requirements for discontinued operations reporting. The Company's condensed consolidated statements of operations for the three and twelve months ended December 31, 2016 have therefore been prepared to reflect the Company's former biopolymer operations as a discontinued operation. Since none of the sold intellectual property was previously capitalized, the gain on the sale of these assets contributed to the Company reporting net income and net income per share from discontinued operations of \$1.6 million and \$0.57, respectively, for the year ended December 31, 2016. The Company did not have further involvement in the operations of the discontinued biopolymer business during 2017.

Conference Call Information

Yield10 Bioscience management will host a conference call today at 4:30 p.m. (ET) to discuss the year-end and fourth quarter results. The Company also will provide an update on the business and answer questions from the investor community. A live webcast of the call with slides can be accessed through the Company's website at www.yield10bio.com in the investor relations section. To participate in the call, dial toll-free 877-709-8150 or 201-689-8354 (international).

To listen to a telephonic replay of the conference call, dial toll-free 877-660-6853 or 201-612-7415 (international) and enter pass code 13676737. The replay will be available for 14 days. In addition, the webcast will be archived on the Company's website in the investor relations section.

About Yield10 Bioscience

Yield10 Bioscience, Inc. is focused on developing new technologies to achieve step-change improvements in crop yield to enhance global food security. Yield10 has an extensive track record of innovation based around optimizing the flow of carbon in living systems. Yield10 is leveraging its technology platforms and unique knowledge base to design precise alterations to gene activity and the flow of carbon in plants to produce higher yields with lower inputs of land, water or fertilizer. Yield10 is advancing several yield traits it has developed in crops such as Camelina, canola, soybean and rice. Yield10 is headquartered in Woburn, MA and has an Oilseeds center of excellence in Saskatoon, Canada.

For more information visit www.yield10bio.com

(YTEN-E)

Safe Harbor for Forward-Looking Statements

This press release contains forward-looking statements which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements in this release do not constitute guarantees of future performance. Investors are cautioned that statements in this press release which are not strictly historical statements, including, without limitation, expectations regarding Yield10's research and development, collaborations, intellectual property, the reproducibility of data from field tests, the translation of yield improvements from Camelina to other crops, the potential to produce improvements in seed yield and oil content, the timing of completion of additional greenhouse and field test studies, the signing of research licenses and collaborations, and value creation as well as the Company's cash position, cash forecasts, and progress of Yield10 Bioscience, Inc., constitute forward-looking statements. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated, including the risks and uncertainties detailed in Yield10 Bioscience's filings with the Securities and Exchange Commission. Yield10 Bioscience assumes no obligation to update any forward-looking information contained in this press release or with respect to the announcements described herein.

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(FINANCIAL TABLES FOLLOW)

YIELD10 BIOSCIENCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED
(In thousands, except share and per share amounts)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|--|------------------------------------|-------------------|-------------------------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Revenue: | | | | |
| Grant revenue | \$ 104 | \$ 341 | \$ 944 | \$ 1,159 |
| Total revenue | 104 | 341 | 944 | 1,159 |
| Expenses: | | | | |
| Research and development | 1,218 | 1,148 | 4,597 | 5,670 |
| General and administrative | 1,415 | 786 | 5,630 | 5,737 |
| Total expenses | 2,633 | 1,934 | 10,227 | 11,407 |
| Loss from continuing operations | (2,529) | (1,593) | (9,283) | (10,248) |
| Other income (expense), net | (23) | (34) | (113) | (38) |
| Net loss from continuing operations before income tax benefit | (2,552) | (1,627) | (9,396) | (10,286) |
| Income tax benefit | — | 55 | — | 1,097 |
| Net loss from continuing operations | (2,552) | (1,572) | (9,396) | (9,189) |
| Discontinued operations | | | | |
| Income (loss) from discontinued operations | — | (522) | — | 2,682 |
| Income tax benefit (provision) | — | 162 | — | (1,097) |
| Total net (loss) income from discontinued operations | — | (360) | — | 1,585 |
| Net loss | <u>\$ (2,552)</u> | <u>\$ (1,932)</u> | <u>\$ (9,396)</u> | <u>\$ (7,604)</u> |
| Loss attributable to common shareholders and loss per common share: | | | | |
| Net loss | \$ (2,552) | \$ (1,932) | \$ (9,396) | \$ (7,604) |
| Deemed dividend on Series A Preferred Stock issuance | (1,427) | — | (1,427) | — |
| Net loss attributable to common shareholders | <u>\$ (3,979)</u> | <u>\$ (1,932)</u> | <u>\$ (10,823)</u> | <u>\$ (7,604)</u> |
| Basic and Diluted net loss per share: | | | | |
| Net loss from continuing operations | \$ (0.99) | \$ (0.56) | \$ (3.29) | \$ (3.30) |
| Net (loss) income from discontinued operations | — | (0.12) | — | 0.57 |
| Net loss per share | <u>\$ (0.99)</u> | <u>\$ (0.68)</u> | <u>\$ (3.29)</u> | <u>\$ (2.73)</u> |
| Number of shares used in per share calculations: | | | | |
| Basic & Diluted | 4,040,156 | 2,828,790 | 3,288,618 | 2,781,185 |

YIELD10 BIOSCIENCE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED
(In thousands, except share and per share amounts)

| | December 31, 2017 | December 31, 2016 |
|---|----------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 14,487 | \$ 7,309 |
| Accounts receivable | 54 | 66 |
| Due from related parties | — | 1 |
| Unbilled receivables | 65 | 121 |
| Prepaid expenses and other current assets | 311 | 363 |
| Total current assets | 14,917 | 7,860 |
| Restricted cash | 317 | 432 |
| Property and equipment, net | 1,539 | 1,739 |
| Deferred equity financing costs | — | 622 |
| Other assets | 109 | 95 |
| Total assets | \$ 16,882 | \$ 10,748 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities: | | |
| Accounts payable | \$ 76 | \$ 56 |
| Accrued expenses | 2,299 | 2,702 |
| Total current liabilities | 2,375 | 2,758 |
| Lease incentive obligation, net of current portion | 1,005 | 1,132 |
| Contract termination obligation, net of current portion | — | 489 |
| Total liabilities | 3,380 | 4,379 |
| Commitments and contingencies | | |
| Stockholders' Equity: | | |
| Series A Convertible Preferred stock (\$0.01 par value per share); 5,000,000 authorized at December 31, 2017 and 2016, respectively; 1,826 and zero shares issued and outstanding at December 31, 2017 and 2016, respectively | 818 | — |
| Common stock (\$0.01 par value per share); 40,000,000 shares and 250,000,000 shares authorized at December 31, 2017 and 2016, respectively; 9,089,159 and 2,834,244 shares issued and outstanding at December 31, 2017 and 2016, respectively | 91 | 28 |
| Additional paid-in capital | 355,431 | 339,782 |
| Accumulated other comprehensive loss | (85) | (84) |
| Accumulated deficit | (342,753) | (333,357) |
| Total stockholders' equity | 13,502 | 6,369 |
| Total liabilities and stockholders' equity | \$ 16,882 | \$ 10,748 |

YIELD10 BIOSCIENCE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED
(In thousands)

| | Years Ended December 31, | |
|---|--------------------------|------------|
| | 2017 | 2016 |
| Cash flows from operating activities | | |
| Net loss | \$ (9,396) | \$ (7,604) |
| Adjustments to reconcile net loss to cash used in operating activities: | | |
| Depreciation | 206 | 515 |
| Expense for 401(k) company common stock match | 85 | 281 |
| Stock-based compensation | 1,395 | 848 |
| Inventory impairment | — | 199 |
| Gain on sale of discontinued operation and property and equipment | — | (9,833) |
| Non-cash restructuring expense paid through stock and equipment | — | 196 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 12 | 172 |
| Due from related parties | 1 | 145 |
| Unbilled receivables | 56 | 29 |
| Inventory | — | 180 |
| Prepaid expenses and other assets | 660 | 1,302 |
| Accounts payable | 17 | (51) |
| Accrued expenses | (622) | (845) |
| Contract termination obligation and other long-term liabilities | (616) | 339 |
| Deferred revenue | — | (277) |
| Net cash used in operating activities | (8,202) | (14,404) |
| Cash flows from investing activities | | |
| Purchase of property and equipment | (6) | (752) |
| Proceeds from sale of discontinued operation and property and equipment | — | 10,317 |
| Change in restricted cash | 115 | 187 |
| Net cash provided by investing activities | 109 | 9,752 |
| Cash flows from financing activities | | |
| Proceeds from private placement offering, net of issuance costs | 1,966 | — |
| Proceeds from public stock offering, net of issuance costs | 13,318 | — |
| Taxes paid on employees' behalf related to vesting of stock awards | (12) | (296) |
| Net cash provided by (used in) financing activities | 15,272 | (296) |
| Effect of exchange rate changes on cash and cash equivalents | (1) | (12) |
| Net increase (decrease) in cash and cash equivalents | 7,178 | (4,960) |
| Cash and cash equivalents at beginning of period | 7,309 | 12,269 |
| Cash and cash equivalents at end of period | \$ 14,487 | \$ 7,309 |
| Supplemental Cash Flow Disclosure: | | |
| Interest paid | \$ 116 | \$ 45 |
| Supplemental Disclosure of Non-cash Information: | | |
| Write-off of deferred financing costs related to Aspire stock purchase agreement | \$ (450) | \$ — |
| Stock offering costs remaining in accounts payable and accrued expenses | \$ 221 | \$ — |
| Deemed dividend related to Series A Preferred Stock beneficial conversion feature | \$ 1,427 | \$ — |
| Lease incentive paid by lessor | \$ — | \$ 1,332 |
| Transfer of equipment to settle contractual liability | \$ — | \$ 111 |
| Issuance of common stock to settle contractual liability | \$ — | \$ 85 |